

# AM10

## Notice of administrator's progress report



Companies House

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21/02/2020

#393

COMPANIES HOUSE

### 1 Company details

Company number 0 1 2 4 0 9 6 8

Company name in full SP Group Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Allan Watson

Surname Graham

### 3 Administrator's address

Building name/number Duff & Phelps Ltd.

Street 35 Newhall Street

Post town Birmingham

County/Region

Postcode B 3 3 P U

Country United Kingdom

### 4 Administrator's name ①

Full forename(s) Matthew

Surname Ingram

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Duff & Phelps Ltd.

Street 35 Newhall Street

Post town Birmingham

County/Region

Postcode B 3 3 P U

Country United Kingdom

#### 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 2	d 4	m 0	m 7	y 2	y 0	y 1	y 9
To date	d 2	d 3	m 0	m 1	y 2	y 0	y 2	y 0

**7** Progress report☒ I attach a copy of the progress report**8** Sign and dateAdministrator's  
signature

Signature

X

X

Signature date

d 1	d 9	m 0	m 2	y 2	y 0	y 2	y 0
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# 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 **Hiren Tanna**

Company name **Duff & Phelps Ltd.**

Address **The Shard**

**32 London Bridge Street**

Post town **London**

County/Region

Postcode **S E 1 9 S G**

Country **United Kingdom**

DX

Telephone **020 7089 4700**



### 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)**

**Progress Report to  
Creditors  
SP Group Limited  
(In Administration)**

19 February 2020

Joint Administrators' Progress Report for the period from 24 July 2019 to  
23 January 2020

Duff & Phelps Ltd.  
The Shard  
32 London Bridge Street  
London  
SE1 9SG

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6. Fee Narrative
7. Statement of Creditors' Rights
8. Definitions
9. Notice About This Report

## **1. Introduction**

The Joint Administrators were appointed on 24 July 2018 by an order of the High Court of Justice, Business and Property Court, Birmingham (number 8209 of 2018).

This Progress Report provides an update on the Administration of the Company. It should be read in conjunction with the Previous Reports.

The Joint Administrators have also explained their future strategy for the Administration and how likely it is that they will be able to pay each class of creditor.

You will find other important information in this Progress Report such as the costs the Joint Administrators have incurred.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 8.

## 2. Creditor summary

This Progress Report covers the Reporting Period.

### Summary of Proposals

- There were no major amendments to or deviations from the Proposals:
- The Joint Administrators achieved the second objective by trading the Company for a short period of time. This allowed for the completion of customer orders thus protecting the debtor ledger and enhancing any potential collections; and
- In any event, the third objective was achieved following a distribution to the Secured Creditor under the terms of their fixed and floating charge security

### Progress to date

- The debtor ledger is specifically pledged to the Secured Creditor under the terms of the fixed and floating charges. The Secured Creditor has been completing its own collection exercise. The Joint Administrators understand that £290,319 has been collected during the Reporting Period all of which has been received directly into the Administration bank account. Realisations remain ongoing. See section 3.3.1 for further detail. and
- The Joint Administrators remain in negotiations with Kin + Carta who have expressed an interest in the purchase of tax losses. Negotiations with Kin + Carta remain ongoing. Please refer to section 3.3.2 for further details.

### Outcome for Creditors

- To date the Secured Creditor has received distributions of £1,065,841 from the realisation of assets. Of this sum £465,841 was distributed during the Reporting Period. The Secured Creditor is not expected to recover their indebtedness (including interest and charges) in full;
- It is possible that there will be sufficient realisations to enable a distribution to preferential creditors; and
- It is unlikely that there will be sufficient realisations to enable a distribution to unsecured non-preferential creditors from the Prescribed Part

Please note, this Progress Report provides creditors with an account of the progress of the Administration in the Reporting Period. The Previous Reports and the Proposals issued to the Company's creditors are available to view via the Creditors' Portal. Paper copies can be provided free of charge by writing to Hiren Tanna via [Hiren.Tanna@DuffandPhelps.com](mailto:Hiren.Tanna@DuffandPhelps.com).

Unless otherwise stated, all amounts in this Progress Report and appendices are stated net of VAT.

Please also note that an important legal notice about this Progress Report to creditors is attached at Appendix 9

**Allan Watson Graham**  
Joint Administrator

### **3. Progress of the Administration**

This section provides an update on the Joint Administrators' strategy for the Administration and progress during the Reporting Period.

#### **3.1 Strategy and progress to date**

The purpose of an Administration is to achieve one of the following hierarchical objectives

- Rescuing the company as a going concern; or
- Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration); or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

The Joint Administrators have achieved the second objective following the Company being traded during the early stages of the Administration and in any event, the third objective has been achieved as a distribution has been paid to the Secured Creditor under the terms of its fixed and floating charge security

#### **3.2 Administration Trading Period**

The trading profit from the Administration trading period which ran from the Appointment Date to 31 July 2018 was finalised in the prior reporting period. Please refer to the Previous Reports for further details.

#### **3.3 Asset Realisations**

Realisations during the Reporting Period are set out in the attached Receipts and Payments Accounts at Appendix 3.

A summary of the most significant realisations during the Reporting Period are advised below

##### **3.3.1 Book Debts**

Sitara holds fixed and floating charge security over the assets of the Company created on 2 March 2018 and delivered to the Registrar of Companies on 5 March 2018. The book debts are specifically pledged to the Secured Creditor within these Charges

The value of the book debts at the Appointment Date was £10,335,000 which included £4,929,000 due from Selmerbridge which is considered irrecoverable as Selmerbridge is in Administration

Of the £5,406,000 balance, £4,847,248 has been collected in the Cumulative Period. £3,385,294 was paid into the Secured Creditors' account while £1,461,954 has been received into the Administration bank account.

Of the book debts received into the Administration bank account, £1,412,310 has been distributed to the Secured Creditor while the balance of £49,644 remains in the Administration estate

Of the book debts received into the Administration bank account during the Reporting Period, £263,431 has been distributed to the Secured Creditor while the balance of £26,887 remains in the Administration estate.

The Secured Creditor has confirmed that the book debt collection exercise has been completed. There are no further realisations anticipated from this source



### **3.3.2 Tax Losses**

The Company's books and records identified pre-Administration tax losses which may be a recoverable asset in the Administration. Please refer to the Previous Report for further details.

The Joint Administrators remain in negotiations with Kin + Carta regarding a sale of these losses, so are unable to provide a conclusion in this regard. It is likely that the sale, if any, will be completed in the next reporting period.

### **3.3.3 Other Asset Realisations**

All other asset realisations were completed in the previous reporting periods. Please refer to the Previous Reports for further details.

### **3.3.4 Investigations**

The Joint Administrators have a statutory obligation to file a report with BEIS concerning the conduct of all directors of the Company that served in the three years prior to the Joint Administrators appointment. The Joint Administrators have filed their confidential report with BEIS regarding the conduct of the Directors of the Company. The content of this report is confidential and has been submitted to the Insolvency Practitioners Compliance Unit.

There are no outstanding lines of enquiry.

## **3.4 Costs**

Payments made in the Reporting Period are set out in the Receipts and Payments Accounts at Appendix 3.

## **3.5 Schedule of Expenses**

The Joint Administrators have detailed the costs incurred during the Reporting Period, whether paid or unpaid, in the schedule of expenses attached at Appendix 4.

## **4. Outcome for Creditors**

### **4.1 Secured Creditors**

Sitara holds fixed and floating charge security over the assets of the Company, created on 2 March 2018 and delivered to the Registrar of Companies on 5 March 2018. The book debts are specifically pledged to the Secured Creditor within these charges.

The principal due to Sitara at the Appointment Date was £2,467,000. This balance is subject to accruing charges and interest.

During the Reporting Period the Joint Administrators distributed £729,272 to Sitara from the Administration estate. This amount is made up of direct book debt receipts of £263,431 together with a distribution of £465,841 in respect of plant and machinery realisations.

Sitara have confirmed that termination charges will be applied and the quantum of these are presently uncertain. As such, it is presently unclear whether Sitara will be repaid in full.

The Company guaranteed further debts to the Secured Creditor from other entities in the Group. The level of overall debt due to the Secured Creditor, together with the above noted charges that are to be quantified, is such that the Joint Administrators believe that the Secured Creditor will not be repaid its Group indebtedness in full. As such, the Company will be liable for a share of the Group indebtedness in conjunction with other group entities.

During the Cumulative Period, Sitara have received a total of £5,863,445 in distributions from the Administration and debtor collections. It remains uncertain what level of charges, fees or cross guarantees Sitara are going to apply against their charge. Further detail will be provided in the next progress report

#### **4.2 Preferential Creditors**

Pursuant to the estimated financial position provided in the Proposals, the estimated preferential claims are £190,000.

Preferential claims arise from arrears of pay and holiday pay are subject to a maximum limit set by insolvency legislation.

Many of the preferential claims will be subrogated to the RPS. The RPS have not yet submitted their claims in the Administration and are unable to do so as a number of employees are seeking a protective award at an employment tribunal. The RPS cannot finalise their claim until the protected award (if any) is known.

At this stage it is possible there will be sufficient funds available to enable a distribution to the preferential creditors but the quantum of the dividend will not be known until the asset realisations have been completed and the RPS have submitted their claim.

#### **4.3 Unsecured non-preferential creditors**

According to the Company's books and records, unsecured non-preferential creditors total £4,930,000. Claims received to date total £5,930,400 but have not been adjudicated on.

Based on current information available, it is anticipated that there will be insufficient realisations to enable a distribution to the non-preferential unsecured creditors of the Company.

A further update will be provided in the Joint Administrators' next progress report.

#### **4.4 Prescribed Part**

The Prescribed Part is calculated as a percentage of net property, as follows:

Net property less than £10,000.	50% unless the Joint Administrator considers that the costs of making a distribution to the non-preferential unsecured non-preferential creditors would be disproportionate to the benefits
Net property greater than £10,000.	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

The Company granted a floating charge to Secured Creditor on 2 March 2018, therefore the Prescribed Part provisions will apply. Any distributions via the Prescribed Part will be dependent on the Joint Administrators making further recoveries to the Administration estate.

### **5. Other Matters**

#### **5.1 Creditors' Rights**

Further information regarding the remuneration and disbursements of the Joint Administrators, including Creditors' Rights are provided at Appendix 7

## **6. Joint Administrators' Fees and Expenses and pre-Administration Costs**

### **6.1 Fees and Expenses**

#### **6.1.1 Time costs**

Time has been charged in six-minute units. Details of the time charged for the Reporting Period are attached at Appendix 5.

Time costs incurred in the Reporting Period total £16,250, which represents 49 hours at an average hourly rate of £334.

Time costs incurred in the Cumulative Period total £426,639, which represents 1,533 hours at an average hourly rate of £278.

In accordance with SIP 9, the Joint Administrators have provided further narrative detail of the time costs incurred at Appendix 6.

#### **6.1.2 Fees**

Please note that Joint Administrators charge out rates increased with effect from 1 February 2020. For further information please refer to Appendix 7.

No remuneration has been drawn in the Reporting Period.

During the Cumulative Period the Joint Administrators have drawn remuneration of £350,000.

It is anticipated that a further £55,000 of time costs will be incurred in progressing the Administration. It is likely that the Joint Administrators will seek approval of additional time costs and further information will be provided in the next progress report.

Details of the total fees drawn by Joint Administrators are detailed in the Receipts and Payments Accounts attached at Appendix 3.

#### **6.1.3 Expenses**

Details of the expenses charged for the Reporting Period are attached at Appendix 4.

Expenses incurred in the Reporting Period total £17,004 which have been paid in full.

#### **6.1.4 Disbursements**

No disbursements have been incurred or drawn during the Reporting Period.

Disbursements of £2,253 have been drawn during the Cumulative Period.

The Joint Administrators' disbursements are detailed at Appendix 5.

#### **6.1.5 Additional information**

Also attached at Appendix 6 is the Fees Narrative, a summary of key issues, to assist Creditors in understanding the progress of the Administration, the associated costs and expenses of the related activities and the financial benefit to Creditors.

Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is set out in Appendix 7.

## 6.2 Pre-Administration costs

Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the Company entered Administration but with a view to it doing so.

Pre-Administration costs	Paid (£)	Unpaid (£)	Total (£)
Duff & Phelps pre-Insolvency Remuneration	£30,904.81	£46.08	£30,950.89
Legal fees	£22,324.30	£68.49	£22,392.79
<b>Total</b>	<b>£53,229.11</b>	<b>£114.57</b>	<b>£53,343.68</b>

On 14 September 2018 the pre-Administration costs were approved by the Secured Creditor, to be paid out of the assets of the Company. The Joint Administrators will consider payment of the unpaid portion of the pre-Administration costs in the next reporting period.

## 7. Future Strategy

### 7.1 Future conduct of the Administration

The Joint Administrators continue to manage the affairs, the business and the property of the Company in order to progress the Administration. This will include, but not be limited to,

- Paying outstanding costs of the Administration,
- Dealing with other statutory matters and duties including accounting for VAT and completing corporation tax returns, and
- Liaising with Kin + Carta over the sale of pre-Administration tax losses.

### 7.2 Extension of the Administration

An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the Creditors' consent.

The request for a 12 month extension to 23 July 2020, was granted by the Secured Creditor and preferential creditors on 21 July 2019.

### 7.3 Future reporting

The Joint Administrators will provide a further progress report within one month of 23 July 2020, if an additional extension to the Administration is requested, or earlier if the Administration has been completed prior to that time.

If you require further information or assistance, please do not hesitate to contact Hiren Tanna via [Hiren.Tanna@duffandphelps.com](mailto:Hiren.Tanna@duffandphelps.com)

Yours faithfully,

**Allan Watson Graham**  
Joint Administrator

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The affairs, business and property of the Company are being managed by the Joint Administrators, Allan Watson Graham and Matthew Ingram, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

## Appendix 1 – Statutory Information

### COMPANY INFORMATION

Company and trading name	SP Group Limited	
Date of incorporation	19 January 1976	
Registered Number	01240968	
Company Director(s)	Landry Kouakou	
Company Secretary	n/a	
Shareholders	Selmerbridge	
Trading address	9 Hedera Road Redditch	
Registered office	<b>Current:</b> c/o Duff & Phelps Ltd 35 Newhall Street Birmingham	<b>Former:</b> 9 Hedera Road Redditch
Any Other trading names	None	

Administration Appointment	The Administration appointment granted in High Court of Justice. 8209 of 2018.
Appointor	Director
Date of Appointment	24 July 2018
Joint Administrators	Allan Graham and Matthew Ingram
Original purpose	None
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1
Current Administration expiry date	23 July 2020
Prescribed part	The Prescribed Part is applicable in this case. It has been taken into account when determining the dividend prospects for unsecured non-preferential creditors (Section 4)
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.

## **Joint Administrators' Approved Proposals**

- 1.1. The Joint Administrators' proposals shall be deemed approved by the creditors on the expiry of the period in which a decision can be requisitioned by creditors as detailed in the Appendix 10
- 1.2. In paragraphs 16.2.1 to 16.2.4 below the Joint Administrators are seeking deemed consent approval as explained at section 13.
  - 1.2.1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect
  - 1.2.2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.
  - 1.2.3 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease.
  - 1.2.4 That the Joint Administrators, where they consider that there are funds available to be distributed to the unsecured creditors (other than under the prescribed part) take the necessary steps to put the Company into either creditors' voluntary liquidation or into compulsory liquidation as they deem appropriate. It is proposed that the Joint Administrators, currently Allan Watson Graham and Matthew Ingram of Duff & Phelps would act as Joint Liquidators should the Company be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.
- 1.3. The Joint Administrators will be seeking specific agreement to the following proposals from the secured creditors:
  - 1.3.1 That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
  - 1.3.2 15.3.2 That the Joint Administrators' Fee Estimate in the total sum of £477,043.00 for the period from 24 July 2018 to 23 July 2019 is approved.
  - 1.3.3 That the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements").

**SP Group Limited (In Administration)**  
**Joint Administrators' Trading Account**

	Reporting Period 24 July 2019 to 23 January 2020 (£)	Cumulative Period 24 July 2018 to 23 January 2020 (£)
<b>Post Administration Sales</b>		
Sales	NIL	458,474.51
	<b>NIL</b>	<b>458,474.51</b>
<b>Purchases</b>		
Purchases	NIL	(26,204.23)
	<b>NIL</b>	<b>(26,204.23)</b>
<b>Other Direct Costs</b>		
Direct Expenses	NIL	(45.98)
Direct Labour	NIL	(209,048.94)
Sub Contractors	NIL	(1,680.00)
	<b>NIL</b>	<b>(210,774.92)</b>
<b>Trading Expenditure</b>		
Carriage	NIL	(12,138.11)
Duress	NIL	(23,512.55)
Employee Expenses	NIL	(9,530.70)
Hire of Equipment	NIL	(5,578.04)
Indirect Labour	NIL	(12,421.43)
Insurance	NIL	100.92
Interest	NIL	(17,184.32)
PAYE & NI	NIL	(62,211.83)
Repairs & Maintenance	NIL	(4,667.09)
Retention of Title	NIL	(30,870.40)
Shared Service Centre	NIL	(26,626.00)
Software Provision	NIL	(2,500.00)
Sundry Expenses	NIL	(365.00)
Telephone	NIL	(5,661.19)
Waste Services	NIL	(426.76)
Water Gas & Electricity	NIL	(529.59)
	<b>NIL</b>	<b>(214,122.09)</b>
<b>Trading Surplus</b>	<b>NIL</b>	<b>7,373.27</b>

# SP Group Limited (In Administration)

## Joint Administrators' Receipts & Payments Accounts

	Reporting Period		Cumulative Period	
	24 July 2019 to 23 January 2020		24 July 2018 to 23 January 2020	
	(£ )		(£ )	
<b>Notes: Fixed Charge Asset Realisations</b>	<b>Notes</b>		<b>Notes</b>	
1 Book Debts	2/4	26,887.44	3	49,644.00
Plant & Machinery		NIL		1,541,015.00
		<b>26,887.44</b>		<b>1,590,659.00</b>
<b>Costs of Realisations</b>				
Agents' valuers' Disbursements		NIL		86,702.65
Agents' valuers' Fees		NIL		173,574.00
Insurance		NIL		11,083.18
Legal Disbursements		NIL		12,866.60
Legal Fees		NIL		15,775.10
Machine Maintenance		NIL		11,200.00
Rates		NIL		56,551.09
Rent		NIL		70,265.91
Security Costs		NIL		131,596.90
Utilities		NIL		63,706.94
		<b>NIL</b>		<b>(513,264.57)</b>
<b>Secured Creditors</b>				
Starra Finance DAC	4	(465,841.36)		(1,065,841.36)
<b>Floating Charge Asset Realisations</b>				
Bank Interest Gross		524.48		2,649.99
Cash at Bank		NIL		49,602.50
Computer Equipment		NIL		10,925.00
Group Loans & Receivables		NIL		74,376.05
Insurance Refund		NIL		26,986.37
Motor Vehicles		NIL		500.00
Plant & Machinery		NIL		563,419.96
Software		NIL		25,000.00
Stock		NIL		26,754.50
Sundry Refunds		NIL		16,029.87
Trading Surplus		NIL		7,373.27
VAT Reclaim		4,718.03		4,718.03
		<b>5,242.51</b>		<b>807,335.54</b>
<b>Costs of Realisations</b>				
Accountants Fees		NIL		(975.00)
Agents' valuers' Fees		NIL		(107,788.65)
Bank Charges		15.50		(81.00)
ERA Solutions		NIL		(12,260.00)
IT Support and Services		NIL		(12,465.20)
Joint Administrators' Disbursements		NIL		(2,253.31)
Joint Administrators' Remuneration		NIL		(350,000.00)
Legal Disbursements		NIL		(982.22)
Legal Fees		11,762.45		(57,534.30)
Legal Fees Pre Insolvency		NIL		(22,324.30)
PR Advisors		NIL		(3,587.50)
Pre Insolvency Remuneration		30,904.81		(30,904.81)
Rates		NIL		(20,675.99)
Re-direction of Mail		NIL		(490.00)
Rents Payable		NIL		(14,423.05)
Security Costs		NIL		(11,553.07)
Stationery & Postage		NIL		(6,629.44)
Statutory Advertising		NIL		(84.60)
Storage Costs		NIL		(4,069.66)
Utilities		NIL		(23,292.29)
Waste Services		NIL		(30,258.00)
		<b>(42,652.26)</b>		<b>(712,632.39)</b>
		<b>(476,363.67)</b>		<b>106,256.22</b>
<b>Represented By:</b>				
Main current account				91,956.34
VAT Receivable				14,299.88
				<b>106,256.22</b>

### Notes

- Debtors received into the Administration estate were netted off by distributions made to the Secured Creditor. The amount present under the Reporting Period and Cumulative Period is the residual balance after distributions have been made to the Secured Creditor.
- During the Reporting Period the Joint Administrators have received debtors into the Administration estate of £290,319 with £263,432 being distributed to the Secured Creditor.
- During the Cumulative Period the Joint Administrators have received debtors into the Administration estate of £1,461,954 with £1,412,310 being distributed to the Secured Creditor.
- During the Reporting Period the Joint Administrators made a distribution to the Secured Creditor of £465,841 in respect of plant and machinery realisations being shown under Starra Finance DAC and the additional distribution of debtor recoveries totalling £263,432 is covered in note 1. The distribution of the book debts was charged against the same book value therefore does not show on the Receipts and Payments Accounts.



SP Group Limited (In Administration)

Analysis of the Joint Administrators' Expenses

Non-Company Originator	Type of Expense	Amount Incurred in the Reporting Period ext. VAT £	Amount Paid in the Reporting Period ext. VAT £	Amount Incurred in the Cumulative Period ext. VAT £	Amount Paid in the Cumulative Period ext. VAT £
1 Professional Advisors					
2 Financial Advisors	Valuation Agents			15,051.50	15,051.50
3 Bankruptcy Work	Legal Costs			1,847.17	1,847.17
4 Debt Finance	Debt Finance	1,000.00	1,000.00	1,000.00	1,000.00
5 Property Work	Legal Costs			1,170.17	1,170.17
6 Solicitors	Legal Costs			1,170.17	1,170.17
7 Professional Fees	Professional Fees			150.00	150.00
8 Debt Finance Work	Debt Finance			1,000.00	1,000.00
9 Administration Costs	Administration Costs			84.00	84.00
10 Marketing	Marketing Costs			1,000.00	1,000.00
11 Stationery, Printing, Mailing	Stationery, Printing, Mailing			1,000.00	1,000.00
12 Office Expenses, Insurance	Office Expenses, Insurance			1,000.00	1,000.00
Total Expenses		1,000.00	1,000.00	4,750.45	4,750.45

Notes to Estimated Expenses Schedule

The Joint Administrators (JAs) of professional services are based on the best estimate of the costs of such services at the time of the preparation of the schedule, and subject to the assessment of the costs of the fees.

- The Joint Administrators have instructed the Agents to conduct a marketing and sales program for the assets of the Company.
- The costs of marketing the assets will depend on the value of the assets and the nature of the assets.
- Legal costs and disbursements for the JAs will be based on the JAs' estimate of the costs of the JAs' work.
- Books and records of the Company will be stored (free of charge) at the JAs' premises for the duration of the administration plus one year. The JAs will also be responsible for the costs of the JAs' premises.
- The Joint Administrators will incur costs for the JAs' premises for the duration of the administration plus one year. The JAs will also be responsible for the costs of the JAs' premises.
- Stationery, printing, mailing, and other costs will be based on the JAs' estimate of the costs of the JAs' work.
- The Joint Administrators have instructed the Agents to conduct a marketing and sales program for the assets of the Company.
- The JAs will also be responsible for the costs of the JAs' premises.
- Stationery, printing, mailing, and other costs will be based on the JAs' estimate of the costs of the JAs' work.

Analysis of the Joint Administrators' time costs for the Reporting Period

Analysis of the Joint Administrators' time costs for the Reporting Period

Classification of Work Function	Managing Director	Manager	Hours			Support Total	Time Cost (€)	Avg Hourly Rate (€)
			Sen	Ass start				
Administration and Planning								
Administrative & HR Case Management	1.00	0.50	1.00	0.00	0.00	0.00	63.75	63.75
Administrative Accounting	0.50	0.50	0.00	0.00	0.00	0.00	31.88	63.75
HR & HRIS Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Internal Management Meetings & Reports & Admin	0.50	0.50	0.00	0.00	0.00	0.00	31.88	63.75
Planning, Reporting & Control	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total Administration	2.00	0.50	1.00	0.00	0.00	0.00	127.50	127.50
Creditors								
Communication with Creditors - Employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Letter from Directors - Employee Communication	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Letter from Administrator - Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debtors Creditors - Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets								
Bankruptcy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
General Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Liquidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	2.00	0.50	1.00	0.00	0.00	0.00	127.50	127.50
Total Fees Charged (€)	4,000.00	750.00	975.00	0.00	0.00	0.00	16,250.00	16,250.00

## Category 4 Disturbances

For Category: Discourse analysis, the following are the most relevant results:

## Category 2 Disbursements

For a regular  $\mathbb{Z}$ -triangulation, this becomes  $\frac{1}{2}(\alpha_1 + \alpha_2) = \alpha_1$ , which is false.

#### Analysis of the Joint Administrators' time costs for the Cumulative Period

Category 1 Disbursements	(£)
Income	2 262 2
Expenditure	2 262 2
Category 1 Disbursement	<u>2 262 2</u>
	2 510 03
Category 2 Disbursements	(£)
Income	405 00
Expenditure	<u>405 00</u>

## Appendix 6 – Fee narrative

### SIP 9 Narrative for the Reporting Period

Administration and planning	<ul style="list-style-type: none"> <li>• Monitoring and reviewing the Administration strategy;</li> <li>• Briefing staff on the Administration strategy and matters in relation to workstreams;</li> <li>• Regular case management and reviewing of process including regular team update meetings;</li> <li>• Reviewing and authorising junior staff correspondence and other work;</li> <li>• Drafting statutory progress reports;</li> <li>• Dealing with queries arising during the appointment;</li> <li>• Reviewing matters affecting the outcome of the Administration;</li> <li>• Allocating and managing staff/case resourcing and budgeting exercises and reviews;</li> <li>• Complying with internal filing and information recording practices, including documenting strategy decisions;</li> <li>• Liaising with tax advisors regarding pre-Administration Corporation Tax losses;</li> <li>• Analysing and considering the tax effects of asset sales;</li> <li>• Working on tax returns relating to the periods affected by the Administrator;</li> <li>• Analysing VAT related transactions, reviewing the Company's duty position to ensure compliance with duty requirements;</li> <li>• Dealing with post appointment tax compliance;</li> <li>• Ensuring compliance with all statutory obligations within the relevant timescales;</li> <li>• Filing notice of the extension of the Administration;</li> <li>• Ensuring compliance with all statutory obligations within the relevant timescales;</li> <li>• Uploading information to the Creditors' Portal/Website;</li> <li>• Drafting and publishing progress reports;</li> <li>• Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9;</li> <li>• Monitoring the fees estimate;</li> <li>• Monitoring the expenses estimate;</li> <li>• Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9;</li> <li>• Completing the entries required to maintain the statutory Receipts and Payments Accounts;</li> <li>• Renewing bonding and complying with statutory requirements; and</li> <li>• Arranging payments to third parties, agents and solicitors in a timely manner.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>• Updating the list of unsecured non-preferential creditors;</li> <li>• Responding to enquiries from creditors regarding the Administration and submission of their claims;</li> <li>• Responding to queries from former employees of the Company; and</li> <li>• Providing written and oral updates to the Secured Creditor regarding the progress of the Administration and cases strategy</li> </ul>
Realisation of Assets	<ul style="list-style-type: none"> <li>• Reviewing outstanding debtors and management of debt collection strategy;</li> <li>• Seeking legal advice in relation to book debt collections;</li> <li>• Liaising with third parties regarding costs incurred;</li> <li>• Reviewing costs incurred to ensure recorded accurately.</li> </ul>

## **Appendix 7 – Statement of Creditors' Rights**

*Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)  
Section or paragraph numbers refer to Insolvency Act 1986*

If you require a copy of any relevant rule or section, please contact Edward Stout at Edward.Stout@duffandphelps.com.

### **Information for Creditors on remuneration and disbursements of Administrators**

Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/services/restructuring/corporate-restructuring-and-debt-advisory/Creditor-guides-and-employee-fact-sheets>

(click on the document 'Administration (appointment from 1 October 2015)'). Should you require a copy, please contact this office

### **Creditors' requests for further information**

If you would like to request more information about the Joint Administrators' remuneration and disbursements disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report

Requests from Unsecured Creditors must be made with the concurrence of at least 5% in value of Unsecured Creditors (including the Unsecured Creditor making the request) or with the permission of the Court

### **Creditors' right to challenge our remuneration and expenses**

If you wish to challenge the basis of the Joint Administrators' remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by Unsecured Creditors (including the Unsecured Creditors making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Hiren Tanna at Hiren.Tanna@duffandphelps.com

## Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	European Valuations Limited independent agents who were instructed to value and sell the or assets of the Company
the Appointment Date	24 July 2018 being the date of appointment of the Joint Administrators
Category 1 Disbursements	The Joint Administrators' external costs and expenses in dealing with the Administration
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	SP Group Limited (In Administration) (Company Number: 01240968)
the Cumulative Period	The period from 24 July 2018 to 23 January 2020
BEIS	<i>Department for Business, Energy &amp; Industrial Strategy</i>
the Director	Landry Kouakou being the sole director of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the Group	Service Graphics, SP Group and Tactical Solutions
HMRC	HM Revenue and Customs
the Joint Administrators	<i>Allan Watson Graham and Matthew Ingram of 35 Newhall Street, Birmingham B3 3PU</i>
Kin + Carta	Kin and Carta Plc (formerly St Ives Plc) being the previous shareholders of the Company
the Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to unsecured creditors
the Previous Reports	The Joint Administrators' Progress Report to Creditors dated 20 February 2019 and 12 August 2019
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals dated 7 September 2018
the Reporting Period	The period from 24 July 2019 to 23 January 2020
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
Selmerbridge	Selmerbridge Print Vehicles Limited (In Administration), the parent company
the Secured Creditor/Sitara	Sitara Finance Designated Activity Company, the holder of a fixed and floating charge over the Company's assets

<i>Tactical Solutions</i>	<i>Tactical Solutions UK Limited. (Company Number. 04103199)</i>
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SIP 13	Statement of Insolvency Practice 13 – Industry best practice for Insolvency Practitioners in relation to the acquisition of assets of insolvent companies by Directors
SOA	Statement of Affairs. documentation supplied by the Director outlining the Company's financial position as at the Appointment Date

## **Appendix 9 – Notice About This Report**

This report has been prepared by Allan Watson Graham and Matthew Ingram, the Joint Administrators of the Company, solely to comply with their statutory duty to report to Creditors under the Insolvency (England and Wales) Rules 2016 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 purposes, or in any other context.

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

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person

Allan Watson Graham and Matthew Ingram are authorised to act as insolvency practitioners by the Insolvency Practitioners Association

The Joint Administrators are bound by the Insolvency Code of Ethics

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Duff & Phelps Ltd does not assume any responsibility and will not accept any liability to any person in respect of this Progress Report or the conduct of the Administration.