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

FRIDAY

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SCT 11/09/2020 #49
COMPANIES HOUSE

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

1 Company details

Company number	S C 4 8 5 0 6 0
Company name in full	Ferguson Marine Engineering Limited

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

2 Administrator's name

Full forename(s)	Michael John
Surname	Magnay

3 Administrator's address

Building name/number	PO Box 500
Street	2 Hardman Street
Post town County/	Manchester
Region	
Postcode	M 6 0 2 A T
Country	

4 Administrator's name ❶

Full forename(s)	Robert James
Surname	Harding

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

5 Administrator's address ❷

Building name/number	1 New Street Square
Street	London
Post town County/	EC4A 3HQ
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	d1 d6	m0 m2	y2 y0 y2 y0
To date	d1 d5	m0 m8	y2 y0 y2 y0

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X X
Signature date	d1 d1 m0 m9 y2 y0 y2 y0

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	Wendy Packwood
Company name	Deloitte LLP
Address	Four Brindleyplace
	Birmingham
Post town	B1 2HZ
County/Region	
Postcode	
Country	
DX	
Telephone	+44 121 632 6000

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

Deloitte.

Ferguson Marine Engineering Limited (in Administration)

("the Company"/"FMEL")

Court Case No. P743 of 2019
Court of Session
Company Number:SC485060

Registered Office: c/o Deloitte LLP
Saltire Court,
20 Castle Terrace,
Edinburgh,
EH1 2DB

Progress report for the period 16 February 2020 to 15 August 2020 pursuant to rules 3.93 to 3.94 inclusive of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 ("the Rules")

Michael John Magnay and Robert James Harding ("the Joint Administrators") were appointed Joint Administrators of the Company on 16 August 2019 by HCC International Insurance Company Plc ("HCCI"), as first ranking secured creditor. 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 Deloitte LLP ("Deloitte") 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.

11 September 2020

Key messages

Key messages

Joint Administrators of the Company

Michael Magnay

Deloitte LLP

Saltire Court

20 Castle Terrace

Edinburgh

EH1 2DB

Rob Harding

Deloitte LLP

1 New Street Square

London

EC4A 3HQ

Contact Details

Email: wpackwood@deloitte.co.uk

Website: www.ips-docs.com

Tel: 0121 696 8661

	Commentary
Purpose of administration	• The purpose of the administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Progress of administration	• During the report period, the Joint Administrators have continued to liaise with the purchaser of the business, Ferguson Marine (Port Glasgow) Limited ("FMPGL"/"Macrocom") and certain suppliers, with regard to outstanding trading and unsecured claim matters. • Prior to the sale of business on 2 December 2019, we collected £0.1m of book debts. The majority of remaining debtors transferred to FMPGL upon sale, however FMEL retained one debtor that was excluded from the sale consideration. During the report period we agreed terms of settlement and continue to monitor collection. • A pre appointment VAT refund of £348k has been received during the period.
Costs	• Our remuneration has been fixed on a time costs basis. Our time costs for the period of the report are £80k. Please see page 15 for further details. • We have not incurred any outlays in the report period. Please see page 18 for further details. • Third party costs and expenses of £8.2k have been incurred in the report period. Please see page 6 for further details.
Outstanding matters	• Ongoing debtor collections. • Finalise costs of trading. • Payment of the Prescribed Part to unsecured creditors. • Distribution to secured creditors. • Statutory closing procedures.
Dividend prospects	• The secured creditors will not be paid in full. • We do not anticipate any preferential creditor claims. All employees transferred to FMPGL upon the sale of business under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). • Unsecured creditors will be paid a dividend via the Prescribed Part.
Extension to administration period	• The period of the administration has been extended to 16 August 2021. It is unlikely that any further extension will required. Please see page 12 for further details.

Progress of the administration

Progress of the administration
Summary

Work done during the report period

Trading

Following the sale of business on 2 December 2019, trading ceased and we have continued to finalise outstanding trading accounts with certain suppliers.

No surplus is expected to remain once trading costs are concluded as the Management Agreement ("MA") requires surplus funds to be returned to FMPGL.

Book debts and other debtors

As previously reported, one book debt in the sum of £1.5m related to the 803 contract and was subject to dispute at the date of our appointment. Both the debtor and the contract were excluded from the sale of business to FMPGL.

During the report period we agreed a commercial settlement with the customer that was tied to FMPGL agreeing to carry out works in respect of the vessel and its successful delivery to the customer. Following a period of delay owing to COVID-19 restrictions, the vessel was successfully launched and delivered to the customer in June 2020.

The settlement monies are due to be paid on the earlier of when it is accepted at its destination or 31 December 2020 and we will provide an update in our next report.

Other book debts of £862, excluded from the sale of business, have been received during the period.

Pre Appointment VAT Refund

A pre appointment refund, in the sum of £348k has been received during the period.

Sundry Refund

Other refunds of £10 have been received during the period.

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 set-up and management actions, including updating the creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of the previous progress report;
- Correspondence with secured and unsecured creditors;
- 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 and returns.

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

Director Conduct Reports

We have complied with our statutory duty to report on the conduct of the Company's directors and submitted our confidential report to The Insolvency Service on 27 October 2019.

Progress of the administration
Summary

Work done during the report period

Investigations

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Company.

Having completed this review no further avenues of recovery have been identified.

If you have any information that you feel we should know, please contact us in writing using the contact details on page 3.

Third party costs incurred during the report period

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

- Legal costs - Shepherd and Wedderburn LLP ("S&W"), a firm of lawyers with the appropriate expertise and experience in dealing with these types of administrations, were instructed to advise on legal matters and to prepare any related legal documentation including:
  - Debtor collection strategy and advice including for 803 contract;
  - Employee matters;
  - Review and advice in relation to claims both by the Company and against the Company;
  - Review and advice in relation to novation of contracts to FMPGL; and
  - General administration queries.
- Their accrued costs in the report period total £8.2k (plus VAT).

These costs have not yet been paid. In addition, there remains £6.8k of accrued costs relating to the prior period which have not yet been paid.

All professional costs are reviewed and analysed in detail before payment is approved.

Progress of the administration
Receipts and payments

Joint Administrators receipts and payments account
16 August 2019 to 15 August 2020

£	SoA values	Notes	Period	To date
Receipts				
Trading surplus/(deficit)		1	-	490,391
Book Debts	1,651,000		862	109,380
VAT Refund		5	347,540	347,540
Cash at Bank	3,000,000		-	3,024,989
Other Refunds			10	10
Bank Interest Gross		4	10,037	17,133
Freehold/leasehold building and land	4,000,000		-	-
Non POC WIP	141,000	7	-	-
Sale of business	43,894,000	2	-	-
801/802 price claim	48,329,000	3	-	-
Cash collateral (held by Surety)	4,500,000		-	4,546,543
Prepayments and other debtors	699,000	7	-	177,567
Total receipts	**106,214,000**		**358,448**	**8,713,552**
Payments				
Specific Bond			230	230
Pre Appointment Administrators' Fees			177,000	177,000
Administrators' Fees			620,000	620,000
Administrators' Expenses			3,220	3,220
Pre Appointment Legal Fees			75,000	75,000
Agents'/Valuers' Fees			-	31,982
Legal Fees			186,450	186,950
Legal Fees - Disbursements			1,935	19,185
VAT Penalty			200	200
Statutory Advertising			-	178
Bank Charges		8	(244)	311
SPA Debts to Purchaser			-	4,135
Total payments			**1,063,791**	**1,118,391**
Balance				**7,595,162**
Made up of:				
Balance held in IB bank Account		4		822,805
Balance held in IB non trading bank account		4		6,422,020
Trade Creditors		6		(29)
VAT (payable)/receivable		5		350,366
Balance in hand				**7,595,162**

A receipts and payments account together with a separate trading account is provided above and on the next page, respectively, detailing the transactions during the report period.

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

Notes to receipts and payments account

1 Trading surplus

Any trading surplus remaining after the conclusion of costs of trading is to be returned to FMPGL.

2 Sale of business

The consideration for the sale of business was £7.5m. This was by way of credit bid (i.e. no cash consideration). Please refer to our previous progress report for further details.

The £43.9m value attributed to the sale of business in the Directors' SoA was calculated on a going concern basis, therefore the SoA value is not directly comparable to the consideration agreed.

3 801/802 price claim

The Directors' SoA attributes a value of £48.3m in respect of a potential claim against FMEL's principal customer. We have obtained Counsel's opinion confirming that there was no realistic opportunity for the Company to pursue the claim for benefit to the creditors.

4 Bank interest

All funds are held in an interest bearing ("IB") account. The associated corporation tax on interest received has been/will be accounted for to HMRC.

5 VAT

All sums shown opposite are shown net of VAT, which is recoverable and has been/will be accounted for to HMRC. A pre appointment VAT refund has also been received during the period.

6 Trade creditors

Invoices are logged on an accruals basis. The balance shown represents invoices logged but not yet sent for payment.

8 Bank charges

An element of bank charges have been reallocated to the trading account in relation to bank charges incurred for trading supplier payments.

9 Other realisation costs

Realisation cost was shown as Other Sale of Business Costs in the receipts & payments account in our last report. This has been reallocated to the trading account to represent a cost that was funded by Macrocom (FMPGL).

Progress of the administration
Receipts and payments

Joint Administrators trading account

16 August 2019 to 2 December 2019

£	To date
Receipts	
Funding from Managing Agent	5,988,374
Sundry Maintenance and Repairs Services	10,213
Recharges	18,783
Total receipts	**6,017,370**
Payments	
Purchases	1,523,994
Contractors	219,688
Direct Labour	2,495,831
Employee Expenses	9,415
Consumable Stores	103,547
Payroll Processing	4,881
Rents	82,586
Rates	19,006
Heat & Light	20,188
Security	49,845
Telephone, Internet & IT	50,784
Carriage & Transport	6,467
Insurance	248,519
Professional Fees	3,937
Bank Charges	273
Cleaning	42,338
Hire of Equipment	67,553
Repairs & Maintenance	4,548
Health & Safety	39,500
Accommodation & subsistence	2,911
Storage of records	207
Office furniture	17,171
Ransom creditors	434,300
Pre-appointment employee expenses	1,313
Pre-appointment payroll deductions	63,394
Petty Cash	5,000
Waste Removal	2,874
Realisation cost	6,426
Trading Costs	484
Total payments	**5,526,979**
Trading surplus/(deficit)	**490,391**

Notes to trading account

The trading account shown in the table opposite has been prepared on an accruals basis.

Certain debts totalling £6.2k within sundry maintenance and repair services and recharges, represent debts transferred to FMPGL upon the sale of business. As these debts will not be collected, the receipt balances have been reduced accordingly.

Realisation cost was shown as Other Sale of Business Costs in the receipts & payments account in our last report. This has been reallocated to the trading account to represent a cost that was funded by Macrocom (FMPGL).

The administration trading account is due to be finalised in the next report period. Under the terms of the Management Agreement (MA), any final trading surplus will be returned to FMPGL.

Progress of the administration
Pre-administration costs

Pre administration costs

In the following paragraphs we have provided an explanation of the work carried out by us in the period prior to the administration which was carried out with the intention of helping to achieve the objective of the administration, i.e. achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Company:

- Planning for and implementing an administration strategy to enable continuation of business;
- Preparatory work relating to terms and conditions of the Management Agreement and Put Option to be entered into on appointment; and
- To achieve this we liaised with S&W regarding the legal aspects of the administration appointment and the preparation of the Management Agreement, the Put Option and appointment documents.

Pre-administration time costs

Grade	Hours	Amount (£)
Partners & directors	104.0	110,970
Assistant directors	8.0	7,000
Managers	70.7	55,853
Assistant managers	3.5	2,205
Support	4.0	1,160
Total paid	**190.2**	**177,188**

Time costs

We have incurred pre-administration time costs of £177,188 as above.

Disbursements

No pre-administration disbursements were incurred.

Legal costs

During planning for the administration, we were assisted by S&W on matters including:

- Preparation of appointment documentation;
- Advising on the security structure and title documents;
- Advising on the timings of appointment;
- Preparation of the Management Agreement and Put Option documentation; and
- Advising on various applicable regulations to the appointment.

In respect of this work, S&W incurred time costs of £75k plus VAT and no expenses.

Approval of pre-administration costs

As set out opposite and above, we have pre administration costs and expenses of £177,188. S&W have pre-administration costs of £75k plus VAT.

These costs have now been approved by the secured creditors and have been drawn as shown in the receipts and payments account on page 7.

Information for creditors

Outcome for creditors

Secured creditors

The Company's records and the Directors' Statement of Affairs ("SoA") show that, at the date of our appointment, the following amounts were owed to secured creditors:

- HCCI - £20.3m, secured by way of floating charges granted by the Company on 2 November 2016 and 14 February 2018, and a standard security over freehold property dated 13 March 2018. HCCI also held a cash collateral deposit in the sum of £4.5m. Subsequently, HCCI issued a demand to the Company dated 9 August 2019 for an amount of £19.8m.
- Scottish Ministers ("SM") - £49.8m, secured by way of a floating charge granted by the Company on 25 June 2018 and a standard security over freehold property dated 4 July 2018. Subsequently, SM issued a demand to the Company dated 2 September 2019 for a total amount of £50.1m comprising £19.5m relating to sums advanced to the Company and £30.6m relating to sums advanced to FMEL's parent company, Ferguson Marine Engineering (Holdings) Limited ("FMEHL").
- Clyde Blowers Capital ("CBC") - £3.0m provided to FMEHL. This is secured by way of a floating charge granted by the Company on 1 February 2019 and a standard security over freehold property dated 13 February 2019.
- Clydeport Operations Limited ("Clydeport") – £5k, this amount was secured by way of a standard security over freehold property granted by the Company on 16 September 2014.

An Intercreditor Deed dated 1 February 2019 between HCCI, SM, CBC, the Company, FMEHL and MacKellar Sub-Sea Limited ("Mackellar") details the ranking of the above secured creditors, as follows:

1. Debts owed to HCCI;
2. Debts owed to SM in relation to sums advanced to the Company; and
3. Debts owed to SM relating to sums advanced to FMEHL, then debts due to CBC.

Secured creditors (continued)

HCCI's claim and assigned security against the Company was satisfied in full as part of the sale of business to Macrocom with the cash collateral deposit monies being returned to the Company.

The sale to Macrocom for a credit bid consideration resulted in SM's debt reducing by the amount of the consideration, £7.5m. SM will likely receive further distributions in respect of their debt.

No distributions have been made to CBC and we do not anticipate there will be funds available to enable a distribution to CBC.

To enable completion of the sale of business, FMPGL (formerly Macrocom) provided funding to settle the outstanding debt to Clydeport. Therefore no further secured balances are due to Clydeport.

Preferential creditors

Preferential claims relate to amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions. Estimated preferential claims as per the Directors' SoA totalled £172k. However, as all employees transferred to FMPGL under TUPE, we do not anticipate any preferential creditor claims will be received.

Prescribed Part

The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, (referred to as the net property), as set out under section 176A of the Act. It applies only where the charge was created on or after 15 September 2003.

The Prescribed Part is calculated as a % of the net property and is subject to a statutory maximum of £600k per company. Where the value of the Prescribed Part is so small as to make the costs of distributing it disproportionate, the court may, on our application, disapply it.

Based on current information, we anticipate that the maximum Prescribed Part of £600k will be available. The actual Prescribed Part may be lower in the event that costs of administration are greater than currently anticipated.

Information for creditors
Outcome

Claims process

Prescribed Part (continued)

After deduction of the costs for dealing with the Prescribed Part (which primarily comprise our time costs for agreeing creditors' claims and making the distribution to them) we estimate, on present information, that a distribution of c.9p /£ will be available for unsecured creditors based on unsecured creditors per the SoA of £5.95m.

Unsecured creditors

On present information, insufficient funds will be realised to enable a dividend to be paid to unsecured creditors, other than the Prescribed Part distribution.

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 is £1,000 or less per the Statement of Affairs, unless you wish to vote in any decision procedure in which case proof of claim must be given.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the statement of affairs. If you disagree with that amount you will be provided with an opportunity to notify us of the correct amount.

Claims process – 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 completing a statement of claim form which is available on the case website and which should be sent for the attention of Wendy Packwood, Deloitte LLP, Four Brindleyplace, Birmingham, B1 2HZ.

Extensions to the administration

The administration was extended by the secured creditors on 16 June 2020 and will now end on or before 16 August 2021. We do not anticipate that it will be necessary to further extend the period of the administration.

Exit

As detailed in our Proposals, we consider that dissolution will be the most appropriate exit route from administration as there will be no funds available to the unsecured creditors other than the possible Prescribed Part funds.

Remuneration and expenses

Remuneration and expenses

Joint Administrators' remuneration

Joint Administrators' 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 the cover page and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed by the secured creditors on 18 March 2020 by reference to the time properly given by the Joint Administrators and their staff.

Time costs incurred

Our time costs for the period are £79,698.05 made up of 128.7 hours at an average charge out rate of £619.25/hour across all grades of staff.

Details of the time costs incurred is provided on the following page. 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 the approval given on 17 June 2020 by the secured creditors we have drawn remuneration of £620k plus VAT, as shown in the receipts and payments account on page 7.

Joint Administrators' time costs for the period 16 February 2020 to 15 August 2020

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.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & 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	-	-	1.50	1,185.00	2.80	2,212.00	6.20	3,906.00	24.70	3,063.00	35.20	10,366.00	294.49
Case Management and Closure	15.00	17,130.00	9.10	7,189.00	0.40	316.00	9.20	5,812.00	3.70	1,207.00	37.40	31,654.00	846.36
General Reporting	-	-	2.90	2,350.50	6.50	5,135.00	14.50	9,135.00	1.10	267.00	25.00	16,887.50	675.50
	15.00	**17,130.00**	**13.50**	**10,724.50**	**9.70**	**7,663.00**	**29.90**	**18,853.00**	**29.50**	**4,537.00**	**97.60**	**58,907.50**	**603.56**
Trading													
Closure of Trade	-	-	3.60	2,844.00	0.40	316.00	1.10	715.00	2.00	580.00	7.10	4,455.00	627.46
	-	**-**	**3.60**	**2,844.00**	**0.40**	**316.00**	**1.10**	**715.00**	**2.00**	**580.00**	**7.10**	**4,455.00**	**627.46**
Realisation of Assets													
Book Debts	-	-	1.40	1,106.00	-	-	-	-	-	-	1.40	1,106.00	790.00
Other Assets (e.g. Stock)	-	-	0.60	474.00	0.20	158.00	0.50	315.00	-	-	1.30	947.00	728.46
Sale of Business / Assets	-	-	1.30	1,027.00	-	-	1.75	1,085.00	-	-	3.05	2,112.00	692.46
	-	**-**	**3.30**	**2,607.00**	**0.20**	**158.00**	**2.25**	**1,400.00**	**-**	**-**	**5.75**	**4,165.00**	**724.35**
Creditors													
Secured	-	-	2.70	2,133.00	-	-	-	-	-	-	2.70	2,133.00	790.00
Unsecured	-	-	1.50	1,185.00	0.10	79.00	0.55	344.00	0.30	87.00	2.45	1,695.00	691.84
	-	**-**	**4.20**	**3,318.00**	**0.10**	**79.00**	**0.55**	**344.00**	**0.30**	**87.00**	**5.15**	**3,828.00**	**743.30**
Case Specific Matters													
Pensions	-	-	0.70	553.00	-	-	-	-	-	-	0.70	553.00	790.00
VAT	-	-	-	-	-	-	5.50	3,433.00	-	-	5.50	3,433.00	624.18
Tax	-	-	2.74	2,918.10	0.80	632.00	0.20	126.00	3.16	680.45	6.90	4,356.55	631.38
	-	**-**	**3.44**	**3,471.10**	**0.80**	**632.00**	**5.70**	**3,559.00**	**3.16**	**680.45**	**13.10**	**8,342.55**	**636.84**
TOTAL HOURS & COST	**15.00**	**17,130.00**	**28.04**	**22,964.60**	**11.20**	**8,848.00**	**39.50**	**24,871.00**	**34.96**	**5,884.45**	**128.70**	**79,698.05**	**619.25**
AVERAGE RATE/HOUR PER GRADE		**£ 1,142.00**		**£ 818.99**		**£ 790.00**		**£ 629.65**		**£ 168.32**			

Joint Administrators' time costs for the period 16 August 2019 to 15 August 2020

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.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & 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	5.25	5,820.00	1.50	1,185.00	41.75	32,982.50	22.60	14,238.00	336.70	44,823.00	407.80	99,048.50	242.88
Case Management and Closure	46.20	52,008.00	18.80	15,676.50	38.10	30,099.00	28.70	18,097.00	13.60	3,390.00	145.40	119,270.50	820.29
Initial Actions	7.30	7,856.00	0.10	103.50	8.40	6,636.00	12.30	7,749.00	21.00	2,890.00	49.10	25,234.50	513.94
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-	-	-	-	-
General Reporting	1.50	1,740.00	3.90	3,225.50	47.60	37,604.00	26.10	16,443.00	9.20	2,120.00	88.30	61,132.50	692.33
	60.25	**67,424.00**	**24.30**	**20,190.50**	**135.85**	**107,321.50**	**89.70**	**56,527.00**	**380.50**	**53,223.00**	**690.60**	**304,686.00**	**441.19**
Investigations													
Investigations	-	-	-	-	2.00	1,580.00	-	-	12.69	3,349.70	14.69	4,929.70	335.58
Reports on Directors' Conduct	1.00	1,160.00	-	-	1.50	1,185.00	-	-	24.50	2,485.00	27.00	4,830.00	178.89
	1.00	**1,160.00**	**-**	**-**	**3.50**	**2,765.00**	**-**	**-**	**37.19**	**5,834.70**	**41.69**	**9,759.70**	**234.10**
Trading													
Day 1 Control of Trading	-	-	4.00	3,500.00	38.40	30,336.00	-	-	-	-	42.40	33,836.00	798.02
Ongoing Trading	3.90	4,263.00	1.20	1,050.00	61.80	48,822.00	22.70	14,301.00	84.70	25,587.00	174.30	94,023.00	539.43
Monitoring Trading	37.50	40,800.00	18.90	16,537.50	131.50	103,885.00	28.80	18,144.00	15.70	4,553.00	232.40	183,919.50	791.39
Closure of Trade	4.50	4,905.00	3.60	2,844.00	17.60	13,904.00	1.10	715.00	2.00	580.00	28.80	22,948.00	796.81
	45.90	**49,968.00**	**27.70**	**23,931.50**	**249.30**	**196,947.00**	**52.60**	**33,160.00**	**102.40**	**30,720.00**	**477.90**	**334,726.50**	**700.41**
Realisation of Assets													
Book Debts	30.50	33,040.00	2.40	1,981.00	10.80	8,532.00	1.20	756.00	0.20	58.00	45.10	44,367.00	983.75
Other Assets (e.g. Stock)	1.00	1,160.00	3.40	2,924.00	10.90	8,611.00	2.60	1,638.00	1.00	290.00	18.90	14,623.00	773.70
Chattel Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	0.20	158.00	-	-	-	-	0.20	158.00	790.00
Retention of Title	-	-	1.20	1,050.00	-	-	-	-	2.50	325.00	3.70	1,375.00	371.62
Sale of Business / Assets	255.80	276,946.00	53.90	47,052.00	123.20	97,328.00	3.05	1,904.00	-	-	435.95	423,230.00	970.82
	287.30	**311,146.00**	**60.90**	**53,007.00**	**145.70**	**116,103.00**	**6.85**	**4,298.00**	**3.70**	**673.00**	**504.45**	**484,227.00**	**959.91**
Creditors													
Employees	2.50	2,900.00	2.00	1,750.00	19.30	15,247.00	34.20	21,546.00	5.90	1,831.00	63.90	43,274.00	677.21
Secured	11.00	12,760.00	9.10	7,733.00	0.50	395.00	-	-	-	-	20.60	20,888.00	1,013.98
Unsecured	-	-	1.50	1,185.00	1.30	1,027.00	12.55	7,904.00	4.90	957.00	20.25	11,073.00	546.81
	13.50	**15,660.00**	**12.60**	**10,668.00**	**21.10**	**16,669.00**	**46.75**	**29,450.00**	**10.80**	**2,788.00**	**104.75**	**75,235.00**	**718.23**
Case Specific Matters													
Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-
Pensions	-	-	0.70	553.00	-	-	1.80	1,134.00	-	-	2.50	1,687.00	674.80
VAT	0.30	411.00	5.20	5,490.45	7.30	5,767.00	9.80	6,142.00	23.50	17,145.00	46.10	34,955.45	758.25
Tax	0.50	514.80	19.98	18,003.10	0.90	711.00	3.50	2,205.00	11.06	1,659.45	35.94	23,093.35	642.55
	0.80	**925.80**	**25.88**	**24,046.55**	**8.20**	**6,478.00**	**15.10**	**9,481.00**	**34.56**	**18,804.45**	**84.54**	**59,735.80**	**706.60**
TOTAL HOURS & COST	**406.75**	**446,283.80**	**161.38**	**131,843.55**	**563.65**	**445,283.50**	**211.00**	**132,916.00**	**569.16**	**112,043.16**	**1,903.93**	**1,268,370.00**	**666.19**
AVERAGE RATE/HOUR PER GRADE		£ 1,091.83		£ 870.94		£ 790.00		£ 629.93		£ 196.86			
FEES DRAWN												620,000.00	

Remuneration and expenses
Detailed information

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Joint Administrators' Disbursements

Details of all disbursements are given below and from which it can be seen that we have not recovered our disbursements in full.

Category 2 Disbursements

Specific approval is required before these costs and expenses can to be drawn from the administration estate and was given by the secured creditors on 18 March 2020.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Please note that disbursements in relation to bordereau have been allocated to the respective account as shown in the receipts and payments account on page 7 with all other expenses coded to administrators expenses.

Category 1 outlays approved

£ (net)	Incurred during the period	Incurred during appointment	Paid	Unpaid
Travel and Parking	-	808	808	-
Subsistence	-	99	99	-
Accommodation	-	889	889	-
Stationery	-	195	195	-
Bordereau	-	230	230	-
Postage and Couriers	-	884	884	-
Total expenses	**-**	**3,105**	**3,105**	**-**

Category 2 outlays approved

£ (net)	Incurred during the period	Incurred during appointment	Paid	Unpaid
Mileage	-	627	343	284
Total disbursements	**-**	**627**	**343**	**284**

Creditors' 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 15 August 2020 detailing the remuneration and/or expenses being complained of, in accordance with Rule 3.100 of the Rules.

Deloitte.