

AM10

Notice of administrator's progress report



Companies House

SATURDAY



A14 *A82U4PVF* #168
06/04/2019
COMPANIES HOUSE

1 Company details

Company number 0 1 7 6 1 4 0 0

Company name in full Sterling Trust Limited

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

2 Administrator's name

Full forename(s) Christopher Benjamin

Surname Barrett

3 Administrator's address

Building name/number 7400 Daresbury Park

Street Daresbury

Post town Cheshire

County/Region

Postcode W A 4 4 B S

Country

4 Administrator's name ①

Full forename(s) John Allan

Surname Carpenter

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

5 Administrator's address ②

Building name/number 7400 Daresbury Park

Street Daresbury

Post town Cheshire

County/Region

Postcode W A 4 4 B S

Country

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

AM10

Notice of administrator's progress report

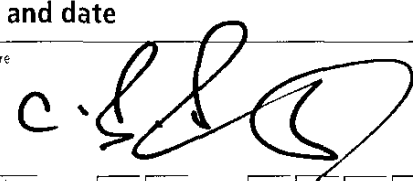
6 Period of progress report

From date	^d 1	^d 7	^m 0	^m 9	^y 2	^y 0	^y 1	^y 8	
To date	^d 1	^d 6	^m 0	^m 3	^y 2	^y 0	^y 1	^y 9	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X 	X							
Signature date	^d 0	^d 5	^m 0	^m 4	^y 2	^y 0	^y 1	^y 9	

**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	Millie Baker				
Company name	Dow Schofield Watts Business Recovery LLP				
Address	7400 Daresbury Park				
	Daresbury				
Post town	Cheshire				
County/Region					
Postcode	W	A	4	4	B S
Country					
PX					
Telephone	0844 7762740				

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

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

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

Sterling Trust Limited (“the Company”) – In Administration
Company number: 01761400

Joint Administrators’ Seventh Progress Report

In accordance with the Insolvency Act 1986 and Rules 18.3 and 18.6
of the Insolvency (England and Wales) Rules 2016

Reporting period: 17 September 2018 to 16 March 2019

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1. Introduction

On 19 October 2015, Christopher Benjamin Barrett and John Allan Carpenter of Dow Schofield Watts Business Recovery LLP were appointed as Joint Administrators of the Company by its directors. Statutory information concerning the Company and the Joint Administrators is set out at **Appendix A**.

This is the Joint Administrators' seventh progress report and should be read in conjunction with the previous progress reports and the Joint Administrators' proposals. The report covers the period from 17 September 2018 to 16 March 2019.

The Joint Administrators' proposals were issued to creditors on 7 December 2015. A meeting of creditors was held on 23 December 2015 at which the Joint Administrators' proposals were approved by the creditors without modification. There have been no major deviations from or amendments to the approved proposals.

I consider that the EU Regulation on Insolvency Proceedings applies and that these are "main proceedings" as defined in Article 3 of the EU Regulation as the centre of main interests of the Company is in the United Kingdom.

2. Joint Administrators' receipts and payments account

The Joint Administrators' receipts and payments account for the period from 17 September 2018 to 16 March 2019, and cumulatively from the commencement of the Administration to 16 March 2019 is attached at **Appendix B**.

Asset realisations to date total £259,243. Payments totalling £164,753 have been made in respect of expenses of the administration. Further details are set out below.

The administration estate funds are held in an interest-bearing account in the name of the Company and controlled by the Joint Administrators.

My comments on the receipts and payments account are detailed below.

3. Actions Taken During the Period

3.1 Investments in Quoted Companies

Rurelec Plc

The Company owns 303,092,303 ordinary shares of 2p each which is approximately 54.79% of the ordinary shares in Rurelec plc. The shares are currently trading at 0.95p per share.

Our discussions with the major creditors regarding the strategy to realise value from the shares have continued throughout the current period of the administration.

Discussions and meetings have been held with the directors of Rurelec plc regarding possible interested parties.

Several potential realisation strategies have been considered and our strategy in respect of this major asset remains under continual review. Discussions are currently ongoing with an interested party but, at the present time, it is not clear what the final structure of any offer may be or indeed whether the matter will proceed. In order to avoid any prejudice to the current strategy for the realisation of this asset, it is not appropriate to comment further at this stage and a further update will be provided to creditors in the next progress report.

IPSA Group plc / Encor Power plc

The Company owned 31,794,105 ordinary shares of 2p each, which represented approximately 29.57% of the ordinary shares in IPSA Group plc. Prior to my appointment as Joint Administrator, the shares in IPSA Group plc had been suspended and IPSA Group plc was permanently de-listed from the AIM market on 16 September 2016. Immediately before suspension the price had been 1.40 per share.

As previously reported, on 27 April 2017 Encor Power plc ("Encor") announced a recommended all share offer to acquire the entire issued share capital of IPSA Group plc ("IPSA"). On 29 June 2017 the offer by Encor was formally accepted by the requisite majority of shareholders. Following the acceptance of the offer, the Company holds 19,712,345 shares in Encor, representing 5.96% of the total issued shares.

As part of the consideration of the Encor offer, and to assist IPSA in meeting its liabilities, the Company loaned the sum of £30,000 to IPSA. This loan was to be repaid after 1 year or upon the sale of the transformers owned by IPSA if earlier. The loan was made only with the full approval of the majority creditors of the Company.

The loan repayment was not made by the due date, however as the transformers remained unsold, it was agreed to defer the repayment of the loan until such time as a sale of the assets was completed.

Encor plc went into administration on 25th September 2018. During the current period discussions have taken place with the administrators of Encor plc. I understand that the administrators of Encor plc are currently waiting for proposals in relation to their asset realisation strategy but, based on information available it is not anticipated that there will be any return to shareholders of Encor plc. As such no realisations are expected in this regard.

3.2 Book Debts

Based on the director's Statement of Affairs, at the date of administration the Company was owed book debts totalling £14,692,417, with an estimated to realise value of £998,500 after provisions for bad and doubtful debts.

As previously reported one of the debts was an amount of £962,133.34 plus accrued interest due from Technology Finance Limited ("TFL") which was compromised by the Administrators as part of a wider restructuring transaction which resulted in the settlement of a loan liability of £1,200,000 plus interest owed to the major creditor, Bluestone Securities Limited ("Bluestone").

The remaining debts per the director's Statement of Affairs were all considered to be irrecoverable. As such no work has been carried out regarding book debts during the current period.

3.3 Antecedent Transactions

As previously reported, the debt from the parent company appears to be irrecoverable as the parent company's only asset is its 99.9% shareholding in the Company. However the transaction which resulted in this inter-company debt took place shortly before the date of administration and this remains subject to my ongoing investigations.

Legal advice has been provided which confirms that there is a strong case to recover assets which were dissipated from the Company shortly before the Company went into administration.

During the current period, discussions and correspondence have continued one of the Company's directors in an attempt to settle the outstanding antecedent transaction issues which resulted in the inter-company debt.

No acceptable offer of settlement has yet been received and legal action may be initiated to recover the assets in question. Funds have been retained in the insolvency estate to fund any legal action required.

3.4 Bank interest

Bank interest totalling £112 was received to the date of my previous progress report. During the current period a further £58 has been received bringing total interest received to £170.

4. Extensions to Period of Administration

On 7 October 2016 the period of administration was extended by 12 months by consent of the Company's creditors in order to allow additional time for the objective of the administration to be achieved.

Due to the nature of the Company's assets and the realisation strategies agreed with the principal creditors, I made an application to Court to extend the period of the administration. The court ordered that the period of administration be extended to 17 October 2018.

A further application was made to Court to extend the period of the administration and on 6 September 2018 the Court ordered that the period of the administration be extended until 16 October 2019.

As you will be aware from previous progress reports, it is our intention to exit the administration by moving the Company into creditors' voluntary liquidation in due course with Christopher Benjamin Barrett and John Allan Carpenter to act as Joint Liquidators. In the absence of any material developments in respect of the asset realisation strategy, we would envisage that the move to creditors voluntary liquidation will take place prior to the expiry of the period of administration without a further extension application being required.

5. Investigations

The Joint Administrators have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the administration. We are also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf.

Appropriate investigations have been carried out and there are currently several ongoing lines of enquiry which relate to the dissipation of assets shortly before the date of administration.

As you will be aware from my previous reports the confidential report or return on the conduct of the directors of the Company has been submitted to the Insolvency Service.

6. Proposed Future Actions of the Joint Administrators

The Joint Administrators' principal focus remains the realisation of the Company's shares in Rurelec plc. As detailed above discussions are ongoing with key stakeholders and interested parties regarding the options available to realise this asset for the benefit of creditors. We will also liaise with the administrators of Encor Power plc and will continue to pursue the antecedent transactions.

Investigations and enquiries will continue and we will continue to liaise with the principal creditors regarding our strategy and key developments throughout the remainder of the administration.

7. Creditors and Distributions

Secured Creditors

Whilst there are a number of entities holding security over the Company's assets (see list at **Appendix A**), the director's Statement of Affairs did not include any secured creditors. As previously reported, a claim has been received from Bluestone (which was included in the statement of affairs as an unsecured creditor) which has a fixed charge over the Company's shareholding in ST International Power Limited. The Joint Administrators have been in correspondence with solicitors acting for Bluestone who have asserted that it has further security over Company assets. I have instructed solicitors to review available documentation and provide validity advice regarding the purported security, however discussions with Bluestone are ongoing and at this stage it is not appropriate to comment on the estimated outcome.

A secured claim has also been received from Grenda Investments Limited which has a fixed charge over the Company's shareholding of Sterling Trust Asset Management Limited. As there are unlikely to be any realisations in respect of that shareholding, there will be no fixed charge distribution.

Preferential Creditors

The Company had no employees and there are no preferential creditors in this matter.

Prescribed Part

In cases where a company gave a floating charge over its assets to a creditor on or after 15 September 2003, the prescribed part provisions set aside a proportion (the "prescribed part") of the funds that would otherwise have been available for distribution to floating charge creditors (the "net property") so that the prescribed part can be distributed to unsecured creditors.

As there is no floating charge holder, the prescribed part provisions do not apply.

Unsecured Creditors

The Company's unsecured creditors were estimated to total £16,111,232 per the director's statement of affairs. Creditor claims received to date (including those subject to purported security rights as discussed above) total £41,364,080. However, as detailed above, the unsecured creditors did reduce during a previous period due to a loan liability of £1,200,000 plus interest being settled as part of a restructuring transaction.

The Company's principal creditors are Unicorn and Bluestone. The claims of Unicorn and Bluestone account for over 97% of creditors' claims received.

Regular meetings and discussions have been held with Unicorn and Bluestone and their advisors regarding all material aspects of the Company. Any decisions made which may materially affect the outcome for creditors have been taken after consulting with Unicorn and Bluestone, where appropriate.

As previously reported, sufficient funds are expected to be available to enable a dividend to be paid to the unsecured creditors. Therefore, it is expected that the Company will move into liquidation for the appointed liquidators to make a distribution to the unsecured creditors.

The amount of the dividend will be determined by the extent of claims lodged by creditors, the amounts at which the claims are agreed by the liquidators and the costs of the process. Further information will be provided by the liquidators in due course.

8. Expenses of the Administration

Approval of remuneration and disbursements

At the meeting of creditors held on 23 December 2015 it was resolved that the Joint Administrators be authorised to draw their remuneration by reference to time properly spent by them and their staff in dealing with matters relating to the administration of the Company.

It was also resolved that the Joint Administrators be authorised to draw category 2 disbursements at the rates set out in **Appendix C** of this report.

The original Fees Estimate was £199,500 and the Expenses Estimate was £78,133.

As you will be aware from previous reports to creditors, a revised Fees Estimate of £251,753 was circulated to creditors and on 11 October 2017 the unsecured creditors approved the decision that the Joint Administrators are authorised to draw their remuneration on a time costs basis in accordance with the revised Fees Estimate.

Remuneration and disbursements charged and paid in the period

The Joint Administrators' time costs and disbursements incurred and drawn during the current period from 17 September 2018 to 16 March 2019, during the previous periods, and cumulatively for administration to date are as follows:-

Remuneration	Incurring (£)	Paid (£)
From appointment on 19 October 2015 to 16 September 2018	305,287.50	40,000.00
From 17 September 2018 to 16 March 2019	23,190.00	0.00
	<u>328,477.50</u>	<u>40,000.00</u>
 Disbursements	 Incurring (£)	 Paid (£)
Category 1 disbursements from 19 October 2015 to 16 September 2018	12,149.55	11,418.29
Category 1 disbursements from 17 September 2018 to 16 March 2019	1,027.61	0.00
	<u>13,177.16</u>	<u>11,418.29</u>
 Category 2 disbursements from 19 October 2015 to 16 September 2018	 540.90	 504.00
Category 2 disbursements from 17 September 2018 to 16 March 2019	0.00	0.00
	<u>13,718.06</u>	<u>11,922.29</u>

Appendix C includes further details of these time costs and disbursements. This includes details of hourly charge out rates, a breakdown of the time costs incurred by work type and staff grade and an analysis of the disbursements incurred and paid.

At the date of my previous progress report the remuneration anticipated to be charged by the Administrators has exceeded the revised Fees Estimate of £251,753. The reasons for the additional time costs being incurred are:

- When the revised Fees estimate was prepared in October 2017 it was anticipated that the Company would be moved into creditors' voluntary liquidation prior to the second anniversary of our appointment. As discussed above, this did not take place and two applications to Court have been made to extend the period of administration;
- Additional costs have therefore been incurred in dealing with the assets, investigations and liaising with creditors for the additional 18 months of the administration to date.

Had the Company been moved into liquidation as was anticipated when the revised Fees Estimate was issued, this work, with the exception of the two Court applications, would still have needed to be carried out, but would have been carried out in our capacity as Liquidators.

I intend to seek the approval of creditors under Rule 18.30 of the Insolvency (England and Wales) Rules 2016 to draw additional fees in excess of the revised Fees Estimate following the conclusion of asset realisations.

Professional advisers and other expenses

The following professional advisers have been instructed to assist the Joint Administrators in this matter:

<i>Professional Advisor</i>	<i>Nature of Work</i>	<i>Fee Arrangement</i>
SIA Group (UK) London Ltd	Advice on investment sale strategy, meetings and negotiations with interested parties and advice regarding offers received.	Commission
Brabners LLP	Assistance with appointment formalities, correspondence and discussions with solicitors representing creditors, advice concerning a number of issues regarding the Company's assets and liabilities, and advice on validity of security.	Time Costs

The choice of professionals and the Joint Administrators' fee arrangement with them was based on our assessment of the nature and complexity of the work required and their experience and ability to perform that work.

Details of the administration expenses incurred and paid during the current period from 17 September 2018 to 16 March 2019, during previous periods, and cumulatively for the whole administration are set out at **Appendix C**.

The expenses incurred or anticipated to be incurred have exceeded the Expenses Estimate. The reasons for the additional expenses being incurred are:

- When the Expenses Estimate was prepared in December 2015 it was anticipated that all matters in the administration would be concluded within 12 months;
- Legal advice and input required has been significantly greater than initially expected, due to the complicated and contentious nature of issues which have arisen; and
- To review and consider those issues, more meetings than expected have been required, and this has involved additional travelling expenses being incurred.

Pre-Administration costs

In a decision of creditors via a physical meeting held on 23 December 2015 it was resolved that the Joint Administrators be authorised to draw pre-administration costs of £14,874.18 plus VAT. The costs incurred and amounts paid during a previous period are as follows:

	Incurred (£)	Paid (£)
Dow Schofield Watts Business Recovery LLP fees	9,113.00	9,113.00
Legal Fees: Brabners LLP	5,500.00	5,500.00
Category 1 disbursements	261.18	261.18
Category 2 disbursements	0.00	0.00
Total	14,874.18	14,874.18

Creditors' guide to fees and creditors' rights regarding fees

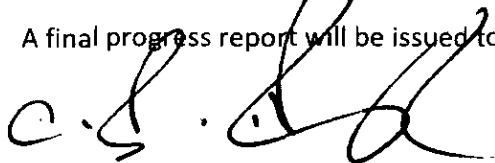
Further information relating to administrators' remuneration can be found in 'A Creditor's Guide to Administrators' Fees' which can be accessed at the website of the Insolvency Practitioners' Association (www.insolvency-practitioners.org.uk > Regulation and Guidance" > Creditors Guides to Fees), or the Institute of Chartered Accountants in England & Wales (www.icaew.com > Technical Resources > Insolvency > Creditors' Guides). The guide includes details of creditors' right to request information under Rule 18.9 of the Insolvency (England and Wales) Rules 2016 and their right to challenge administrators' remuneration and expenses under Rule 18.34. A summary of these rights is also set out in **Appendix C**. A copy of the guide will be provided free of charge upon request to Dow Schofield Watts Business Recovery LLP.

9. End of Administration

It is the Joint Administrators' intention, unless there is a material change to the asset realisation strategy, to exit the administration by moving the Company into creditors' voluntary liquidation with Christopher Benjamin Barrett and John Allan Carpenter to act as Joint Liquidators.

It was resolved at the meeting of creditors on 23 December 2015 that upon the Company proceeding into creditors' voluntary liquidation, the Joint Administrators' discharge from liability, pursuant to paragraph 98 of Schedule B1, shall take effect 14 days following the Company entering into liquidation.

A final progress report will be issued to creditors at the end of the administration.



Christopher Benjamin Barrett
Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association

Appendix A: Statutory Information

Company Information

Company Name:	Sterling Trust Limited
Trading Name:	N/a
Previous Name:	Sterling Trust plc (re-registered as private 16 March 1994) Dewey Warren Holdings plc (changed 12 December 1990)
Company Number:	01761400
Date of Incorporation:	13 October 1983
Former Trading Address:	55 Baker Street, London, W1U 7EU
Current Registered Office:	c/o Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park, Daresbury, Warrington, WA4 4BS
Former Registered Office:	Number One, Vicarage Lane, London, E15 4HF
Principal Trading Activity:	Investment holding company

Appointment details

Date of appointment:	19 October 2015
Appointment made by:	The board of directors 55 Baker Street, London, W1U 7EU
Court Name and Reference:	High Court of Justice, Manchester District Registry, Chancery Division No. 3056 of 2015
Joint Administrators' names and address:	Christopher Benjamin Barrett (IP number 9437) and John Allan Carpenter (IP number 16270) Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park, Daresbury, Warrington WA4 4BS.

Pursuant to Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, any function required or authorised to be done by the Joint Administrators may be done jointly by both of them or by any one of them.

Extensions to period of appointment:	Extended to 18 October 2017 by the consent of the Company's creditors. Extended to 17 October 2018 by order of the Court. Extended to 16 October 2019 by order of the Court.
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Officers of the Company

Directors:	Appointed	Resigned
Colin Jack Emson	21/05/1993	N/a
John Kevin Farrell	14/12/1993	N/a
Catherine Lucy Hudson	28/01/2014	N/a
Larry Steven Trachenberg	25/05/2015	N/a
John Bottomley	21/05/1993	01/04/2014
Nicholas Pilbrow	03/09/2003	25/05/2015
Mark Keegan	01/06/2015	06/10/2015

Company Secretary:

Maria Jose Bravo Quiterio	01/04/2014	N/a
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Share Capital

Allotted, called up and fully paid:

11,211,861 ordinary shares of £0.10 each

40,271,128 ordinary shares of £0.01 each

Principal Shareholder:

Sterling Credit Group Holdings Limited	99.9% of issued share capital
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Charges

National Westminster Bank Plc	Charge over credit balances created 6 September 1994
The Royal Bank of Scotland Plc	Fixed and floating charges created 20 March 1998
Maclew Limited	Fixed and floating charges created 20 March 1998
Sterling Property Holdings Limited	Fixed and floating charges created 5 April 2002
Bank of Scotland	Inter-creditor deed created 21 December 2005
Seabreeze Enterprises Limited	Fixed charge created 2 March 2012
Bluestone Securities Limited	Fixed charge created 12 June 2013
Grenda Investments Limited	Fixed charge created 14 June 2013

Sterling Trust Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 17/09/2018 To 16/03/2019 £	From 19/10/2015 To 16/03/2019 £
	ASSET REALISATIONS		
NIL	Investments in Subsidiaries	NIL	NIL
15,854,615.00	Investments in Quoted Companies	NIL	NIL
998,500.00	Debtors	NIL	NIL
8,000.00	Cash at Bank	NIL	9,072.38
	Contribution to Costs	NIL	250,000.00
	Bank Interest Gross	58.40	170.14
		58.40	259,242.52
	COST OF REALISATIONS		
	Office Holders Fees	NIL	40,000.00
	Office Holders Expenses	NIL	11,922.29
	Pre-Appointment Fees	NIL	9,113.00
	Pre-Appointment Expenses	NIL	261.18
	Pre-Appointment Legal Fees	NIL	5,500.00
	Legal Fees	NIL	62,249.00
	Legal Disbursements	NIL	5,698.11
	Corporation Tax	NIL	9.80
	Loan to IPSA Group Plc	NIL	30,000.00
		NIL	(164,753.38)
	UNSECURED CREDITORS		
(19,110.00)	Trade Creditors	NIL	NIL
(5,507.00)	HM Revenue & Customs	NIL	NIL
(16,086,615.00)	Other Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1,121,186.00)	Ordinary Shareholders	NIL	NIL
(402,711.00)	Deferred Shareholders	NIL	NIL
		NIL	NIL
(774,014.00)		58.40	94,489.14
	REPRESENTED BY		
	Vat Receivable		1,359.72
	Bank 1 Current		93,129.42
			94,489.14

Appendix C: Information relating to the Administrators' Remuneration and Expenses

1. Time recording policy

Work undertaken on insolvency appointments is recorded in 6 minute units on an electronic time recording system. Time properly incurred on cases is charged at the hourly charge-out rate of the grade of staff undertaking the work.

The current hourly charge-out rates are as follows:-

Staff grade	Hourly rate (£) from 4 April 2016
Partner and Insolvency Practitioner	300
Manager	230-250
Assistant Manager	180-225
Senior Case Administrator	145-175
Case Administrator	100-140
Trainee Case Administrator	70-95
Cashier	125

The hourly charge-out rates are reviewed annually and may increase during the course of the administration.

2. Existing Fee Arrangements

At the meeting of creditors held on 23 December 2015 it was resolved that the Joint Administrators be remunerated on a time cost basis and they were authorised to draw category 2 disbursements at the rates set out below.

The Administrators' initial Fees Estimate was £199,500. As time costs to the date of my fourth progress report exceeded this amount, approval was sought from creditors to draw additional fees. A revised Fees Estimate of £251,753 was circulated to creditors and on 11 October 2017 the unsecured creditors approved the decision that the Joint Administrators are authorised to draw their remuneration on a time costs basis in accordance with the revised Fees Estimate.

The revised Fees Estimate was based on the assumption that the administration would be concluded and the Company moved into creditors' voluntary liquidation prior to the second anniversary of our appointment. For the reasons previously outlined, the Company was not moved into liquidation and since then the administration has twice been extended. Consequently, time costs to date exceed the revised Fees Estimate and it is anticipated that we will seek the approval of creditors to draw fees in excess of the revised Fees Estimate following the conclusion of asset realisations.

3. Time and Charge out summary

For the period of the report, from 17 September 2018 to 16 March 2019, a total of 86.1 hours have been spent at an average charge out rate of £269.34 bringing the time costs for this period to £23,190.00. A summary table is shown overleaf.

From the commencement of the administration to 16 March 2019, the total time costs incurred are £328,477.50, this being 1,334.7 hours spent at an average charge out rate of £246.11. The second table overleaf shows a summary of these costs. The fees drawn to date total £40,000.

Time Entry - SIP9 Time & Cost Summary

S007 - Sterling Trust Limited
All Post Appointment Project Codes
From: 17/09/2018 To: 16/03/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1.70	3.10	4.40	0.80	10.00	1,875.00	187.50
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	17.10	5.90	5.50	0.00	28.50	7,182.50	252.02
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	44.80	2.70	0.10	0.00	47.60	14,132.50	296.90
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	63.60	11.70	10.00	0.80	86.10	23,190.00	269.34
Total Fees Claimed							
						40,000.00	
Total Disbursements Claimed							
						11,922.29	

Time Entry - SIP9 Time & Cost Summary

S007 - Sterling Trust Limited
 All Post Appointment Project Codes
 From: 19/10/2015 To: 16/03/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	37.50	26.90	9.20	114.70	188.30	28,055.00	148.99
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	218.50	32.50	26.30	63.40	340.70	82,085.50	240.93
Investigations	37.40	23.60	32.80	36.20	130.00	25,359.00	195.07
Realisation of Assets	566.70	79.60	11.70	17.70	675.70	192,978.00	285.60
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	860.10	162.60	80.00	232.00	1,334.70	328,477.50	246.11
Total Fees Claimed						40,000.00	
Total Disbursements Claimed						11,922.29	

4. Description of work carried out during the period

Section 3 of this appendix outlines the time costs to date in relation to activities undertaken during this period. Staff of different levels were involved in the activities below depending on the experience required.

These matters can be summarised as follows:

4.1 Administration and planning

- Processing bank interest receipts;
- Maintaining financial records and carrying out bank reconciliations;
- Case reviews; and
- Dealing with taxation returns and correspondence.

The administration and planning work has almost entirely been carried out to comply with statutory and regulatory requirements. Work in determining and reviewing strategy is intended to add value in terms of the realisation of assets.

4.2 Realisation of Assets

- Liaising with management of the companies in which the investments are held;
- Liaising with solicitors;
- Consideration of realisation strategies; and
- Correspondence and meetings with interested parties.
- Correspondence and discussions with the director and solicitors regarding the transaction at undervalue issues and potential recoveries.

The above work has been carried out in order to realise or protect the value of assets for the benefit of creditors. Extensive work has been carried out in respect of the Company's investment assets and due to the nature of the assets and the complex issues involved it has been necessary for this work to be carried out at partner level.

4.3 Creditors

- Recording and maintaining the list of creditors;
- Liaising with secured creditors and their representatives;
- Liaising with unsecured creditors;
- Recording creditor claims;
- Reporting to creditors and members; and
- Responding to creditor queries.

Reporting to creditors is work solely performed to comply with statutory requirements. Maintaining the list of creditors and their claims is necessary in order to allow the distribution of funds. Some of the time spent in liaising with creditors has been with regard to asset realisation issues which potentially add value to the estate, the remainder is work that has been necessarily performed but which will not add monetary value to the estate.

5. Disbursements

Disbursements policy

Office holders' disbursements fall under two categories:

Category 1 disbursements consist of external supplies of goods or services specifically relating to the case. Where such costs are paid by Dow Schofield Watts Business Recovery LLP, creditor approval is not required for those costs to be recharged to the insolvency estate. Category 1 disbursements will typically include costs such as statutory advertising, specific bond insurance, company search fees, storage, postage, external room hire and travel expenses (excluding business mileage).

Category 2 disbursements are costs that are directly referable to the case but not to a payment to an independent third party. They include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Such disbursements can only be charged to the insolvency estate with the approval of creditors. It is our policy to seek creditor approval for the payment of the following Category 2 disbursements:-

Disbursement type	Rate
Mileage	45p per mile

The following disbursements have been incurred since the commencement of the administration:-

	This period Incurred (£)	Paid (£)	Previous periods Incurred (£)	Paid (£)	Cumulatively Incurred (£)	Paid (£)
Category 1 disbursements						
Bordereau	0.00	0.00	1,200.00	1,200.00	1,200.00	1,200.00
Postage	6.69	0.00	74.62	60.21	81.31	60.21
Travel	1,020.92	0.00	9,605.73	8,888.88	10,626.65	8,888.88
Statutory Advertising	0.00	0.00	146.00	146.00	146.00	146.00
Meeting Room Hire	0.00	0.00	889.20	889.20	889.20	889.20
Land Registry Search	0.00	0.00	15.00	15.00	15.00	15.00
Courier	0.00	0.00	219.00	219.00	219.00	219.00
Subtotal	1,027.61	0.00	12,149.55	11,418.29	13,177.16	11,418.29
Category 2 disbursements						
Mileage	0.00	0.00	540.90	504.00	540.90	504.00
Total disbursements	1,027.61	0.00	12,690.45	11,922.29	13,718.06	11,922.29

The above costs exclude VAT.

6. Professional advisors and expenses

The following expenses have been incurred since the commencement of the administration in connection with the instruction of the following parties:

Name	This period		Previous periods		Cumulatively	
	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Brabners LLP (solicitors)	1,687.50	0.00	131,155.11	67,947.11	132,842.61	67,947.11
Total	1,687.50	0.00	131,155.11	67,947.11	132,842.61	67,947.11

The above costs exclude VAT and are in addition to the pre-administration expenses set out at section 8 of the main body of the report above.

7. Creditors' rights

Under rule 18.9 of the Insolvency (England and Wales) Rules 2016, creditors are entitled to request information from the office-holders about their remuneration or expenses set out in this report.

Any request must be made by a secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or by any unsecured creditor with the permission of the court. A request, or an application to the court for permission, must be made within 21 days of receipt of the report or account.

The office-holder must, within 14 days of receipt of such a request respond by: providing all of the information requested; providing some of the information requested; or declining to provide the information requested.

The office-holder may respond by providing only some of the information requested or decline to provide the information if: the time or cost of preparation of the information would be excessive; disclosure of the information would be prejudicial to the conduct of the proceedings; disclosure of the information might reasonably be expected to lead to violence against any person; or the office-holder is subject to an obligation of confidentiality in relation to the information. An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

A creditor may apply to the court within 21 days of: the office-holder giving reasons for not providing all of the information requested; or the expiry of the 14 days within which an office-holder must respond to a request. The court may make such order as it thinks just.

Under rule 18.34 of the Insolvency (England and Wales) Rules 2016, an application to court may be made on the grounds that the office-holders' remuneration is in all the circumstances excessive, the basis of remuneration is inappropriate, or the expenses incurred by the office-holders are in all the circumstances excessive.

Any application may be made by a secured creditor, an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including the creditor in question), or by any unsecured creditor with the permission of the court. The application must be made no later than eight weeks after receipt by

the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question.

If the court considers the application to be well-founded, it must make one or more of the following orders: an order reducing the amount of remuneration; an order reducing any fixed rate or amount; an order changing the basis of remuneration; an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration; an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by the liquidator to the company; any other order that it thinks just.

Unless the court orders otherwise, the costs of the application must be paid by the applicant and are not payable as an expense of administration.