

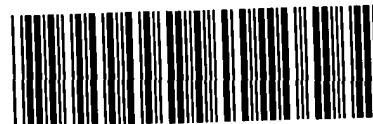
# AM10

## Notice of administrator's progress report



Companies House

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24/07/2020

#226

COMPANIES HOUSE

### 1 Company details

Company number 00782546

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 EH38EB

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 LS14DL


Country UK

② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

<b>6</b>		<b>Period of progress report</b>														
From date	d	0	d	3	m	0	m	1	y	2	y	0	y	2	y	0
To date	d	0	d	2	m	0	m	7	y	2	y	0	y	2	y	0
<b>7</b>		<b>Progress report</b>														
		<input checked="" type="checkbox"/> I attach a copy of the progress report														
<b>8</b>		<b>Sign and date</b>														
Administrator's signature	Signature 															
Signature date	d	2	d	4	m	0	m	7	y	2	y	0	y	2	y	0

# 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

# Joint administrators' progress report from 3 January 2020 to 2 July 2020

**Havelock Europa Plc**  
(in administration)

In the High Court of Justice

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

Case no. 2606 of 2018

24 July 2020

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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
the Property	Mitchelston Drive, Mitchelston Industrial Estate, Kirkcaldy, Fife, KY1 3LX
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

This report has been prepared by Graham Douglas Frost and Toby Scott Underwood as joint administrators of the Company, solely to comply with their statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

*This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.*

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at [www.pwc.co.uk/havelockeuropa](http://www.pwc.co.uk/havelockeuropa). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Graham Douglas Frost and Toby Scott Underwood have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are 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.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Administrators may act as 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](http://PwC.co.uk) website or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

# 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 during the period from 3 January 2020 to 2 July 2020.

You can still view our earlier reports on our website at [www.pwc.co.uk/havelockeuropa](http://www.pwc.co.uk/havelockeuropa). Please get in touch with James Crowther on 0113 289 4076 or at [crowther.james@pwc.com](mailto:crowther.james@pwc.com) if you need any of the passwords to access the reports.

## 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 (p in £)	Previous estimate (p in £)
<b>Secured creditors</b> (in order of priority)			
1. Bank of Scotland	5.1	21 - 28%	25 - 35%
2. Scottish Enterprise	2.8	Nil	Nil
<b>Preferential creditors</b> (all employees transferred to the Purchaser)	Nil	Not applicable	Not applicable
<b>Unsecured creditors</b>	20.2	Nil	Nil

## 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](mailto:crowther.james@pwc.com).

Please read the rest of this document.



# Overview of what we've done to date

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 18 months of the administration to 2 January 2020.

## Sale of business, assets and property

- Immediately following our appointment on 3 July 2018 we sold the Company's business and the majority of its assets. The sale consideration was £1,150,000 plus 25% of book debts collected as deferred consideration.
- Received £1,030,086 as deferred consideration for book debt realisations from HIL.
- Negotiated a revised agreement with the Purchaser to settle all outstanding issues. This revised agreement, dated 7 May 2019, focused on resolving the purchase of the Property, the deferred consideration due under the SPA, monies held in subsidiary accounts and some arrears relating to property costs. We also assisted HIL in novating a substantial number of customer contracts.
- Following the appointment of administrators in July 2019, HIL was no longer in a position to complete the purchase of the Property. When HIL ceased trading we entered into a license to occupy to provide a structure to govern continued temporary occupation of the Property and to receive a licence fee while an auction of plant and equipment was conducted and the site was vacated, in February 2020.
- In the meantime we had appointed property agents to assist us in considering options for the site and to manage a marketing process. A potential new purchaser was identified and the sale was due to be completed in March 2020. The sale of the Property is yet to complete, although we are still in talks with the same potential purchaser.

## Other assets and liabilities

- We realised other assets of £30.5k and £33.3k in relation to an employee share trust and a loan facility agreement, respectively.
- We concluded that the Company's Chinese subsidiary had no net value and therefore, as the Company had no interest in it, we would not undertake any more work in relation to the matter.

## Other issues

- Statutory documents have been prepared and circulated including the joint administrators' proposals for achieving the purpose of the administration and three progress reports.
- In line with our duty under Statement of Insolvency Practice 2, we undertook an investigation into the actions of the directors in the three years prior to the administration. We reported our findings to the Secretary of State.
- We sought the consent of the secured creditors to extend the administration. The secured creditors agreed with the approach and we issued a statutory form to extend the administration, which is now due to expire on 2 July 2021.

When we last reported, the key outstanding matters in the administration were as follows:

- Make an interim distribution to the Bank, and then a final distribution to the Bank following the sale of the Property.
- 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.

# 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 2020.

## Sale of business, assets and property

We anticipated the sale of the Property would complete in March 2020. However due to a number of reasons, mainly as a result of Covid-19, the sale is yet to complete. We are still in talks with the prospective purchaser and are in the process of finalising certain matters to allow the sale to complete before the end of the next reporting period.

You may also recall from that the Company had an interest in a number of leasehold properties as well as the Property. The Company no longer has beneficial occupation of any of the leasehold properties and is therefore not liable for any expenses in relation to any of the leasehold properties as an expense of the administration.

## 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.

## Other issues

We previously received income from HIL in relation to the insurance premium for the Property over the period. This amount has now been paid over to the insurance company. Despite the Property now being unoccupied, we still have an obligation to ensure it is properly insured, and as such the Company in administration is now bearing the costs of the insurance premium and the other costs of maintaining the Property, such as utilities and on-site security.

During the period we prepared a corporation tax computation and paid the amount due to HMRC.

As a result of the delayed sale of the Property, we had to arrange for the administration to be extended. The application was approved and the administration has been extended to 2 July 2021, by order of the court.

## 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 2020 to 2 July 2020.

## 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.

## 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.icaew.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 following is a brief summary of the key matters still to be resolved and areas of work we are likely to undertake before the administration can be brought to an end:

- Complete the sale of the Property.
- Make a final secured creditor distribution to the Bank, following the sale of the Property.
- 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 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

In addition to the above, we are also currently 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

# Appendix A: Receipts and payments

Directors' statement of affairs (£)	Notes	3 July 2018 to 2 January 2020 (£)	3 January 2020 to 2 July 2020 (£)	3 July 2018 to 2 July 2020 (£)
800,000	Fixed charge			
	Receipts			
	Property	330,000.00	32,219.06	362,219.06
	Total receipts	330,000.00	32,219.06	362,219.06
	Payments			
	Total payments	-	-	-
	Net fixed charge realisations	330,000.00	32,219.06	362,219.06
	Floating charge			
	Receipts			
	Bank interest	7,203.17	107.73	8,160.88
	Cash in hand	3,672.70	-	3,672.70
	Contract Movements	17,050.00	-	17,050.00
	Deferred Consideration for bank debt realisations	1,630,000.01	-	1,630,000.01
	Legal Fees and Expenses	12,250.00	-	12,250.00
	License Fees	77,000.00	-	77,000.00
	Rent	245,000.00	-	245,000.00
	Retention	-	-	-
	Stock	99,000.00	-	99,000.00
	Sundry receipts for initial consideration	11.00	-	11.00
	Vehicles	5,000.00	-	5,000.00
	Withheld Intra Tax	-	-	-
	Rates Refunds	311.23	-	311.23
	Utilities Refunds	6,222.06	-	6,222.06
	Employee Benefit Trust Funds	50,575.03	-	50,575.03
	Sundry debts and refunds	401.70	333.93	735.63
	Insurance	27,203.08	6,560.15	33,763.23
2,200,000	Total receipts	1,565,072.64	9,771.77	1,574,844.41
	Payments			
	Bank charges	(60.02)	-	(60.02)
	Postage & Stationery	(3,376.26)	-	(3,376.26)
	Agents' Fees - Property & Assets	(7,190.00)	(50,447.00)	(57,637.00)
	Post appointment Legal fees & Expenses	(103,200.17)	(3,274.90)	(106,475.07)
	Pre and realisation costs	(39,864.05)	-	(39,864.05)
	Statutory advertising	(120.00)	-	(120.00)
	Rent	(41,367.67)	-	(41,367.67)
	Office holders fees	(235,696.00)	-	(235,696.00)
	Office holders expenses	(379.54)	-	(379.54)
	Insurance	(35,864.79)	(32,791.25)	(68,656.04)
	Distributions to floating charge creditor	(600,000.00)	-	(600,000.00)
	Corporation Tax	-	(5,502.21)	(5,502.21)
	Property maintenance	-	(11,353.50)	(11,353.50)
	Total payments	(1,007,629.26)	(94,361.75)	(1,101,991.01)
	Net floating charge realisations	477,443.38	(84,589.98)	392,853.40
	VAT Control account	(30,136.35)	7,464.47	(22,671.88)
	Transfer into trust for the benefit of current account	777,107.03	(44,914.45)	732,192.58

Notes:

- Amount relates to fees charged to HIL for the license to occupy the freehold property at Middlesdon Drive.
- Deferred consideration total reduced through settlement agreement by amounts held directly by Secured Creditor in Sage / BSA subsidiary accounts, thus reducing Secured Creditor exposure.
- Amount is made up of the following receipts for the initial consideration in relation to the Sale and Purchase Agreement: Accreditation (£1), Business Name (£1), Business Rights (£1), Customer Contracts (£1), Goodwill (£1), Intellectual Property (£1), Transferred Records (£1), Work In Progress (£1), Computer Software (£1), Software License Agreements (£1) and Information Technology (£1).
- The insurance premium for the Freehold was charged to HIL. This amount has subsequently been paid to the insurers.

# 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 2020 (£)	Expenses incurred in the period 3 January 2020 to 2 July 2020 (£)	Total expenses incurred in the period 3 July 2018 to 2 July 2020 (£)	Estimated future expenses (£)	Anticipated total expenses (£)	Previous estimate (£)	Variance (£)
Administrators' Expenses	1,418.27	31.22	1,449.49	500.00	1,449.49	1,398.27	31.22
Administrators' Fees	546,730.00	109,562.00	656,292.00	68,708.00	725,000.00	650,000.00	74,999.00
Agents Fees - Property and Assets	8,440.00	58,447.80	66,887.80	250,000.00	81,887.80	18,440.00	63,447.80
Bank Charges	60.00	-	60.00	50.00	75.00	75.00	-
Insurance	32,000.00	15,791.25	47,791.25	-	62,791.25	47,000.00	15,791.25
Office Costs, Storage and Stationary	3,576.26	-	3,576.26	1,000.00	5,576.26	5,576.26	-
Post Appointment Legal Fees	49,388.99	3,274.99	52,663.98	10,000.00	92,663.98	89,388.99	3,274.99
Stationery/Advertising	150.00	-	150.00	-	150.00	150.00	-
Corporation Tax	-	5,502.21	5,502.21	-	5,502.21	-	5,502.21
Other property costs	-	11,353.50	11,353.50	75,000.00	111,353.50	-	111,353.50
	651,403.52	213,162.97	864,566.49	108,1973.40	1,486,429.49	812,412.52	274,399.97

Our expenses have exceeded the estimate provided to all creditors before the basis of our fees was fixed. This is due to the increase in administrators' fees, of which further details can be found in the section below. Due to the delay in the sale of the Property, we have incurred costs involved with holding and securing it. We did not anticipate incurring these costs and therefore we have exceeded our previous estimate.

# Appendix C: Remuneration update

Our fees have been approved on a time cost basis by the secured creditors. To date we have drawn fees of £256k in line with the approval given, as shown on the enclosed receipts and payments account. Our time costs have now exceeded our initial fees estimate of £375k. This is due to a number of factors including:

- renegotiating the Property transaction with HIL;
- agreeing a settlement agreement with HIL to conclude a final position on the deferred consideration and other matters;
- dealing with the impact of the administration of HIL on 31 July 2019;
- managing property related matters in light of the administration of HIL, including entering into a license to occupy to allow HIL in administration to conduct an auction of plant and equipment and vacate the site;
- appointing an agent and agreeing a sale of the Property to a new buyer; and
- a significant delay to the sale of the Property as a result of Covid-19.

This additional work has resulted 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 again to accommodate the delayed sale of the Property, further statutory costs will also be incurred. Both secured creditors have already been made aware of this increase in our anticipated total costs.

The following table shows a comparison between our initial fees estimate and the revised estimates of total costs in this report and our previous reports. We will be writing to secured creditors to seek further approval to draw fees in excess of the initial fees estimate, in due course.

The time cost charges incurred in the period covered by this report are £109,562. This amount does not necessarily reflect how much we will eventually draw as fees for this period.

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

Category of work	Time costs incurred in the period 3 July 2018 to 2 January 2020 (£)	Time costs incurred in the period 3 January 2020 to 2 July 2020 (£)	Total time costs from the period 3 July 2018 to 2 July 2020 (£)	Fees estimate as at 30 January 2019 (£)	Fees estimate as at 30 July 2019 (£)	Fees estimate as at 3 January 2020 (£)	Fees estimate as at 30 July 2020 (£)
Accounting and treasury	64,154.55	7,354.00	71,508.55	57,403.55	64,793.30	69,154.55	74,008.55
Insurance / Assets	29,120.50	804.00	29,924.50	18,257.00	30,622.50	34,120.50	31,424.50
Book debt realisations	38,385.25	-	38,385.25	46,444.00	37,909.25	38,385.25	38,385.25
Creditors	11,637.00	1,301.00	12,938.00	10,496.25	15,689.00	16,637.00	14,438.00
Employees and pensions	17,715.00	2,299.50	20,014.50	1,123.50	2,380.00	22,715.00	20,014.50
Investigations	3,733.00	-	3,733.00	3,733.00	3,733.00	3,733.00	3,733.00
Property	116,983.50	55,028.50	172,012.00	50,757.28	76,266.50	156,983.50	192,012.00
Sale of business	45,026.25	-	45,026.25	21,585.00	44,431.25	45,026.25	45,026.25
Secured creditors	25,963.00	3,090.00	29,053.00	9,510.00	29,933.00	33,463.00	33,553.00
Statutory and compliance	106,899.30	18,577.50	125,476.80	90,000.00	99,307.30	116,899.30	140,914.80
Strategy and planning	51,679.00	3,133.50	54,812.50	41,760.00	52,358.25	56,679.00	59,812.50
Tax and VAT	35,433.00	17,974.00	53,407.00	13,536.25	29,814.50	45,433.00	60,907.00
Closure	-	-	-	10,394.15	10,771.00	10,771.00	10,771.00
Total hours and fees estimate	546,729	109,562	656,291	375,000	498,009	650,000	725,000

## Our hours and average rates

The table below summarises the time spent during this latest period on the different areas of work.

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	-	-	-	3.60	14.40	12.00	-	30.00	7,354.00	245.13
2 Assets	-	-	-	0.60	2.30	-	-	2.90	804.00	277.24
3 Book debt realisations	-	-	-	-	-	-	-	-	-	-
4 Creditors	-	-	-	2.20	1.60	0.20	-	4.00	1,301.00	325.25
5 Employees and pensions	-	0.50	3.20	-	-	0.60	-	4.30	2,299.50	534.77
6 Property	-	13.40	73.70	1.40	37.10	-	-	125.60	55,028.50	438.13
7 Sale of business	-	-	-	-	-	-	-	-	-	-
8 Secured creditors	-	-	6.00	-	-	-	-	6.00	3,090.00	515.00
9 Statutory and compliance	2.50	5.00	4.60	8.50	35.00	-	-	55.60	18,577.50	334.13
10 Strategy and planning	-	0.20	-	0.40	12.35	-	-	12.95	3,133.50	241.97
11 Tax	0.20	-	0.80	10.80	12.40	4.00	-	28.20	9,292.50	329.52
12 VAT	-	-	2.00	5.30	11.40	11.90	-	30.60	8,681.50	283.71
Total for the period	2.70	19.10	90.30	32.80	126.55	28.70	-	300.15	109,562.00	365.02
Brought forward at 2 January 2020								1,560.78	548,729.35	
Total								1,860.93	658,291.35	

## 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 units). 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	Up to 30 June 2020 (£)	From 1 July 2020 £
Partner	690	850
Director	595	720
Senior Manager	515	585
Manager	405	475
Senior Associate - Qualified	310	390
Senior Associate - Unqualified	230	390
Associate	210	245
Support Staff	120	125

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 have 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 OR whether it was required by statute
Accounting and treasury	<ul style="list-style-type: none"> <li>Dealt with receipts, payments and journals.</li> <li>Carried out bank reconciliations and managing investment of funds.</li> <li>Bank account management.</li> </ul>	<ul style="list-style-type: none"> <li>For the efficient management of the administrations' funds.</li> <li>Required by statute.</li> </ul>
Property and assets	<ul style="list-style-type: none"> <li>Sent a final invoice to the Purchaser for occupying the Property, in line with the SPA.</li> <li>Managed property related matters in light of the administration of HIL.</li> <li>Marketed and negotiated a sale of the Property to a new buyer.</li> <li>Dealt with miscellaneous issues in relation to the Property including security, maintenance and insurance.</li> </ul>	<ul style="list-style-type: none"> <li>Maximised realisations from assets for the benefit of the secured creditors.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>Received and followed up creditor enquiries via telephone, email and post.</li> <li>Filed proofs of debt.</li> </ul>	<ul style="list-style-type: none"> <li>To address creditors' enquiries and keep them informed of the progress of the administration.</li> <li>Required by statute and best practice.</li> </ul>
Employees and Pensions	<ul style="list-style-type: none"> <li>Dealt with queries and liaised directly with The Pensions Regulator.</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute.</li> </ul>
Secured creditors	<ul style="list-style-type: none"> <li>Drafted documents for periodic updates to the secured creditors.</li> <li>Continued to monitor the outcome for the Bank and provide periodic updates to it.</li> </ul>	<ul style="list-style-type: none"> <li>To address the secured creditors' enquiries, keep them informed of the progress of the administration and decision making.</li> </ul>
Statutory and compliance / Strategy and planning	<ul style="list-style-type: none"> <li>Periodic case reviews and strategy discussions.</li> <li>Filing of documents.</li> <li>Monitored fee budgets and costs.</li> <li>Drafted administration extension documents and filed with the Registrar of Companies.</li> </ul>	<ul style="list-style-type: none"> <li>To keep all stakeholders informed of the course of the administration.</li> <li>For proper case management and retention of records.</li> <li>Required by statute.</li> </ul>
Tax and VAT	<ul style="list-style-type: none"> <li>Corresponded with HMRC in relation to the Company's VAT matters.</li> <li>Prepared and submitted periodic post appointment VAT returns.</li> <li>Carried out periodic tax reviews and dealing with subsequent enquiries.</li> <li>Reconciling VAT account with funds received.</li> </ul>	<ul style="list-style-type: none"> <li>To discharge our obligations to HMRC.</li> <li>Required by statute.</li> </ul>



## Our future work

We still need to do the following work to achieve the purpose of administration.

Area of work	Work undertaken	What, if any, financial benefit the work provided to creditors OR whether it was required by statute	Estimated Cost (£)
Accounting and treasury	<ul style="list-style-type: none"> <li>• Making distributions to the secured creditor.</li> <li>• Closing bank accounts.</li> </ul>	<ul style="list-style-type: none"> <li>• For the efficient management of the administrations' funds.</li> <li>• Required by statute.</li> </ul>	<ul style="list-style-type: none"> <li>• 2,500</li> </ul>
Insurance	<ul style="list-style-type: none"> <li>• Finalise insurance matters and pay the final premium.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with our insurance obligations.</li> <li>• Required by statute.</li> </ul>	<ul style="list-style-type: none"> <li>• 1,500</li> </ul>
Property and assets	<ul style="list-style-type: none"> <li>• Complete the sale of the Property</li> </ul>	<ul style="list-style-type: none"> <li>• To realise the Company's assets at the most favourable price.</li> <li>• Maximise realisations from assets for the benefit of the secured creditors.</li> </ul>	<ul style="list-style-type: none"> <li>• 20,000</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>• Receive and follow up creditor enquiries via telephone, email and post.</li> <li>• File proofs of debt.</li> </ul>	<ul style="list-style-type: none"> <li>• To address creditors' enquiries and keep them informed of the progress of the administration.</li> <li>• Required by statute and best practice.</li> </ul>	<ul style="list-style-type: none"> <li>• 1,500</li> </ul>
Secured creditors	<ul style="list-style-type: none"> <li>• Make a final distribution to the Bank.</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution of assets to creditors.</li> </ul>	<ul style="list-style-type: none"> <li>• 4,500</li> </ul>
Statutory and compliance / Strategy and planning	<ul style="list-style-type: none"> <li>• Periodic case reviews and strategy discussions</li> <li>• Filing of documents.</li> <li>• Prepare and deliver further progress reports.</li> <li>• Deal with Company books and records and the Administrators' case files and arranging appropriate storage and destruction.</li> <li>• Obtain further approval of the administrators' fees and expenses.</li> </ul>	<ul style="list-style-type: none"> <li>• To keep all stakeholders informed of the course of the administration.</li> <li>• For proper case management and retention of records.</li> <li>• Required by statute.</li> </ul>	<ul style="list-style-type: none"> <li>• 20,438</li> </ul>
Tax and VAT	<ul style="list-style-type: none"> <li>• Preparing and submitting periodic post appointment VAT returns.</li> <li>• Carrying out periodic tax reviews and dealing with subsequent enquiries.</li> <li>• Prepared corporation tax computation and paid amount due to HMRC.</li> </ul>	<ul style="list-style-type: none"> <li>• To discharge our obligations to HMRC.</li> <li>• Required by statute.</li> </ul>	<ul style="list-style-type: none"> <li>• 7,500</li> </ul>

## Closure

- Complete checklists and diary management systems.
- Closing down internal systems.
- Closure of bank accounts.
- Completing general case closure administrative tasks.
- To ensure all outstanding matters are dealt with in good time.
- Ensures an orderly case closure.
- 10,771

## 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 and has been approved by the secured creditors where required.

The table below shows the disbursements incurred during the period covered by this report.

Category	Policy	Costs incurred (£)
2	<b>Photocopying</b> - at a maximum of 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	-
2	<b>Mileage</b> - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	<b>Other</b>	
	Storage	3.89
	Postage and Courier Costs	27.33
	<b>Total</b>	<b>31.22</b>

## 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: - appointment related matters; - advice on the sale of the Property; - contract novations; and - advice on licences to occupy.	Addleshaw Goddard LLP	Legal knowledge	Time costs

Property agents services including property surveying	Watts Group Limited	Specialist industry knowledge	Time costs / Fixed fee
Estate agents	Colliers International Property Consultants Limited	Specialist industry knowledge	Ratcheted fee based on property realisation value
Vacant property agents	Moorcroft Property Group	Specialist industry knowledge	Time costs

# Appendix D: Pre-administration costs

During the first 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 costs summarised below were approved for payment.

Nature of costs (amounts stated exclude VAT)	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	--	--
<b>Total</b>	<b>£167,705</b>	<b>£67,795</b>

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

Please also refer to the receipts and payments account in Appendix A for details of the amounts paid to date, as an expense of the administration, in line with the approval given.

# Appendix E: Other information

<b>Court details for the administration:</b>	High Court of Justice Business and Property Courts in Manchester Insolvency & Companies List (ChD)  Case 2606 of 2018
<b>Company's registered name:</b>	Havelock Europa Plc
<b>Trading name:</b>	Havelock Europa Plc
<b>Registered number:</b>	00782546
<b>Registered address:</b>	Formerly: i2 Mansfield, Hamilton Court Hamilton Way Oakham Business Park, Mansfield, Nottinghamshire, NG18 5FB  Current: Central Square, 29 Wellington Street, Leeds, LS1 4DL
<b>Date of the joint administrators' appointment:</b>	3 July 2018
<b>Joint administrators' names, addresses and contact details:</b>	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
<b>Extension(s) to the initial period of appointment:</b>	Extension approved by the secured creditors to 2 July 2020  Extension approved by order of the court to 2 July 2021