

Liquidator's Progress Report**Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986****S.192**

To the Registrar of Companies

Company Number

00360284

Name of Company

(a) Insert full name of
company

(a) Freeport

(b) Insert full name(s)
and address(es)I/We (b) Zelf Hussain and Rob Lewis of PricewaterhouseCoopers LLP
7 More London, Riverside, London, SE1 2RTthe liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986The Progress Report covers the period from 12 November 2014 to
11 November 2015

MONDAY



Signed

Date 21 December 2015

Presenter's name,
address and
reference
(if any)Conor Beatty
PwC, Waterfront Plaza, 8 Laganbank Road, Belfast, BT1 3LR



First progress report to members & creditors

21 December 2015

Company **Freeport - in liquidation**

Registered Number **00360284**

Registered address **7 More London, Riverside, London, SE1 2RT**

Type of Insolvency **Creditors' Voluntary Liquidation**

Date of Appointment **12 November 2014**

Appointees **Zelf Hussain and Rob Lewis**

Address **PricewaterhouseCoopers LLP
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR**

Dividends	Final p in £
Preferential	No preferential creditors
Unsecured	Not known

Freeport – in Creditors Voluntary Liquidation (“the Company”)

Report to Members & Creditors

In accordance with Rule 4.49C of the Insolvency Rules 1986 (IR86”), this is the liquidators’ first progress report to members and all known creditors. Attached at Appendix A is a summary of the financial information relating to the liquidation.

Asset Realisations

The Company’s assets have been realised as follows -

	Actual realisations £	Estimated to realise per the statement of affairs £
Assets specifically pledged	Nil	Nil
Assets not specifically pledged	Nil	Nil
Pre appointment bank balance	46,777 21	Nil
	<u>46,777 21</u>	<u>Nil</u>

The liquidators have realised funds from a pre appointment bank account of £46,777 21

The Company is an unlimited company whose sole shareholder is CEREP UK Investment D GP Limited, itself in liquidation. Due to the Company’s unlimited status it has a potential claim for the shortfall to its creditors against its shareholder. However, the liquidation of CEREP UK Investments D GP Limited has no assets and no dividend will be payable to its unsecured creditors and the shareholders claim therefore has no value.

Other matters

The liquidators have completed all the necessary statutory and compliance matters within the Liquidation including the initial letters and notifications at the outset of the Liquidation and reporting to the Insolvency Service in respect of the Directors’ conduct. The liquidators also agreed to novate a number of trademarks to other companies within the wider Carlyle Group which were of no value to the Company.

During the period, the liquidators were approached by a former director of the Company in relation to three employee benefit trusts that the Company had previously provided funds to in respect of certain former directors/employees. The liquidators were requested to assist in discussions with and a submission to HMRC in relation to the tax affairs of the trust, which could ultimately reduce the level of any claim from HMRC in the liquidation. The liquidators sought specialist advice and entered into correspondence with HMRC on the matter.

Following this advice, the main issue was HMRC’s requirement that the Company produce Corporation Tax computations for the accounting periods covered by the fiscal years under a proposed settlement. The Liquidators did not have access to such returns or to the information needed to produce such computations, and any such work would have required significant time inputs without the guarantee of any benefit to the Company.

Ultimately, with the agreement of the former director, the liquidators concluded that no further inputs were required in respect of this issue

Outcome for Creditors

Secured creditors

The Directors have confirmed that there are no secured creditors

Preferential creditors

There will not be any dividend to preferential creditors as none exist within the liquidation

Unsecured creditors

The Liquidators think a dividend may be payable to the unsecured creditors based on what they know currently, however the quantum (if any) and timing are not yet known as it will be dependent on the costs of the liquidation and level of unsecured creditor claims made

Investigations

As part of discharging their duties under the Company Directors' Disqualification Act 1986, the liquidators have reviewed the affairs of the Company prior to liquidation

The liquidators have complied with their statutory obligation to consider the directors' conduct and have submitted a return/report to the Insolvency Service

Professional Advisers

The liquidators have not used any professional advisers during the Liquidation

Liquidators' remuneration

At the first meeting of creditors held on 12 November 2014 a resolution was passed to enable the joint liquidators to draw remuneration by reference to the time properly given by the liquidators and their staff in attending to the matters arising in the winding up

To 11 November 2015, the Liquidators have incurred time costs of £21,441.90, representing 66.8 hours at an average hourly rate of £320.99

As the Company was not expected to realise any assets, the Statement of Affairs fees and the Joint Liquidators timecosts, along with the Statement of Affairs fees and timecosts of a number of other connected liquidation appointments undertaken by the Joint Liquidators have been guaranteed by CEREP Investment I Sarl, a Luxembourg registered entity under the same ultimate control as the Company within the Carlyle Group. Funds were deposited with PwC at the time of the liquidation. However, as funds have been realised in this case, the liquidators may draw their current and future liquidation fees from these funds

Routine work in the liquidation has been carried out by junior staff to maximise value. They have been supervised by senior staff and the liquidators. Any complex or significant matters have been dealt with by senior staff and the liquidators

Details of the time costs incurred during the periods referred to above by work category, are attached at appendix B

As with all professional firms, our rates increase from time to time PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structure Following the passing of the fee resolution on 12 November 2014 the charge out rates were increased on 1 July 2015 Full details of the charge out rates charged to this case from these dates are included at appendix B Specialist departments within PricewaterhouseCoopers LLP, such as tax, VAT, property and pensions, sometimes charge a small number of hours Their rates vary, but, the figures indicate the maximum rate per hour

Liquidators' disbursements

Category 1 disbursements

The liquidators' have incurred disbursements of £40 during the period to 11 December 2015 No funds been drawn in this respect

Category 2 disbursements

The liquidators' current disbursements policy, as approved by the creditors, is as follows

- 1 Photocopying for circulars or any other bulk copying is charged at 3p per sheet,
- 2 Mileage – this is reimbursed at a maximum of 67p per mile (up to 2,000cc) and 80p per mile (over 2,000cc)

The liquidators not incurred any Category 2 disbursements

Statement of expenses

The following expenses have been incurred during the period of the report

Category	Amount (£)
Office holder pre-appointment fees	15,000 00
Office holder post appointment fees	21,441 90
Bonding	225 00
Advertising	152 00

Additional information

Any creditor has the right to request further information from the liquidators with regard to any part of this report (Rule 4 49E IR1986), in addition, should any creditor consider the liquidators' remuneration and disbursements to be excessive or inappropriate, they have the right to challenge the amounts in accordance with Rule 4 131 IR86 This information can also be found at

[http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors%20guides/2015/guide to liquidators fees oct 2015 ashx](http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors%20guides/2015/guide%20to%20liquidators%20fees%20oct%202015%20ashx)

A copy (free of charge) can be obtained by telephoning Conor Beatty on 028 9041 5669

Freeport – In Liquidation
Summary of Financial Information as at 11 November 2015

	Receipts & payments from 12.11.14 to 11.12.15 £	Estimated future transactions £	Estimated total outcome £	Directors' statement of affairs £
Receipts				
Pie appointment bank balance	46,777 21	Nil	46,777 21	Nil
Interest	6 85	Nil	6 85	Nil
	<u>46,784 06</u>	<u>Nil</u>	<u>46,784 06</u>	<u>Nil</u>
Payments				
Office holders' remuneration	Nil	TBC	TBC	
	<u>Nil</u>	<u>TBC</u>	<u>TBC</u>	
Net funds	<u>46,784.06</u>	<u>TBC</u>	<u>TBC</u>	

The funds are held in an interest bearing bank account

Case name Freeport - CVL

Analysis of time costs for the period from 12 Nov 2014 to 11 Nov 2015

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	-	-	-	1 10	1 00	0 50	-	2 60	810 00	311 54
2 Secured creditors	-	-	-	-	-	-	-	-	-	-
3 Trading	-	-	-	-	-	-	-	-	-	-
4 Assets	1 00	-	0 75	8 00	-	1 85	-	11 60	4,088 50	352 46
5 Investigations	-	-	-	1 10	-	7 00	-	8 10	1,483 00	183 09
6 Creditors	-	4 50	1 00	1 75	12 00	0 25	-	19 50	9,174 25	470 47
7 Accounting and treasury	-	-	-	0 20	1 85	0 95	-	3 00	586 75	195 58
8 Statutory and compliance	-	-	0 30	7 05	-	9 25	1 85	18 45	4,215 90	228 50
9 Tax & VAT	-	-	1 15	1 15	-	1 25	-	3 55	1,083 50	305 21
Total for the period	1 0	4 5	3 2	20 4	14 9	21 1	1 9	66 80	21,441 90	320 99
Brought forward at 11 Nov 2014										
Total								66 80	21,441 90	

Work undertaken

Key areas of work for the periods 12 November 2014 to 11 November 2015

The key areas have been

Assets

- Realisation of pre appointment bank balance and discussions on treatment of within the liquidation, and
- Novation of trademarks

Investigations

- Reporting to the Insolvency Service in respect of the Directors' conduct

Creditors

- Dealing with creditor claims, and
- Discussion and correspondence with former director and HMRC in respect of employee benefit trust issue, including seeking specialist advice

Statutory and compliance

- Initial letters and notifications, including to HMRC
- Liaising with Directors
- Case management and case reviews

Tax and VAT

- Discussions with HMRC in respect of VAT position of the Company and required notices
- Discussions with HMRC in respect of EPS submission

Time charging policy

Set out below are the relevant maximum charge-out rates per hour worked for the grades of the Administrators' staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs.

Grade	Prior to 1 July 2015 £	From 1 July 2015 £
Partner	795	825
Director	695	725
Senior manager	540	550
Manager	460	470
Senior associate – qualified	380	390
Senior associate – unqualified	285	290
Associate	240	245
Support staff	120	123

Specialist departments within the Administrators' firm such as Tax, VAT, Property and Pensions may charge a small number of hours if and when the Administrators require their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

Grade	Prior to 1 July 2015 £	From 1 July 2015 £
Partner	1,130	1,190
Director	1,040	1,095
Senior Manager	875	835
Manager	630	605
Senior associate – qualified / consultant	465	445
Senior associate – unqualified	265	280
Associate	225	240

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time chargeable is three minutes (i.e. 0.5 units).