

AM10

Notice of administrator's progress report



Companies House

SATURDAY



A71F477T

A30

10/03/2018

#18

COMPANIES HOUSE

1 Company details

Company number 0 4 4 2 5 3 3 9

Company name in full Fairpoint Group Plc

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Lindsey

Surname Cooper

3 Administrator's address

Building name/number 3 Hardman Street

Street

Post town Manchester

County/Region

Postcode M 3 3 H F

Country

4 Administrator's name ①

Full forename(s) Gareth

Surname Harris

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Central Square

Street 5th Floor
29 Wellington Street

Post town Leeds

County/Region

Postcode L S 1 4 D L

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d 1 d 0	m 0 m 8	y 2 y 0 y 1 y 7
To date	d 0 d 9	m 0 m 2	y 2 y 0 y 1 y 8 ✓

7 Progress report

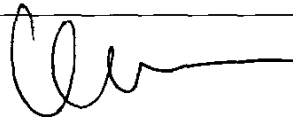
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d 0 d 8	m 0 m 3	y 2 y 0 y 1 y 8
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AM10

Notice of administrator's progress report



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 Tom Haley

Company name RSM Restructuring Advisory LLP

Address 3 Hardman Street

Post town Manchester

County/Region

Postcode M 3 3 H F

Country

DX

Telephone 0161 830 4000



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

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ^①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

^① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Alexander

Surname Kinninmonth

3 Insolvency practitioner's address

Building name/number Highfield Court

Street Tollgate

Chandlers Ford

Post town Eastleigh

County/Region

Postcode S O 5 3 3 T Y

Country

In the matter of

Fairpoint Group Plc

('the Company')

in the High Court of Justice no 5980 of 2017

Joint Administrators' progress report

8 March 2018

Alexander Kinninmonth, Lindsey Cooper and Gareth Harris
Joint Administrators

RSM Restructuring Advisory LLP
3 Hardman Street
Manchester
M3 3HF

Tel: 0161 830 4000
Email: restructuring.manchester@rsmuk.com

Sections

1. Purpose of report
2. Progress of the administration in the previous six months
3. Matters preventing closure
4. Extension of the administration
5. Creditors' claims and dividend prospects
6. Receipts and payments summary
7. Costs and Joint Administrators' remuneration
8. Creditors' right to information and ability to challenge remuneration and expenses

Appendices

- A. Statutory, dividend and other information
- B. Summary of receipts and payments
- C. Current charging, expenses and disbursements policy statement
- D. Current charge out and disbursement rates
- E. Category 2 disbursements table
- F. Statement of expenses incurred
- G. Time cost analysis

1 Purpose of report

This report has been prepared in accordance with insolvency legislation to provide creditors with information relating to the progress of the administration in the period from 10 August 2017 to 9 February 2018.

This report has been prepared solely to comply with the statutory requirements of the relevant legislation. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

Neither the Administrators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

2 Progress of the administration in the previous six months

The costs incurred to date and those expected to be incurred in dealing with the matters below are set out in detail at Section 7.

2.1 Realisation of assets / sale of business

2.1.1 Balance of funds from Solicitors

Following appointment, we were advised by the Company's former solicitors, Eversheds Sutherland ('Eversheds') that the sum of £612.96 was held in a client account relating to the Company. The balance was transferred to the Administrators during the reporting period.

2.1.2 Bank interest

The sum of £375.88 has been received in respect of bank interest.

2.1.3 Cash at Bank

An amount of £18,902.30 has been received in respect of funds held by the Company's Bankers.

2.1.4 Contribution towards salary costs

Immediately following appointment, the Administrators made the vast majority of the Company's staff redundant. A skeleton team of key staff were retained to assist the Administrators with the collection of records and assets. A significant proportion of the assets and records collected belonged to Debt Free Direct Limited ('DFD') and it was agreed that DFD would contribute towards the salary costs of the staff retained to assist with the collection process. A total of £4,385.09 was received from DFD as a contribution towards the salary costs incurred by the Company.

2.1.5 Intercompany balances

The books and records showed a number of intercompany debts owed to the Company. Following appointment, the Administrators sought to realise these debts and letters were issued to all intercompany debtors requesting payment of the outstanding balances.

CC Law Limited

CC Law Limited was an indirect subsidiary of the Company and the books and records showed that it owed in the region of £110,000. A sale of this debt to Doorway Capital Limited ('Doorway') was agreed and consideration of £100,000 was paid on 5 January 2018.

Fairpoint Legal Services Limited ('FLS') and Simpson Millar LLP ('SM')

A number of counterclaims and disputes were raised in relation to amounts shown in the books and records of the Company as being due from these entities. In addition there were significant concerns as to the recoverability of these balances and the impact that any recovery action could precipitate given the sector in which they operate. After consideration of the dispute, the costs and risks of pursuing the debts through the courts and the potential amount that could be recovered should any court action be successful an offer to acquire the debts was accepted.

A sale of these intercompany debts to Doorway completed on 5 January 2018 and £101,000 was paid. The Administrators had previously received the sum of £100,000 in partial repayment of the FLS debt.

A schedule of total receipts to date, broken down by debtor is as follows:

CC Law Limited	£100,000
FLS	£101,000
SM	£100,000
Total	£301,000

The Administrators are in discussions with the various other group companies to ensure that any further recoverable balances are pursued.

2.1.6 Investments in subsidiary undertakings

The Company is the ultimate parent of a group which comprised 33 entities as at the date of appointment.

DFD – In Administration / Allixium Limited / IVA Insurance Limited

As highlighted in the Joint Administrators' Proposals, prior to the administration the board of the Company had commenced marketing DFD and its associated companies for sale. Due to its financial position it became clear that a sale of the shares of DFD would not be possible and that a sale of its business would only be possible within an insolvency process.

RSM, having made contact with all previously identified potential interested parties and, calling for best and final offers for the business and assets, received final offers from four parties. On 1 September 2017 Doorway as the secured creditor made the appointment of Joint Administrators in respect of DFD who subsequently concluded the sale of the trade and assets of DFD to Aperture Debt Solutions LLP ('Aperture'). The Administrators of the Company sold the shares in Allixium Limited to Aperture and exchanged contracts on a sale of IVA Insurance Limited. Details of the transaction are provided below:

- £1.3m for the IVA book
- £49,999 for the claims book
- £50,000 for shares of Allixium Limited plus an amount equivalent to the cash at bank of £5,652.
- £450,000 plus an amount equivalent to the cash at bank on the date of completion to acquire the shares in IVA Insurance Limited.

For the avoidance of doubt, the IVA book and the claims book are realisations within the administration of DFD, not the Company.

IVA Insurance Limited operates as an insurance company registered in Guernsey. Its role is to provide a first claim re-insurance bond of £450,000 in relation to general and specific penalty bonds required by the IVA business previously undertaken by DFD.

A sale of the shares in IVA Insurance Limited had been agreed as part of the sale of the IVA cases by DFD and contracts had been exchanged. Completion of the sale was subject to regulatory approval in Guernsey and a long stop date of 60 days had been set.

Due to delays in obtaining approval from the regulator the long stop date for completion was extended on several occasions and on 2 March 2018 the sale of the shares completed. Total consideration for this sale amounted to £496,317.75. Creditors should note that the sale completed after the period of this report and as a result the full proceeds are not reflected within the receipts and payments account attached at appendix B. £450,000 of the agreed sale price had been received by the Administrators prior to completion and this is detailed within the Receipts and payments account as 'third party funds received'.

Simpson Millar LLP / Fairpoint Legal Services Limited

FLS was a wholly owned subsidiary of the Company and acted as an intermediate holding company. FLS had a subsidiary SM that, together with its subsidiaries, undertook activities in the legal sector.

As highlighted in the Administrators' proposals, marketing of the shares in FLS was underway and a number of parties had expressed an interest in acquiring the entity. Since the proposals were issued marketing activities continued and a number of offers for the share capital were received. An offer of £1.5m from Doorway was accepted and a sale of the share capital completed on 18 January 2018. The proceeds of sale were subject to a fixed charge in favour of AIB Group UK Plc (assigned to Doorway) and as such have been used in partial settlement of the liability due to this party.

Other Subsidiaries

The Administrators performed a review of the position in respect of the remaining subsidiaries within the group in order to understand whether any value can be realised from either a sale of shares or the repayment of the intercompany debt.

A full options review has been prepared by the Administrators which sought to summarise the likely recoveries from the various group companies. The review concluded that there was little or no prospect of any realisations being generated from the remaining investments held by the Company.

2.1.7 Leasehold Improvements

The Company's financial records detail leasehold improvements totalling £78,000.

This relates to improvements made to the property, which has now been handed back to the landlord and therefore no recoveries are anticipated from this source.

2.1.8 Office equipment

The Company's statement of affairs detailed office equipment with an estimated to realise value of £7,750. The Administrators instructed JPS Chartered Surveyors ('JPS') to secure and dispose of any Company office equipment. JPS have advised that much of the office equipment identified was owned by another group company, DFD. The office equipment belonging to the Company had little or no value and as a result, no realisations have been generated from this source.

2.1.9 Other Intangible Assets

The director's statement of affairs details other intangible assets with a book value of £940,048 and comprises capitalised software development costs.

It is not anticipated that any recoveries will be generated from this source.

2.1.10 Prepayments

The director's statement of affairs details prepayments totalling £308,665.

It is not anticipated that any recoveries will be generated from this source.

2.1.11 Rates Refund

Prior to the appointment of administrators GVA Grimley Limited ('GVA') had been instructed to investigate whether any potential business rates refunds were due to the Company. Following appointment the Administrators instructed GVA to continue with the investigation process and refunds totalling £74,834.40 have been received. The Administrators agreed GVA's costs on a contingent basis of 25% of realisations achieved. The Administrators discharged GVA's costs totalling £18,708.60 plus VAT during the current period.

2.1.12 Tax losses / Data rights / Unregistered IP

The Company had incurred losses in the lead up to the appointment of Administrators and as there was no prospect of carrying these losses back to generate tax repayments the Administrators agreed to surrender the losses to Simpson Millar LLP, at the time a wholly owned (indirectly) subsidiary of the Company.

The sale of the tax losses completed on 5 January 2018 and consideration of £19,998 was paid.

In addition, as part of this agreement any unregistered intellectual property and data rights were also assigned to Simpson Millar for £2 taking the total amount paid to £20,000.

2.1.13 Claim for compensation for mis- selling of Interest Rate Hedging Product ('IRHP')

The Joint Administrators' have written to the secured lender and directors requesting details of any mis-sold products. Our investigations are ongoing.

2.2 Connected party transactions

As discussed in more detail above, the Joint Administrators arranged a sale of the Company's pre-appointment Corporation Tax losses, data rights and unregistered intellectual property SM on 5 January 2008. SM is a wholly owned subsidiary of FLS, which at the time of the transaction was a wholly owned subsidiary of the Company. Sales consideration totalling £20,000 was paid to the Administrators solicitors on the day of the completion. The consideration is broken down as follows:

Tax Losses	£19,998
Data Rights	£1
Unregistered Intellectual Property	£1
Total	<u>£20,000</u>

We understand that SM took advice on the transaction from BDO LLP.

2.3 Investigations

In accordance with our statutory obligations, we have filed the appropriate documentation with the Department for Business, Energy and Industrial Strategy in relation to the conduct of the directors.

I can advise you that, following my initial assessment, further investigations were undertaken in relation to the declaration and payment of dividends. I would confirm that these investigations are currently ongoing.

2.4 Case specific matters

Following appointment, investigations into the VAT and Corporation Tax position of the Company and the wider Group were conducted and it was necessary to remove the Company from a VAT group and re-register for VAT. RSM UK Tax and Accounting Limited were instructed to review the pre-appointment Corporation Tax position and to correspond with HMRC accordingly. As discussed above, the Corporation Tax losses were sold to SM.

It has also been necessary to resolve the queries of a number of the Company's shareholders.

2.5 Administration and planning

Time in this category includes activities such as filing of appointment documents, preparation of reports to creditors, handling of receipts and payments accounts, review of VAT returns, dealing with post appointment taxation, investigating pension schemes, liaising with all stakeholders and day to day case management. As the Company was listed on the Alternative Investment Market ('AIM') there have been additional duties to comply with the regulations for a floated Company.

3 Matters preventing closure

3.1 Assets remaining to be realised

The Joint Administrators are in discussions with the director of the Company's subsidiaries in order to understand whether any further value can be achieved via recovery of intercompany balances before the case can be moved to closure.

The Joint administrators also need to finalise their investigations into the potential mis-selling of interest rate hedging products to the Company to ensure that no redress is due to the Company before the case can be closed.

3.2 Other outstanding matters

Administrators are currently in discussions with their solicitors to see if any actions can be brought against various parties following their investigations into the conduct of the existing and former directors. The level of work which will be required in respect of this matter is currently uncertain, as is whether the work will result in the recovery of assets.

The Administrators also need to agree claims and process distributions to the secured, preferential and unsecured non-preferential creditors (prescribed part distribution).

4 Extension of the administration

No extensions to the period of the administration have currently been sought or granted. The Administrators may be required to extend the administration depending on the time required to be expended on further investigations and work regarding the various Company subsidiaries.

5 Creditors' / shareholders' claims and dividend prospects

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix A, *including any amount under the prescribed part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.*

The agreement of creditors' claims by the Joint Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

If not already done so, creditors should submit a proof of debt and supporting documentation to the Administrators to ensure that their claim is considered for dividend purposes.

For the avoidance of doubt, there is no prospect of a return to the shareholders of the Company.

6 Receipts and payments summary

We attach as Appendix B a summary of our receipts and payments for the period from 10 August 2017 to 9 February 2018.

VAT basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

7 Costs and Joint Administrators' remuneration

The firm's charging, expenses and disbursements policy was provided with the Joint Administrators' proposals. A further copy is attached.

7.1 Pre-administration costs

The Joint Administrators' proposals dated 5 October 2017 detailed un-paid pre-administration costs totalling £36,749, broken down as follows:

Pre-administration costs incurred			
	£		
	Incurred	Paid	Unpaid
Administrators' fees	71,393.00	44,453.00	26,940.00
Administrators' fees re sale of investments	20,547.00	20,547.00	0.00
Administrators' Disbursements – Mileage & Travel	19.13	0.00	19.13
Administrators' expenses – Legal Fees (Eversheds)	9,790.50	0.00	9,790.50
Total	101,749.63	65,000.00	36,749.63

Pre-administration costs paid & identity of payer			
	By whom paid	Date paid	Amount (£)
Administrators' fees	Fairpoint Group Plc	7 August 2017	65,000.00
Total			65,000.00

As there is no prospect of a return to the unsecured creditors other than by virtue of the prescribed part, the Administrators sought approval of their pre-appointment costs from the secured and preferential creditors. Approval of the preferential creditors was sought via qualifying decision procedure. The decision date was 14 February 2018 and the preferential creditors approved the Joint Administrators' pre-administration costs. Whilst the decision date was after the period of this report, the Administrators deem the matter to be material and have therefore provided creditors with details of the decision.

The secured charge holder has also approved the Joint Administrators' pre-administration costs.

7.2 Joint Administrators' remuneration and disbursements

The Joint Administrators' remuneration was approved by the secured and preferential creditors on 14 February 2018 as set out below.

On the basis of time costs limited to the sum of £258,345 (plus VAT) in accordance with the fee estimate provided to the secured and preferential creditors.

Whilst approval was granted after the period of this report, the Administrators deem the matter to be material and should be reported to creditors.

No remuneration has been drawn during the period.

7.3 Remuneration and expenses (including disbursements) incurred in the period from 10 August 2017 to 9 February 2018

In accordance with insolvency legislation I am required to report remuneration 'charged'. This reflects the time charged to the case. In accordance with the fees estimate I cannot draw more than £258,345 without obtaining the further approval of the creditors.

If there are insufficient realisations to allow the Joint Administrators' approved remuneration to be paid in full, any balance will be written off. Details of any write off will be set out in the final report.

No remuneration has been drawn during the period.

7.3.1 Category 2 disbursements

Approval was also given by the secured and preferential creditors to the drawing of disbursements, including category 2 disbursements, at the rates prevailing at the time the costs were incurred. Details of disbursements incurred in this period, and whether they have been paid, are attached.

7.3.2 Expenses and Category 1 disbursements

Details of the expenses (which include category 1 and category 2 disbursements) of £47,060.05 that are likely to be incurred during the course of the administration were provided with the Joint Administrators' proposals.

A statement of the expenses incurred during the period compared to the original estimate is attached. This includes all expenses incurred by the Joint Administrators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The amounts paid in the period are also included, and are shown in the receipts and payments abstract at Appendix B.

The amount of the expenses (including disbursements) incurred and anticipated to be incurred is likely to exceed the estimate provided to creditors with the Joint Administrators' proposals because of the fees paid to GVA for obtaining business rate refunds on behalf of the Company.

7.4 Other professional costs

Eversheds, solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. They have provided advice on various asset disposals including shareholdings, tax losses and the assignment of debts. They have also provided advice on various other matters during the course of the administration. Their remuneration has been agreed on the basis of their standard hourly charge-out rates, plus VAT and disbursements. Their agreed fees of £15,541.00 plus VAT and disbursements of £9.58 plus VAT will be paid by the Administrators shortly.

JPS were retained as agents to dispose of the Company's tangible assets. Their remuneration has been agreed on the basis of their standard commission rates, plus disbursements and VAT. As no realisations have been generated from this source, They have agreed not to submit a bill in this instance.

GVA were retained to identify and obtain any potential business rates refunds due to the Company. The Administrators agreed GVA's costs on a contingent basis of 25% of realisations achieved. Their agreed fees of £18,708.60 plus VAT have been paid.

Other professional costs that have been incurred are shown on the attached schedule. The receipts and payments abstract at Appendix B sets out which of these costs have been paid. All such costs are subject to review before being paid and any payments made in the period are disclosed in the receipts and payments account at Appendix B.

7.5 Total remuneration incurred and paid to date since appointment

Time cost basis

Time costs of £197,656.50 have been incurred in the current period. Of this, a total of £nil (plus VAT) has been paid and £197,656.50 remains outstanding. A summary of time costs is attached.

Time costs to date are within the estimated amount of £258,345 approved by the secured and preferential creditors on 14 February 2018 (after the period of this report). On present information, and on the assumption that the matters remaining to be dealt with in the administration do not turn out to be more onerous than anticipated, and that no new issues come to light, it is not anticipated that this estimate will be exceeded. Should the position change, and those assumptions prove to be invalid, an increase in fees may need to be sought with the approval of the secured and preferential creditors.

8 Creditors' right to information and ability to challenge remuneration and expenses

In accordance with the provisions of the relevant legislation creditors have a right to request further information about remuneration or expenses (other than pre-administration costs) and to challenge such remuneration or expenses.

Appendix A

Statutory, dividend and other information

Company Information	
Company name:	Fairpoint Group Plc
Date of appointment:	10 August 2017
Functions:	The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.
Previous company names:	Debt Free Direct Group Plc (Until 3 January 2008)
Company registered number:	04425339
Date of incorporation:	26 April 2002
Trading name:	Fairpoint Group Plc
Trading address	Fairclough House Church Street Adlington Lancashire PR7 4EX
Principal activity:	Financial Intermediation
Registered office:	RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester, M3 3HF Formerly: Eversheds House, 70 Great Bridgewater Street, Manchester M1 5ES

Administration information		
Appointor:	Doorway Capital Limited, 5 Chancery Lane, London, EC4A 1BL	
Joint Administrators:	Alexander Kinninmonth, Lindsey Cooper and Gareth Harris	
Details of any extension:	None	
Proposed exit route:	Creditors' Voluntary Liquidation or Dissolution	
Correspondence address & contact details of case manager	John Radford 0161 830 4000 RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester, M3 3HF	
Name, address & contact details of Joint Administrators	Primary Office Holder Alexander Kinninmonth RSM Restructuring Advisory LLP Highfield Court Tollgate Chandlers Ford Eastleigh SO53 3TY 02380 646 408 IP Number: 9019	Joint Office Holder: Lindsey Cooper RSM Restructuring Advisory LLP 3 Hardman Street Manchester M3 3HF 0161 830 4031 IP Number: 8931

	Joint Office Holder Gareth Harris RSM Restructuring Advisory LLP 4 th Floor Springfield House 76 Wellington Street Leeds LS1 2AY IP Number: 14412	
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Dividend prospects	Owed	Paid to date	Estimated future prospects
Secured creditor – Doorway Capital Limited	£23,345,000	£1,500,000	Shortfall
Preferential creditors	£6,744	Nil	Payment in full
Unsecured creditors	£5,984,643	Nil	Shortfall
Estimated net property	£440,000		
Estimated prescribed part available for unsecured creditors	£91,000		
Whether and why the Administrators intend to apply to court under S176(A)(5) IA86	The Administrators do not propose to make an application to apply to court for the prescribed part to be disapplied		

Appendix B

Fairpoint Group Plc - In Administration

Joint Administrators' receipts and payments account for the period from 10 August 2017 to 9 February 2018

SOA Value £	10/08/2017 to 09/02/2018		Total to 09/02/2018	
	£	£	£	£
	SECURED ASSETS			
0 00	Investments	1,555,652.01	1,555,652.01	
0 01	Leasehold Property	0 00	0.00	
0 01	Other Current Assets	0 00	0 00	
0.01	Other Intangible Assets	0 00	0 00	
			1,555,652.01	1,555,652.01
	SECURED CREDITORS			
(22,750,000.00)	Fixed Charge Claims	(1,500,000.00)	(1,500,000.00)	
		(1,500,000.00)		(1,500,000.00)
	ASSET REALISATIONS			
0 00	Balance of funds from Solicitors	612.96	612.96	
0 00	Bank Interest Gross	375.88	375.88	
10,172.00	Cash at Bank	18,902.30	18,902.30	
0 00	Contribution Towards Salary Costs	4,385.09	4,385.09	
0.00	Data Rights	1.00	1 00	
0.00	Intercompany Debt	301,000.00	301,000.00	
7,750.00	Office Equipment	0 00	0.00	
0 01	Prepayments	0.00	0.00	
0 00	Rates Refund	74,834.40	74,834.40	
0.00	Tax Losses	19,998.00	19,998.00	
0 00	Third Party Funds	450,001.00	450,001.00	
0 00	Unregistered IP	1.00	1 00	
			870,111.63	870,111.63
	COST OF REALISATIONS			
0.00	Agents / Valuers Fees	(18,708.60)	(18,708.60)	
0 00	Communications	(1,800.00)	(1,800.00)	
0 00	Health care contributions	(43.00)	(43.00)	
0 00	IT Consultancy	(85.00)	(85.00)	
0 00	Pension contribution	(281.11)	(281.11)	
0 00	Pension Report	(300.00)	(300.00)	
0.00	Preparation of Statement of Affairs	(7,000.00)	(7,000.00)	
0 00	Recharge of data extraction costs	(380.00)	(380.00)	
0.00	Salary Costs	(9,155.57)	(9,155.57)	
			(37,753.28)	(37,753.28)
	PREFERENTIAL CREDITORS			
(4,388.70)	Holiday Pay	0 00	0.00	
(1,130.58)	Wages	0 00	0.00	
			0 00	0 00
	FLOATING CHARGE CREDITORS			
(22,749,999.97)	Floating Charge Claims	0.00	0.00	
			0.00	0.00
	UNSECURED CREDITORS			
(416,202.46)	Associated Creditors	0 00	0 00	
(22,743,077.79)	Deficiency In Security	0 00	0 00	
(149,033.95)	Employees	0 00	0 00	
(5,027,422.63)	Trade and Expense Creditors	0.00	0 00	
(391,983.83)	Unsecured Creditors	0 00	0.00	
			0.00	0.00
(74,215,317.86)			888,010.36	888,010.36
	REPRESENTED BY			
	RBS Admin Acc		437,665.92	
	RBS Admin No 2 Account		450,267.44	
	VAT Receivable (Payable)		77.00	
				888,010.36
				888,010.36

Appendix C

RSM Restructuring Advisory LLP

Charging, expenses and disbursements policy statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP Southampton are attached.
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A decision regarding the approval of category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Southampton will be sought from the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

Appendix D

RSM Restructuring Advisory LLP

Joint Administrators' current charge out and disbursement rates

Hourly charge out rates	Rates at commencement £	Current rates £
Partner	480-530	480 -530
Directors / Associate Directors	365-425	365-425
Manager	230-350	230-350
Assistant Managers	225-230	225-230
Administrators	171-190	171-190
Support staff	160-195	160-195

Category 2 disbursement rates	
Subsistence	£25 per night (from 3 rd September 2013) £23 per night (up to 2 nd September 2013)
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42.5p per mile (from 1 April 2011)
'Tracker' searches	£10 per case

Appendix E

Table of Joint Administrators' category 2 disbursements incurred to date

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest					
Type and purpose	Original estimate	£			
		10 August 2017 to 9 February 2018			
		Incurring to date		Paid to date	Unpaid to date
Mileage	143.72	122.85		0.00	122.85
Total	143.72	122.85		0.00	122.85

Appendix F

Statement of expenses incurred by the Joint Administrators in the period from 10 August 2017 to 9 February 2018

	£				
	Original estimate	Incurring to date	Expected future	Expected total	
		10 August 2017 to 9 February 2018			
Bond	85.00	127.50	0.00	127.50	
Statutory advertising	169.20	84.60	84.60	169.20	
Website fee	8.00	8.00	0.00	8.00	
Storage agent (collection/storage of records)	1,250.00	0.00	1,250.00	1,250.00	
Legal fees - Eversheds	27,773.58	15,541.00	12,232.58	27,773.58	
Insurance	500.00	308.00	0.00	308.00	
RNS announcements	1,800.00	1,800.00	0.00	1,800.00	
Mileage	143.72	122.85	21.00	143.85	
Payroll Costs (inc healthcare / pension)	7,130.55	9,479.68	0.00	9,479.68	
Pension Advice	1,200.00	300.00	300.00	600.00	
Statement of Affairs Preparation	7,000.00	7,000.00	0.00	7,000.00	
Agents Fees - GVA	0.00	18,708.60	0.00	18,708.60	
IT Consultancy costs	0.00	465.00	0.00	465.00	
Total	47,060.05	53,945.23	13,888.18	67,833.41	

Appendix G

Fairpoint Group PLC in Administration

.Joint Administrators SIP9 time cost analysis for the period from 10 August 2017 to 9 February 2018

Period	Hours Spent	Partners	Directors / Associate Director(s)	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning										
Appointment		0.3	2.0	0.0	3.1	22.3	0.0	27.7	£ 4,933.50	178.10
Background information		0.0	13.1	0.6	17.6	13.4	0.0	44.7	£ 11,197.00	250.49
Case Management		21.9	44.4	1.0	29.1	9.2	0.0	105.6	£ 35,750.00	338.54
Director(s)/debtor/bankrupt		0.0	2.6	0.0	3.5	1.4	0.0	7.5	£ 1,827.50	243.67
Pension Scheme		0.7	8.0	0.0	19.3	2.7	0.0	30.7	£ 8,155.00	265.64
Post-appointment - general		0.2	4.2	0.0	13.9	6.4	3.0	27.7	£ 5,955.00	214.98
Pre-appointment matters		0.7	0.0	0.0	1.3	0.0	0.0	2.0	£ 643.00	321.50
Receipts and Payments		0.2	0.9	0.0	4.0	18.5	8.1	31.7	£ 5,920.50	186.77
Statement of Affairs		0.0	2.2	0.1	0.8	1.8	0.0	4.9	£ 1,356.50	276.84
Tax Matters		0.8	3.8	0.0	0.9	3.1	0.0	8.6	£ 2,768.00	321.86
Total		24.8	81.2	1.7	93.5	78.8	11.1	291.1	£ 78,506.00	269.69
Investigations										
Investigations/CDDA		2.8	16.5	0.0	29.0	5.6	0.0	53.9	£ 14,928.00	276.96
Total		2.8	16.5	0.0	29.0	5.6	0.0	53.9	£ 14,928.00	276.96
Realisation of Assets										
Assets - general/other		6.7	14.6	51.2	1.5	14.2	0.4	88.6	£ 23,432.00	264.47
Chattels		0.0	7.0	0.0	3.1	0.0	0.0	10.1	£ 3,264.50	323.22
Debtors & sales finance		0.0	9.0	0.0	1.6	0.6	0.0	11.2	£ 4,206.00	375.54
HP/Leasing creditors		0.0	0.6	0.0	0.0	0.5	0.0	1.1	£ 314.00	285.45
Land and Property		0.2	7.4	0.0	1.7	0.8	0.0	10.1	£ 3,331.50	329.85
Sale of business		2.2	16.5	39.7	0.0	0.1	0.0	58.5	£ 19,050.50	325.65
Total		9.1	55.1	90.9	7.9	16.2	0.4	179.6	£ 53,598.50	298.43
Creditors										
1st creditors/shareholders meetings and reports		0.0	14.4	0.0	20.1	2.2	0.0	36.7	£ 10,304.50	280.78
Employees		0.5	24.4	8.9	17.2	2.1	0.0	53.1	£ 15,149.00	285.29
Other Creditor Meetings and Reports		1.5	0.0	0.0	0.1	0.4	9.9	11.9	£ 2,693.50	226.34
Preferential Creditors		0.0	0.8	0.0	14.4	0.0	0.0	15.2	£ 3,532.00	232.37
Secured Creditors		0.4	8.9	0.0	4.4	0.0	0.0	13.7	£ 4,954.50	361.64
Unsecured Creditors		0.0	15.1	1.8	12.4	7.8	0.0	37.1	£ 9,965.50	268.61
Total		2.4	63.6	10.7	68.6	12.5	9.9	167.7	£ 46,599.00	277.87
Case Specific Matters - Shareholders										
Shareholders / Members		0.0	6.1	0.0	0.2	0.6	0.0	6.9	£ 2,385.50	345.72
Total		0.0	6.1	0.0	0.2	0.6	0.0	6.9	£ 2,385.50	345.72
Case Specific Matters - Legal Matters										
Legal Matters		1.9	1.5	0.0	0.8	0.0	0.0	4.2	£ 1,639.50	390.36
Total		1.9	1.5	0.0	0.8	0.0	0.0	4.2	£ 1,639.50	390.36
Total Hours		41.0	224.0	103.3	200.0	113.7	21.4	703.4	£ 197,656.50	281.00
Total Time Cost		£ 20,117.50	£ 84,620.50	£ 26,469.50	£ 45,104.50	£ 17,320.50	£ 4,024.00	£ 197,656.50		
Total Hours		41.0	224.0	103.3	200.0	113.7	21.4	703.4	£ 197,656.50	281.00
Total Time Cost		£ 20,117.50	£ 84,620.50	£ 26,469.50	£ 45,104.50	£ 17,320.50	£ 4,024.00	£ 197,656.50		
Average Rates		490.67	377.77	256.24	225.52	152.34	188.04	281.00		