In accordance with Rule 3.93(1) of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018.

AM10 (Scot)

Notice of administrator's progress report

Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number	S C 0 3 6 3 6 8
Company name in full	Meridian Realisations Ltd (Formerly Mackays Stores Ltd)

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

2 Administrator's name

Full forename(s)	Gavin George Scott
Surname	Park

3 Administrator's address

Building name/number	100 W George St
Street	Glasgow
Post town	G2 1PP
County/Region	
Postcode	
Country	

4 Administrator's name ❶

Full forename(s)	Clare
Surname	Boardman

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	7 Park Row
Street	Leeds
Post town	LS1 5HD
County/Region	
Postcode	
Country	

❷ **Other administrator**
Use this section to tell us about another administrator.

AM10 (Scot)

Notice of administrator's progress report

6 Period of progress report

From date	d 0 4	m 0 8	y 2 0 2 1
To date	d 0 3	m 0 2	y 2 0 2 2

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X X
Signature date	d 1 5 m 0 3 y 2 0 2 2

AM10 (Scot)

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: Arjan Beghal

Company name: Teneo Financial Advisory Ltd

Address: 156 Great Charles Street
Queensway

Post town: Birmingham

County/Region:

Postcode: B 3 3 H N

Country:

DX:

Telephone: +44 121 619 0120

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,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.

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

Teneo®

The Global CEO Advisory Firm

Court Case No. P570-20
Court of Session
Company Number: SC036368

Registered Office:
100 West George Street
Glasgow
G2 1PJ

Meridian Realisations Limited (in administration) (formerly Mackays Stores Limited) ("the Company")

Progress report to creditors for the period 4 August 2021 to 3 February 2022, pursuant to rules 3.93 to 3.94 inclusive, of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 ("the Rules")

15 March 2022

Michael John Magnay and Gavin George Scott Park ("the Joint Administrators") were appointed Joint Administrators of Meridian Realisations Limited (formerly Mackays Stores Limited) on 4 August 2020 by the directors of the Company at Caledonia House, 5 Inchinnan Drive, Inchinnan, Renfrew PA4 9AF. Michael John Magnay ceased to act as a Joint Administrator of the Company on 21 January 2021 as part of a block transfer court order. On 21 January 2021, as part of the same block transfer court order, Clare Boardman of Teneo Financial Advisory Limited ("Teneo") was appointed Joint Administrator of the Company. Gavin George Scott Park and Clare Boardman are the Joint Administrators of the Company.

The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Teneo are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

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Key messages

Key messages

Joint Administrators of the Company

Gavin George Scott Park

Clare Boardman

Teneo Financial Advisory Limited

156 Great Charles Street

Queensway

Birmingham

B3 3HN

Contact details

Email: arjan.beghal@teneo.com

Website: www.ips-docs.com

Tel: +44 121 619 0153

Purpose of administration	• The purpose of the administration is to achieve a better result for the Company's creditors as a whole than via a liquidation.
Progress of administration	• In line with the Licence to Occupy agreement ("LTO Agreement"), funds totalling £111,627 have been received from M&Co Trading Limited ("the Purchaser") in the period in respect of the LTO Agreement, and we have subsequently paid funds totalling £176,734 to various landlords from these receipts during the period. • We have continued to work with our solicitors to facilitate a number of surrenders and/or assignments of the Company's lease obligations. There is only one property remaining subject to the LTO Agreement which was granted to the Purchaser. Negotiations regarding the Company's interest in this remaining leasehold property are continuing. Please see page 5 for further details. • Non-domestic business rates ("NDBR") refunds of £61,257 and an insurance refund of £227 have been realised in the period. Please see page 5 for further details. • A refund of Land and Buildings transaction Tax ("LBTT") • The correct ownership of a miscellaneous receipt of £5,310 is currently being assessed. • We have admitted preferential claims totalling £410,395 and a dividend of 100p in pound was paid on 10 March 2022, after the end of the reporting period.
Costs	• Our remuneration has been fixed on a time costs basis. Our time costs for the period of the report are £253,787. Please see page 12 for further details. • Category 1 third party costs and expenses of £32,804 plus VAT have been incurred in the report period. Please see page 6 for further details. • We have incurred category 2 expenses and disbursements of £17,068 plus VAT in the report period. Please see page 17 for further details.
Outstanding matters	• Complete leasehold property matters and finalise payments to landlords, subject to the LTO Agreement. • Pay the remaining preferential dividend to creditors who have not yet submitted bank account details. • Complete the adjudication of unsecured claims and pay a dividend (via the Prescribed Part fund). • We request that all unsecured creditors, who have not yet submitted claims in the administration, do so, as a matter of urgency. Please see page 10 for further details. • Finalise the Company's remaining VAT and tax matters. • Statutory closing procedures.
Dividend prospects	• Secured creditor – The secured creditor has now been repaid in full. Please see page 10 for further details. • Preferential creditors – Preferential claims have been paid in full after the end of the reporting period. Please see page 10 for further details. • Unsecured creditors – There will be a distribution to unsecured creditors via the Prescribed Part. Please see page 10 for further details.
Extension to administration period	The period of the administration has been extended to 4 August 2022. It may be necessary to seek a further extension in order to distribute the Prescribed Part funds to the unsecured creditors. Please see page 11 for further details.

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Progress of the administration

Summary

Work done during the report period

Asset Realisations

As explained in our last report, certain assets of the Company were excluded from the pre-pack sale agreement. We have continued to realise these assets during the period.

Rates Refunds

Non-domestic business rates refunds of £61,257 have been realised during the period in respect of overpayments of rates made by the Company prior to our appointment. Further refunds may be realised although the amounts are not certain.

Land and Buildings Transaction Tax (LBTT) Refund

Refunds in relation to LBTT have been received from Revenue Scotland in the period totalling £2,191. Further refunds may be realised although the amounts are not certain.

Insurance Refund

An insurance refund of £227 has also been realised. No further realisations from this source are anticipated.

Miscellaneous Receipt

We have received a payment of £5,310 in respect of a credit made to the Company's pre appointment bank account. This may not be an asset of the Company and we are currently assessing the nature of the funds to confirm whether these funds should be paid across to the Purchaser or retained in the administration estate.

Licence to Occupy Agreement

There remains one leasehold property subject to the LTO Agreement. For properties included in the LTO Agreement, the Joint Administrators have continued to pay, as an expense of the administration, any property costs due under the respective leases, monthly in arrears from the date of our appointment, in line with the terms of the agreement. The Company has been put in funds by the Purchaser whilst the LTO Agreement has remained in place in order to meet these property costs (i.e. there is no net benefit or detriment to the administration estate from LTO Agreement receipts and payments).

£111,627 has been received in the period from the Purchaser to facilitate payments of rent, insurance and service charge due to landlords of the properties which were subject to the LTO Agreement

Payments of £176,734 have been made in the period to landlords in respect of rent, insurance and, where applicable, service charge. Certain payments were also made during the reporting period to landlords of properties no longer subject to the LTO Agreement, but who had outstanding invoices from the relevant LTO Agreement period.

Funds will continue to be paid by the Purchaser on an ongoing monthly basis to meet the property costs for the one remaining property still subject to the LTO Agreement, until this is terminated.

Lease Surrenders

For the 47 sites not included in the Transaction, landlords of the vacated properties have been contacted and keys returned, where practicably possible. We continue to deal with a number of landlords and their agents with regard to the surrender/renunciations of leases relating to the vacated sites.

We also continue to assist the Purchaser with assignments, renunciations and/or surrenders in respect of the 175 properties that were subject to the initial LTO Agreement. There are 56 properties where the Company's leasehold interest has not yet been finalised. As stated above, only one property now remains occupied by the Purchaser under the LTO Agreement.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case management actions, including updating the insolvency website/creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of progress reports;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HM Revenue & Customs ("HMRC") in respect of VAT and Corporation Tax matters.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Progress of the administration

Summary

Third party costs incurred during the report period

Joint Administrators' Category 1 Expenses

Category 1 expenses are payments to persons providing the service to which the expense relates and which are neither payment to us, the officeholders, or to an associate of ours. These expenses can be paid out of the estate by us without creditor approval.

The following third party expenses have been incurred during the report period:

Specialist Advice & Services

Legal Costs:

- Burness Paull LLP ("BP"), who are experienced in this area, has provided post sale agreement legal advice in relation to the Company's leasehold interests (including the LTO Agreement and lease surrenders/renunciations and assignments) and continue to advise on general, ad hoc legal administration matters.
- In the reporting period, BP has incurred costs of £13,959 plus VAT and disbursements of £781 plus VAT which have been billed and paid. BP's total costs are in line with expectations (please see page 19 of our Proposals for further details).

Agents' Costs

- CAPA Limited ("CAPA"), who are experienced in this area, has been engaged to recover NDBR refunds due to the Company on a 15% success fee basis. CAPA have recovered rates refunds of £61,257 over the reporting period, for which they have incurred costs of £9,655 plus VAT.
- Black & Callow have incurred costs of £8,409 plus VAT during the period in respect of postage and printing expenses for the distribution of statutory documents to creditors.

Payment of Category 1 Expenses

All professional costs and expenses are kept under review and analysed to ensure best value for creditors is being obtained.

Please refer to the receipts and payments account on page 8 for details of Category 1 expenses paid to date.

Progress of the administration

Summary

Disbursements ï Category 1

Category 1 disbursements are payments to third parties which are initially met by us and then reimbursed to us out of the estate when funds become available, and for which no approval is required. These are summarised in the table below:

£ (net)	Estimated per Proposals	Incurred in previous report periods	Incurred in report period	Paid	Unpaid
Postage/Couriers	4,500	10,241		10,241	-
Specific Penalty Bond	230	230		230	-
Total expenses	4,730	10,471	-	10,471	-

No category 1 expenses have been incurred during the report period.

Category 2 Expenses

These are payments out of the estate either:

- to us (as officeholder), for example reimbursement to staff engaged on the case for their mileage costs) or in respect of shared or allocated costs; or
- to our associates, e.g. to Deloitte LLP where their costs are being charged to the estate following the sale of the Deloitte UK Restructuring team to Teneo Financial Advisory Limited (“Teneo” and “the Transaction”) on 29 May 2021.

These expenses require creditor approval in the same manner as our remuneration and are discussed in further detail on page 17.

Progress of the administration

Receipts and payments

Meridian Realisations Ltd (Formerly Mackays Stores Ltd)
Joint Administrators' receipts and payments account
04 August 2021 to 03 February 2022

£	SoA values	Notes	Period	To date
Receipts				
Tangible Assets	6,493,474	1	-	-
Intangible Assets	782,271	1	-	-
Funds held for landlords legal costs	-		-	1,500
LBTT refund	-		2,191	14,510
Rates Refund	-		61,257	152,149
Sundry Refund	-		18	18
Freehold Land & Property	-		-	2,300,000
Leasehold Property	-		-	360,000
Licence to Occupy Rent - Receipts	-	2	111,627	4,518,926
IP & Goodwill	-		-	820,881
Furniture & Equipment	-		-	2,178,330
Stock	5,212,330		-	5,112,329
IT Systems	-		-	916,535
Book Debts	-		-	700,000
Insurance Refund	-		227	227
Cash at Bank	621,606		-	125,000
Pre-appointment sales receipts'	500,000		-	500,000
Bank Interest Gross	-	3	74	386
Miscellaneous Receipts	-	4	5,310	5,310
Council grant funding to be refunded	-		-	-
Furlough funds received	583,000		-	583,645
Funds received on behaf of Newco	-		-	619,982
Bank Charge on transfer to newco	-		-	-
Total receipts	14,192,681	5	180,703	18,909,728
Payments				
Landlords' hypothec claims			-	66,928
Licence to Occupy Rent - Paid		2	176,734	4,004,009
Pre appointment legal fees			-	51,765
Pre appointment legal expenses			-	258
Agents' fees - rates			9,655	23,190
Sundry property costs			-	380
Landlords' legal costs - paid			-	-
Pre-Appointment Administrators' Fees			-	135,206
Administrators' Fees			150,000	850,000
Administrators' Expenses			-	10,471
Other professional costs			-	2,750
Legal Fees			13,959	77,270
Legal disbursements			781	1,100
Customs and Excise Duty			-	435,370
Irrecoverable VAT		6	-	6,736
Funds transferred to Newco			-	619,972
Storage Costs			22	22
Postage & Redirection			8,409	8,409
Statutory Advertising			-	95
Bank Charges			14	389
Secured Creditor Distributions			-	10,725,056
Total payments			359,573	17,019,376
Balance				1,890,353
Made up of:				
VAT Receivable		6		182,528
Floating Chge Deposit A/c		3		1,736,470
Trade Creditors		7		(62,727)
VAT Payable		6		11,912
Vat Control Account		6		22,170
Balance in hand				1,890,353

A receipts and payments account is provided opposite, detailing the transactions incurred during the report period and cumulatively for the entire period of our appointment from 4 August 2020 to 3 February 2022.

Notes to receipts and payments account

Note 1 - The Company's tangible and intangible assets have been realised but are included in the specific asset headings set out opposite to provide better detail on the values achieved for each type of asset.

Note 2 - Funds totaling £111,627 plus VAT were received from the Purchaser in the period in accordance with the terms of the LTO Agreement. £176,734 plus VAT (where applicable) has been paid to landlords in respect of rent, insurance and, where applicable, service charge payable for the occupation of the leasehold properties subject to the LTO Agreement. Any balance of funds not used will be repaid to the Purchaser.

Note 3 - All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HMRC.

Note 4 The correct ownership of this receipt received in the report period is currently being assessed. Please see page 5.

Note 5 – Our proposals stated a net book value for the assets of £52m however, in a previous reporting period we received the directors Statement of Affairs which reflects a more accurate representation of the expected asset recoveries.

Note 6 – Sums shown opposite are shown net of VAT, which is recoverable and payable and will be accounted for to HMRC. Where landlords have not been able to re-issue invoices for rent that was billed to the Company prior to insolvency, the VAT element of these invoices is not recoverable.

Note 7 – Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Information for creditors

Outcome 10

Information for creditors

Outcome

Outcome for creditors

Secured creditors

At the date of the administration, the Company had £11,400,000 of debt (excluding cross guaranteed amounts) due to HSBC Bank plc, ("the Secured Creditor"), which was secured by way of a floating charge created on 19 May 2008 and registered on 30 May 2008. The Secured Creditor also benefitted from a cross guarantee provided by the Company in respect of the bank debt of the wider group.

Distributions totaling £10,725,056 have been made to the Secured Creditor under the terms of its floating charge security granted by the Company to date. The balance of the Secured Creditor's debt was offset against funds it held in respect of Merchant Service Facilities on appointment of the Joint Administrators. The Secured Creditor has now therefore been repaid in full.

Preferential creditors

Preferential claims consist of amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions.

As previously stated the majority of UK staff (2,244) transferred from the Company to the Purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). No preferential claims in relation to these employees have been made. 379 employees were made redundant who we anticipated would have preferential claims.

We have admitted preferential claims totaling £410,395 for distribution and do not anticipate any further claims being received.

We issued a schedule of agreed preferential claims to the preferential creditors on 22 December 2021 as part of the adjudication process. We did not receive any objections to the schedule issued. On 10 March 2022, following the end of the reporting period, we declared a dividend of 100p in the £ and paid all the preferential claims where the preferential creditors' bank account details had been submitted and verified.

Any preferential creditor who has not yet submitted their bank account details is requested to do so, as soon as possible, to allow them to receive their dividend.

Secondary Preferential Debts due to HMRC

As this appointment pre-dates 1 December 2020, the Secondary Preferential Debt provisions do not apply.

Unsecured creditors

Prescribed Part

As detailed in the Proposals, we anticipate that there will be a Prescribed Part fund available for distribution to unsecured creditors of £600,000, being the statutory maximum.

Please note that in accordance with Rule 3.50 of the Rules, the costs associated in dealing with the Prescribed Part (which would chiefly comprise our costs incurred in adjudicating and processing claims) must be paid out of the Prescribed Part fund.

We are now reviewing and admitting the unsecured claims to enable a Prescribed Part distribution to be paid to unsecured creditors. At the date of this report, a number of unsecured creditors, specifically landlords, have not yet submitted their claims.

We would strongly encourage all unsecured creditors who have not yet submitted their claims to do so, as soon as possible to avoid any delay in payment of the Prescribed Part distribution. A letter will be sent to all prospective unsecured creditors requesting their claim to be submitted.

A schedule of unsecured claims will be issued in due course once any final claims have been received.

Unsecured creditors

At present it is unlikely that sufficient funds will be realised to enable a dividend to be paid to unsecured creditors other than the Prescribed Part distribution referred to above.

Information for creditors

Outcome

Claims process

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed, according to the Company's statement of affairs, is £1,000 or less. Instead, we will notify you if funds become available for dividend purposes and provide you with details of the amount at which your claim has been admitted. If you disagree with that amount, you will be provided with an opportunity to notify us of the correct amount.

Please note that should you wish to vote in a decision procedure, you will then need to submit a statement of claim to us.

Creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us either directly via the case website at www.ips-docs.com or by downloading and completing a statement of claim form from the case website and which should be sent to the address on page 3. Alternatively, a hard copy statement of claim form will be provided free of charge on request.

Extensions to the administration

We may need to request a further extension to the period of the administration for an additional 12 months from 4 August 2022 to enable the Prescribed Part to be distributed and the administration to be closed. This will be wholly dependent on the timely receipt of any remaining claims from the Company's unsecured creditors and the agreement of these claims, particularly from landlords, some of whose claims have not yet crystallised. We will write to landlords separately to try and finalise the agreement of their claims and allow the prescribed part distribution to be made.

However, we do not anticipate that the administration will need to stay open for the duration of the extended period.

Exit

As detailed in our Proposals, we consider dissolution to be the most appropriate exit route from administration, because there are unlikely to be any funds to distribute to unsecured creditors other than via the Prescribed Part.

Remuneration and expenses

Joint Administrators' remuneration 13

Remuneration and expenses

Joint Administrators' remuneration

Joint Administratorsô remuneration

"A Creditors' Guide to Remuneration" is available for download at www.ips-docs.com.

Should you require a paper copy, please send your request in writing to us at the address on page 3 and this will be provided to you at no cost.

Basis of remuneration

On 11 March 2021, we obtained approval by consent from the Secured Creditor and through a decision taken by the preferential creditors for the following:

(a) to fix the basis of our remuneration by reference to the time properly given by the Joint Administrators and their staff plus VAT thereon; and

(b) to approve our interim claim to recover our pre administration costs and expenses of £135,206 plus pre administration legal fees of £52,000 and legal expenses of £545; and

(c) post appointment remuneration and outlays of £1,000,000 and £10,471 respectively.

All of the above costs were set out in our Proposals and include VAT thereon.

Time costs incurred

Our time costs for the reporting period are £253,787 made up of 414 hours at an average charge out rate of £613 across all grades of staff.

Since the date of our appointment to 3 February 2022, we have incurred total time costs of £1,844,866 made up of 3,235 hours at an average charge out rate of £570 across all grades of staff.

Details of the time costs incurred and charge out rates is provided on the following pages 14 to 16. Time is charged in six minute increments. Creditors may request a detailed breakdown of the time costs incurred by writing to the address at the front of this report.

Fees drawn to date

Further to obtaining fee approval on 11 March 2021, by the secured and preferential creditors, we have drawn remuneration of £850,000, plus VAT, and pre appointment time costs of £135,206 to date, as shown in the receipts and payments account on page 8.

Remuneration and expenses

Detailed information

Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2021 national charge out rates as summarised below.

Please note that prior to 29 May 2021 (when the Restructuring Services practice transferred from Deloitte LLP to Teneo Financial Advisory Limited, time was charged to the estate by specialists from other Deloitte departments (such as Tax / Vat, Financial Advisory or Deloitte Real Estate) and whose charge out rates may fall outside the bands quoted below.

Charge out rates last increased on 1 June 2021. Details of charge out rates applicable to prior report periods were given in those reports, copies of which will be provided on request to Arjan Beghal.

Financial Advisory charge out rates (£/hour)

Grade	From 1 June 202
Directors*	1,100 - 1,195
Associate Directors	900
Managers	815
Assistant Managers	650
Other**	380

Directors* includes Senior Managing Directors, Managing Directors and Directors.
Other** includes Senior Associate and Associate Consultants

Joint Administratorsô time costs for the period 4 August

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Senior Managing Directors & Directors		Associate Directors		Managers		Consultants		Associate Consultants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	-	-	0.20	163.00	14.43	9,381.66	1.87	709.33	16.50	10,254.00	621.45
Case Management and Closure	1.40	1,673.00	24.00	21,600.00	0.50	407.50	10.48	6,814.16	26.43	10,044.67	62.82	40,539.33	645.36
Initial Actions	-	-	-	-	-	-	-	-	-	-	-	-	-
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-	-	-	-	-
General Reporting	-	-	-	-	-	-	-	-	-	-	-	-	-
	1.40	1,673.00	24.00	21,600.00	0.70	570.50	24.92	16,195.83	28.30	10,754.00	79.32	50,793.33	640.39
Investigations													
Investigations	0.50	597.50	2.00	1,800.00	-	-	-	-	-	-	2.50	2,397.50	959.00
Reports on Directors' Conduct	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.50	597.50	2.00	1,800.00	-	-	-	-	-	-	2.50	2,397.50	959.00
Trading													
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	8.00	5,200.00	-	-	8.00	5,200.00	650.00
Monitoring Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	8.00	5,200.00	-	-	8.00	5,200.00	650.00
Realisation of Assets													
Book Debts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets (e.g. Stock)	-	-	-	-	0.20	163.00	3.20	2,079.99	5.03	1,912.68	8.43	4,155.67	492.77
Chattel Assets	-	-	-	-	-	-	-	-	0.30	114.00	0.30	114.00	380.00
Property - Freehold and Leasehold	0.60	717.00	21.20	19,080.00	2.30	1,874.50	79.12	51,425.84	17.70	6,726.00	120.92	79,823.34	660.15
Retention of Title	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.60	717.00	21.20	19,080.00	2.50	2,037.50	82.32	53,505.83	23.03	8,752.68	129.65	84,093.01	648.62
Creditors													
Employees	-	-	4.50	4,050.00	2.00	1,630.00	10.58	6,879.16	0.30	114.00	17.38	12,673.16	729.04
Preferential	-	-	29.90	26,910.00	9.70	7,905.50	43.83	28,491.67	9.40	3,572.00	92.83	66,879.17	720.42
Secondary Preferential	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured	-	-	3.50	3,150.00	0.10	81.50	28.57	18,568.34	17.00	6,460.00	49.17	28,259.84	574.78
	-	-	37.90	34,110.00	11.80	9,617.00	82.98	53,939.17	26.70	10,146.00	159.38	107,812.17	676.43
Case Specific Matters													
Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT	-	-	0.40	360.00	1.10	896.50	1.50	975.00	0.30	114.00	3.30	2,345.50	710.76
Tax	-	-	-	-	0.80	652.00	0.58	379.16	0.30	114.00	1.68	1,145.16	680.30
	-	-	0.40	360.00	1.90	1,548.50	2.08	1,354.16	0.60	228.00	4.98	3,490.66	700.47
TOTAL HOURS & COST	2.50	2,987.50	85.50	76,950.00	16.90	13,773.50	200.30	130,194.99	78.63	29,880.67	383.83	253,786.67	661.19
AVERAGE RATE/HOUR PER GRADE		£ 1,195.00		£ 900.00		£ 815.00		£ 650.00		£ 380.00			

Joint Administratorsô time costs for the entire period of

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Senior Managing Directors & Directors		Associate Directors		Managers		Consultants		Associate Consultants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	7.71	8,914.71	12.10	10,552.50	31.20	25,428.00	32.79	18,286.66	461.87	72,476.23	545.66	135,658.11	248.61
Case Management and Closure	11.10	10,603.00	50.16	33,397.87	2.60	2,119.00	43.39	20,039.03	108.45	29,251.75	215.70	95,410.65	442.32
Initial Actions	3.36	4,010.76	3.85	3,469.31	12.87	10,490.29	2.76	1,793.10	28.87	3,255.99	51.71	23,019.45	445.18
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-	-	-	-	-
General Reporting	9.76	11,621.56	13.36	12,021.86	20.71	16,881.02	8.20	5,330.00	2.80	1,625.30	54.83	47,479.73	865.98
	31.92	35,150.03	79.47	59,441.53	67.38	54,918.30	87.14	45,448.80	601.98	106,609.27	867.90	301,567.93	347.47
Investigations													
Investigations	5.20	5,767.50	2.50	1,912.50	-	-	-	-	-	-	7.70	7,680.00	997.40
Reports on Directors' Conduct	3.20	3,757.50	1.50	1,350.00	2.20	1,793.00	-	-	24.90	2,739.50	31.80	9,640.00	303.14
	8.40	9,525.00	4.00	3,262.50	2.20	1,793.00	-	-	24.90	2,739.50	39.50	17,320.00	438.48
Trading													
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	8.00	5,200.00	-	-	8.00	5,200.00	650.00
Monitoring Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	8.00	5,200.00	-	-	8.00	5,200.00	650.00
Realisation of Assets													
Book Debts	-	-	0.80	720.00	-	-	13.70	8,905.00	6.70	3,325.00	21.20	12,950.00	610.85
Other Assets (e.g. Stock)	1.10	1,210.00	9.60	7,965.00	0.20	163.00	6.50	4,224.99	5.03	1,912.68	22.43	15,475.67	689.85
Chattel Assets	-	-	-	-	-	-	-	-	0.30	114.00	0.30	114.00	380.00
Property - Freehold and Leasehold	39.50	42,465.38	311.30	275,869.50	31.50	25,672.50	478.32	303,788.34	271.30	96,748.50	1,131.92	744,544.21	657.77
Retention of Title	7.00	7,700.00	4.80	4,320.00	-	-	-	-	-	-	11.80	12,020.00	1,018.64
Sale of Business / Assets	25.90	28,490.00	21.50	19,350.00	-	-	-	-	-	-	47.40	47,840.00	1,009.28
Third Party Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	73.50	79,865.38	348.00	308,224.50	31.70	25,835.50	498.52	316,918.33	283.33	102,100.18	1,235.05	832,943.88	674.42
Creditors													
Employees	3.66	4,246.16	61.71	53,100.00	2.00	1,630.00	174.31	112,811.06	54.35	10,720.50	296.02	182,507.72	616.53
Preferential	0.50	597.50	31.55	27,551.25	9.70	7,905.50	75.25	34,328.13	25.70	13,889.50	142.70	84,271.88	590.55
Secondary Preferential	-	-	30.75	-	-	-	-	-	-	-	30.75	-	-
Secured	15.05	17,304.88	2.20	1,980.00	-	-	-	-	-	-	17.25	19,284.88	1,117.74
Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured	3.30	3,630.00	13.65	10,938.71	6.56	5,344.59	214.52	115,938.34	165.95	82,603.00	403.98	218,454.64	540.76
	22.51	25,778.54	139.86	93,569.96	18.26	14,880.09	464.07	263,077.53	246.00	107,213.00	890.70	504,519.12	566.43
Case Specific Matters													
Litigation	1.60	1,760.00	-	-	-	-	-	-	-	-	1.60	1,760.00	1,100.00
Pensions	-	-	0.10	22.50	-	-	-	-	-	-	0.10	22.50	225.00
VAT	64.12	74,928.06	70.00	68,442.64	27.25	21,850.75	1.50	975.00	5.90	3,087.00	168.77	169,283.45	1,003.05
Tax	5.70	6,049.00	0.70	745.50	0.80	652.00	1.38	702.91	14.11	4,099.60	22.69	12,249.01	539.76
	71.42	82,737.06	70.80	69,210.64	28.05	22,502.75	2.88	1,677.91	20.01	7,186.60	193.16	183,314.96	949.02
TOTAL HOURS & COST	207.75	233,056.00	642.14	533,709.14	147.59	119,929.65	1,060.61	632,322.56	1,176.23	325,848.55	3,234.32	1,844,865.90	570.40
AVERAGE RATE/HOUR PER GRADE		£ 1,121.81		£ 831.14		£ 812.57		£ 596.19		£ 277.03			

Remuneration and expenses ï Category 2 Expenses

Detailed information

Category 2 Expenses

These are payments to us (as officeholder) or to our associates. These expenses may initially be paid by us (for example, reimbursement to staff engaged on the case for their mileage costs) and may also include shared or allocated costs.

These expenses require creditor approval in the same manner as our remuneration

Joint Administratorsô Category 2 Expenses (Expenses and disbursements)

We have summarised our Category 2 expenses in the table below. Mileage is calculated at the prevailing standard mileage rate of up to 45p at the time when the mileage is incurred.

£ (net)	Estimated per Proposals	Incurred in previous report periods	Incurred in report period	Paid	Unpaid
Mileage	-	-	-	-	-
Deloitte Tax costs		-	12,500		12,500
Deloitte DIJV costs	-	-	4,568	-	4,568
Total expenses	-	-	17,068	-	17,068

As indicated on page 7 specific approval is required before these costs and expenses can to be drawn from the administration estate and which was given by the secured and preferential creditors on 11 March 2021 other than in relation to the Deloitte LLP costs which are discussed further below and in the column opposite.

As discussed on page 14, prior to the Transaction, the work delivered by other Deloitte service lines was included in our time costs and thus charged to the estate to be recovered out of our approved remuneration (from which an internal recharge would have then been made).

Following the Transaction, the services being delivered by Deloitte teams can no longer be charged to or form part of our time costs; they are instead being charged to the estate as Category 2 expenses, and thus subject to approval from the appropriate creditor body before payment of same can be made.

We intend to seek these approvals by the consent of the secured creditor and a decision of the preferential creditors. Notice in respect of this decision will be uploaded to the website at www.ips-docs.com shortly.

When seeking approval of category 2 expenses, we are required to explain for each expense the basis on which the expense is being charged to the estate. In that regard, we have detailed below a summary of the services being delivered by Deloitte together with the range of charge out rates, where applicable:

Deloitte Tax ï were engaged to assist with undertaking work in connection with assessing and finalizing the Company's pre and post appointment corporation tax positions. Their work, which is complete was being charged on a time costs basis, the charge out rates for which are provided below. Please refer to the table opposite for details of their costs incurred from the date of the transaction to date and payment status.

Deloitte Global Financial Advisory India (ñDIJVò) engaged to assist with case management and administration. Their work, which is ongoing, is charged on a time costs basis, the charge out rates for which are provided below. Please refer to the table opposite for details of their costs incurred from the date of the transaction to date and payment status. As can be seen, these costs remain unpaid, and we intend to seek approval for these costs to be recovered or paid out of the estate.

Deloitte LLP Charge out rate Bands

Charge out rates last increased on 1 June 2021. Details of charge out rates applicable to prior report periods were given in those reports.

Deloitte LLP Charge out Rate Bands (£/hour)

Grade	Rate (£/hour)
Partners	1430 - 1475
Directors	1205 -1240
Associate Directors	1095 - 1130
Managers/Assistant Managers	94 - 400
Consultants	565 - 845
Associates	135 - 340
Administrators/Analysts	90 - 370
Agent	34

Remuneration and expenses ï Category 2 Expenses

Detailed information

Creditorsô right to challenge remuneration and/or expenses

Any creditor, or creditors of the Company representing in value at least 25% of the total creditors, may apply to the court to make an order fixing the remuneration and/or expenses at a reduced amount or rate.

Such applications must be made not later than 8 weeks after the period end of this report (being 31 March 2022) detailing the remuneration and/or expenses being complained of, in accordance with Rule 3.100 of the Rules.

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