



For further information, please
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1 Company details

Company number 0 9 8 8 0 0 0 3

Company name in full Pumpfields Regeneration Company Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Finbarr Thomas

Surname O'Connell

3 Administrator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) Colin

Surname Hardman

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Finian O'Connell

X

Signature date

^d 0	^d 6	^m 1	^m 0	^y 2	^y 0	^y 2	^y 1
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**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 **Camilla Mulholland**

Company name **Smith & Williamson LLP**

Address **25 Moorgate**

London

Post town **EC2R 6AY**

County/Region

Postcode

Country

DX **119507 Finsbury Square EC2**

Telephone **020 7131 4000**

**Checklist**

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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.

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

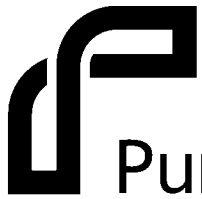
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Pumpfields Regeneration Company Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 08/03/2021 To 07/09/2021 £	From 08/03/2021 To 07/09/2021 £
	PROPERTY & LAND		
2,000,000.00	Land bordered by Vaxhaull Road, L3 6	NIL	NIL
(2,000,000.00)	Moneything (Security Trustee) Limited	NIL	NIL
(3,915,776.00)	Moneyworks Buyers Limited	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(229,000.00)	Directors	NIL	NIL
(591,834.25)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
(4,736,610.25)		NIL	NIL
	REPRESENTED BY		
			NIL



Pumpfields Regeneration Company Limited (in administration)

Joint administrators' progress report for the period from 8 March
2021 to 7 September 2021

6 October 2021



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1. Glossary

Abbreviation	Description
the Company	Pumpfields Regeneration Company Limited
the administrators/joint administrators	Finbarr Thomas O'Connell and Colin Hardman
SIP	Statement of Insolvency Practice (England and Wales)
SOA	Statement of Affairs
CVL	Creditors' Voluntary Liquidation
HMRC	HM Revenue & Customs
MoneyThing	MoneyThing (Security Trustee) Limited - in administration, the holder of a Fixed and Floating Charge over the assets of the Company and a QFCH
the Metalworks / the Site	Freehold land on the east and west side of Gladstone Street, Liverpool and 4 Naylor Street, Liverpool L3 6DR and being the Marble Hall Hotel, Vauxhall Road, Liverpool registered under title nos MS40256 and MS297443
LCC	Liverpool City Council
Metalworks Buyers	Metalworks Buyers Limited (company number 10884868), the holder of a legal charge over the Metalworks
S106 Agreement	A legal agreement between an applicant seeking planning permission and the local planning authority, which is used to mitigate the impact of the development on the local community and infrastructure
CBRE	CBRE Ltd, the joint administrators' instructed property marketing and sales agent
Veritas	Veritas Limited, the joint administrators' instructed property security and management agent
The proposals	The joint administrators' proposals for achieving the purposes/objectives of the administration of the Company
Wedlake Bell	Wedlake Bell LLP, the joint administrators' instructed legal advisers (following the merger of Moon Beever LLP into Wedlake Bell)
Deposit Purchaser(s)	A party who entered into a legal binding contract with the Company and paid a deposit towards the purchase of a completed unit at the Metalworks
UN1	A unilateral notice entry made in the Land Register about a third-party interest affecting a registered estate or charge
UN1 Holder(s)	A party who has legally registered a UN1 against the Metalworks property title
Muir Associates	Muir Associates (UK) Limited, the structural engineers which were previously instructed by the Company prior to the administration
Brock Carmichael	Brock Carmichael Architects, a firm of architects instructed by the joint administrators to assist with preparing the Metalworks for marketing and sale

2. Introduction & Summary

This report provides an update on the progress in the administration of the Company for the six-month period ended 7 September 2021. It should be read in conjunction with our previous reports. By way of reminder, we, Finbarr Thomas O'Connell and Colin Hardman, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed as joint administrators of the Company on 8 March 2021.

- The objective being pursued pursuant to Paragraph 3(1)(b) of Schedule B1 to the Insolvency Act 1986 is the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), however, if achieving that objective does not prove possible, then the objective of realising property in order to make a distribution to one or more secured or ordinary preferential creditors and, if applicable, secondary preferential creditors will be pursued.
- The principal asset of the Company is the Metalworks, which comprises a 0.78 acre plot of development land located in the Vauxhall district of Liverpool, to the north of its city centre.
- We have met with LCC and we have successfully progressed our investigations into the planning permission position in order to prepare the Site for presentation on the open market for sale.
- We have continued to work with CBRE to determine the optimal disposal strategy of the Metalworks and we anticipate commencing the marketing of the Site during this coming autumn.
- We have received an encouraging number of expressions of interest in the Site and an initial offer from the director to purchase the Site, which is currently under consideration.
- We have continued to correspond with the Deposit Purchasers and UN1 Holders in respect of their claims against the Company.
- Wedlake Bell have continued to provide legal advice in respect of the legal complexities involved with the Site.
- Veritas have continued to assist us to maintain the Site in a safe and secure manner.
- It is anticipated that the sale of the Metalworks will result in sufficient funds to enable a distribution to be paid to MoneyThing under its first-ranking fixed charge over the Metalworks site, however, whilst we have received an encouraging level of interest in the Site, it is currently uncertain whether any surplus funds will be available to make a distribution to any other secured creditor.
- We currently believe that it is unlikely that there will be sufficient realisable property to enable a dividend payment to any class of preferential creditor.
- We do not anticipate that surplus funds will be available for unsecured creditors (other than from the Prescribed Part) and, once the joint administrators have filed their notice of ceasing to act with the Registrar of Companies, steps will be taken to dissolve the Company.
- There has been no return to any class of creditor in the administration to date.

3. Progress of the administration

Attached at Appendix I is our receipts and payments account for the period from 8 March 2021 to 7 September 2021. There have been no financial transactions to date. The receipts and payments account also includes a comparison with the director's SOA values.

3.1 Metalworks site

By way of reminder, the primary asset of the Company is the Metalworks property development which is located to the north of Liverpool city centre. Further background information regarding the Metalworks development can be found in the proposals. We have detailed below the work undertaken during the reporting period in order to prepare for the marketing of the Site for sale.

3.1.1 Site maintenance

Creditors will recall from our proposals that the Metalworks site was inadequately secured by the Company prior to our appointment and presented a potential health and safety risk as it was fully accessible to the public and had become a magnet for extensive fly tipping. Following our appointment, Veritas were instructed by us to attend on site and install suitable security measures to reduce the risk of health and safety issues arising and to meet the requirements of our insurance obligations. Veritas have continued to perform frequent inspections of the Site and to deal with any issues on the Site that have arisen on our behalf.

3.1.2 Planning permission

As noted in our proposals, a key aspect of our work has involved seeking to clarify the planning permission position in respect of the Metalworks.

We are pleased to report that, following repeated requests, we have been able to convene a meeting with LCC and engage in follow up correspondence, which has provided us with clarification regarding the planning issues which we have taken into account as part of our preparations for marketing the Site for sale.

Following receipt of this information, CBRE have been instructed to prepare a planning appraisal in respect of the Site and we also anticipate instructing a firm of architects, Brock Carmichael Limited, to prepare additional design work, which will assist with the marketing process.

3.1.3 Structural matters

As previously reported, the Metalworks is situated above a disused Waterloo rail tunnel, which will be of relevance to any prospective purchaser of the Site.

We have progressed our investigations into this issue, including discussions with Muir Associates, the firm of structural engineers which was previously instructed by the Company, as we prepare the Site for sale. We are aware that Muir Associates have outstanding unpaid invoices totalling £12,000 plus VAT which were owed by the Company upon our appointment and we will be required to settle these invoices in order to obtain the structural reports which are necessary to be present as part of the marketing package. Muir Associates have also agreed to supply further information, which will be advantageous for marketing purposes for the sum of £5,000 plus VAT, which will be payable upon the sale of the Site.

3.1.4 Marketing

We have now instructed CBRE to commence with preparing the marketing material for the Metalworks which we anticipate will go live to the market during the forthcoming autumn period.

3.1.5 Deposit Purchasers and UN1 Holders

We understand that, during 2017 and 2018, the Company received deposit payments towards the purchase of 97 units at the Metalworks. Subsequently, 77 UN1 notifications were registered against the title to the Metalworks in respect of the relevant parties' interest in the property arising from the deposit purchases.

We have recently obtained preliminary legal advice in respect of the status of the Deposit Purchasers which indicates, in simple terms, that these parties hold a proprietary interest, called an "equitable lien", over the Metalworks site. The Deposit Purchasers who have also registered a UN1 against the registered title to the Metalworks land may also have obtained a form of priority in relation to their interest, in accordance with section 29(2)(a)(i) of the Land Registration Act 2002, however, the legal charge of MoneyThing registered on 24 May 2017 predates all other proprietary interests in the Metalworks and is therefore anticipated to rank ahead.

We are in the process of obtaining further legal advice in relation to the options which are available to the joint administrators to address the particular complexities of the Metalworks site as part of a sale process and we will shortly be writing directly to all Deposit Purchasers and UN1 Holders in respect of this matter. We would be grateful for the Deposit Purchasers' patience whilst awaiting receipt of this correspondence from the joint administrators.

Separately, we are continuing to investigate the manner in which the funds raised from the Deposit Purchasers was applied by the Company prior to the administration.

We have corresponded with Deposit Purchasers/UN1 Holders primarily via the dedicated mailbox pumpfields@smithandwilliamson.com and would ask that anyone who has yet to submit details of their claim, or would like to provide the joint administrators with any information which may assist with their investigations into the Company's trading activities, could please do so as soon as possible.

Furthermore, we are not of any parties within the Deposit Purchaser group who would wish to act as representative(s) on behalf of the Deposit Purchasers and would like to engage in discussions with the joint administrators in relation to the Metalworks. We would ask that any such parties please contact the joint administrators via the dedicated mailbox pumpfields@smithandwilliamson.com

3.1.6 Other work undertaken

- Held a telephone interview with the former director, Antonio Garcia Walker, to discuss the history of the Metalworks development and his explanation of the events which resulted in the stalling of the project;
- Acknowledging, and discussing with CBRE, a number of expressions of interest in the Site;
- Working with Veritas to ensure that the Site remains safe and secure and compliant with insurance requirements;
- Continuing to gather information from various parties to assist with the marketing and ultimate disposal of the Metalworks;
- Requested that the Company's pre-appointment bank provides us with copies of the Company's bank statements and other information;
- Sought information from the pre administration sales agents, instructed by the Company, in respect of the marketing of the Metalworks during 2017 and 2018.
- Issued requests for information from other advisors which were previously instructed by the Company during its trading period.

3.2 Administration strategy

There have been no changes to the administration strategy detailed within the joint administrators' proposals.

4. Investigations

Under the Company Directors Disqualification Act 1986 ('CDDA') we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date the Company entered administration or who held office at any time during the three years immediately preceding the administration. We have complied with our duty in this regard. As all submissions are strictly confidential, we are unable to disclose their content.

Additionally, we have a duty to investigate transactions to establish whether there may be any worth pursuing for the creditors' benefit from, for example, legal proceedings. Shortly after appointment, we began an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment included the following work:

- reviewing information provided by creditors as a response to our request to complete an investigation questionnaire;
- corresponding with the Company's previous advisors in order to obtain the Company's books and records;
- reviewing the Company's books and records recovered from various sources;
- corresponding with the Company's pre-appointment bank;
- interviewing the Company's former director, Antonio Garcia Walker, which resulted in the recovery of information and documentation which will assist with the marketing of the Site;
- continuing discussions with the Company's sole director, Daniel Johnson.

Our investigations have not revealed any issues requiring further reporting to creditors at present.

5. Pre-administration costs

The pre-administration costs incurred are outlined below:

Charged by/service(s) provided	Total amount charged £	Amount paid £	Who made payment	Amount unpaid £
Smith & Williamson LLP*	17,202	Nil	n/a	17,202
Advice to MoneyThing in relation to the insolvency of the Company, the options available to it and pre-administration planning.				
Moon Beaver LLP	2,000	Nil	n/a	2,000
Preparation of appointment documents.				
Quantuma Advisory Limited	tbc	tbc	tbc	tbc
Total	19,202	Nil	n/a	19,202

The pre-administration costs were reported in the administrators' proposals. We will take steps to seek approval of these pre-administration costs at the appropriate time, when funds permit.

6. Administrators' remuneration

We have not yet set the basis of our remuneration. In our proposals, we incorrectly reported that we would be seeking approval for the basis of their remuneration as a set amount of £50,000 plus VAT and expenses for the 12-month period of the administration. Please note that the joint administrators will be seeking approval in respect of their fees relating to the preservation and realisation of the Metalworks, which we anticipate to be in the region of £50,000 plus VAT and expenses, pursuant to para 71(3)(a), Sch B1 IA86.

We will be seeking approval from creditors in relation to the fees and costs of the administration, other than those incurred in respect of the preservation and realisation of the Metalworks, at the time of the next progress report or by way of a creditors' decision process, as appropriate.

We can confirm that time costs of £96,434.56 plus VAT have been incurred during the reporting period. This represents 286.28 hours at an average rate of £336.85 per hour. During the reporting period the administrators have not drawn any fees.

Work undertaken in the current period is summarised below:

- **Administration & Planning** - this includes dealing with statutory obligations including issuing statutory notifications of the administration, preparing and issuing the joint administrators' proposals, dealing with the bonding requirement, conducting regular file reviews and general maintenance of all statutory and best practice case matters.
- **Investigations** - this includes preparing and submitting the CDDA report, as detailed at section 4, interviewing the current and former directors of the Company, issuing information requests to various 3rd parties and reviewing and analysing information regarding the business and trading affairs of the Company.
- **Realisation of assets** - this includes dealing with all matters relating to the Metalworks, as detailed at section 3, and also liaising with the Company's former bankers in relation to its bank account.
- **Creditors** - this includes correspondence with the first and second chargeholders, the Deposit Purchasers and UN1 Holders, HMRC and the unsecured creditors and also dealing with creditor claim submissions.

Going forward, we anticipate that a further 150 hours of work will be incurred. A detailed narrative explanation of the future work to be undertaken by the joint administrators can be found in the 'Outstanding matters' section of this report. Creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. An example would include preparing and issuing the joint administrators' progress reports. Please note that this estimate is based on present information and may change due to unforeseen circumstances arising.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by R3, is available free on request or can be downloaded from their website as follows:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page1/administration-a-guide-for-creditors-on-insolvency-practitioner-fees/>

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix II. On a general note, please be aware that the charge out rates are subject to an annual review.

We have no business or personal relationships with the parties who approve our fees. We have no business or personal relationships with any professional advisors who provide legal or other professional services to the administration where the relationship could give rise to a conflict of interest.

7. Administration expenses

The tables at the Appendix III and IV provide details of our expenses. Expenses are amounts properly payable by us as administrators from the estate. The tables exclude distributions to creditors. The tables also exclude any potential tax liabilities that we may need to pay as an administration expense because the amounts becoming due will depend on the position at the end of the tax accounting period.

The tables should be read in conjunction with the receipts and payments account at Appendix I which shows expenses actually paid during the period and the total paid to date.

7.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

7.2 Professional advisers

The table setting out details of the costs incurred and paid in respect of professional advisers can be found at Appendix III. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

7.3 Administrators' expenses

The table setting out details of the joint administrators' expenses is at Appendix IV.

7.4 Category 2 expenses (see Appendix II)

Business mileage totalling £66 has been incurred but not paid in the period. Approval to recover business mileage, classified as a Category 2 expense, will be sought in due course.

7.5 Policies regarding use of third parties and expense recovery

Appendix II provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of expenses.

8. Estimated outcome for creditors

The estimated outcome for each class of creditor is set out below.

8.1 Secured creditors

Our understanding of the security position of the Company is summarised in the table below.

Charge holder	Type of charge	Date	Amount due £	Paid in current period £	Total paid at period end £
MoneyThing (Security Trustee) Limited*	Fixed and Floating	24 May 2017	3,050,000	-	-
Metalworks Buyers Limited**	Legal charge	16 July 2018	tbc	-	-
Total			tbc	-	-

* Interest has been, and continues to be, added to the amounts owed to MoneyThing.

** Metalworks Buyers Limited has recently begun to engage with us and we will seek to obtain details of its claim against the Company and confirmation of the amount due under the legal charge it holds including whether any interest is accruing on the debt. We will continue to request this information from Metalworks Buyers Limited and hope to provide an update in our next report to creditors.

We understand that MoneyThing and Metalworks Buyers entered into a Deed of Priority in August 2018 pursuant to which MoneyThing was given first-ranking status on the Metalworks property.

8.2 Deposit Purchasers and UN1 Holders

As set out above, we have received legal advice that the Deposit Purchasers hold a proprietary interest, called an equitable lien, over the Metalworks site. We are working with our instructed legal advisors and sales agent (Wedlake Bell and CBRE, respectively) to assess the options available to the joint administrators to address the relevant proprietary interests. The outcome for the Deposit Purchasers and UN1 Holders from the sale of the Metalworks is currently uncertain and, amongst other things, will depend upon both the sale value which is ultimately achievable and also the mechanism by which it is that sale is achieved.

We have received claims totalling £1,051,473 from 22 parties who may qualify as Deposit Purchasers, however, we have yet to formally adjudicate these claims.

8.3 Prescribed Part

The Company granted the floating charges listed at section 8.1. Accordingly, we are required to create a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors.

We are not yet in a position to provide an estimate of the Prescribed Part fund and do not believe we will until we begin the marketing of the Site. Based on present information, we do not expect the Company to have sufficient net floating charge property to enable a Prescribed Part fund to be created. Please be aware that any estimate is subject to fluctuation and the final outcome can only be determined once all asset realisations have been made.

If there is a Prescribed Part distribution to be made, this will be distributed by the joint administrators in the administration, following the changes made by the Small Business, Enterprise and Employment Act 2015 with effect from 26 May 2015.

8.4 Ordinary preferential creditors

No ordinary preferential claims have been received by the joint administrators.

8.5 Secondary preferential creditors

Claims from the secondary preferential creditors mainly include HMRC which will rank below the ordinary preferential creditors in relation to outstanding taxes 'paid' by employees and customers of that business. These include Value Added Tax (VAT), Pay As You Earn (PAYE), employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. It is important to note that there is no cap or time limit on what HMRC can recover in respect of the above.

The secondary preferential creditors will only be entitled to receive a dividend after all the ordinary preferential creditors have received 100p in the pound (£). HMRC will continue to be an unsecured creditor for corporation tax and any other taxes owed directly by the Company (for example employer National Insurance Contributions).

We set out below a summary of the secondary preferential claims received and agreed:

Secondary preferential creditor	SOA claims £	Claims received £
HMRC	-	42,606
Total	-	42,606

At present there are insufficient funds to declare a dividend to the secondary preferential creditors. We have not therefore taken steps to agree the secondary preferential creditor claims.

8.6 Unsecured creditors

We have received claims totalling £156,335 from 6 creditors. Total claims as per the director's SOA were £820,834 which includes the amount of £229,000 claimed by the director, Daniel Johnson. At present, we do not expect that sufficient recoveries will be made to permit a dividend to the unsecured creditors of the Company other than through the Prescribed Part. We have therefore not taken steps to agree unsecured creditor claims at this juncture.

The extent of any unsecured shortfall to the secured creditors is currently unknown and will primarily depend upon the sale value which is achievable in respect of the Metalworks.

9. Outstanding matters

As detailed at section 6, the joint administrators will be seeking approval in respect of their fees relating to the preservation and realisation of the Metalworks, which we anticipate to be in the region of £50,000 plus VAT and expenses, pursuant to para 71(3)(a), Sch B1 IA86. We will be seeking approval from creditors in relation to the fees and costs of the administration, other than those incurred in respect of the preservation and realisation of the Metalworks, at the time of the next progress report or by way of a creditors' decision process, as appropriate.

The remaining actions that we anticipate are to be concluded in the administration in respect of the preservation and realisation of the Metalworks are as follows:

1. Maintaining the Metalworks site pending sale

As detailed at section 3.1.1, we have instructed Veritas to maintain and secure the Site pending sale. We receive frequent property inspection reports and have dealt with a number of ad hoc issues which have arisen. We anticipate that, given the nature of the Site, we will continue to deal with ad hoc issues in conjunction with Veritas leading up to the sale of the property and we anticipate that this work will incur time costs of approximately £1,500 - £3,000 plus VAT. In addition, as set out at Appendix III, we have incurred professional advisors' costs of £20,800 plus VAT in respect of this aspect of our work and we anticipate

further professional advisors' costs of approximately £10,000 to £15,000 plus VAT up to the point of sale. We consider that these costs will create a direct financial benefit to the creditors of the Company.

2. Preparing the Metalworks for marketing

As detailed at section 3.1.2, we have instructed CBRE to complete a planning appraisal in respect of the Metalworks and we anticipate that we will engage architects to carry out design work to assist the marketing process and also work with structural engineers to prepare and present information relating to the structural abnormalities of the site. We anticipate that our involvement in managing and progressing this work will incur time costs of £5,000 - £7,000 plus VAT. In addition, as set out at Appendix III, we anticipate incurring professional advisors' costs of £22,500 plus VAT in respect of this aspect of our work. We consider that these costs will create a direct financial benefit to the creditors of the Company.

3. Marketing & sale of the Metalworks

As detailed at section 3.1.4, we expect that the marketing of the Site will commence during autumn 2021. CBRE will be managing the marketing and sale process as our instructed agents, on our behalf. We anticipate that the marketing and sale process will require a significant amount of our involvement and that we may also need to obtain legal advice in relation to legal issues which may arise as bids are received and considered and a sale is agreed with the successful party. We anticipate that our work in this regard will incur time costs of approximately £15,000 - £30,000 plus VAT. In addition, as set out at Appendix III, we anticipate incurring professional advisors' costs of at least approximately £35,000 plus VAT in respect of this aspect of our work. We consider that these costs will create a direct financial benefit to the creditors of the Company.

4. Deposit Purchasers and UN1 Holders

As detailed at section 3.1.5, we have obtained legal advice in respect of the legal interest of Deposit Purchasers and UN1 Holders in the Metalworks and we will shortly be writing to all relevant parties in relation to our potential approach to address this as part of a sale process. Whilst this work will not necessarily provide a direct financial benefit to the Company's creditors, it is required in order to ensure that any disposal of the Metalworks is conducted in an appropriate and timely manner. We expect that our work in this regard will incur time costs of approximately £5,000 - £7,500 plus VAT. In addition, as set out at Appendix III, we have incurred professional advisors' costs of £3,000 plus VAT in respect of this aspect of our work and we anticipate further costs of approximately £5,000 to £10,000 plus VAT. We consider that these costs will create a direct financial benefit to the creditors of the Company.

5. Other tasks relating to the realisation of the Metalworks

As part of completing the sale of the Metalworks we anticipate carrying out the following tasks (which may be supplemented by other tasks required as circumstances arise):

- attending to all required tax obligations in respect of the property disposal; and
- distribution of net proceeds of the disposal to one or more the fixed charge holders in accordance with their priority.

We expect that our work in this regard will incur time costs of approximately £1,000 - £3,000 plus VAT.

These actions will be covered by any fixed fee agreed pursuant to para 71(3)(a), Sch B1 IA86.

In addition to the above tasks, the joint administrators will be attending to the following tasks in respect of the administration:

- statutory obligations, including preparing and issuing the joint administrators' progress reports and, if appropriate, preparation of an application to court to extend the period of the administration for a further 12 months;
- conducting any further investigations in order to identify any claims which may be pursuable by the Company on behalf of the creditors;
- attending to all required tax obligations; and
- closure of the administration at the appropriate time.

We will be seeking approval from creditors in relation to the fees and costs of the administration, other than those incurred in respect of the preservation and realisation of the Metalworks, at the time of the next progress report or by way of a creditors' decision process, as appropriate.

10. Privacy and data protection

As part of our role as joint administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rsgdpr>

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

11. Ending the administration

At the appropriate time, the joint administrators will use their discretion to exit the administration by way of one of the following means:

- (i) If having realised the assets of the Company, the joint administrators think that a distribution will be made to the unsecured creditors other than by virtue of the Prescribed Part, they may file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made, but only if they consider that the associated incremental costs of a CVL are justified. In these circumstances, the joint administrators, Finbarr Thomas O'Connell and Colin Hardman will become the joint liquidators of the CVL. The acts of the joint liquidators may be undertaken by either or both of them.
- (ii) If the joint administrators have, with the permission of the court, made a distribution to unsecured creditors in addition to any Prescribed Part distribution, or they think that the Company otherwise has no property which might permit a distribution to its unsecured creditors, then, subject to there being a need for further investigations as described below, they will file a notice, together with their final progress report, at court and with the Registrar of Companies for the dissolution of the Company. The joint administrators will send copies of these documents to the Company and its creditors. The joint administrators' appointment will end following the registration of the notice by the Registrar of Companies.
- (iii) Administrators have the power to bring claims against former officers of the company in respect of transactions that may have caused or exacerbated a company's insolvency. Claims with a good prospect of success may be pursued by administrators but there may be cases where it would be more appropriate if a liquidator brought the claim or where the timeframe would not be long enough, given the maximum extension period available to administrators. The proposed exit route would, in these cases, be CVL.

Authorisation for the administrators' discharge from liability will be sought from the creditors of the Company at the appropriate time.

12. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators'

remuneration is inappropriate and/or the remuneration charged, or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Finbarr Thomas O'Connell or Colin Hardman in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:


i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

13. Next report

We are required to provide a further report on the progress of the administration within one month of the end of the next six-month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report.



Finbarr Thomas O'Connell and Colin Hardman

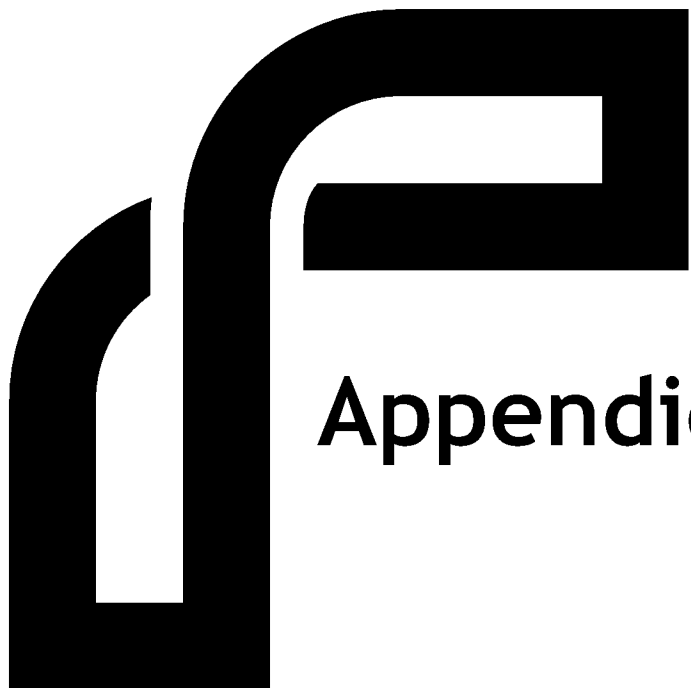
Joint Administrators

Date: 6 October 2021

The Joint Administrators of the Company are appointed to manage its affairs, business and property. They act as agents and without personal liability. Both officeholders are authorised and licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.icaew.com/technical/insolvency/sips-regulations-and-guidance/insolvency-code-of-ethics>

The Joint Administrators may act as controllers of personal data, as defined by the UK data protection law, depending upon the specific processing activities undertaken. Smith and Williamson LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment.



Appendices

I Receipts and payments account

Receipts and payments account to 7 September 2021

Statement of Affairs £		From 08/03/2021 To 07/09/2021 £	From 08/03/2021 To 07/09/2021 £
	PROPERTY & LAND		
2,000,000.00	Land bordered by Vaxhaull Road	NIL	NIL
(2,000,000.00)	Moneything (Security Trustee) Limited	NIL	NIL
(3,915,776.00)	Moneyworks Buyers Limited	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(229,000.00)	Directors	NIL	NIL
(591,834.25)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(4,736,610.25)</u>		<u>NIL</u>	<u>NIL</u>
	REPRESENTED BY		
			<u>NIL</u>

Notes and further information required by SIP 7

- The administrators' remuneration has not yet been approved.
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- Information concerning our remuneration and expenses incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

II Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Expense recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required and where this will add best value and service.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Any such arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add best value and service to the assignment.
- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations; and
- The professional and ethical standards applicable to the service provider.

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

External professional advisers are third party entities. The insolvency practitioners and their firm do not have any association with any external provider of services and therefore they do not fall within the definition of an associate as defined in Section 435 of the Insolvency Act 1986 and in Statement of Insolvency Practice 9. Payments to external professional advisers for the services they provide are therefore not a category 2 expense as defined in Statement of Insolvency Practice 9 and therefore do not require prior approval from the committee or creditors.

Expenses

Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 expense to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 expense, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 expenses.

Details of any Category 2 expenses incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the administrators' remuneration was approved. The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2021.

Smith & Williamson LLP	London office	Regional
Restructuring & Recovery Services	£/hr	offices
Charge out rates as at 1 July 2020		£/hr
Partner / Director	495-570	396-456
Associate Director	380-465	372
Managers	285-400	228-320
Other professional staff	125-465	152-204
Support & secretarial staff	105	84

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2021	London office £/hr	Regional offices £/hr
Partner	590-610	480
Director & Associate Director	395-530	395-415
Managers	290-430	240-335
Other professional staff	130-280	160-215
Support & secretarial staff	100-120	90

Notes

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1-minute units or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. Up to 31 January 2021 the cashiering function time is incorporated within "Other professional staff" rates. From 1 February 2021 the cashiering function time is split between "Other professional staff" and "Associate Director".

III Professional advisers

Name of professional advisor & service supplied	Task	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £	Estimated future £	Anticipated future total £
Veritas (Note 1) Maintenance and security of the Site	Maintaining the Metalworks site pending sale	Monthly rental charges, fixed service rates	22,850	-	22,850	15,000	37,850
Wedlake Bell (Note 2) Legal advice	Deposit Purchasers and UN1 Holders	Hourly rate and expenses	3,050	-	3,050	17,000	20,050
CBRE Planning appraisal	Preparing the Metalworks for marketing	Fixed Fee	5,750	-	5,750	-	5,750
CBRE Advice & assistance	Marketing & sale of the Metalworks	Fixed Fee	-	-	-	10,000	10,000
CBRE (Note 3) Sale disposal	Marketing & sale of the Metalworks	1% of sale value (subject to a minimum of £20,000)	-	-	-	20,000	20,000
Muir Associates Structural engineers	Preparing the Metalworks for marketing	Fixed Fee	-	-	-	17,000	17,000

Name of professional advisor & service supplied	Task	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £	Estimated future £	Anticipated future total £
Brock Carmichael Architects	Preparing the Metalworks for marketing	Fixed Fee	-	-	-	4,800	4,800
Marsh Insurance brokers	Maintaining the Metalworks site pending sale	Insurance premiums	396	-	396	-	396
Total (Note 4)			32,046	-	32,046	83,800	115,846

Notes:

- 1) The estimated future costs of Veritas includes the estimated costs of maintaining the frequent property inspections up to the anticipated point and sale also in respect of removing the security measures which have been installed on the Site following the sale of the property.
- 2) It is anticipated that further legal fees will be incurred in relation to Wedlake Bell advising the joint administrators in respect of the method of sale of the Metalworks and also in respect of the formal conveyance of the Metalworks to the successful purchaser.
- 3) CBRE's sale commission in relation to the sale of the Metalworks is 1% of the sale value subject to a minimum of £20,000 plus VAT, which is the figure used here for illustrative purposes, however, the actual amount will be dependent upon the sale value which is achieved in respect of the Metalworks and may therefore be greater than £20,000.
- 4) Total costs outstanding may include costs incurred in prior periods, but not yet paid. It may be necessary for the joint administrators to incur further costs in response to events arising, which are currently not known and therefore not included in the above schedule and which will be reported to creditors in the next progress report.

IV Administrators' expenses

Description	Costs incurred in current period £	Costs paid in current period £	Costs outstanding at period end £	Future estimated costs £	Anticipated future total £
Statutory advertising	95	-	95	-	140
Mail redirection	216	-	216	-	216
Joint administrators' bonds	140	-	140	-	95
Land registry searches	6	-	6	-	6
Category 2 expenses (see Appendix II)	66	-	66	75	141
Total (Note 1)	523	-	523	75	598

Note:

- 1) Total costs outstanding may include costs incurred in prior periods, but not yet paid. It may be necessary for the joint administrators to incur further costs in response to events arising, which are currently not known and therefore not included in the above schedule and which will be reported to creditors in the next progress report.

www.smithandwilliamson.com

Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

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