In accordance with Rule 3.61(1) of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 & Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986.

AM23 (Scot)

Notice of move from administration to dissolution

Companies House

SATURDAY

SAAVPAQP

SCT 14/08/2021 #77
COMPANIES HOUSE

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 Court details

Court name	Court of Session
Court number	P 7 4 3 1 9

3 Administrator's name

Full forename(s)	Gavin George Scott
Surname	Park

4 Administrator's address

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

AM23 (Scot)
Notice of move from administration to dissolution

5 Administrator's name ❶

Full forename(s)	Robert James
Surname	Harding

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

6 Administrator's address ❷

Building name/number	60 St Martin's Lane
Street	London
Post town County/	WC2N 4JS
Region	
Postcode	
Country	

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

7 Final progress report

☑ I have attached a copy of the final progress report.

8 Sign and date

Administrator's signature	Signature X X
Signature date	d1 d2 m0 m8 y2 y0 y2 y1

AM23 (Scot)
Notice of move from administration to dissolution

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	Teneo Restructuring 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

The Global CEO Advisory Firm

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

Registered office:
c/o Teneo Restructuring
156 Great Charles Street
Queensway
Birmingham
B3 3HN

Ferguson Marine Engineering Limited (in administration)

("the Company"/"FMEL")

Final progress report to creditors pursuant to Rules 3.93 to 3.94 inclusive of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 ("the Rules")

12 August 2021

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. On 21 January 2021 Gavin George Scott Park replaced Michael John Magnay as Joint Administrator .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 Restructuring Limited ("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.

Key messages

Key messages

Joint Administrators of the Company

Gavin George Scott Park

Robert James Harding

Teneo Restructuring

156 Great Charles Street

Queensway

Birmingham

B3 3HN

Contact details

Email:
Wendy.Packwood@teneo.com

www.ips-docs.com

Tel: 0121 619 0150

	Commentary
Purpose of administration	• The purpose of the administration was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Important Notice re Administrators' Contact Details	• On 29 May 2021 the UK Restructuring Practice of Deloitte LLP was sold to Teneo. The majority of live insolvency appointments, including this administration appointment, were transferred to Teneo with their respective officeholders and case teams, as part of the sale. Please also note that our Teneo contact details are provided on the left hand column of this page.
Achievement of the Joint Administrators' Proposals	• Trading was continued with the assistance of third party funding provided by Macrocom (1067) Limited ("Macrocom") an entity established, owned and funded by Scottish Ministers ("SM") to enable a sale of business to be carried out. On 2 December 2019, the business and assets of the Company were sold to Macrocom following a comprehensive sales process. Following the sale Macrocom changed its name to Ferguson Marine (Port Glasgow) Limited ("FMPGL"). Please see pages 7 and 8 for further details. • The administration trading account has been finalised and surplus funds of £485k have been repaid to FMPGL under the terms of the Management Agreement. Details of the funding provided by FMPGL and the use of those funds are set out in the trading account on page 12. • Additional realisations in respect of debtor collections, cash at bank and VAT reclaims totalling £8.2m are detailed further on page 8 and in the receipts and payments account on page 11.
Costs	• Our fees were fixed on a time costs basis by the secured creditors of the Company. • We have incurred time costs of £102k during the report period bringing our totals costs to £1.4m. • We have drawn fees of £620k with respect to our administration time costs. • We have drawn fees of £30k in relation to time incurred dealing with the Prescribed Part distribution. Please see pages 16-18 for further details. • No disbursements have been incurred in the report period. Total disbursements incurred were £5k. Please refer to page 19 for further details. • Legal costs of £24k have been incurred in the report period bringing total legal costs to £230k. Please refer to page 10 for further details.

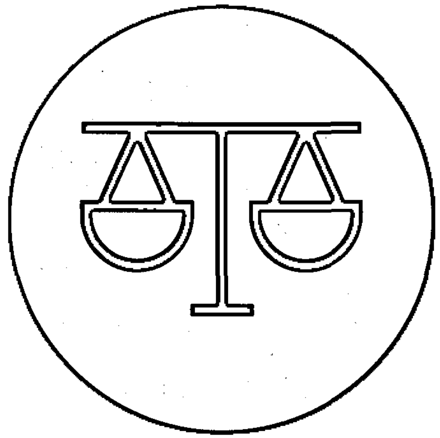
Key messages (continued)

	Commentary

Outcome for creditors	• Secured creditors:
	    • HCCI International Insurance Company Plc ("HCCI") has been satisfied in full.
	    • Clydeport Operations Limited ("Clydeport") has been paid in full.
	    • SM was not paid in full. The shortfall under their priority debt was £5.3m and SM received no distributions with regard to other sums advanced by SM to FMEL's parent company, Ferguson Marine Engineering Holdings Limited ("FMEHL"), which was due from the Company (£30.6m).
	    • Clyde Blowers Capital ("CBC") received no distributions and had a shortfall of £3m.
	• Details of the secured creditors, sums owed, outcomes and their rankings are discussed on page 14.
	• There were no preferential creditors as all employees transferred to FMPGL upon the sale of business under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE").
	• Unsecured creditors were paid a dividend under the Prescribed Part of 10.5p/£ on net property of £570k (after Prescribed Part costs).

Extension to the end of the administration period	• The period of the administration was extended by consent of the secured creditors for a period of 12 months to 16 August 2021. Please see page 10 for further details.

Summary Proposals



Summary of the Joint Administrators' Proposals

The Joint Administrators' Proposals

Our Proposals for the administration included:

- continuing to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses;
- assessing the affairs of the Company and reviewing and reporting on the conduct of its directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Company or its management;
- agreement of the claims of any secured, preferential and unsecured creditors against the Company unless we conclude, in our reasonable opinion, that the Company will have no assets available for distribution;
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application;
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administration; and
- that, if the Company is to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Specific approval from the secured creditors was sought to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administration. Please refer to page 16 for details.

The Joint Administrators' Proposals

Our Proposals were deemed approved on 21 October 2019 following the expiration of eight business days from the date of issue of our Proposals in accordance with Rule 3.38(4) of the Rules.

Extensions to the administration

The administration was extended for a period of 12 months to 16 August 2021 by consent of the secured creditors on 16 June 2020 in order to conclude debtor collections and make the Prescribed Part distribution.

Steps taken during the administration

Statutory tasks

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

- case set-up and management;
- statutory reporting;
- appointment notifications;
- correspondence with creditors and stakeholders;
- reporting on the directors' conduct;
- cash ering functions;
- preparation and submission of VAT and Corporation Tax returns; and
- closing preparation and planning.

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

Trading

Prior to our appointment as Joint Administrators we entered into negotiations with SM and FMPGL to explore ways in which the Company's business could be continued in administration, with SM funding, whilst a sale process was conducted. As a result of those discussions, we concluded continuation of trading would be in the best interests of all creditors.

On 16 August 2019 (the date of the administration appointment) the Joint Administrators entered into a Management Agreement with FMPGL, an entity established, owned and funded by SM. Under the terms of the Management Agreement, all trading costs subject to the approval of the Joint Administrators were to be met by FMPGL, for the period of the Management Agreement. The terms of the Management Agreement provided that the costs met by FMPGL were not subject to interest and would only be repayable if the business was sold to a third party. The costs met by FMPGL would not be repayable in the event that the business was ultimately purchased by FMPGL.

Following the sale of business to FMPGL on 2 December 2019, trading ceased. The trading account has subsequently been finalised, with funding of £485k, which was surplus from the costs met by FMPGL, repaid to FMPGL under the terms of the Management Agreement. Details of the funding provided by FMPGL and the use of those funds are set out in the trading account on page 12.

Sale of business

A comprehensive sale process was undertaken by the Joint Administrators (as detailed in our Proposals dated 9 October 2019 and first progress report dated 20 March 2020), which resulted in three indicative offers for the business from commercial parties.

However, the Joint Administrators concluded that none of these offers were either capable of being executed, in terms of the structure of the offers proposed, or would have represented a better outcome for creditors than was achievable from a sale of the business to FMPGL.

Accordingly, a sale of the business and assets of FMEL completed to FMPGL on 2 December 2019 for a consideration of £7.5m. This was following a number of weeks working on agreement of the terms of sale with FMPGL, as the previously agreed Put Option had expired, and the completion of the Joint Administrators' review, having taken independent Counsel opinion, of the 801 and 802 contracts.

The consideration was by way of a credit bid (reduction against secured debts owed to SM). A breakdown of the consideration is shown in the table on the next page.

Independent valuations were obtained for chattel assets, heritable property and intangible assets.

Steps taken during the administration (continued)

Sale of business (continued)

Consideration

Asset	£
Business intellectual property	182,998
Contracts (benefit subject to burden)	Nil
Debtors	225,825
Equipment	1,971,000
Goodwill	1
Information technology rights	1
Long lease (car park)	20,000
Long lease (slipway)	Nil
Owned property (freehold)	4,800,000
Records	Nil
Stock	341,032
The benefit of all policies of insurance and all claims under such policies to the extent relating to the period prior to the completion date	Nil
Motor Vehicles	3,000
Total	**7,543,857**

The two contracts with the Company's main customer, Caledonian Maritime Assets Limited (known as 801 and 802), were included in the sale at nil consideration owing to the outcome of these contracts being anticipated losses.

The transfer of two of the Company's other contracts (known as hulls 804 and 805), completed on 24 January 2020 with an effective date of 2 December 2019, were also valued at nil consideration with the transfer of benefit and burden of the contracts.

Cash at Bank

Cash at bank of £3.0m was received during the administration.

In addition, £4.5m of cash collateral held by HCCI at the date of the Joint Administrators' appointment was received. This was released on completion of the sale of business, the transfer of the 801 and 802 contracts to FMPGL and the release of HCCI as a subject to those contracts.

Book debts and other debtors

As at the date of our appointment, the Company's sales ledger comprised 11 pre-appointment book debts totalling £1.7m. As at the date of sale of business, we had collected £0.1m. The majority (by number) of the remaining book debts, together with other debtors, transferred to FMPGL upon the sale of business.

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 administration 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 vessel was thereafter due to travel to its end destination and end customer. The settlement monies were due to be paid on the earlier of when the vessel was accepted at its end destination or 31 December 2020. The settlement monies became due on 31 December 2020, however the debtor failed to make payment. Subsequently, we took legal advice to determine the most appropriate strategy for pursuing the debt and at the same time continued to regularly pursue the debtor direct.

In the months leading up to the date of this report, given the protracted correspondence with the debtor, the anticipated timescales for ultimate collection of the debt and the approaching end of the administration due on 16 August 2021, we consulted with SM, who are due the monies as secured creditor, and agreed to assign the debt to SM to enable the administration to close and SM to pursue the debt as they see fit. The debt has formally been assigned to SM.

Pre Appointment VAT Refund

A pre appointment VAT refund of £348k has been received from HM Revenue & Customs ("HMRC") during the administration.

Bank interest gross

Total bank interest of £18k has been received during the administration, with £76 received during this report period.

Steps taken during the administration (continued)

Assets and 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.

In respect of the 801 and 802 contracts, which were both ongoing but subject to a noted dispute between the Company and the contract counterparty (prior to the Company's insolvency), we sought independent Counsel's opinion which confirmed that there was no realistic opportunity for the Company to pursue the claim for the benefit of creditors. Therefore, the benefit and the burden of these contracts were included in the sale of business.

No other matters were identified.

Distributions to creditors

A Prescribed Part distribution has been paid to unsecured creditors. The distribution process has completed and is discussed in further detail on page 14.

Unrealised assets

There are no unrealised assets. As noted on the previous page, the remaining debtor has been assigned to SM who are due the monies as secured creditor.

Summary Proposals

Costs

Cost of the work done

We have summarised below details of costs and expenses incurred during the report period:

- Legal Costs
  - Shepherd & Wedderburn LLP continued to provide advice and assistance with regard to debtor and other general matters. They incurred costs of £24k (excluding VAT) during the report period which have been paid in full.
- Our remuneration and expenses, as shown in the receipts and payments account on page 11.

All costs have been paid, as shown in the receipts and payments account on page 11.

All professional costs were reviewed and analysed in detail before payment was approved.

Joint Administrators' receipts and payments account
16 February 2021 to 5 August 2021

£	SoA values	Notes	Period	To date
Floating charge receipts				
Trading surplus/(deficit)			-	-
Book debts	*1,651,000*		-	109,380
VAT refund	-		-	348,440
Cash at Bank	*3,000,000*		-	3,024,989
Other refunds	-		-	10
Bank interest gross	-	3	77	18,047
Freehold/leasehold building and lanc	*4,000,000*		-	-
Non contracts WIP	*141,000*		-	-
Sale of business	*43,894,000*	1	-	-
801/802 price claim	*48,329,000*	2	-	-
Cash collateral (held by HCC)	*4,500,000*		-	4,546,543
Prepayments and other debtors	*699,000*		-	177,567
Total receipts	*106,214,000*		**77**	**8,224,975**
Floating charge payments				
Specific bond			-	230
Pre-appointment Administrators' fees			-	177,000
Administrators' fees			-	620,000
Administrators' expenses			1,198	4,418
Pre-appointment legal fees			-	75,000
Agents'/valuers' fees			-	31,982
Legal fees			23,636	210,586
Legal disbursements			43	19,228
Corporation tax			1,112	1,112
VAT penalty			(200)	-
Statutory advertising			-	178
Bank charges			82	402
SPA debts to Purchaser			-	4,619
Prescribed Part distribution			570,000	570,000
Prescribed Part fees			30,000	30,000
Distribution to SM			6,480,221	6,480,221
Total payments			**7,106,092**	**8,224,975**
Balance				-
Made up of:				
Balance held in non IB non-trading account		3		-
Balance in hand				-

A receipts and payments account together with a separate trading account is provided opposite and on the next page, detailing the transactions in the final period of the administration since our last report on 15 February 2021 and also summarising the transactions for the entire period of the administration.

Notes to receipts and payments account

1 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 pages 7 and 8 and our previous progress reports for further details.

As noted in the Proposals dated 9 October 2019, the £43.9m value attributed to the sale of business in the Directors' Statement of Affairs ("SoA") was calculated by the directors based on forecast future cash flows. This figure is not therefore attributable to specific Company assets.

2 801/802 price claim

The Directors' SoA attributed a value of £48.3m in respect of a potential claim against FMEL's principal customer. As noted on pages 7 and 9, we obtained independent Counsel's opinion confirming that there was no realistic opportunity for the Company to pursue the claim for the benefit of creditors and subsequently the benefit and the burden of these contracts were included in the sale of business.

3 Bank interest

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

4 VAT

All sums shown opposite are shown net of VAT, which is recoverable and has been accounted for to HMRC.

Rounding note

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

Joint Administrators' trading account
16 August 2019 to 2 December 2019

£	Period	To date
Receipts		
Funding from Managing Agent	-	5,988,374
Sundry maintenance and repairs services	-	8,599
Recharges	-	14,648
Total receipts	**-**	**6,011,621**
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
Return of surplus funding	-	485,127
Total payments	**-**	**6,011,621**
Trading surplus/(deficit)	**-**	**-**

Notes to trading account

The final trading account is shown in the table opposite.

Under the terms of the Management Agreement, any surplus of funding provided that was not expended was to be returned to FMPGL. Accordingly, a surplus of £485k has been returned to FMPGL.

Information for creditors

Information for creditors

Outcome for creditors

Secured creditors

The Company's records and the Directors' SoA showed 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 heritable property dated 13 March 2018. HCCI also held a cash collateral deposit in the sum of £4.5m. HCCI issued a demand to the Company dated 9 August 2019 for an amount of £19.8m.
- SM - £49.8m, secured by way of a floating charge granted by the Company on 25 June 2018 and a standard security over heritable property dated 4 July 2018. 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, FMEHL.
- CBC - £3.0m provided to FMEHL, secured by way of a floating charge granted by the Company on 1 February 2019 and a standard security over heritable property dated 13 February 2019.
- Clydeport – £5k, this amount was secured by way of a standard security over heritable 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 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 ("SM Priority Debt") (£19.5m); and
3. Debts owed to SM relating to sums advanced to FMEHL (£30.6m), then debts due to CBC (£3.0m).

Outcome for secured creditors

HCCI's claim and assigned security against the Company was satisfied in full with a return of the security collateral to the Company.

With the sale of the business and assets of the Company to FMPGL, including the contracts in respect of the 801 and 802 vessels, HCCI agreed with the performance guarantee counterparty that HCCI be released from any obligations, thereby satisfying HCCI's position with the Company.

As part of the sale of business completion, FMPGL provided funding to settle the outstanding debt to Clydeport. Therefore no further secured balances are due to Clydeport.

The sale to FMPGL for a credit bid consideration resulted in the SM Priority Debt reducing by the amount of the consideration, £7.5m. During the period, SM received a final floating charge distribution of £6.5m[1], leaving a final shortfall to SM against its debt on appointment of £35.9m comprising:

- £5.5m in respect of the SM Priority Debt. After accounting for the assignment of the £200k 803 debtor, SM's shortfall in respect of its Priority Debt is £5.3m; and
- £30.6m in respect of sums advanced to FMEHL.

[1]Of the final £6.5m distribution, £186k relates to VAT monies reclaimed from HMRC which were not received during the administration and have been assigned to SM as the secured creditor who is due the monies.

As SM was not paid in full in respect of the SM Priority Debt, there were no funds available for a distribution to CBC.

Prescribed Part

The Prescribed Part fund of £570k (being the maximum Prescribed Part of £600k net property less associated costs of distribution totalling £30k) being 10.5p/£ was distributed on 20 April 2021 to unsecured creditors, as shown in the receipts & payments account on page 11.

Unsecured creditors

Insufficient funds were realised to enable a dividend to be paid to unsecured creditors, other than the Prescribed Part distribution referred to above.

End of the administration

As the Company has no property for distribution to its unsecured creditors, other than Prescribed Part distribution, the appropriate notice will be filed at Companies House to enable the Company to move from administration to dissolution. The Company will be deemed to be dissolved three months after the notice is registered.

Remuneration and expenses

Remuneration and expenses

Joint Administrators' remuneration

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 page 3 of this report and this will be provided to you at no cost.

Basis of remuneration

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

Time costs incurred

Our time costs for the period are £102,397.45 made up of 143.02 hours at an average charge out rate of £715.97/hour across all grades of staff.

Since the date of our appointment to 5 August 2021, we have incurred total time costs of £1,421,671.55 made up of 2,142.82 hours at an average charge out rate of £663.46/hour across all grades of staff.

Details of the time costs incurred is provided on the following pages, pages 17 and 18. Time is charged in six minute increments.

Administrators' remuneration

Time costs – Fees drawn to date

We have drawn a total of £620,000 in respect of our time costs as shown in the receipts and payments account on page 11.

Please note that we have not drawn the full value of time costs incurred and the balance will be written off.

Costs of dealing with the Prescribed Part

Our costs, which we limited to £30,000, for dealing with the Prescribed Part distribution have been paid in full out of the Prescribed Part.

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, 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 above.

Charge out rates 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 Wendy Packwood.

Restructuring Services charge out rates (£/hour)

Grade	From 1 June 2021
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

Remuneration and expenses - Joint Administrators' time costs for the period 16 February 2021 to 5 August 2021

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 was not recorded or recovered. The appropriate staff were 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	-	-	0.10	90.00	-	-	6.40	4,010.00	6.50	185.70	13.00	4,285.70	329.67
Case Management and Closure	1.70	2,031.50	15.30	13,770.00	-	-	9.60	6,240.00	2.10	425.50	28.70	22,467.00	782.82
General Reporting	0.90	990.00	5.30	4,770.00	-	-	5.60	3,640.00	-	-	11.80	9,400.00	796.61
	2.60	**3,021.50**	**20.70**	**18,630.00**	**-**	**-**	**21.60**	**13,890.00**	**8.60**	**611.20**	**53.50**	**36,152.70**	**675.75**
Realisation of Assets													
Book Debts	-	-	5.60	5,040.00	-	-	-	-	-	-	5.60	5,040.00	900.00
Other Assets (e.g. Stock)	-	-	0.50	450.00	-	-	-	-	2.00	760.00	2.50	1,210.00	484.00
	-	**-**	**6.10**	**5,490.00**	**-**	**-**	**-**	**-**	**2.00**	**760.00**	**8.10**	**6,250.00**	**771.60**
Creditors													
Secured	-	-	4.20	3,780.00	-	-	0.60	390.00	-	-	4.80	4,170.00	868.75
Unsecured	11.50	12,650.00	11.70	10,530.00	-	-	6.60	4,290.00	7.70	2,771.00	37.50	30,241.00	806.43
	11.50	**12,650.00**	**15.90**	**14,310.00**	**-**	**-**	**7.20**	**4,680.00**	**7.70**	**2,771.00**	**42.30**	**34,411.00**	**813.50**
Case Specific Matters													
VAT	-	-	6.50	5,850.00	-	-	5.90	3,835.00	-	-	12.40	9,685.00	781.05
Tax	8.56	10,209.80	0.20	180.00	-	-	3.15	1,222.50	14.81	4,286.45	26.72	15,898.75	595.01
	8.56	**10,209.80**	**6.70**	**6,030.00**	**-**	**-**	**9.05**	**5,057.50**	**14.81**	**4,286.45**	**39.12**	**25,583.75**	**653.98**
TOTAL HOURS & COST	**22.66**	**25,881.30**	**49.40**	**44,460.00**	**-**	**-**	**37.85**	**23,627.50**	**33.11**	**8,428.65**	**143.02**	**102,397.45**	**715.97**
AVERAGE RATE/HOUR PER GRADE		£ 1,142.16		£ 900.00		-		£ 624.24		£ 254.57			

Remuneration and expenses - Joint Administrators' time costs for the period 16 August 2019 to 5 August 2021

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 was not recorded or recovered. The appropriate staff were 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	5.25	5,820.00	1.60	1,275.00	42.85	33,879.00	30.70	19,353.00	347.30	45,560.70	427.70	105,887.70	247.57
Case Management and Closure	48.90	55,234.50	35.60	30,796.50	60.65	48,477.25	53.50	27,637.25	20.20	4,313.00	218.85	166,458.50	760.61
Initial Actions	7.30	7,856.00	0.20	193.50	8.40	6,636.00	12.30	7,749.00	21.50	2,967.50	49.70	25,402.00	511.11
General Reporting	2.40	2,730.00	12.90	11,325.50	48.45	38,296.75	33.50	20,152.00	11.50	2,769.00	108.75	75,273.25	692.17
	63.85	71,640.50	50.30	43,590.50	160.35	127,289.00	130.00	74,891.25	400.50	55,610.20	805.00	373,021.45	463.38
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	5.60	4,644.00	17.60	13,904.00	1.10	715.00	2.00	580.00	30.80	24,748.00	803.51
	45.90	49,968.00	29.70	25,731.50	249.30	196,947.00	52.60	33,160.00	102.40	30,720.00	479.90	336,526.50	701.24
Realisation of Assets													
Book Debts	30.50	33,040.00	9.30	8,191.00	10.80	8,532.00	1.50	767.50	0.20	58.00	52.30	50,588.50	967.28
Other Assets (e.g. Stock)	1.00	1,160.00	4.50	3,914.00	10.90	8,611.00	2.70	1,703.00	3.00	1,050.00	22.10	16,438.00	743.80
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	55.30	48,312.00	123.20	97,328.00	3.05	1,904.00	-	-	437.35	424,490.00	970.60
Third Party Assets	-	-	0.10	90.00	0.60	474.00	-	-	-	-	0.70	564.00	805.71
	287.30	311,146.00	70.40	61,557.00	145.70	115,103.00	7.25	4,374.50	5.70	1,433.00	516.35	493,613.50	955.97
Creditors													
Employees	2.50	2,900.00	2.00	1,750.00	19.30	15,247.00	35.60	21,603.50	5.90	1,831.00	65.30	43,331.50	663.58
Secured	11.00	12,760.00	13.50	11,693.00	0.50	395.00	0.60	390.00	-	-	25.60	25,238.00	985.86
Unsecured	11.50	12,650.00	20.90	18,645.00	1.30	1,027.00	26.65	12,981.00	16.60	5,208.00	76.95	50,511.00	656.41
	25.00	28,310.00	36.40	32,088.00	21.10	16,669.00	62.85	34,974.50	22.50	7,039.00	167.85	119,080.50	709.45
Case Specific Matters													
Pensions	-	-	0.70	553.00	-	-	1.80	1,134.00	-	-	2.50	1,687.00	674.80
VAT	0.30	411.00	12.70	12,240.45	7.30	5,767.00	16.60	10,023.00	23.50	17,145.00	60.40	45,586.45	754.74
Tax	12.56	13,149.15	20.28	18,273.10	0.90	711.00	7.52	4,151.05	27.87	6,112.15	69.13	42,396.45	613.29
	12.86	13,560.15	33.68	31,066.55	8.20	6,478.00	25.92	15,308.05	51.37	23,257.15	132.03	89,669.90	679.16
TOTAL HOURS & COST	435.91	475,784.65	220.48	194,033.55	588.15	465,251.00	278.62	162,708.30	619.66	123,894.05	2,142.82	1,421,671.55	663.46
AVERAGE RATE/HOUR PER GRADE		£ 1,091.47		£ 880.05		£ 791.04		£ 583.98		£ 199.94			
FEES DRAWN												620,000	

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.

Disbursements

Our disbursements are summarised below:

Category 1 outlays

£ (net)	Incurred during period	Incurred during appointment	Paid	Unpaid
Travel and parking	-	808	808	-
Subsistence	-	99	99	-
Accommodation	-	889	889	-
Stationery	-	195	195	-
Specific bond	-	230	230	-
Postage and couriers	-	1,801	1,798	3
Total expenses	**-**	**4,022**	**4,019**	**3**

Category 2 outlays

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

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

Our disbursements have been largely recovered and the balance will be written off.

Creditors' right to challenge remuneration and/or expenses / request information

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 eight weeks after the period end of this report (being 30 September 2021) detailing the remuneration and/or expenses being complained of, in accordance with Rule 3.100 of the Rules.

Please note that no remuneration or expenses have been drawn with respect to this report period therefore the appeal period has passed with respect to remuneration and expenses already drawn, which related to prior periods.

Teneo®

Teneo Restructuring Limited is registered in England & Wales with registered number 13192958 and its registered office at 5th Floor, 6 More London Place London, SE1 2DA, United Kingdom