

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



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COMPANIES HOUSE

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1 Company details

Company number 0 0 7 8 2 5 4 6

Company name in full Havelock Europa PLC

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

2 Administrator's name

Full forename(s) Graham Douglas

Surname Frost

3 Administrator's address

Building name/number Atria One

Street 144 Morrison Street

Post town Edinburgh

County/Region

Postcode E H 3 8 E B

Country UK

4 Administrator's name ①

Full forename(s) Toby Scott

Surname Underwood

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

5 Administrator's address ②

Building name/number Central Square

Street 29 Wellington Street

Post town Leeds

County/Region

Postcode L S 1 4 D L

Country UK

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	3	m	0	m	1	y	2	y	0	y	1	y	9
To date	d	0	d	2	m	0	m	7	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	1	d	6	m	0	m	7	y	2	y	0	y	1	y	9
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Joint administrators' progress report
from 3 January 2019 to 2 July 2019

Havelock Europa Plc
(in administration)

In the High Court of Justice

Business and Property Courts in Manchester
Insolvency & Companies List (ChD)

23 July 2019

Case no. 2606 of 2018

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Company	Havelock Europa Plc
Administrators / we / us / our	Graham Douglas Frost and Toby Scott Underwood
firm/PwC	PricewaterhouseCoopers LLP
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
HIL / NewCo	Havelock International Limited (formerly The Next Day 2016 Limited)
HMRC	HM Revenue & Customs
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
RPS	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy & Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
unsecured creditors	Creditors who are neither secured nor preferential
ROT claims	Retention of title claims over goods supplied to the Company but not paid for before the Administrators' appointment
Purchaser	Havelock International Limited (formerly The Next Day 2016 Limited) and RCap Five Limited, both investment vehicles of RCapital Partners LLP
Scottish Enterprise / SE	Scotland's main economic development agency and a non-departmental public body of the Scottish Government; and a secured creditor of the Company.
the SPA	A Sale and Purchase Agreement dated 3 July 2018
the Bank	Bank of Scotland Plc
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

Key messages

Why we've sent you this report

We're writing to update you on the progress of the administration of Havelock Europa Plc in the six months since our last report dated 30 January 2019.

You may wish to read this report in conjunction with our previous reports. We have only repeated information from our previous reports here, where considered necessary or beneficial for the purpose of this report. You can still view our earlier reports on our website at www.pwc.co.uk/havelockeuropa.

How much creditors may receive

The following table summarises the possible outcome for creditors*, based on what we currently know.

Class of creditor	Amount owed (£m)	Current estimate (%)	Previous estimate (%)
Secured creditors (in order of priority)			
1. Bank of Scotland	5.1	25 - 35%	25 - 35%
2. Scottish Enterprise	2.8	Nil	Nil
Preferential creditors (all employees transferred to the Purchaser)	Nil	Not applicable	Not applicable
Unsecured creditors	20.2	Nil	Nil

**Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading.*

What you need to do

This report is for your information and you don't need to do anything.

As we do not expect a dividend to be available for unsecured creditors, you do not need to submit a claim for the amount you are owed. In the unlikely event the situation changes, we will let you know.

If you do wish to inform us of the amount owed to you, or bring to our attention any matters you believe we should be made aware of, please contact James Crowther on 0113 289 4076 or by email at crowther.james@pwc.com.

Please read the rest of this document.

Overview of work done in the previous period

As explained in our earlier reports, we have undertaken a number of different work streams in order to progress and achieve the purpose of the administration. Below is a brief outline of the work done in the first six months of the administration.

Sale of business and assets

The sale of the Company's business and majority of its assets completed on 3 July 2018, immediately following our appointment as joint administrators.

The sale consideration was £1,150,000 plus 25% of book debts as deferred consideration. Some £350,000 of the total amount was paid on the date of sale relating to the assets subject to floating charge security (plant, machinery and stock). The remaining £800,000 related to the assets subject to standard security (property) and the Purchaser committed to buy the property following satisfactory property diligence.

There were no other significant realisations envisaged from the Company's assets.

Book debts

In the six-month period immediately following our appointment, the total sum of £4,828,911 was collected by HIL and the administrators from debts owed to the Company when it entered administration. Pursuant to the terms of sale, this resulted in deferred consideration being payable to the Company of £1,207,228, of which some £157,167 had been received when we last reported, plus a further £820k shortly after the end of the period. The remainder was payable after our last report, however the Purchaser had advised they intended to withhold £229,146, equivalent to funds deposited in two subsidiary company bank accounts, which were frozen by the Bank. As you will see later in this report, these outstanding funds have all been collected.

Property

During the previous period, we dealt with a number of leasehold properties and one freehold property. You will see in the table, later in this report, how we have progressed each of the properties in which the Company had an interest.

Progress since we last reported

We set out below details of how the outstanding issues in the administration have been progressed in the six months to 2 July 2019.

Sale of business and assets

As you will recall from our previous reports, on 3 July 2018 an SPA was agreed between the Company and the Purchaser, covering the sale of the Company's business and majority of its assets. Due to a number of contributing factors, not all of the clauses in the original SPA were satisfied by the Purchaser. As a result, during the period, a revised agreement was agreed with the Purchaser to settle all outstanding issues. This revised agreement, dated 7 May 2019, focused on resolving the purchase of the freehold property at Mitchelston Drive ("the Freehold"), the deferred consideration due under the SPA, monies held in subsidiary accounts and some arrears relating to property costs.

The purchase of the Freehold to HIL is yet to complete. As a result of surveys which highlighted issues with the property roof the Purchaser was unwilling to complete the property transaction at the agreed price of £800k. A purchase price of £550k has been renegotiated, rising incrementally to £730k if the sale completes on the backstop date of 30 June 2020.

Book Debts

During the previous period, the Purchaser withheld £229k of deferred consideration, setting it off against funds held by the Bank in subsidiary bank accounts (ESA Macintosh Limited and Stage Systems Limited ("ESA and Stage")), which the Purchaser argued it was entitled to. In order to agree a resolution, the administrators' agreed a settlement in consultation with the Bank. As part of this settlement all outstanding property cost arrears owing from HIL were paid up to date.

You will recall from our previous report that £820k was received, in regards to deferred consideration, after the period end (and so had not been reflected in the receipts and payment account). This receipt can now been seen in the account for this period together with the above settlement amount. With regards to the deferred consideration as a whole, we have supported HIL to deliver a positive result on book debt collections which are now complete and have exceeded expectations.

Property

The table below shows the status of the properties the Company had an interest in prior to our appointment.

Property Address	Interest Held	Status
Mitchelston Drive, Mitchelston Industrial Estate, Kirkcaldy, Fife, KY1 3LX	Freehold	HIL continue to occupy the property under a licence to occupy. As per the SPA, HIL were obliged to pay £10k per month for the first four months following our appointment as a fee for the licence to occupy. As part of the agreement, after the first four months, the fee increased to £30k per month. From 2 November 2018, this agreement continued on a rolling monthly basis with either party able to withdraw by giving two weeks notice. However, as part of the revised agreement (above), this amount has now been reduced to £20k per month. We have received £130k in the period in respect of the licence to occupy.
Havelock House, John Smith Business Park, Kirkcaldy, KY2 6NA	Leasehold	Renunciation of lease was offered to the landlord on 16 October 2018. HIL have now vacated the property and

Property Address	Interest Held	Status
		the renunciation of the lease has been completed, with a new tenant now occupying the property.
Frances Industrial Park, Wemyss Road, Dysart, Kirkcaldy, KY1 2XZ	Leasehold	Previously occupied by HIL under a licence to occupy. HIL reached their own agreement with the landlord effective 3 September 2018. The Company no longer has beneficial occupation of this property and therefore, is no longer liable for any property expenses.
i2 Mansfield, Hamilton Court, Hamilton Way, Oakham Business Park, Mansfield, Nottinghamshire, NG18 5FB	Leasehold	Previously occupied by HIL under a licence to occupy. HIL reached their own agreement with the landlord effective 30 June 2019. The Company no longer has beneficial occupation of this property and therefore, is no longer liable for any property expenses.
2, Princes Court, Royal Way, Loughborough LE11 5XR	Leasehold	Previously occupied by HIL under a licence to occupy. HIL reached their own agreement with the landlord effective 31 January 2019. The Company no longer has beneficial occupation of this property and therefore, is no longer liable for any property expenses.

As you will note from the above, the Freehold remains the only outstanding property matter.

Extension of the Administration

The administration was due to automatically end on 3 July 2019. During the period we considered it both necessary and beneficial to creditors to extend the administration beyond the current statutory period of one year, in order to conclude remaining matters. Consequently, we sought the consent of the secured creditors to do so. The secured creditors agreed with this approach. The Registrar of Companies acknowledged the extension on 17 June 2019 and the administration is now due to expire on 3 July 2020, unless further extended by the Court.

Other Assets

During the period, we received £30.5k in relation to an employee share trust. Under a loan facility agreement dated 2 June 2000, there was a liability due to the Company. This agreement limited the liability of the Trustee to repay the loan to the value of the Trust assets. The Trust's sole remaining asset was a cash balance of £33,330.83. We received this balance, less the costs incurred by the trust management company in terminating the trust.

Contract Novations

During the period we assisted HIL in novating a number of contracts. A fee of £4,800 was charged to HIL for this work and the funds have now been received.

Connected party transactions

In accordance with SIP13, we are required to disclose any known connected party transactions that occurred in the period following our appointment or any proposed connected party transactions. We can confirm that no such transactions have occurred and none are expected.

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 3 January 2019 to 2 July 2019.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

Pre-administration costs

You can find in Appendix D information about the approval of the unpaid pre-administration costs previously detailed in our proposals.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

<https://www.icacw.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

You can also get a copy free of charge by telephoning James Crowther on 0113 289 4076.

What we still need to do

The key areas of work we need to do before the administration can be brought to an end, are summarised below:

- Complete the sale of the freehold property at Mitchelston Drive, Kirkcaldy to the Purchaser.
- Resolve legacy bank account and employee matters within the Company's Chinese subsidiary, to the extent required.
- Make a final secured creditor distribution to the Bank.
- Comply with all relevant insolvency legislation and regulatory obligations arising as a result of the insolvency of the Company and our appointment as joint administrators. These include periodic

reports to creditors, obtaining approval for our remuneration, and internal controls to ensure the administration strategy continues to be appropriate and outstanding matters are being progressed on a timely basis.

- Wind down the Company's affairs, including any necessary final tax and VAT matters; and dealing with the Company's books and records.

Next steps

We will be considering the best strategy for ending the administration. However, it is highly likely that once we have finalised our work as detailed above, we will file a notice with the Registrar of Companies to end the administration and the Company will be dissolved three months later. We'll provide an update on this in our next report.

We expect to send our next report to creditors at the end of the administration or in about six months, whichever is the sooner.

If you've got any questions, please get in touch with James Crowther on 0113 289 4076.

Yours faithfully

For and on behalf of the Company



Graham Frost
Joint administrator

Graham Douglas Frost and Toby Scott Underwood have been appointed as joint administrators of Havelock Europa Plc to manage its affairs, business and property as agents and without personal liability.

Graham Douglas Frost is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland. Toby Scott Underwood is licensed in the United Kingdom to act as an insolvency practitioner 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.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

The Joint Administrators may act as Data Controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers 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. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

Appendix A: Receipts and payments

Directors' statement of affairs	Notes	3 July 2018 to 2 January 2019	3 January 2019 to 2 July 2019	3 July 2018 to 2 July 2019
(£)		(£)	(£)	(£)
	Fixed charge			
800,000	1			
	Receipts			
	Freehold Property	80,000.00	130,000.00	210,000.00
	Total receipts	80,000.00	130,000.00	210,000.00
	Payments			
	Total payments			
	Net fixed charge realisations	80,000.00	130,000.00	210,000.00
	Floating charge			
	Receipts			
	Bank Interest	1,000.21	3,879.52	4,879.73
	Cash in hand	1,277.17	2,395.53	3,672.70
	Contract Novations	12,250.00	4,800.00	17,050.00
800,000	2 & 3			
	Deferred Consideration for book debt realisations	157,167.19	872,919.73	1,030,086.92
	Legal Fees and Expenses	12,250.00	-	12,250.00
	Licence Fees	77,888.00	-	77,888.00
350,000	Plant	245,000.00	-	245,000.00
50,000	Retentions	-	-	-
	Stock	99,989.00	-	99,989.00
	4			
	Sundry receipts for initial consideration	11.00	-	11.00
	Vehicles	5,000.00	-	5,000.00
200,000	Withheld Irish Tax	-	-	-
	Rates Refunds	-	311.28	311.28
	Utilities Refunds	-	8,222.96	8,222.96
	Employee Benefit Trust Funds	-	30,576.83	30,576.83
2,200,000	Total receipts	611,832.57	923,105.85	1,534,938.42
	Payments			
	Bank charges	(15.00)	(30.00)	(45.00)
	Postage & Stationery	(3,576.26)	-	(3,576.26)
	Agents' Fees - Property & Assets	(3,440.00)	(3,750.00)	(7,190.00)
	Post appointment Legal fees & Expenses	(39,250.00)	(57,566.17)	(96,816.17)
	Pre administration costs	(59,064.83)	-	(59,064.83)
	Statutory advertising	(150.00)	-	(150.00)
	Rent	(21,100.42)	(20,267.25)	(41,367.67)
	Total payments	(126,596.51)	(81,613.42)	(208,209.93)
	Net floating charge realisations	485,236.06	841,492.43	1,326,728.49
	VAT Control account	4,818.52	(11,362.22)	(6,543.70)
	Balance held in interest bearing current account	570,054.58	960,130.21	1,530,184.79

Notes

- Amount relates to fees charged to HIL for the licence to occupy the freehold property at Mitchelston Drive
- £820k has been received in relation to deferred consideration in respect of the previous reporting period
- Deferred consideration total reduced through settlement agreement by amounts held directly by Secured Creditor in Stage / ESA subsidiary accounts, thus reducing Secured Creditor exposure
- Amount is made up of the following receipts for the initial consideration as outlined in the Sale and Purchase Agreement: Accreditations (£1), Business Names (£1), Business Rights (£1), Customer Contracts (£1), Goodwill (£1), Intellectual Property (£1), Transferred Records (£1), Work in Progress (£1), Computer Software (£1), Software Licence Agreements (£1) and Information Technology (£1)

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and include our fees, but exclude distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

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

	Notes	Expenses incurred in the period 3 July 2018 to 2 January 2019	Expenses incurred in the period 3 January 2019 to 2 July 2019	Total expenses incurred in the period 3 July 2018 to 2 July 2019	Estimated future expenses	Anticipated total expenses
		(£)	(£)	(£)	(£)	(£)
Administrators' Expenses		879.54	268.73	1,148.27	250.00	1,398.27
Administrators' Fees		255,695.85	166,891.25	422,587.10	75,000.00	497,587.10
Agents Fees - Property and Assets		4,690.00	3,750.00	8,440.00	-	8,440.00
Bank Charges		15.00	30.00	45.00	15.00	60.00
Insurance	1	28,534.00	-	28,534.00	15,000.00	43,534.00
Office Costs, Storage and Stationary		3,576.26	-	3,576.26	2,000.00	5,576.26
Post Appointment Legal Fees	2	39,250.00	57,566.17	96,816.17	40,000.00	136,816.17
Pre Appointment Legal Fees	3	-	-	-	-	-
Statutory Advertising		150.00	-	150.00	-	150.00
		332,790.65	228,506.15	561,296.80	132,265.00	693,561.80

Notes

- 1 This is the maximum premium for insuring the properties at reinstatement value. We are continuing to assess this amount with HIL, the insurers and the underwriters and a decision is still being made on the most cost effective way to fulfill our insurance obligations. Under the conditions of the SPA, HIL are responsible for covering the cost of the property insurance.
- 2 We expect to incur further legal costs in relation to the completion of the sale of the freehold property, dealing with the leasehold properties and dealing with the Chinese subsidiary companies.
- 3 Expenses incurred prior to our appointment as administrators. These pre-appointment expenses were approved by the secured creditor during the period and have been paid. The amount is not included in the total anticipated total expenses as they do not relate to post appointment expenses.

Our time costs and legal expenses have exceeded the amount estimated in our remuneration report and initial progress report (dated 30 January 2019). This is because we have spent considerable time dealing with the freehold property at Mitchelston Drive, which in itself has incurred further legal costs. We have also spent significant time dealing with the withheld deferred consideration and property cost arrears, as mentioned in the main body of this report.

Appendix C: Remuneration update

During the period covered by this report, we wrote to both secured creditors to request approval to the basis of our fees, along with approval to draw an interim fee of £250k. We have had approval from one secured creditor, but are still awaiting for approval from the second before we can draw any fees.

Our time costs have now exceeded our fees initial estimate of £357k. This is due to a number of factors including:

- i. renegotiating the freehold property transaction; and
- ii. agreeing a settlement agreement to ensure a final position on the deferred consideration.

This work has resulting in higher administrators' costs than estimated in our previous progress report and remuneration report (dated 30 January 2019). As the administration has now been extended, to accommodate the delayed sale of the freehold property, further statutory costs will also be incurred. Both secured creditors have already been made aware of this increase in the fees estimate.

The following table shows a comparison between our fees estimates at the date of our last report, and our current fees estimate. We will be writing to secured creditors to seek further approval in due course.

<i>Category of work</i>	<i>Time costs incurred in the Period 3 July 2018 to 2 January 2019 (£)</i>	<i>Time costs incurred in the period 3 January 2019 to 2 July 2019 (£)</i>	<i>Total time costs from the period 3 July 2018 to 2 July 2019 (£)</i>	<i>Fees estimate as at 30 January 2019 (£)</i>	<i>Fees estimate as at 30 July 2019 (£)</i>
Accounting and treasury	45,403.55	14,389.75	59,793.30	57,403.55	64,793.30
Insurance / Assets	13,257.00	12,365.50	25,622.50	18,257.00	30,622.50
Book debt realisations	37,090.25	819.00	37,909.25	46,444.00	37,909.25
Creditors	8,342.50	2,346.50	10,689.00	10,496.25	15,689.00
Employees and pensions	1,123.50	1,256.50	2,380.00	1,123.50	2,380.00
Investigations	3,733.00	0.00	3,733.00	3,733.00	3,733.00
Property	37,578.25	28,688.25	66,266.50	50,757.28	76,266.50
Sale of business	10,379.75	34,051.50	44,431.25	21,585.00	44,431.25
Secured creditors	2,010.00	22,923.00	24,933.00	9,510.00	29,933.00
Statutory and compliance	65,958.05	23,304.25	89,262.30	90,000.00	99,307.30
Strategy and planning	24,283.75	18,468.75	42,752.50	41,760.00	52,358.25
Tax and VAT	6,536.25	8,278.25	14,814.50	13,536.25	29,814.50
Closure	0.00	0.00	0.00	10,394.15	10,349.15
Total hours and fees estimate	255,695.85	166,891.25	422,587.10	375,000.00	497,587.10

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Our hours and average rates

Analysis of time spent in the period from 3 January 2019 to 2 July 2019.

	Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
1	Accounting and treasury	-	-	18.75	4.00	4.00	16.95	-	43.70	14,389.75	329.28
2	Assets	-	-	11.05	0.70	23.65	1.85	-	37.25	12,365.50	331.96
3	Book debt realisations	-	-	-	-	-	4.55	-	4.55	819.00	180.00
4	Creditors	-	-	-	-	3.50	7.45	-	10.95	2,346.50	214.29
5	Employees and pensions	-	-	1.10	-	-	1.50	-	2.60	1,256.50	483.27
6	Property	3.00	-	48.45	-	7.20	8.95	-	67.60	28,688.25	424.38
7	Sale of business	-	3.80	50.00	-	28.50	-	-	82.30	34,051.50	413.75
8	Secured creditors	-	-	49.00	-	0.60	-	-	49.60	22,923.00	462.16
9	Statutory and compliance	2.50	3.40	7.35	10.20	11.60	44.05	0.10	79.20	23,304.25	294.25
10	Strategy and planning	2.00	4.80	12.65	3.00	4.50	29.00	-	55.95	18,468.75	330.09
11	Tax and VAT	0.70	-	1.75	0.80	0.35	23.95	-	27.55	8,278.25	300.48
Total for the period		8.20	12.00	200.10	18.70	83.90	138.25	0.10	461.25	166,891.25	361.82
Brought forward at 2 January 2019									786.78	255,695.85	324.99
Total									1,248.03	422,587.10	338.60

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 hours). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administration.

Grade	Administrators' staff	Administrators' staff
	From 1 July 2018 to 30 June 2019	From 1 July 2019
	£/hour	£/hour
Partner	640	690
Director	540	595
Senior manager	465	515
Manager	365	405
Senior Associate (qualified)	275	310
Senior Associate (unqualified)	200	230
Associate	180	210
Support staff	95	120

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

Our work in the period

Earlier in this section we included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Area of work	Work undertaken	Why the work was necessary and what, if any, financial benefit the work provided to creditors
Accounting and treasury	<ul style="list-style-type: none"> Daily/weekly reconciliations of book debt receipts into HIL and the Company bank accounts. Dealt with receipts, payments and journals. Carried out bank reconciliations and managing investment of funds. Bank account management. 	<ul style="list-style-type: none"> For the efficient management of the administrations' funds. Required by statute.
Property and assets	<ul style="list-style-type: none"> Invoiced the Purchaser for occupying the Company's properties, in line with the SPA Continued to liaise with HIL regarding the leasehold properties they continued to occupy under the licences to occupy. Renegotiated business terms for the Purchaser's occupation of the Freehold property. Renegotiated sale terms for the Freehold property with the Purchaser. 	<ul style="list-style-type: none"> Maximised realisations from assets for the benefit of the creditors.
Book debt realisations	<ul style="list-style-type: none"> Invoiced Purchaser for deferred consideration amount as per the SPA. Finalised book debt collections with HIL and recovered the remaining deferred consideration fee. Processed customer contract novations to facilitate transfer of business and receipt of book debts. 	<ul style="list-style-type: none"> To realise the Company's book debts and maximise realisations from assets for the benefit of the creditors.
Creditors	<ul style="list-style-type: none"> Received and following up creditor enquiries via telephone, email and post. Filed proofs of debt. 	<ul style="list-style-type: none"> To address creditors' enquiries and keep them informed of the progress of the administration. Required by statute and best practice.
Employees and pensions	<ul style="list-style-type: none"> Reviewed Company pension schemes, in particular the scheme failure notice. 	<ul style="list-style-type: none"> To ensure the Company's obligations to employees were met. Required by statute.
Sale of business	<ul style="list-style-type: none"> Team meetings to discuss progress of post-sale matters. Liaised with Purchaser regarding outstanding post-sale obligations. Supported post-sale matters as discussed earlier in this report. 	<ul style="list-style-type: none"> Maximised realisations from assets for the benefit of the creditors.
Secured creditors	<ul style="list-style-type: none"> Drafted documents for periodic updates to the secured creditors. Continued to monitor outcome for the Bank and provide periodic updates to it. 	<ul style="list-style-type: none"> To address the secured creditors' enquiries, keep them informed of the progress of the administration and decision making.

Area of work	Work undertaken	Why the work was necessary and what, if any, financial benefit the work provided to creditors
Statutory and compliance / Strategy and planning	<ul style="list-style-type: none"> Periodic case reviews and strategy discussions Filing of documents. Monitored fee budgets and costs. Drafted administration extension documents and filed with the Registrar of Companies. 	<ul style="list-style-type: none"> Required by statute and best practice. To keep all stakeholders informed of the course of the administration. For proper case management and retention of records. Required by statute.
Tax and VAT	<ul style="list-style-type: none"> Carried out a tax review and subsequent enquiries. Liaised with HMRC. Corresponded with HMRC in relation to the Company's VAT matters. Prepared and submitting periodic post appointment VAT returns. Carried out periodic tax reviews and dealing with subsequent enquiries. 	<ul style="list-style-type: none"> To discharge our obligations to HMRC. Required by statute.

Our future work

We still need to do the following work to achieve the purpose of the administration and for the orderly wind-down of the Company's affairs.

Area of work	Work undertaken	Why the work is necessary and what, if any, financial benefit the work provided to creditors	Estimated Cost (£)
Accounting and treasury	<ul style="list-style-type: none"> Making distributions to secured creditor. Closing bank accounts. 	<ul style="list-style-type: none"> For the efficient management of the administrations' funds. Required by statute. 	<ul style="list-style-type: none"> 5,000
Insurance	<ul style="list-style-type: none"> Finalise insurance matters and pay final premium. 	<ul style="list-style-type: none"> To comply with our insurance obligations. Required by statute. 	<ul style="list-style-type: none"> 5,000
Property and assets	<ul style="list-style-type: none"> Complete the sale of the freehold property. Finalise any rental payments due to landlords. Recover any outstanding lease payments from HIL 	<ul style="list-style-type: none"> To realise the Company's assets at the most favourable price. Maximise realisations from assets for the benefit of the creditors. 	<ul style="list-style-type: none"> 10,000
Creditors	<ul style="list-style-type: none"> Receive and follow up creditor enquiries via telephone, email and post. 	<ul style="list-style-type: none"> To address creditors' enquiries and keep them informed of the progress of the administration. 	<ul style="list-style-type: none"> 5,000

Area of work	Work undertaken	Why the work is necessary and what, if any, financial benefit the work provided to creditors	Estimated Cost (£)
Secured creditors	<ul style="list-style-type: none"> • File proofs of debt. 	<ul style="list-style-type: none"> • Required by statute and best practice. 	<ul style="list-style-type: none"> • 5,000
	<ul style="list-style-type: none"> • Make an interim and final distribution to the Bank. 	<ul style="list-style-type: none"> • To address the secured creditors' enquiries and keep them informed of the progress of the administration. • Required by statute and best practice. 	
Statutory and compliance / Strategy and planning	<ul style="list-style-type: none"> • Periodic case reviews and strategy discussions • Filing of documents. • Prepare and deliver further progress reports. • Deal with Company books and records and PwC case files and arranging appropriate storage and destruction. • Obtain discharge of the joint administrators liability. • Obtain approval of the administrators' fees and expenses. 	<ul style="list-style-type: none"> • To keep all stakeholders informed of the course of the administrations. • For proper case management and retention of records. • Required by statute. 	<ul style="list-style-type: none"> • 20,000
Tax and VAT	<ul style="list-style-type: none"> • Preparing and submitting periodic post appointment VAT returns. • Carrying out periodic tax reviews and dealing with subsequent enquiries. • Liaising with HMRC to obtain tax clearance. 	<ul style="list-style-type: none"> • To discharge our obligations to HMRC. • Required by statute. 	<ul style="list-style-type: none"> • 15,000
Closure	<ul style="list-style-type: none"> • Complete checklists and diary management systems. • Closing down internal systems. • Closure of bank accounts. • Completing general case closure administrative tasks. 	<ul style="list-style-type: none"> • To ensure all outstanding matters are dealt with in good time. • Ensures an orderly case closure 	<ul style="list-style-type: none"> • 10,000

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration but has not yet been approved by all secured creditors where required.

The following disbursements arose in the period of this report.

Category	Policy	Costs incurred (£)
2	Photocopying - at a maximum of 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	-
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
	Other	
1	Administrators' bonding insurance	20.00
	Postage and Courier Costs	248.73
	Total	268.73

Our relationships

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

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: <ul style="list-style-type: none">• appointment related matters;• contract novations; and• advice on licences to occupy.	Addleshaw Goddard LLP	Legal knowledge	Time costs
Property agents services including: <ul style="list-style-type: none">• property surveying	Watts Group Limited	Specialist industry knowledge	Time costs / Fixed fee

Appendix D: Pre-administration costs

During the previous period, we sought approval for the payment of unpaid pre-administration costs (as detailed in our proposals) as an expense of the administration. On 14 August 2018, the Bank approved those costs, as summarised below.

Nature of costs <i>(amounts stated exclude VAT)</i>	Paid amount (£)	Unpaid amount (£)
Fees charged by the administrators	80,000	67,363
Expenses incurred by the administrators		
Own disbursements	--	432
Addleshaw Goddard LLP	62,106	--
Dickson Minto	23,959	--
Thainstone Specialist Auctions	1,640	--
Fees charged by other persons qualified to act as an insolvency practitioner	--	--
Expenses incurred by other persons qualified to act as an insolvency practitioner	--	--
Total	£167,705	£67,795

We refer you to our proposals for details of the work performed and why it was necessary.

Appendix E: Other information

Court details for the administration:	High Court of Justice Business and Property Courts in Manchester Insolvency & Companies List (ChD)
Company's registered name:	Case 2606 of 2018 Havelock Europa Plc
Trading name:	Havelock Europa Plc
Registered number:	00782546
Registered address:	i2 Mansfield, Hamilton Court Hamilton Way Oakham Business Park, Mansfield, Nottinghamshire, NG18 5FB
Date of the joint administrators' appointment:	3 July 2018
Joint administrators' names, addresses and contact details:	Graham Douglas Frost of PwC, Atria One, 144 Morrison Street, Edinburgh, EH3 8EB Toby Scott Underwood of PwC, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Extension(s) to the initial period of appointment:	Extension approved by the secured creditors to 2 July 2020

AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **James Crowther**

Company name **PricewaterhouseCoopers LLP**

Address **Central Square**

29 Wellington Street

Post town **Leeds**

County/Region

Postcode **L S 1 4 D L**

Country **UK**

DX

Telephone **01132894076**



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