

AM10

Notice of administrator's progress report



Companies House

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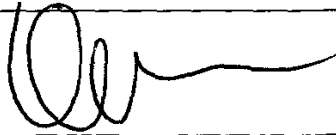


A15 *A7E2E9Q0* #176
08/09/2018
COMPANIES HOUSE

1	Company details	
Company number	0 4 4 2 5 3 3 9	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Fairpoint Group Plc	
2	Administrator's name	
Full forename(s)	Gareth	
Surname	Harris	
3	Administrator's address	
Building name/number	Central Square	
Street	5th Floor 29 Wellington Street	
Post town	Leeds	
County/Region		
Postcode	L S 1 4 D L	
Country		
4	Administrator's name ●	
Full forename(s)	Lindsey	● Other administrator Use this section to tell us about another administrator.
Surname	Cooper	
5	Administrator's address ●	
Building name/number	3 Hardman Street	● Other administrator Use this section to tell us about another administrator.
Street		
Post town	Manchester	
County/Region		
Postcode	M 3 3 H F	
Country		

AM10

Notice of administrator's progress report

6		Period of progress report												
From date	d 1	d 0	m 0	m 2	y 2	y 0	y 1	y 8						
To date	d 0	d 9	m 0	m 8	y 2	y 0	y 1	y 8						
7		Progress report												
		<input checked="" type="checkbox"/> I attach a copy of the progress report												
8		Sign and date												
Administrator's signature	Signature													
	X												X	
Signature date	d 0	d 5	m 0	m 9	y 2	y 0	y 1	y 8						

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. • 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

• 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

31 August 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 February 2018 to 9 August 2018. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

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

The Joint Administrators are obliged to realise and get in the Company's property and maximise realisations. In some cases this does not result in sufficient realisations to result in a financial return to creditors, after taking into account the costs and expenses of realisation and dealing with the legislative requirements of administering the case. Details of the realisations made are set out below, with information relating to dividends, if any, contained within Appendix A.

2.1.1 Investments in subsidiaries

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

IVA Insurance Limited

As highlighted in previous reports a contract to sell the shares in IVA Insurance Limited had been agreed and completed on 2 March 2018. Total consideration for the sale amounted to £496,317.75. £450,000 had been previously transferred to the Administrators and was held in a separate account. Following completion, the £450,000 was transferred into general administration bank account. The balance £46,317.75, representing the bank account balance on the date of completion, has recently been transferred from Eversheds to the Company. Please however note that, as the funds were transferred after the period of this report, the amount is not detailed within receipts and payments account located at appendix B.

2.1.2 Bank Interest Gross

The sum of £1,025.47 has been received in the period, bringing the total interest received to date £1,401.35.

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

The Joint Administrators are continuing to investigating as to whether the Company was sold an IRHP. A further update will be provided in the next progress report

2.2 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. We will provide an update in the next progress report.

2.3 Case specific matters

As previously reported the Company's tax losses were sold to Simpson Miller LLP. During the period the relevant tax computations were completed and Corporation Tax returns submitted to HMRC.

2.4 Administration and planning

Certain aspects of the work that the Joint Administrators undertake are derived from the underlying legal and regulatory framework for cases of this nature. This work, which does not usually result in any direct financial return to creditors, is a necessary aspect of ensuring that the Joint Administrators are complying with both of their legislative and best practice responsibilities and ensuring that the case is managed efficiently and effectively. It includes matters such as:

- Periodic case reviews, ongoing case planning and strategy
- Maintaining and updating computerised case management records
- Dealing with routine correspondence not attributable to other categories of work
- Ongoing consideration of ethical and anti-money laundering regulations
- General taxation matters, including seeking tax clearance from HMRC
- Preparation of receipts and payments accounts, maintenance of cashing records
- Pension schemes, liaising with PPF/Pensions Regulator/Trustees
- Consideration of Health and Safety and environmental regulations

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

The Joint Administrators investigations remain ongoing. The level of work required in respect of this matter is currently uncertain, as is whether the work will result in any recovery of assets.

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

4 Extension of the administration

The Joint Administrators sought an extension of the Administration for a period of 12 months. This was granted by the Secured and Preferential creditors on 1 August 2018.

5 Creditors' 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.

The Joint Administrators are obliged to deal with a number of matters in relation to creditors to comply with both the legislative and best practice requirements and to ensure creditors are kept informed. Creditors will only derive an indirect financial return from this work on cases where a dividend has been paid. These matters include:

- Preparation and issue of progress reports and associated documentation
- Maintenance of schedules of preferential and unsecured creditors' claims

- Dealing with correspondence and telephone calls
- Where necessary, consideration of creditors' claims; acceptance or rejection of claims and complying with legislative obligations in relation to adjudication of creditors' claims generally for voting and, if applicable, dividend purposes

6 Receipts and payments summary

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

6.1 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. The sums below have been approved.

Unpaid pre - administration costs charged / incurred			
To whom paid	Amount approved £	Date approved	Date paid
RSM Restructuring Advisory	26,940.00	14 February 2018	23 February 2018
RSM Restructuring Advisory re mileage and travel	19.13	14 February 2018	23 February 2018
Eversheds Legal fees	9,790.50	14 February 2018	Unpaid

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.

Sums drawn in respect of remuneration in the period covered by this report are shown in the attached receipts and payments account.

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

Details of the amount of remuneration drawn in the period (and the total amount of remuneration drawn to date) are detailed in the section below headed 'Total remuneration incurred and paid to date since appointment'.

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 the previous 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 at appendix F. 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 together with cumulative figures where this is the second, or subsequent, progress report.

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 in the period:

- Fees were paid to GVA for obtaining business rate refunds on behalf of the Company (Agents fees); and
- In light of ongoing investigations, the Administrators extended the Company Directors and Officers insurance for a further year.

7.4 Other professional costs

Whilst professional costs are not subject to approval by the relevant approving body, all professional costs are subject to review before being paid.

Eversheds, solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. They have provided advice on general matters of the Administration, the pension scheme and with regards to investigations in the conduct of the directors. Also assisted in disposal of various assets to include assignments of debt and share sales. Their remuneration has been agreed on the basis of their standard hourly charge-out rates, plus VAT and disbursements. Their agreed fees of £16,604 and disbursements of £9.58 plus VAT will be paid in due course by the Joint Administrators.

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 matter.

GVA have been 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 has 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, together with cumulative figures where appropriate.

7.5 Total remuneration incurred and paid to date since appointment

Time cost basis

Time costs of £41,144.00 have been incurred in the report period, bringing total time costs of £238,800.50 since appointment. Of this, a total of £217,213.00 (plus VAT) has been paid and £21,587.50 remains outstanding. A summary of time costs is attached, and the sums paid are reflected in the attached receipts and payments account.

During the period time costs have been incurred in relation to the following key areas:

- Statutory progress reports to creditors;
- Completion, review and submission of corporation tax returns;
- Completion activities in relation to the sale of IVA Insurance Limited;
- Agreement of preferential creditor claims and payment of dividend;
- VAT inspection conducted by HMRC;
- *Investigations and associated activities; and*
- Seeking and obtaining an extension to the Administration.

Fees drawn to date are within the estimated amount of £258,345 approved by the secured and preferential creditors. Any increase in fees would 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.

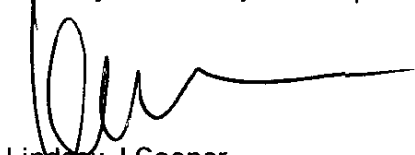
A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that *the remuneration charged, the basis fixed or expenses incurred by the Administrator are in all the circumstances excessive.*

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

A Creditors' Guide to Administrators' Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

Should you have any further queries please do not hesitate to contact me.



Lindsey J Cooper
RSM Restructuring Advisory LLP
Joint Administrator

Alexander Kinninmonth, Lindsey Cooper and Gareth Harris are licensed to act as insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents of the Company and without personal liability

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
Previous registered office:	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:	12 months to 9 August 2018 by the secured creditors	
Proposed exit route:	Creditors' Voluntary Liquidation or Dissolution	
Correspondence address & contact details of case manager	David Shaw 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 4000 IP Number: 008931

	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	£23,245,000	£1,500,000	Shortfall
Preferential creditors	£7,751.41	£7,571.41	Payment in full
Unsecured creditors	£5,984,643	NIL	£103,000
Estimated net property	£500,000		
Estimated prescribed part available for unsecured creditors	£103,000		
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

Receipts and Payments account for the period from 10 February 2018 to 09 August 2018

SOA Value £	10/02/2018 to 09/08/2018		Total to 09/08/2018	
	£	£	£	£
	SECURED ASSETS			
0.00	Investments	0.00	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
	SECURED CREDITORS			
(22,750,000.00)	Fixed Charge Claims	0.00	(1,500,000.00)	
				(1,500,000.00)
	ASSET REALISATIONS			
0.00	Balance of funds from Solicitors	0.00	612.96	
0.00	Bank Interest Gross	1,025.47	1,401.35	
10,172.00	Cash at Bank (1)	0.00	18,902.30	
0.00	Contribution Towards Salary Costs	0.00	4,385.09	
0.00	Data Rights	0.00	1.00	
0.00	Debtors (Pre-Appointment)	0.00	201,000.00	
0.00	Intercompany Debt	0.00	100,000.00	
0.01	Intercompany Debtors	0.00	0.00	
7,750.00	Office Equipment	0.00	0.00	
0.01	Prepayments	0.00	0.00	
0.00	Rates Refund	0.00	74,834.40	
0.00	Tax Losses	0.00	19,998.00	
0.00	Investment - IVA Insurance	0.00	450,001.00	
0.00	Unregistered IP	0.00	1.00	
		1,025.47		871,137.10
	COST OF REALISATIONS			
0.00	Advertisements	(84.60)	(84.60)	
0.00	Agents / Valuers Fees	0.00	(18,708.60)	
0.00	Appointee Fees	(217,213.00)	(217,213.00)	
0.00	Bond - Insolvency	(127.50)	(127.50)	
0.00	Communications	0.00	(1,800.00)	
0.00	Creditor Portal Fee	(8.00)	(8.00)	
0.00	Health care contributions	0.00	(43.00)	
0.00	Insurance	(11,328.00)	(11,328.00)	
0.00	IT Consultancy	0.00	(85.00)	
0.00	Mileage	(122.85)	(122.85)	
0.00	Pension contribution	0.00	(281.11)	
0.00	Pension Report	0.00	(300.00)	
0.00	Pre Appointment Fees	(26,940.00)	(26,940.00)	
0.00	Preparation of Statement of Affairs	0.00	(7,000.00)	
0.00	Recharge of data extraction costs	0.00	(380.00)	
0.00	Salary Costs	0.00	(9,155.57)	
0.00	Storage Costs	(79.51)	(79.51)	
		(255,903.46)		(293,656.74)
	PREFERENTIAL CREDITORS			
(4,388.70)	Holiday Pay	(4,350.78)	(4,350.78)	
0.00	Other Claims	(1,215.05)	(1,215.05)	
(1,130.58)	Wages	(2,005.58)	(2,005.58)	
		(7,571.41)		(7,571.41)
	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)		<u>(262,449.40)</u>		<u>625,560.96</u>
	REPRESENTED BY			
	RBS Admin Acc		616,545.06	
	VAT Receivable (Payable)		9,015.90	
				625,560.96
				<u>625,560.96</u>

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 Manchester 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 Manchester 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)
Travel (car)	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	£		Paid to date	Unpaid to date
		10 August 2018 to 9 February 2018	10 February 2018 to 9 August 2018		
Mileage	143.72	122.85	0.00	122.85	0.00
Total	143.72	122.85	0.00	122.85	0.00

Appendix F

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

	Original estimate	£		Expected future	Expected total
		10 August 2018 to 9 February 2018	10 February 2018 to 9 August 2018		
Bond	85.00	127.50	0.00	0.00	127.50
Statutory advertising	169.20	84.60	0.00	84.60	169.20
Website fee	8.00	8.00	0.00	0.00	8.00
Storage agent	1,250.00	0.00	79.51	1,170.85	1,250.00
Legal fees	27,773.58	15,541.00	1,063.00	11,169.58	27,773.58
Insurance	500.00	308.00	11,020.00	0.00	11,328.00
RNS announcement	1,800.00	1,800.00	0.00	0.00	1,800.00
Payroll Costs	7,130.55	9,479.68	0.00	0.00	9,479.68
Pension Advice	1,200.00	300.00	0.00	0.00	300.00
Statement of Affairs Preparation	7,000.00	7,000.00	0.00	0.00	7,000.00
Agents Fees	0.00	18,708.60	0.00	0.00	18,708.60
IT Consultancy costs	0.00	465.00	0.00	0.00	465.00
Total	46,916.33	53,822.38	12,162.51	12,425.03	78,409.56

Appendix G

Joint Administrators' time cost analysis for the period from:

- **10 August 2017 to 9 February 2018**
- **10 February 2018 to 9 August 2018**

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 Directors	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										
	Total Time	41.0	224.0	103.3	200.0	113.7	21.4	703.4	£ 197,656.50	281.00
	Total 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		

Fairpoint Group PLC In Administration

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

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From Jan 2003										
Administration and Planning										
Background Information		0.0	0.0	0.0	2.4	0.2	0.0	2.6	£ 574.00	220.77
Case Management	1.9	1.9	9.5	0.0	18.3	13.1	0.0	42.8	£ 10,612.50	247.96
Director(s)/debtor/bankrupt	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.4	£ 200.00	500.00
Pension Scheme	0.3	0.3	0.7	0.0	2.3	0.3	0.0	3.6	£ 974.00	270.56
Post-appointment - general	0.0	0.0	0.1	0.0	0.0	4.0	2.0	6.1	£ 689.50	113.03
Receipts and Payments	0.1	0.1	1.7	0.1	0.1	5.9	4.2	12.1	£ 2,504.50	206.98
Tax Matters	0.2	0.2	4.2	1.1	1.6	6.0	0.0	13.1	£ 3,074.50	234.69
Total	2.9	2.9	16.2	1.2	24.7	29.5	6.2	80.7	£ 18,629.00	230.84
Investigations										
Investigations/CDDA		0.3	9.2	0.0	2.2	0.0	0.0	11.7	£ 4,555.00	389.32
Total	0.3	0.3	9.2	0.0	2.2	0.0	0.0	11.7	£ 4,555.00	389.32
Realisation of Assets										
Assets - general/other		0.3	4.9	5.7	3.9	0.5	0.0	15.3	£ 4,468.50	292.06
Chattels	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.4	£ 90.00	225.00
Sale of business	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2	£ 45.00	225.00
Total	0.3	0.3	4.9	5.7	4.5	0.5	0.0	15.9	£ 4,603.50	289.53
Trading										
Trading		0.2	0.0	0.0	0.0	0.0	0.0	0.2	£ 100.00	500.00
Total	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.2	£ 100.00	500.00
Creditors										
Employees		0.0	0.0	1.9	2.0	0.9	0.0	4.8	£ 991.50	206.56
Other Creditor Meetings and Reports	0.6	0.6	3.8	0.0	13.4	3.5	2.0	23.3	£ 5,825.00	250.00
Preferential Creditors	0.2	0.2	1.0	0.0	1.2	6.5	0.0	8.9	£ 1,664.00	186.97
Secured Creditors	0.2	1.8	0.0	0.0	0.0	1.1	0.0	3.1	£ 936.50	302.10
Unsecured Creditors	0.0	0.0	0.7	0.0	5.0	5.8	0.0	11.5	£ 2,261.50	196.65
Total	1.0	1.0	7.3	1.9	21.6	17.8	2.0	51.6	£ 11,678.50	226.33
Case Specific Matters - Shareholders										
Shareholders / Members		0.2	1.4	0.0	1.9	0.0	0.0	3.5	£ 1,040.50	297.29
Total	0.2	0.2	1.4	0.0	1.9	0.0	0.0	3.5	£ 1,040.50	297.29
Case Specific Matters - Legal Matters										
Legal Matters		0.0	0.7	0.0	1.2	0.0	0.0	1.9	£ 537.50	282.89
Total	0.0	0.0	0.7	0.0	1.2	0.0	0.0	1.9	£ 537.50	282.89
Total Hours (From Jan 2003)		4.9	39.7	8.8	56.1	47.8	8.2	165.5	£ 41,144.00	248.60
Total Time Cost (From Jan 2003)		£ 2,419.00	£ 15,533.00	£ 2,155.00	£ 12,622.50	£ 6,856.50	£ 1,558.00	£ 41,144.00		
Total Hours		4.9	39.7	8.8	56.1	47.8	8.2	165.5	£ 41,144.00	248.60
Total Time Cost		£ 2,419.00	£ 15,533.00	£ 2,155.00	£ 12,622.50	£ 6,856.50	£ 1,558.00	£ 41,144.00		
Average Rates		493.67	391.26	244.89	225.00	143.44	190.00	248.60		