



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 1 8 2 7 1 8 5

Company name in full DIMENSION DATA ADVANCED INFRASTRUCTURE LIMITED

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) JANE

Surname STEER

### 3 Administrator's address

Building name/number CENTRAL SQUARE

Street 29 WELLINGTON STREET

Post town LEEDS

County/Region WEST YORKSHIRE

Postcode L S 1 4 D L

Country UNITED KINGDOM

### 4 Administrator's name ①

Full forename(s) PETER DAVID

Surname DICKENS

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 1

Street HARDMAN SQUARE

Post town MANCHESTER

County/Region

Postcode M 3 3 E B


Country UNITED KINGDOM

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

<b>6</b>										<b>Period of progress report</b>											
From date		d	1	d	2	m	0	m	7	y	2	y	0	y	2	y	1				
To date		d	1	d	1	m	0	m	1	y	2	y	0	y	2	y	2				
<b>7</b>										<b>Progress report</b>											
										<input checked="" type="checkbox"/> I attach a copy of the progress report											
<b>8</b>										<b>Sign and date</b>											
Administrator's signature		Signature 																X			
Signature date		d	0	d	2	m	0	m	2	y	2	y	0	y	2	y	2				

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **SARA MYERS**

Company name **PWC LLP**

Address **CENTRAL SQUARE**

**29 WELLINGTON STREET**

Post town **LEEDS**

County/Region **WEST YORKSHIRE**

Postcode 

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Country **UNITED KINGDOM**

DX

Telephone

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

**All information on this form will appear on the public record.**

**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Further information**

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# Joint administrators' progress report from 12 July 2021 to 11 January 2022

**Dimension Data Advanced Infrastructure Limited**  
(in administration)

In the High Court of Justice

Business and Property Courts in Manchester

Insolvency and Companies List (ChD)

Case no. 2642 of 2018

02 February 2022

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This report has been prepared by Peter David Dickens and Jane Steer as Joint Administrators of Dimension Data Advanced Infrastructure Limited, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at [www.pwc.co.uk/ddai](http://www.pwc.co.uk/ddai)

*Peter David Dickens and Jane Steer have been appointed as Joint Administrators of Dimension Data Advanced Infrastructure Limited to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>*

*The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the [PwC.co.uk](http://PwC.co.uk) website or by contacting the Joint Administrators.*

# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report

Abbreviation or definition	Meaning
<b>Company/DDAI</b>	Dimension Data Advanced Infrastructure Limited (in administration)
<b>Administrators/we/us/our</b>	Peter David Dickens and Jane Steer, both of PwC (from 30 November 2021) Peter David Dickens and Toby Scott Underwood, both of PwC (to 30 November 2021)
<b>Firm/PwC</b>	PricewaterhouseCoopers LLP
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>IA86</b>	Insolvency Act 1986
<b>Sch.B1 IA86</b>	Schedule B1 to the Insolvency Act 1986
<b>the Bank</b>	HSBC Bank plc, secured creditor
<b>Group</b>	Members of the NTT Limited group
<b>Proposals</b>	Our proposals to creditors dated 5 September 2018 and deemed approved on 17 September 2018
<b>Category 2 Debtors</b>	Build contracts in material dispute with customer (pre dating administration)
<b>Category 3 Debtors</b>	Other build contracts (the majority of these projects having completed and entered retention periods prior to administration)
<b>HMRC</b>	HM Revenue & Customs
<b>Prescribed part</b>	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
<b>Secured creditors</b>	Creditors with security in respect of their debt, in accordance with section 248 IA86
<b>Preferential creditors</b>	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
<b>SIP</b>	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
<b>SIP 2</b>	Statement of Insolvency Practice 2: Investigations by office holders in administration and insolvent liquidations
<b>SIP 9</b>	Statement of Insolvency Practice 9: Remuneration of insolvency office holders
<b>SIP 13</b>	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
<b>Unsecured creditors</b>	Creditors who are neither secured nor preferential

# Key messages

## Why we've sent you this report

I'm writing to update you on the progress of the administration of the Company in the six months since our last report dated 9 August 2021.

You can still view our earlier reports on our website at [www.pwc.co.uk/ddai](http://www.pwc.co.uk/ddai). Please get in touch with Sara Myers on 0113 289 4566 or at [sara.myers@pwc.com](mailto:sara.myers@pwc.com) if you need any of the passwords to access the reports..

## How much creditors may receive

The following table summarises the possible outcome for creditors, based on what we currently know.

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
<b>Secured creditors</b>	c 2.9 (paid)	Uncertain
<b>Preferential creditors</b>	100 (paid)	100 (paid)
<b>Unsecured creditors</b>	14.2 (paid)	c. 16

### Secured creditors

The debt due to the secured creditor totalled c£17m, during the period of this report two distributions totalling £502k were made to the Bank under the terms of its floating charge security. As previously reported it was anticipated that the secured creditor may only recover a proportion of its debt from the administration. No further distributions to the Bank are anticipated.

Further details regarding the secured creditor, and the joint and several liability of a Group company, were included in our Proposals, which are available on our website at [www.pwc.co.uk/ddai](http://www.pwc.co.uk/ddai).

### Preferential creditors

A first and final dividend of 100p in the £ was declared to the preferential creditors on 27 March 2020 and paid shortly thereafter.

### Unsecured creditors

As previously advised, the directors' Statement of Affairs indicated that the Company had 175 unsecured trade creditors with claims totalling c.£3m.

During the period of this report we issued notice of intention to declare a first and final dividend to unsecured creditors setting the final date for proving claims as 23 September 2021. In total we received 164 unsecured claims (including employees) totalling c.£5.2m, which includes a number of claims from creditors who were not listed on the Statement of Affairs. Of the received claims, 156 claims totalling c£3.7m were admitted for dividend purposes and 8 claims totalling c.£1.5m were rejected.

The funds available for distribution to unsecured creditors from the prescribed part were the statutory maximum of £600k. After deducting our costs for dealing with the prescribed part of £70k, a first and final prescribed part dividend of 14.2 pence in the £ was declared on 23 November 2021, with the payments to the admitted unsecured creditors being issued shortly thereafter.

There will be no further funds available for distribution to the unsecured creditors.

## What you need to do

This report is for your information and you don't need to do anything.

# Progress since we last reported

When we last reported, the other main outstanding matters in the administration were as follows:

- Deal with VAT compliance matters;
- Agree unsecured creditor claims, calculate the prescribed part and distribute any funds available; and
- Make a distribution to the secured creditor.

An update on these matters is set out below, together with details of additional work done in the period of this report. Creditors should refer to our previous reports should they require any further details on the work done in previous periods.

## Debtor recoveries

### *Category 2 & 3 Debtor Recoveries*

During the period of this report we received the final expected debtor settlement of £75k, bringing the total category 2 & 3 debtor recoveries to c.£818k plus VAT. No further recoveries are anticipated.

## Sale of tax losses

As previously reported the pre-appointment tax losses incurred by the Company to 11 July 2018 were surrendered to the wider Group for the benefit of the administration. The consideration for the surrender of the losses was to be determined by the shortfall under the prescribed part, as any realisation over and above this would only reduce the shortfall due to the secured creditor, which will ultimately be paid by Group under the cross guarantee position. Further details regarding the secured creditor, and the joint and several liability of Group, were included in our Proposals, which are available on the website.

Following the completion of the debtor recoveries and finalisation of the costs and expenses of the administration, it was determined that the amount due from Group in consideration for the tax losses (based on the amount required to top up the prescribed part to the statutory maximum of £600k) would be £471k.

## Agreeing mechanism for the distribution of funds to the secured creditor

Following completion of the matters included in this section, it was calculated that surplus funds of £502k would become available for distribution to the secured creditor under the terms of its floating charge.

The debt due to the secured creditor was subject to a Net Overdraft Facility which other members of the Group were jointly and severally liable. As a result of this joint and several liability, on appointment, the Bank agreed to hold funds from Group of a value sufficient to discharge its debt in full. These funds were to be held until such time as the distribution from the Company in administration had been completed and the Bank's ultimate shortfall could be determined. The final shortfall would determine the amount to be released from the funds held to the Group.

In light of the Group funds held by the Bank, any funds distribution made by the Company to the Bank would ultimately be returned to the Group by the Bank. To avoid the circular flow of funds (Group paying the prescribed part top up, the Company making a distribution to the Bank, the Bank discharging its shortfall from the Group funds and returning funds equivalent to the distribution to Group) a set off agreement was agreed. Under the terms of the agreement, the tax loss sale consideration of £471k was deemed to have been received from Group and a corresponding distribution for the same amount paid to the Bank, with the Bank being entitled to receive the funds for the distribution from the Group funds it held.

## Connected party transactions

In accordance with SIP 13, we are required to disclose any known connected party transactions that occurred in the period following our appointment, or any proposed connected party transactions.

As noted above, during the period of this report, £471k was determined as being due from Dimension Data Holdings Limited, a Group company, in consideration for the surrender of the Company's pre-appointment tax losses to the wider Group. The tax losses could not be sold to a third party and the level of consideration (determined by the



shortfall under the prescribed part) was deemed appropriate, as any realisation over and above that amount would only reduce the shortfall due to the secured creditor, which will ultimately be paid by Group under the cross guarantee position.

## **Pre appointment insurance matters**

Our insurers have confirmed that all pre-appointment insurance claims are now closed. No further recoveries will be received by the estate..

## **Employees**

During the period we continued to retain the services of one former employee who provided support to the administrators. As all realisations have now been completed and the final distributions made to creditors, we do not anticipate any further work being completed by the former employee.

## **Investigations and actions**

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and SIP 2.

## **Statutory and compliance matters**

During the period we have continued to comply with our statutory duties as administrators and dealing with the Company's VAT affairs. We also continue to deal with any other incidental tasks associated with achieving the purpose of the administration and subsequently bringing it to an end.

## **Changes of administrator**

Toby Underwood, one of the previous joint administrators, has retired from the Firm. To make sure that outstanding issues in the administration continue to be pursued, an application was made to the Court to remove him and appoint Jane Steer as administrator. Jane Steer is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The application was granted and so Jane Steer replaced Toby Underwood as joint administrator with effect from 30 November 2021. In accordance with the Order Toby Underwood received his release from all liability in respect of his conduct as administrator with effect from 28 days from the advertisement of the Order, published on 13 December 2021.

## **Our receipts and payments account**

We set out in Appendix A an account of our receipts and payments in the administration from 12 July 2021 to 11 January 2022.

## **Our expenses**

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

## **Our fees**

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

## **Creditors' rights**

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en>

You can also get a copy free of charge by telephoning Sara Myers on 0113 289 4566 or by emailing [sara.myers@pwc.com](mailto:sara.myers@pwc.com)

## What we still need to do

We remain in office to conclude the following:

- Deal with the remaining costs and expenses of the administration;
- Deal with any dividend re-issues and unclaimed dividends paid to the unsecured creditors; and
- Prepare and issue the administrators final report.

## Next steps

We expect to send our next report to creditors at the end of the administration. If you have any questions, please get in touch with Sara Myers on 0113 289 4566 or by emailing [sara.myers@pwc.com](mailto:sara.myers@pwc.com).

Yours faithfully  
For and on behalf of the Company



Jane Steer  
Joint administrator

# Appendix A: Receipts and payments

## Non trading account

Statement of Affairs	Notes	12 July 2018 to 11 July 2021 £	12 July 2021 to 11 January 2022 £	12 July 2018 to 11 January 2022 £
<b>£ Floating Charge Receipts</b>				
21,000 Fixed Assets	1	-	-	-
75,000 Stock		93,961.00	-	93,961.00
190 Cash in hand		204.84	-	204.84
Bank interest		21,423.50	8.11	21,431.61
Group Funding		1,997,330.71	-	1,997,330.71
Uncertain Trade debtors		2,148,715.61	75,000.00	2,223,715.61
45,000 Other debtors		321,158.32	-	321,158.32
Insurance settlement		2,500.00	-	2,500.00
Sale of tax losses	2	-	470,732.00	470,732.00
Third Party Funds	3	187,966.82	-	187,966.82
<b>141,190 Total Floating Charge Receipts</b>		<b>4,773,260.80</b>	<b>545,740.11</b>	<b>5,319,000.91</b>
<b>Floating Charge Payments</b>				
Landlord rent		23,078.69	-	23,078.69
Property- Rates		18,511.63	-	18,511.63
Property- Heat & Light		5,904.30	-	5,904.30
Motor & travel expenses		1,995.21	-	1,995.21
Insurance		16,771.71	-	16,771.71
Duress/Settlement payments		952,140.77	-	952,140.77
Repairs & Maintenance		7,387.57	-	7,387.57
General overheads		23,406.88	-	23,406.88
Agents fees & expenses		3,972.06	-	3,972.06
Legal fees & expenses		1,138,665.57	53,447.21	1,192,112.78
Group Funding		17,560.00	-	17,560.00
Postal redirection		169.21	-	169.21
Storage		28,598.71	-	28,598.71
Statutory Advertising		75.00	87.00	162.00
Corporation tax		2,036.59	-	2,036.59
Office holder's - Pre-Appointment Costs		26,539.00	-	26,539.00
Office holder's remuneration		663,461.00	185,000.00	848,461.00
Wages & Salaries, PAYE/NIC & Pension Deductions		500,747.31	-	500,747.31
Employee/Subcontractor Costs & Expenses		270,154.27	500.00	270,654.27
Finance/ Bank interest & Charges		331.69	-	331.69
Property/Asset expenses		115.22	-	115.22
Third Party Funds	3	187,966.82	-	187,966.82
<b>Total Floating Charge Payments</b>		<b>3,889,589.21</b>	<b>239,034.21</b>	<b>4,128,623.42</b>
Distributions				
Secured Creditor - c2.9p in the £	2	-	502,073.00	502,073.00
Preferential Creditors - £100 p in the £	4	90,988.12	-	90,988.12
Unsecured Creditors - £14.2 p in the £	5	-	530,000.00	530,000.00
<b>Total Distributions</b>		<b>90,988.12</b>	<b>1,032,073.00</b>	<b>1,123,061.12</b>
VAT Control Account		65,339.21	(37,729.60)	27,609.61
<b>Total net floating charge realisations</b>		<b>858,022.68</b>	<b>(763,096.70)</b>	<b>94,925.98</b>
<b>Total Net Floating Charge Realisations</b>		<b>858,022.68</b>	<b>(763,096.70)</b>	<b>94,925.98</b>
<b>Total Net Trading Position</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash at Bank</b>	6	<b>858,022.68</b>	<b>(763,096.70)</b>	<b>94,925.98</b>

## Trading account

Notes	12 July 2018 to 11 July 2021 £	12 July 2021 to 11 January 2022 £	12 July 2018 to 11 January 2022 £
<b>Receipts</b>			
Trade debtors	394,058.86	-	394,058.86
Third Party- Contribution to Trading Costs	82,988.83	-	82,988.83
Group Funding	297,344.12	-	297,344.12
<b>Total Trading Receipts</b>	<b>774,391.81</b>	<b>-</b>	<b>774,391.81</b>
<b>Payments</b>			
Subcontractors	11,597.17	-	11,597.17
Landlord rent	4,880.02	-	4,880.02
Property- Rates	3,077.76	-	3,077.76
Property- Heat & Light	808.61	-	808.61
Motor & travel expenses	10,410.35	-	10,410.35
Insurance	9,905.63	-	9,905.63
Duress payments	216,537.68	-	216,537.68
Repairs & Maintenance	367.70	-	367.70
General overhead	1,354.63	-	1,354.63
Legal fees & expenses	9,857.75	-	9,857.75
Property/Asset expenses	24.36	-	24.36
Wages & Salaries, PAYE/NIC & Pension Deductions	320,431.21	-	320,431.21
Employee/Subcontractor Costs & Expenses	185,138.94	-	185,138.94
<b>Total Trading Payments</b>	<b>774,391.81</b>	<b>-</b>	<b>774,391.81</b>
<b>VAT Control Account</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Net Trading Position</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Notes to non-trading and trading account

1. There are no fixed assets with a realisable value ( i.e. leasehold property, fixtures and fittings).
2. To avoid the circular flow of funds (Group paying the consideration due for the tax losses, the Company making a distribution to the Bank, the Bank discharging its remaining debt from Group funds it held and returning funds equivalent to the distribution to Group) a set off agreement was agreed.
- Under the terms of the agreement, the sales consideration of £471k was deemed to have been received from Group and a corresponding distribution for the same amount paid to the Bank. A further cash distribution of £31k was paid from the administration.
3. Third party funds relate to funds received into the administration account due to another Group company.
4. 100p in the £ dividend was declared to the preferential creditors on 27 March 2020 and paid shortly thereafter.
5. 14.2p in the £ dividend was declared to the unsecured creditors on 23 November 2021 and paid shortly thereafter.
6. The balance held as at 11 January 2022 is held in the joint administrators non-interest bearing bank account..
7. The receipts and payments account shows the amounts paid in the period and the total to date. There have been no payments made to us, our firm, or our associates other than from the insolvent estate as shown in the receipts and payments account provided above.

# Appendix B: Expenses

Expenses are amounts properly payable by us as administrators from the estate, but excludes our fees and distributions to creditors.

These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP 9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the secured and preferential creditors) also have the responsibility for agreeing the policies for payment of Category 2 expenses.

The following table provides a breakdown of the Category 2 expenses have been incurred by us as administrators or our associates, together with details of the Category 1 disbursements that have been incurred by PwC and will be recharged to the case during the period of this report:

Category	Costs incurred by	Policy	Costs incurred £
2	PwC	<b>Photocopying</b> - up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	64.45
2	PwC	<b>Mileage</b> - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	PWC	<b>Postage</b>	177.84
1	PWC	<b>Storage</b>	7,384.20
<b>Total</b>			<b>7,626.49</b>

The expense policy set out above has been approved by the secured and preferential creditors.

The table below provides details of the expenses incurred in the administration and should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

Nature of expense	Expenses incurred to 11 July 2021 (£)	Expenses incurred in the period (£)	Expenses incurred to 11 January 2022 (£)	Estimated Future (£)	Estimated Total (£)	Initial Estimate (£)	Variance (£)
<b>Non trading expenses</b>							
Property expenses	54,997	-	54,997	-	54,997	59,997	(5,000)
Motor & travel expenses	1,995	-	1,995	-	1,995	1,995	-
Insurance	16,772	-	16,772	-	16,772	26,438	(9,666)
Duress/Settlement payment (Note 1)	952,141	-	952,141	-	952,141	27,141	925,000
Subcontractors	270,155	500	270,655	-	270,655	Uncertain	-
Agents fees & expenses	3,972	-	3,972	-	3,972	3,972	-
Legal fees & expenses	1,199,590	53,447	1,253,037	-	1,253,037	Uncertain	-
Statutory advertising	75	87	162	-	162	225	(63)
General overheads	23,406	-	23,406	-	23,406	27,982	(4,576)
Wages, PAYE/NIC and Pension	500,747	-	500,747	-	500,747	500,747	-
Bank charges	333	-	333	-	333	540	(207)
Corporation Tax	2,037	-	2,037	-	2,037	-	2,037
Office holder's time costs (Note 2)	1,242,441	62,612	1,305,052	17,500	1,322,552	1,002,033	320,519
Office holder's expenses	6,758	242	7,001	-	7,001	Uncertain	-
Pre administration costs	26,539	-	26,539	-	26,539	26,539	-
Storage costs	51,160	7,384	58,544	-	58,544	21,547	36,997
Postal redirection	169	-	169	-	169	169	-
<b>Total</b>	<b>4,353,287</b>	<b>124,272</b>	<b>4,477,559</b>	<b>17,500</b>	<b>4,495,059</b>	<b>Uncertain</b>	<b>1,265,041</b>
<b>Trading expenses</b>							
Property expenses	9,158	-	9,158	-	9,158	9,158	-
Motor & travel expenses	10,410	-	10,410	-	10,410	10,410	-
Insurance	9,906	-	9,906	-	9,906	240	9,666
Duress payment	216,538	-	216,538	-	216,538	216,538	-
Subcontractors	196,736	-	196,736	-	196,736	193,120	3,616
Legal fees & expenses	9,858	-	9,858	-	9,858	9,858	-
General overheads	1,355	-	1,355	-	1,355	1,179	176
Wages, PAYE/NIC and Pension	320,431	-	320,431	-	320,431	320,431	-
<b>Total (Note 3)</b>	<b>774,392</b>	<b>-</b>	<b>774,392</b>	<b>-</b>	<b>774,392</b>	<b>760,934</b>	<b>-</b>
<b>Total expenses (excl VAT)*</b>	<b>5,127,679</b>	<b>124,272</b>	<b>5,251,951</b>	<b>17,500</b>	<b>5,269,451</b>	<b>Uncertain</b>	

#### Notes

1 - Duress/Settlement payment - The variance as against initial estimate arises from a cost of settlement which was covered by the indemnity/funding provided by Group, with no net impact on the administration estate.

2 - Office holders' time costs - Due to the additional costs dealing with various aspects of the administration whilst we progressed the debt collection exercises, including the statutory and compliance matters, the unsecured claims agreement work and the continued liaising with key stakeholders in relation to the strategy for the administration, our time costs have exceeded our fee estimate. Whilst further costs will continue to be incurred, we will not be seeking further approval from the fee approving body to draw fees above the fee estimate, and the fees we draw will not exceed the amount approved by creditors on 6 January 2020 following issuance of our remuneration report on 18 December 2019.

3 - Trading expenses - The Company has been indemnified by Group in respect of certain legal and subcontractor costs and Group. The receipts and payments account at Appendix A reflects the reallocation of Group's funding to cover the losses incurred on the trading contract.

# Appendix C: Remuneration update

Our fees were approved on a time costs basis by the secured and preferential creditors. In line with the approval given, to date we have drawn fees of £848,461 plus VAT on account of our time costs incurred

Since our appointment we have incurred time costs of £1,305,051 to 11 January 2022, of which £62,612 was incurred in the six months to 11 January 2022. The level of time costs incurred does not necessarily reflect how much we will eventually draw as fees for this period.

Our time costs have exceeded our fees estimate set out in our remuneration report dated 18 December 2019, due to the additional costs dealing with various aspects of the administration whilst we continued to progress the realisation of the debt collection and other assets; these additional costs have included the statutory and compliance matters, the unsecured claims agreement work and the additional costs incurred liaising with key stakeholders in relation to the strategy for the administration. Whilst further costs will continue to be incurred, we will not be seeking further approval from the fee approving body to draw fees above the initial fee estimate of £1,002,033.

We set out in the table below an analysis of time incurred in the period and a comparison with our initial fees estimate. We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

## Our hours and average rates

### Period 12 July 2021 to 11 January 2022

Category of Work	Hours						Total hours Time cost £		Average hourly rate £
	Partner	Director	Senior Manager	Manager	Senior Associates	Associates / Other			
Assets	3.75	-	-	3.00	0.50	-	7.25	4,918	678
Creditors	3.50	0.30	8.90	0.40	47.25	3.00	63.35	30,018	474
Statutory & Compliance	8.25	-	2.65	0.20	2.90	0.20	14.20	10,299	725
Administration	-	-	0.25	0.60	9.95	7.45	18.25	6,701	367
Tax & VAT	-	-	2.85	2.70	2.55	14.35	22.45	10,675	476
<b>Total</b>	<b>15.50</b>	<b>0.30</b>	<b>14.65</b>	<b>6.90</b>	<b>63.15</b>	<b>25.00</b>	<b>125.50</b>	<b>62,610</b>	<b>499</b>

### Comparison of our total costs to 11 January 2022 with our fee estimate

Category of work	FEE ESTIMATE			ACTUAL TO 11 JANUARY 2022			Variance Hours Variance Time costs (£)	
	Hours	Fees estimate (£)	Average hourly rate (£/hour)	Hours incurred	Time costs incurred (£)	Average hourly rate (£/hour)		
Assets	402	152,266	379	436	181,613	417	(15)	(29,347)
Creditors	311	88,614	285	455	149,962	330	(19)	(61,348)
Employees & Pensions	381	133,191	349	341	108,865	319	62	24,326
Trading	808	255,357	316	608	259,101	426	382	(3,744)
Statutory & Compliance	521	185,674	357	793	249,939	315	206	(64,265)
Administration	191	64,345	337	393	158,280	403	(212)	(93,935)
Tax & VAT	276	122,586	444	433	197,292	455	(179)	(74,706)
<b>Total</b>	<b>2,889</b>	<b>1,002,033</b>	<b>347</b>	<b>3,459</b>	<b>1,305,051</b>	<b>377</b>	<b>(570)</b>	<b>(303,018)</b>

As mentioned above, whilst we have exceeded our fee estimate and further costs will continue to be incurred, we will not be seeking further approval from the fee approving body to draw fees above the fee estimate.

## Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex, or important matters of exceptional responsibility, are handled by our senior staff or us.

All of our staff who work on the administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administration.

Grade	Insolvency Staff	Specialist Staff	
	From 1 July 2021 £	From 1 September 2020 £	From 1 July 2021 £
<b>Partner</b>	875	1,600	1,680
<b>Director</b>	740	1,465	1,540
<b>Senior Manager</b>	625	1,355	1,425
<b>Manager</b>	525	815	860
<b>Senior Associate</b>	425	605	640
<b>Associate</b>	280	325	345
<b>Support Staff</b>	130	230	190

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases. .

## Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.



## Our work in the period

Earlier in this section we included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Assets</b>	<ul style="list-style-type: none"> <li>• Liaising with our solicitors and specialist advisors in relation to the settlement of the remaining debtor</li> <li>• Liaising with Group in relation to the consideration due for the sale of the tax losses</li> </ul>	<ul style="list-style-type: none"> <li>• To maximise recoveries for the administration</li> </ul>	<ul style="list-style-type: none"> <li>• Maximise realisations for creditors</li> </ul>
<b>Creditors</b>	<ul style="list-style-type: none"> <li>• Receiving and following up creditor enquiries via telephone, email and post</li> <li>• Reviewing and preparing correspondence to creditors and their representatives</li> <li>• Receipting and filing proofs of debt on our creditor managements systems</li> <li>• Responding to secured creditors' and key stakeholder queries and providing ad hoc updates</li> <li>• Inviting unsecured creditors to submit claim in the estate</li> <li>• Review and adjudication of unsecured creditor claims</li> <li>• Advertising intention to declare dividend</li> <li>• Calculating prescribed part value, dividend rate and preparing dividend file</li> <li>• Declaring and paying dividend to unsecured creditors</li> <li>• Dealing with unclaimed dividends</li> <li>• Dealing set off agreement with Group and Bank, and paying distributions to the secured creditor</li> </ul>	<ul style="list-style-type: none"> <li>• To keep creditors informed of the progress of the Administration</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory requirement</li> </ul>
<b>Statutory and compliance</b>	<ul style="list-style-type: none"> <li>• Conducting case reviews every six months</li> <li>• Preparing and issuing the six monthly progress reports to creditors and the Registrar</li> <li>• Updating checklists and internal diary management system</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory and regulatory requirement</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute</li> </ul>
<b>Administration</b>	<ul style="list-style-type: none"> <li>• Dealing with receipts, payments and journals</li> <li>• Sanction checks before making payment to any third parties</li> <li>• Payment of the distribution to creditors and dealing with re-issued dividend payments</li> <li>• Carrying out bank reconciliations and</li> </ul>	<ul style="list-style-type: none"> <li>• Proper and efficient accounting for administration funds</li> <li>• To enable the proper functioning of the Company's administration bank account</li> <li>• To establish the level of funds available to</li> </ul>	<ul style="list-style-type: none"> <li>• Statutory requirements and ensures good stewardship of estate funds</li> <li>• To efficiently plan for the extension and closure of the case</li> </ul>

	<ul style="list-style-type: none"> <li>managing investment of funds</li> <li>Monitoring progress against key strategy and adjusting strategy where necessary</li> <li>Holding team meetings and discussions regarding status of administration</li> <li>Monitoring progression of the administration against key targets for areas of the administration, such as finalisation of asset realisations, dealing with key claims, employee matters and statutory requirements</li> </ul>	<ul style="list-style-type: none"> <li>creditors</li> <li>To ensure orderly management and progression of the case in a cost effective manner</li> </ul>	
<b>Tax &amp; VAT</b>	<ul style="list-style-type: none"> <li>Preparation and submission of post-appointment VAT returns on a quarterly basis including and associated VAT bad debt relief claims</li> <li>Preparation and submission of VAT deregistration submission and liaising with HMRC regarding the deregistration</li> </ul>	<ul style="list-style-type: none"> <li>To ensure compliance with statutory tax &amp; VAT obligations to HMRC</li> </ul>	<ul style="list-style-type: none"> <li>Submission of VAT and tax returns are statutory duties</li> </ul>

## Our future work

We still need to do the following work to achieve the purpose of administration.

Area of work	Work we need to do	Estimated cost £*	Whether or not the work will provide a financial benefit to creditors
<b>Creditors</b>	<ul style="list-style-type: none"> <li>Liaising with creditors regarding any queries they have in relation to the distribution or administration</li> <li>Dealing with unclaimed dividends</li> </ul>	<ul style="list-style-type: none"> <li>£2,500</li> </ul>	<ul style="list-style-type: none"> <li>To ensure creditors are provided with the necessary information</li> </ul>
<b>Statutory &amp; compliance</b>	<ul style="list-style-type: none"> <li>Preparing and issuing periodic progress reports to creditors and registrar</li> <li>Preparing closure document including the final progress report and filing the notice of move to dissolution with the Registrar</li> <li>Issuing ceasing to act notices to pensions schemes</li> <li>Maintaining the website and uploading creditor updates</li> <li>Closing internal systems and databases</li> <li>Sending job files to storage</li> </ul>	<ul style="list-style-type: none"> <li>£12,000</li> </ul>	<ul style="list-style-type: none"> <li>Statutory duties of the administrators</li> </ul>
<b>Administration</b>	<ul style="list-style-type: none"> <li>Dealing with receipts, payments and journals</li> <li>Carrying out bank reconciliations</li> <li>Closing the bank account</li> <li>Holding internal meetings to discuss the progress of the case to closure</li> <li>Obtaining clearances from third parties</li> <li>Completing checklists and diary management system</li> <li>Issuing statutory notices on ceasing to act</li> <li>Closing down internal systems</li> </ul>	<ul style="list-style-type: none"> <li>£3,000</li> </ul>	<ul style="list-style-type: none"> <li>Statutory requirements and ensures good stewardship of estate funds</li> <li>To ensure orderly management and progression of the case in a cost effective manner</li> </ul>

## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

## Details of subcontracted work

As detailed in previous reports, assistance with the following work, which we or our staff would normally do, has been done by a subcontractor:

- Debt collection activities; and
- VAT and tax calculations.

A former director was retained on a sub-contractor basis to assist with the above. Their fees are based on time costs and disbursements, which are reviewed by us prior to approval and payment. As all realisations have now been completed and the distribution made to creditors, no further work is expected to be completed by the former employee.

## Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
<b>Legal services:</b> - General advice on the administration - Extension application	Eversheds Sutherland (International) LLP	Industry knowledge/insolvency expertise	Time costs & disbursements
<b>Legal services:</b> - Debtor recoveries	Hill Dickinson LLP	Industry expertise	Time costs & disbursements
<b>Insurance advice;</b> - Review initial insurance requirements - Insurance premiums, including Insurance Premium tax - Liaising with pre appointment brokers regarding any potential insurance claims	Marsh Limited (previously JLT)	Insolvency knowledge/insolvency expertise	Contingent fee Fixed premium
<b>Storage of Company books and records</b>	Iron Mountain Ltd	Industry experience	Fixed fee per unit
<b>Statutory advertising:</b> - Notice of appointment and Notice of Intended dividends	EPE Reynell	Insolvency knowledge/insolvency expertise	Fixed fee per advertisement
<b>Agents</b> - Valuation services - stock and equipment	Hilco Global	Industry expertise	Fixed fee
<b>Quantity Surveyor</b> - Provider of professional services related to Quantity Surveyor valuation and progression of debtor S Wilde- CAD services balances - Valuation services - stock and equipment	Moorlands Associates Limited Maitland QS Ltd	Industry expertise	Fixed fee

We require all third party professionals to submit time costs analyses and narrative or a schedule of realisations achieved (as appropriate) in support of invoices rendered which will be reviewed by us prior to approval and payment. In reviewing the appropriateness of professional costs, we:

- Compare costs incurred with upfront budgets;
- Request and review time costs analysis;
- Review of disbursements claimed; and
- Engage in ongoing dialogue with regards to the work being performed.

# Appendix E: Other information

<b>Court details for the administration:</b>	High Court of Justice, Business and Property Courts in Manchester, Insolvency and Companies List (ChD), 2642 of 2018
<b>Company's registered name:</b>	Dimension Data Advanced Infrastructure Limited
<b>Trading name:</b>	As above
<b>Registered number:</b>	01827185
<b>Registered address:</b>	Central Square, 8th Floor, 29 Wellington Street, Leeds, LS1 4DL
<b>Date of the joint administrators' appointment:</b>	12 July 2018
<b>Joint administrators' names, addresses and contact details:</b>	<p>Peter David Dickens, PwC, 1 Hardman Square, Manchester, M3 3EB (from 12 July 2018)</p> <p>Jane Steer, PwC, Central Square, 29 Wellington Street, Leeds, LS1 4DL (from 30 November 2021)</p> <p>Toby Scott Underwood, PwC, Central Square, 29 Wellington Street, Leeds, LS1 4DL (from 10 May 2019 to 30 November 2021)</p> <p>Lyn Leon Vardy, PwC, Central Square, 29 Wellington Street, Leeds, LS1 4DL (from 12 July 2018 to 10 May 2019)</p> <p>Contact: Sara Myers on 0113 289 4566</p>
<b>Extensions to the initial period of appointment:</b>	<p>12 month extension to 11 July 2020 - approved by secured and preferential creditors</p> <p>12 month extension to 11 July 2021 - approved by the Court</p> <p>12 month extension to 11 July 2022 - approved by the Court</p>