



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 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

### 6 Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 0	<sup>d</sup> 2	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*[Handwritten signature]*

X

Signature date

<sup>d</sup> 1	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 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 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**

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# Joint administrators' progress report from 3 July 2020 to 2 January 2021

**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

18 January 2021

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

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	The 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 [PwC.co.uk](#). 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. Toby Underwood is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales. Graham Frost is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.

The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: [PwC.co.uk](#)

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](#) 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.

## 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 July 2020 to 2 January 2021.

You can still view our earlier reports on our website at [www.havelock-europa.co.uk](#) or contact James Crowther on 0113 289 4076 or at [jcrowther@havelock-europa.co.uk](mailto:jcrowther@havelock-europa.co.uk) if you need any of the passwords to access the reports.

. Please get in touch with us 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.

### Secured creditors (in order of priority)

1. Bank of Scotland	4.8	26 - 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 [jcrowther@havelock-europa.co.uk](mailto:jcrowther@havelock-europa.co.uk).

Please read the rest of this document.



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 two years of the administration to 2 July 2020, as described in our previous reports.

## 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.
- Subsequently collected £1,030,086 as deferred consideration for book debt realisations from HIL.
- Negotiated a revised agreement with the Purchaser to settle all outstanding matters. 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.
- Relinquished beneficial occupation of all the leasehold properties. The Company is therefore not liable for any expenses in relation to any of the leasehold properties as an expense of the administration.
- 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 as you will see from the next section, the sale of the Property completed in August 2020.

## 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 four 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 obtained the consent of the secured creditors to extend the administration to 2 July 2020. As noted later, it has since been further extended to 2 July 2021.

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

- Complete the sale of the Property;
- Make a final distribution to the Bank as secured creditor, 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 deal with the Company's books and records.

We set out below details of how the outstanding issues in the administration have been progressed in the six months to 2 January 2021.

## Sale of business, assets and property

We are pleased to confirm that the sale of the Property completed on 17 August 2020 for £625k. Following the sale of the Property, we settled a number of expenses incurred during the period the Company was in occupation, including legal costs, utilities, security and agent fees. There are still two outstanding expenses which we are currently finalising. We hope to have these settled in the next month.

## 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

During the period and prior to its sale the Property was unoccupied. This meant we had an obligation to ensure it was properly insured. Whereas previously the occupiers of the Property covered these costs, during the period, the Company had to bear the costs of the insurance premium and the other costs of holding the Property, such as utilities and on-site security. Amounts paid to date are shown on the enclosed receipts and payments account.

During the period we prepared a final corporation tax computation and paid the amount due to HMRC. We also requested clearance for corporation tax purposes from HMRC.

We prepared an update for the Bank on the progress of the administration and requested an uplift in our fees, details of which can be seen in Appendix C.

## 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 July 2020 to 2 January 2021.

## 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:

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:

- Finalise two final outstanding expenses in relation to the Property.
- Make a final distribution to the Bank as secured creditor.
- 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.

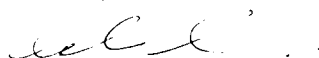
## Next steps

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

Director's statement of affairs (£)	Notes	3 July 2018 to 2 July 2020 (£)	3 July 2020 to 2 January 2021 (£)	3 July 2018 to 2 January 2021 (£)
	<b>Fixed charge</b>			
	<b>Receipts</b>			
800,000	1 Property	362,219.06	625,000.00	987,219.06
	<b>Total receipts</b>	<b>362,219.06</b>	<b>625,000.00</b>	<b>987,219.06</b>
	<b>Payments</b>			
	Agents' fees - sale of property	-	(12,500.00)	(12,500.00)
	Legal fees - sale of property	-	(5,158.50)	(5,158.50)
	<b>Total payments</b>	<b>-</b>	<b>(17,658.50)</b>	<b>(17,658.50)</b>
	<b>Net fixed charge realisations</b>	<b>362,219.06</b>	<b>607,341.50</b>	<b>969,560.56</b>
	<b>Floating charge</b>			
	<b>Receipts</b>			
	Bank Interest	8,160.88	-	8,160.88
	Cash in hand	3,672.70	-	3,672.70
	Contract Novations	17,050.00	-	17,050.00
800,000	2 Deferred Consideration for book debt realisations	1,030,086.92	-	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
	3 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
	Sundry debts and refunds	739.61	-	739.61
	4 Insurance	35,885.23	-	35,885.23
2,200,000	<b>Total receipts</b>	<b>1,574,844.41</b>	<b>-</b>	<b>1,574,844.41</b>
	<b>Payments</b>			
	Bank charges	(60.00)	-	(60.00)
	Postage & Stationery	(3,576.26)	-	(3,576.26)
	Agents' Fees - Property & Assets	(65,637.80)	(26,692.07)	(92,329.87)
	Post appointment Legal fees & Expenses	(106,955.16)	(5,000.00)	(111,955.16)
	Pre administration costs	(39,064.83)	-	(39,064.83)
	Statutory advertising	(150.00)	-	(150.00)
	Rent	(41,367.67)	-	(41,367.67)
	5 Office holders fees	(255,696.00)	-	(255,696.00)
	Office holders expenses	(879.54)	-	(879.54)
	Insurance	(31,756.04)	(53,528.18)	(85,284.20)
	Corporation Tax	(5,502.21)	(37,278.08)	(42,780.29)
	Property maintenance	(11,353.50)	(7,027.93)	(18,381.43)
	<b>Total payments</b>	<b>(581,999.01)</b>	<b>(129,526.24)</b>	<b>(711,525.25)</b>
	<b>Net floating charge realisations</b>	<b>392,845.40</b>	<b>(129,526.24)</b>	<b>263,319.16</b>
	<b>Total net fixed and floating realisations</b>			<b>1,832,879.72</b>
	Distribution to fixed and floating charge creditor	(500,000.00)	(500,000.00)	(1,000,000.00)
	VAT Control account	(2,871.88)	7,991.83	(14,880.05)
	<b>Balance held in non-interest bearing current account</b>	<b>732,192.58</b>	<b>485,807.09</b>	<b>717,999.67</b>

# Notes

- 1 Amount relates to fees charged to HIL for the licence to occupy the freehold property at Mitchelston Drive and sale proceeds of Mitchelston Drive.
- 2 Deferred consideration total reduced through settlement agreement by amounts held directly by Secured Creditor in Stage / ESA subsidiary accounts, thus reducing Secured Creditor exposure
- 3 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).
- 4 The insurance premium for the Freehold was recharged to HIL (while occupied). This amount has subsequently been paid to the insurers.
- 5 Office holders fees are paid on a time costs basis.

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.

	Expenses incurred in the period 3 July 2018 to 2 July 2020 (£)	Expenses incurred in the period 3 July 2020 to 2 January 2021 (£)	Total expenses incurred in the period 3 July 2018 to 2 January 2021 (£)	Estimated future expenses (£)	Anticipated total expenses (£)	Previous estimate (£)	Variance (£)
Administrators' Expenses	1,179.49	-	1,179.49	250.00	1,429.49	1,429.49	-
Administrators' Fees	656,292.00	83,158.00	739,450.00	29,000.00	768,450.00	725,000.00	43,450.00
Agents Fees - Property and Assets	76,887.80	39,192.07	116,079.87	-	116,079.87	81,887.80	34,192.07
Bank Charges	60.00	-	60.00	15.00	75.00	75.00	-
Insurance	47,791.25	1,607.72	49,398.97	-	49,398.97	62,791.25	(13,392.28)
Office Costs, Storage and	3,576.26	-	3,576.26	-	3,576.26	5,576.26	(2,000.00)
Post Appointment Legal Fees	52,663.98	10,158.50	62,822.48	-	62,822.48	92,663.98	(29,841.50)
Statutory Advertising	150.00	-	150.00	-	150.00	150.00	-
Corporation Tax	5,502.21	37,278.08	42,780.29	-	42,780.29	5,502.21	37,278.08
Property Maintenance	11,353.50	7,027.93	18,381.43	-	18,381.43	111,353.50	(92,972.07)
	<b>855,456.49</b>	<b>178,422.30</b>	<b>1,033,878.79</b>	<b>29,265.00</b>	<b>1,063,143.79</b>	<b>1,086,429.49</b>	<b>(23,285.70)</b>

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 next section. 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.

In this latest six-month period, we incurred time costs of £83k, bringing our total time costs to 2 January 2021 to £739k. As shown in the table below, we have exceeded our initial fees estimate of £375k, for the following key reasons:

- 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 remuneration report (dated 30 January 2019). As the administration was extended again to accommodate the delayed sale of the Property, further statutory costs have also been incurred. Both secured creditors have already been made aware of this increase in our anticipated total costs.

To date we have drawn fees of £256k in line with the approval previously given, as shown on the enclosed receipts and payments account. In December 2020, we wrote to the Bank seeking approval to exceed the fees estimate. This request has now been approved and we will draw further fees of £469,304 in due course. This will take the total of fees drawn for the case to £725,000. We expect this to be the full and final amount drawn as administrators' costs.

The table below shows a comparison between our initial fees estimate and the revised estimates of total costs in this report and our previous reports.

Category of work	Time costs incurred in the Period 3 July 2018 to 2 July 2020 (£)	Time costs incurred in the period 3 July 2020 to 2 January 2021 (£)	Total time costs from the period 3 July 2018 to 2 January 2021 (£)	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 (£)	Fees estimate as at 10 January 2021 (£)
Accounting and treasury	71,509	6,268	77,776	57,404	64,793	69,155	74,009	79,776
Insurance / Assets	29,925	624	30,549	18,257	30,623	34,121	31,425	30,549
Book debt realisations	38,385	117	38,502	46,444	37,909	38,502	38,385	38,502
Creditors	12,938	1,471	14,409	10,496	15,689	16,637	14,438	15,409
Employees and pensions	20,015	322	20,336	1,124	2,380	22,715	20,015	20,336
Investigations	3,733	-	3,733	3,733	3,733	3,733	3,733	3,733
Property	172,012	19,506	191,518	50,757	76,267	156,984	192,012	194,018
Sale of business	45,026	1,596	46,622	21,585	44,431	46,622	45,026	46,622
Secured creditors	29,053	9,107	38,160	9,510	29,933	33,463	33,553	39,160
Statutory and compliance	125,477	17,949	143,426	90,000	99,307	116,899	140,915	148,426
Strategy and planning	54,813	7,838	62,651	41,760	52,358	56,679	59,813	65,151
Tax and VAT	53,407	17,101	70,508	13,536	29,815	45,433	60,907	75,508
Closure	-	1,260	1,260	10,394	10,771	10,771	10,771	11,260
<b>Total hours and fees estimate</b>	<b>656,291</b>	<b>83,158</b>	<b>739,449</b>	<b>375,000</b>	<b>498,009</b>	<b>651,713</b>	<b>725,000</b>	<b>768,449</b>

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

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	-	-	-	1.70	10.70	5.05	-	17.45	6,267.75	359.18
2 Assets	-	-	1.00	-	0.10	-	-	1.10	624.00	567.27
3 Book debt realisations	-	-	-	-	0.30	-	-	0.30	117.00	390.00
4 Creditors	-	-	-	0.10	3.65	-	-	3.75	1,471.00	392.27
5 Employees and pensions	-	-	0.55	-	-	-	-	0.55	321.75	585.00
6 Property	-	5.30	18.50	-	10.85	-	-	34.65	19,506.00	562.94
7 Sale of business	-	1.90	-	-	-	-	-	1.90	1,536.00	840.00
8 Secured creditors	-	5.50	1.00	1.40	8.30	-	-	16.20	9,107.00	562.16
9 Statutory and compliance	2.00	3.30	1.00	3.70	28.55	-	-	38.55	17,949.00	465.60
10 Strategy and planning	-	3.30	-	0.70	12.05	-	0.20	16.25	7,838.00	482.34
11 Tax	0.30	-	0.20	10.80	10.20	8.30	0.70	31.10	11,748.00	377.75
12 VAT	-	-	1.00	1.00	9.15	2.50	-	13.65	5,353.00	392.16
13 Closure Procedures	-	-	-	2.20	0.55	-	-	2.75	1,259.50	458.00
<b>Total for the period</b>	<b>2.30</b>	<b>19.30</b>	<b>23.25</b>	<b>19.40</b>	<b>93.85</b>	<b>16.45</b>	<b>0.90</b>	<b>178.20</b>	<b>83,158.00</b>	<b>466.66</b>
<b>Brought forward at 2 July 2020</b>								<b>1,560.78</b>	<b>656,291.35</b>	
<b>Total</b>								<b>1,738.98</b>	<b>739,449.35</b>	

## 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	From 1 July 2020 (£ / hour)
Partner	850
Director	720
Senior Manager	585
Manager	475
Senior Associate	390
Associate	245
Support Staff	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.

Accounting and treasury	<ul style="list-style-type: none"> <li>Dealt with receipts, payments and journals.</li> <li>Carried out bank reconciliations and managed 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>Completed the sale of the Property.</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>
Secured creditors	<ul style="list-style-type: none"> <li>Drafted periodic updates to the secured creditors.</li> <li>Continued to monitor the outcome for the Bank and provide periodic updates to it.</li> <li>Requested an uplift in our fees from the secured creditors.</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>Filed 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> </ul>	<ul style="list-style-type: none"> <li>To discharge our obligations to HMRC.</li> <li>Required by statute.</li> </ul>

- Carried out periodic tax reviews and dealt with subsequent enquiries.
- Prepared and submitted the final corporation tax computation and requested tax clearance from HMRC.
- Reconciled VAT accounts with funds received.

## Our future work

We still need to do the following work before the administration can be brought to an end.

Accounting and treasury	<ul style="list-style-type: none"> <li>• Making a final distribution to the secured creditor.</li> <li>• Make final payments of outstanding property expenses.</li> <li>• Close 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>	• 2,000
Property and assets	<ul style="list-style-type: none"> <li>• Finalise two outstanding disputed property expenses.</li> </ul>	<ul style="list-style-type: none"> <li>• Maximise realisations from assets for the benefit of the secured creditors.</li> </ul>	• 2,500
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>	• 1,000
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>	• 1,000
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> </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>	• 7,500
Tax and VAT	<ul style="list-style-type: none"> <li>• Preparing and submitting periodic post appointment VAT returns.</li> <li>• Deregister for VAT purposes and claim VAT refunds due from HMRC.</li> <li>• Carrying out periodic tax reviews and dealing with subsequent enquiries.</li> <li>• Liaising with HMRC to obtain tax clearance</li> </ul>	<ul style="list-style-type: none"> <li>• To discharge our obligations to HMRC.</li> <li>• Required by statute.</li> </ul>	• 5,000
Closure	<ul style="list-style-type: none"> <li>• Complete checklists and diary management systems.</li> <li>• Closing down internal systems.</li> <li>• Closure of bank accounts.</li> <li>• Completing general case closure administrative tasks.</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure all outstanding matters are dealt with in good time.</li> <li>• Ensures an orderly case closure.</li> </ul>	• 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 and has been approved by the secured creditors where required.

No disbursements were incurred during the period covered by this report.

## 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:

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

We previously 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.

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.

<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