



WEDNESDAY



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13/04/2022

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COMPANIES HOUSE

1 Company details

Company number 01761400

Company name in full Sterling Trust Limited

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

2 Administrator's name

Full forename(s) Christopher Benjamin

Surname Barrett

3 Administrator's address

Building name/number 7400 Daresbury Park

Street Daresbury

Post town Warrington

County/Region Cheshire

Postcode WA44BS

Country

4 Administrator's name ①

Full forename(s) John Allan

Surname Carpenter

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

5 Administrator's address ②

Building name/number 7400 Daresbury Park

Street Daresbury

Post town Warrington

County/Region Cheshire

Postcode WA44BS

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

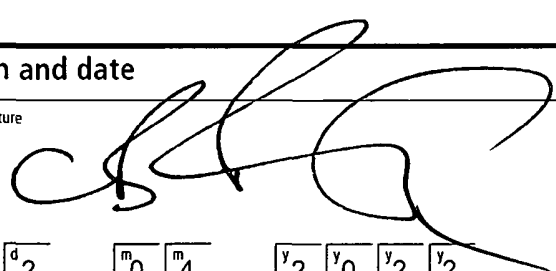
6 Period of progress report

From date	^d 1	^d 7	^m 0	^m 9	^y 2	^y 0	^y 2	^y 1
To date	^d 1	^d 6	^m 0	^m 3	^y 2	^y 0	^y 2	^y 2

7 Progress report

<input checked="" type="checkbox"/> I attach a copy of the progress report
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8 Sign and date

Administrator's signature	Signature X  X
Signature date	^d 1 ^d 2 ^m 0 ^m 4 ^y 2 ^y 0 ^y 2 ^y 2

**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

Katie Armstrong

Company name

Dow Schofield Watts Business Recovery L

Address

7400 Daresbury Park

Daresbury

Post town

Warrington

County/Region

Cheshire

Postcode

W

A

4

4

B

S

Country

DX

Telephone

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Sterling Trust Limited (“the Company”) – In Administration
Company number: 01761400

Joint Administrators’ Thirteenth Progress Report

In accordance with the Insolvency Act 1986 and Rules 18.3 and 18.6
of the Insolvency (England and Wales) Rules 2016

Reporting period: 17 September 2021 to 16 March 2022

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1. Introduction

On 19 October 2015, Christopher Benjamin Barrett and John Allan Carpenter of Dow Schofield Watts Business Recovery LLP were appointed as Joint Administrators of the Company by its directors. Statutory information concerning the Company and the Joint Administrators is set out at **Appendix A**.

This is the Joint Administrators' thirteenth progress report to creditors showing how the administration has been conducted. The report covers the period from 17 September 2021 to 16 March 2022.

This progress report should be read in conjunction with the previous progress reports and the Joint Administrators' proposals which were issued to creditors on 7 December 2015. The proposals were approved by creditors without modification at a physical meeting held on 23 December 2015.

There have been no major deviations from or amendments to the approved proposals.

The EU Regulation on Insolvency Proceedings applies in this case, and these proceedings are the main proceedings.

2. Administrators' Actions During the Period

Following our appointment, we dealt with the initial statutory requirements, including statutory advertising and notifications to the Registrar of Companies, members and creditors of the Company, and took steps to achieve the purpose of administration.

2.1 Objective of the administration and the Joint Administrators' strategy

The purpose of an administration is to achieve one of the three hierarchical objectives set out in the insolvency legislation, which are to:

- (a) rescue the company as a going concern; or
- (b) achieve 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
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the financial circumstances of the Company meant that a Company Voluntary Arrangement was not appropriate.

As a result, we are seeking to achieve objective (b) for the Company, and the strategy to do so involves a controlled orderly wind down and realisation of the Company's assets in order to maximise realisations.

2.2 Joint Administrators' receipts and payments account

The Joint Administrators' receipts and payments account for the period from 17 September 2021 to 16 March 2022, and cumulatively from the commencement of the administration to 16 March 2022 is attached at **Appendix B**.

Asset realisations to date total £456,054 (including contributions to costs totalling £350,000 from a major creditor). Payments totalling £319,387 have been made in respect of expenses of the administration. Further details are set out below.

The administration estate funds are held in an interest-bearing account in the name of the Company and controlled by the Joint Administrators.

2.3 Asset Realisations

Investments in quoted companies

Rurelec plc

The Company owns 303,092,303 ordinary shares of 1p each which is approximately 54.79% of the ordinary shares in Rurelec plc. The shares are currently trading at 0.475p per share.

As previously reported, several realisation strategies had been considered and worked upon throughout the tenure of the Joint Administrators' appointment. These strategies have been kept under constant review and ongoing dialogue had been held with several interested parties and also with the Board of Rurelec Plc.

Discussions with the Board of Rurelec plc have been progressed regarding the Joint Administrators' intention to realise value for creditors in respect of the shares held at the earliest possible time. The Board has been encouraged to progress an asset realisation strategy in order to enable a dividend to be paid to all members of Rurelec plc.

During the current period, the Joint Administrators have continued their discussions and correspondence with various parties including the Board of Rurelec plc and the major creditors of the Company regarding the strategy for realising this asset in order to make a distribution to members.

Discussions have been taking place with two possible interested parties, which have expressed an interest in making an offer for the whole/part of the Joint Administrators' shareholding in Rurelec plc. These discussions are ongoing, and a third interested party has recently contacted the Joint Administrators with a view to opening discussions regarding a possible offer for the shareholding.

A further update will be provided to creditors in our next progress report.

Silence Therapeutics plc

The Company held 1,826 shares in Silence Therapeutics plc. During the period, Silence Therapeutics plc announced the proposed cancellation of admission of the ordinary shares to trading on AIM providing the opportunity for holders to convert their existing shareholding to American Depositary Shares or sell their shares on the open market.

The Joint Administrators decided to sell the Company's shareholding on the open market, realising the sum of £8,944.

Bank interest

During the current period bank interest of £8 has been received bringing total interest received since the commencement of the administration to £537.

2.4 Investigations

The Joint Administrators have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the date of administration and submit a confidential report to the Insolvency Service Disqualification Unit. The confidential report on the conduct of the directors of the Company was submitted to the Insolvency Service during the first period of the administration.

The Joint Administrators are also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf.

Appropriate investigations have been carried out and were concluded during a previous period of the administration. There are no outstanding lines of enquiry.

2.5 Extensions to period of administration

On 7 October 2016 the period of administration was extended by 12 months by consent of the Company's creditors in order to allow additional time for the objective of the administration to be achieved.

Due to the nature of the Company's assets, the realisation strategies agreed with the principal creditors, and certain commercial considerations, the Joint Administrators have made five applications to Court to extend the period of the administration. Following these applications, the Court ordered that the period of administration be extended to 17 October 2018, 16 October 2019, 15 October 2020, 14 October 2021 and 14 October 2022 respectively.

2.6 Code of Ethics

As insolvency practitioners we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this matter. Prior to our appointment a review of ethical issues was undertaken, and no ethical threats were identified where safeguards needed to be applied.

Ethical issues have been reviewed periodically during the reporting period. Since the commencement of the administration no new ethical threats have been identified.

3. Proposed Future Actions of the Joint Administrators

The Joint Administrators' principal focus remains the realisation of the Company's shares in Rurelec plc. As detailed above discussions are ongoing with key stakeholders and interested parties regarding the options available to realise this asset for the benefit of creditors.

Enquiries will continue and we will continue to liaise with the principal creditors regarding our strategy and key developments throughout the remainder of the administration.

We will continue to respond to any creditor queries and maintain records of creditor claims received.

The Company's financial position means that it is anticipated that there will be sufficient funds available to allow a distribution to unsecured creditors. Therefore, it is intended that the Company will be placed into creditors' voluntary liquidation at the conclusion of the administration to allow the distribution to be paid.

4. Administrators' Remuneration and Expenses

Approval of remuneration and category 2 expenses

At a physical meeting of creditors held on 23 December 2015 it was resolved that the Joint Administrators be authorised to draw their remuneration by reference to time properly spent by them and their staff in dealing with matters relating to the administration of the Company.

It was also resolved that the Joint Administrators be authorised to pay category 2 expenses at the rates set out in **Appendix C** of this report.

The Fees Estimate issued to creditors prior to obtaining fee approval was £199,500, which was based on the administration being concluded within one year of commencement. As you will be aware from previous reports to creditors, a revised Fees Estimate of £251,753 was circulated to creditors, and on 11 October 2017 the unsecured creditors approved the decision that the Joint Administrators are authorised to draw their remuneration on a time costs basis in accordance with the revised Fees Estimate.

As you will be aware from my twelfth progress report, the time costs incurred by the Joint Administrators had significantly exceeded the revised Fees Estimate because of the administration continuing for a further four years. On 29 October 2021 unsecured creditors approved the decision that the Joint Administrators are authorised to draw their remuneration on a time cost basis in accordance with a further revised Fees Estimate of £560,397.18. Remuneration cannot be drawn in excess of the revised Fees Estimate without further approval from creditors.

Remuneration charged and paid

The Joint Administrators' time costs have been incurred and paid as follows:

Time costs	Incurred (£)	Paid (£)
From appointment on 19 October 2015 to 16 September 2021	455,159.50	40,000.00
From 17 September 2021 to 16 March 2022	13,683.50	125,000.00
	<u>468,843.00</u>	<u>165,000.00</u>

The above costs exclude VAT. A breakdown of the above time costs is set out at **Appendix C**.

At the date of this report the remuneration anticipated to be charged by the Joint Administrators is not likely to exceed the revised Fees Estimate of £560,397.18.

Expenses charged and paid

The expenses of the administration incurred and paid are as follows:

Expenses	Incurred (£)	Paid (£)
Category 1 expenses from 19 October 2015 to 16 September 2021	204,399.25	109,458.04
Category 1 expenses from 17 September 2021 to 16 March 2022	1,981.17	29,423.85
Category 2 expenses from 19 October 2015 to 16 September 2021	659.70	504.00
Category 2 expenses from 17 September 2021 to 16 March 2022	0.00	126.90
	<u>207,040.12</u>	<u>139,512.79</u>

The expenses estimate issued to creditors before seeking fee approval was £78,133.00. An explanation of the distinction between category 1 and category 2 expenses is set out at **Appendix C** together with analysis and further information regarding the expenses incurred and paid.

Pre-administration costs

In a decision of creditors at a physical meeting held on 23 December 2015 it was approved that the Joint Administrators be authorised to draw pre-administration costs of £14,874.18 plus VAT. The approved pre-appointment costs and amounts paid to date are as follows:

	Incurred (£)	Paid (£)
Dow Schofield Watts Business Recovery LLP fees	9,113.00	9,113.00
Legal Fees: Brabners LLP	5,500.00	5,500.00
Category 1 disbursements	261.18	261.18
Category 2 disbursements	0.00	0.00
Total	<u>14,874.18</u>	<u>14,874.18</u>

Creditors' guide to fees and creditors' rights regarding fees

Further information relating to administrators' fees and expenses can be found in "Administration: a guide for creditors on insolvency practitioner fees" which can be accessed and downloaded from the website of

R3, the Association of Business Recovery Professionals (<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>). The guide includes details of creditors' right to request information under Rule 18.9 of the Insolvency (England and Wales) Rules 2016 and their right to challenge administrators' remuneration and expenses under Rule 18.34. A summary of these rights is also set out in **Appendix C**. A copy of the guide will be provided free of charge upon request to Dow Schofield Watts Business Recovery LLP.

5. Outcome for Creditors

Secured creditors and prescribed part

Whilst there are a number of entities holding security over the Company's assets (see list at **Appendix A**), the director's Statement of Affairs did not include any secured creditors. As previously reported, a claim has been received from Bluestone Securities Limited ("Bluestone") (which was included in the Statement of Affairs as an unsecured creditor) which has a fixed charge over the Company's shareholding in ST International Power Limited. The Joint Administrators have been in correspondence with solicitors acting for Bluestone who have asserted that it has further security over the Company assets. The Joint Administrators have previously instructed solicitors to review available documentation and provide validity advice regarding the purported security, however discussions with Bluestone remain ongoing, and at this stage it is not appropriate to comment on the estimated outcome.

A secured claim has also been received from Grenda Investments Limited which has a fixed charge over the Company's shareholding of Sterling Trust Asset Management Limited. As there are unlikely to be any realisations in respect of that shareholding, there will be no fixed charge distribution.

In cases where a company gave a floating charge over its assets to a creditor on or after 15 September 2003, the prescribed part provisions set aside a proportion (the "prescribed part") of the funds that would otherwise have been available for distribution to floating charge creditors (the "net property") so that the prescribed part can be distributed to unsecured creditors.

As there is no floating charge holder, the prescribed part provisions do not apply.

Ordinary preferential creditors

The Company had no employees and there are no preferential creditors in this matter.

Secondary preferential creditors

As the date of administration was prior to 1 December 2020 there are no secondary preferential creditor claims in this matter.

Unsecured creditors

The Company's unsecured creditors were estimated to total £16,111,232 per the director's Statement of Affairs. Creditor claims received to date (including those subject to purported security rights as discussed above) total £41,364,071. As noted in previous progress reports, the unsecured creditors have reduced during the administration due to a loan liability of £1,200,000 plus interest being settled as part of a restructuring transaction.

The Company's principal creditors are Unicorn Worldwide Holdings Limited ("Unicorn") and Bluestone. The claims of Unicorn and Bluestone account for over 97% of creditors' claims received.

Regular meetings and discussions have been held with Unicorn and Bluestone regarding all material aspects of the administration. Any decisions made which may materially affect the outcome for creditors have been taken after consulting with Unicorn and Bluestone, where appropriate.

As previously reported, sufficient funds are expected to be available to enable a dividend to be paid to the unsecured creditors. Therefore, it is expected that the Company will move into liquidation for the appointed liquidators to make a distribution to the unsecured creditors.

The amount of the dividend will be determined by the extent of claims lodged by creditors, the amounts at which the claims are agreed by the liquidators and the costs of the process. Further information will be provided by the liquidators in due course.

6. Conclusion of the Administration

Once the matters set out at section 3 above are concluded, it is the Joint Administrators' intention to exit the administration by moving the Company into creditors' voluntary liquidation with Christopher Benjamin Barrett and John Allan Carpenter to act as Joint Liquidators, jointly and severally.

It was resolved at the meeting of creditors on 23 December 2015 that upon the Company proceeding into creditors' voluntary liquidation, the Joint Administrators' discharge from liability, pursuant to paragraph 98 of Schedule B1, shall take effect 14 days following the Company entering into liquidation.

A final progress report will be issued to creditors at the end of the administration.



Christopher Benjamin Barrett
Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association

The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents of the Company and without personal liability

Appendix A: Statutory Information

Company Information

Company Name:	Sterling Trust Limited
Trading Name:	N/a
Previous Name:	Sterling Trust plc (re-registered as private 16 March 1994) Dewey Warren Holdings plc (changed 12 December 1990)
Company Number:	01761400
Date of Incorporation:	13 October 1983
Former Trading Address:	55 Baker Street, London, W1U 7EU
Current Registered Office:	c/o Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park, Daresbury, Warrington, WA4 4BS
Former Registered Office:	Number One, Vicarage Lane, London, E15 4HF
Principal Trading Activity:	Investment holding company

Appointment details

Date of appointment:	19 October 2015
Appointment made by:	The board of directors 55 Baker Street, London, W1U 7EU
Court Name and Reference:	High Court of Justice, Manchester District Registry, Chancery Division No. 3056 of 2015
Joint Administrators' names and address:	Christopher Benjamin Barrett (IP number 9437) and John Allan Carpenter (IP number 16270) Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park, Daresbury, Warrington, WA4 4BS.

Pursuant to Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, any function required or authorised to be done by the Joint Administrators may be done jointly by both of them or by any one of them.

Extensions to period of appointment:	Extended to 18 October 2017 by the consent of the Company's creditors. Extended to 17 October 2018 by order of the Court. Extended to 16 October 2019 by order of the Court. Extended to 15 October 2020 by order of the Court. Extended to 14 October 2021 by order of the Court. Extended to 14 October 2022 by order of the Court.
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Officers of the Company

Directors:	Appointed	Resigned
Colin Jack Emson	21/05/1993	N/a
John Kevin Farrell	14/12/1993	N/a
Catherine Lucy Hudson	28/01/2014	N/a
Larry Steven Trachenberg	25/05/2015	N/a
John Bottomley	21/05/1993	01/04/2014
Nicholas Pilbrow	03/09/2003	25/05/2015
Mark Keegan	01/06/2015	06/10/2015

Company Secretary:

Maria Jose Bravo Quiterio	01/04/2014	N/a
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Share Capital

Allotted, called up and fully paid:

11,211,861 ordinary shares of £0.10 each

40,271,128 ordinary shares of £0.01 each

Principal Shareholder:

Sterling Credit Group Holdings Limited	99.9% of issued share capital
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Charges

National Westminster Bank Plc	Charge over credit balances created 6 September 1994
The Royal Bank of Scotland Plc	Fixed and floating charges created 20 March 1998
Maclew Limited	Fixed and floating charges created 20 March 1998
Sterling Property Holdings Limited	Fixed and floating charges created 5 April 2002
Bank of Scotland	Inter-creditor deed created 21 December 2005
Seabreeze Enterprises Limited	Fixed charge created 2 March 2012
Bluestone Securities Limited	Fixed charge created 12 June 2013
Grenda Investments Limited	Fixed charge created 14 June 2013

Appendix B: Receipts and Payments Account

Sterling Trust Limited

(In Administration)

Joint Administrators' Summary of Receipts and Payments (Daybook Basis)

Statement of Affairs £	From 17 September 2021 To 16 March 2022 £	From 19 October 2015 To 16 March 2022 £
ASSET REALISATIONS		
NIL Investments in Subsidiaries	0.00	0.00
15,854,615.00 Investments in Quoted Companies	8,943.91	8,943.91
998,500.00 Debtors	0.00	0.00
8,000.00 Cash at Bank	0.00	9,072.38
Contribution to Costs	0.00	352,500.00
Antecedent Transactions	0.00	85,000.00
Bank Interest Gross	8.30	537.52
	<u>8,952.21</u>	<u>456,053.81</u>
COST OF REALISATIONS		
Office Holders Fees	125,000.00	165,000.00
Office Holders Expenses	4,421.80	16,344.09
Pre-Appointment Fees	0.00	9,113.00
Pre-Appointment Expenses	0.00	261.18
Pre-Appointment Legal Fees	0.00	5,500.00
Legal Fees	25,000.00	87,249.00
Legal Disbursements	128.95	5,827.06
Corporation Tax	0.00	92.64
Loan to IPSA Group Plc	0.00	30,000.00
	<u>(154,550.75)</u>	<u>(319,386.97)</u>
UNSECURED CREDITORS		
(19,110.00) Trade Creditors	0.00	0.00
(5,507.00) HM Revenue & Customs	0.00	0.00
(16,086,615.00) Other Creditors	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
DISTRIBUTIONS		
(1,121,186.00) Ordinary Shareholders	0.00	0.00
(402,711.00) Deferred Shareholders	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
<u>(774,014.00)</u>	<u>(145,598.54)</u>	<u>136,666.84</u>
REPRESENTED BY		
Vat Receivable		30,890.15
Bank 1 Current		105,776.69
		<u>136,666.84</u>

Appendix C: Information regarding Administrators' Remuneration and Expenses

1. Time recording policy

Work undertaken by office-holders and staff members in attending to matters in insolvency appointments is recorded in 6 minute units on an electronic time recording system. Time properly incurred on cases is charged at the hourly charge-out rate of the grade of staff undertaking the work.

The current hourly charge-out rates are as follows:

Staff grade	Hourly rate (£) from 1 April 2022
Partner and Insolvency Practitioner	345
Manager	250-285
Assistant Manager	180-245
Senior Case Administrator	160-175
Case Administrator	110-155
Cashier	145
Trainee Case Administrator	85-105

The hourly charge-out rates are reviewed annually and may increase during the course of the administration.

2. Existing fee arrangements

At the meeting of creditors held on 23 December 2015 it was resolved that the Joint Administrators be remunerated on a time cost basis and they were authorised to pay category 2 expenses at the rates set out below. The Joint Administrators' initial Fees Estimate was £199,500.

As the administration became protracted, time costs exceeded the initial Fees Estimate and approval has twice been sought from creditors to draw additional fees. On 11 October 2017 unsecured creditors approved the decision that the Joint Administrators are authorised to draw their remuneration on a time costs basis in accordance with a revised Fees Estimate of £251,753. On 11 October 2021 unsecured creditors approved a decision that the Joint Administrators are authorised to draw their remuneration on a time cost basis in accordance with a further revised Fees Estimate of £560,397.18.

Remuneration cannot be drawn in excess of the revised Fees Estimate of £560,397.18 without further approval from creditors.

Time costs summary

For the period of the report, from 17 September 2021 to 16 March 2022, a total of 52.3 hours have been spent at an average charge out rate of £261.63 bringing the time costs for this period to £13,683.50. A summary table is shown overleaf.

From the commencement of the administration to 16 March 2022 a total of £1,658.60 hours have been spent at an average charge out rate of £252.30 bringing the total time costs to £418,457.50. The second table overleaf shows a summary of these costs.

The fees drawn to date total £165,000.

Sterling Trust Limited

17 September 2021 to 16 March 2022

Sterling Trust Limited (Showing Post-Appointment only)

Classification of Work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.30	2.10	4.60	2.60	9.60	1,762.50	183.59
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	13.20	3.80	8.00	0.00	25.00	6,662.00	266.48
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	13.50	1.20	3.00	0.00	17.70	5,259.00	297.12
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	27.00	7.10	15.60	2.60	52.30	13,683.50	261.63
Total Fees Claimed						125,000.00	
Total Expenses Claimed						4,421.81	

SIP9 Time & Cost Summary

Sterling Trust Limited

19 October 2015 to 16 March 2022

Sterling Trust Limited (Showing Post-Appointment only)

Classification of Work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	56.20	45.60	38.60	123.50	263.90	44,469.50	168.51
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	318.90	57.30	64.90	69.50	510.60	127,322.00	249.36
Investigations	37.40	24.20	34.00	36.20	131.80	25,699.50	194.99
Realisation of Assets	788.80	102.30	19.70	17.90	928.70	271,352.00	292.18
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1,201.30	229.40	157.20	247.10	1,835.00	468,843.00	255.50
Total Fees Claimed						165,000.00	
Total Expenses Claimed						16,344.10	

3. Description of work carried out during the period

The work carried out during this period of the administration can be summarised as follows:

3.1 Administration and planning

- Processing bank receipts and payments;
- Maintaining financial records and carrying out bank reconciliations;
- Application to court to extend period of administration;
- Case reviews; and
- Dealing with taxation returns and correspondence.

The administration and planning work has almost entirely been carried out to comply with statutory and regulatory requirements. Work in determining and reviewing strategy is intended to add value in terms of the realisation of assets.

3.2 Realisation of Assets

- Liaising with management of Rurelec plc;
- Liaising with solicitors;
- Consideration of realisation strategies and consultation with major creditors; and
- Correspondence and discussions with interested parties.

The above work has been carried out in order to realise or protect the value of assets for the benefit of creditors. Extensive work has been carried out in respect of the Company's investment assets and due to the nature of the assets and the complex issues involved it has been necessary for this work to be carried out at partner level.

3.3 Creditors

- Recording and maintaining the list of creditors;
- Liaising with secured creditors and their representatives;
- Liaising with unsecured creditors;
- Reporting to creditors and members; and
- Responding to creditor queries.

Reporting to creditors is work solely performed to comply with statutory requirements. Maintaining the list of creditors and their claims is necessary in order to allow the distribution of funds. Some of the time spent in liaising with creditors has been with regard to asset realisation issues which potentially add value to the estate, the remainder is work that has been necessarily performed but which will not add monetary value to the estate

Staff of different levels were involved in the activities above depending on the experience required.

4. Expenses

Expenses policy

Expenses payments from an insolvent estate must be fair, reasonable and proportionate. Expenses fall into two categories:

Category 1 expenses are payments to persons who are not associates of the office-holders for services which are directly attributable to the insolvency appointment. Category 1 expenses can be paid from the estate without prior approval. Where Dow Schofield Watts Business Recovery LLP has paid the supplier for services directly attributable to the insolvency appointment, these costs can be recharged to the insolvent estate. Category 1 expenses will typically include costs such as legal fees, agents' fees, statutory advertising, specific bond insurance, storage costs, postage, external room hire and travel expenses (excluding business mileage). Although no approval is required, an expenses estimate will be supplied when seeking fee approval.

Category 2 expenses are payments to associates of the office-holders, or which have an element of shared costs, which are directly attributable to the insolvency appointment. Category 2 expenses cannot be paid from the estate without prior approval. It is our policy to seek creditor approval for the payment of the following category 2 expenses when seeking fee approval:

Expense type	Rate
Mileage (payments made to office-holders or staff members for car journeys in relation to the insolvency appointment)	45p per mile

Expenses incurred and paid

The expenses incurred and paid during the administration are set out overleaf.

Sterling Trust Limited - in administration

Summary of expenses incurred and paid

Category 1 expenses

Brabners LLP (solicitors)
 Agents
 Loan to IPSA Group
 Statutory advertising
 Statutory bond
 Document storage & destruction
 Land registry fees
 Courier fees
 External meeting room hire
 Travel expenses
 Corporation tax
 Postage

Total category 1 expenses

Category 2 expenses

Mileage
 Total category 2 expenses

Total expenses

This period		Previous period(s)		Cumulative		Expenses Estimate (£)
Incurred (£)	Paid (£)	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)	
1,726.00	25,128.95	158,220.06	67,947.11	159,946.06	93,076.06	30,000.00
0.00	0.00	0.00	0.00	0.00	0.00	42,500.00
0.00	0.00	30,000.00	30,000.00	30,000.00	30,000.00	0.00
0.00	0.00	146.00	146.00	146.00	146.00	73.00
0.00	0.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
0.00	0.00	0.00	0.00	0.00	0.00	200.00
0.00	15.00	30.00	15.00	30.00	30.00	10.00
0.00	0.00	219.00	219.00	219.00	219.00	0.00
0.00	0.00	889.20	889.20	889.20	889.20	900.00
243.65	4,211.40	13,473.64	8,888.88	13,717.29	13,100.28	3,000.00
0.00	0.00	92.64	92.64	92.64	92.64	0.00
11.52	68.50	128.71	60.21	140.23	128.71	50.00
1,981.17	29,423.85	204,399.25	109,458.04	206,380.42	138,881.89	77,933.00
0.00	126.90	659.70	504.00	659.70	630.90	200.00
0.00	126.90	659.70	504.00	659.70	630.90	200.00
1,981.17	29,550.75	205,058.95	109,962.04	207,040.12	139,512.79	78,133.00

The above costs exclude VAT and are in addition to the pre-administration expenses set out in section 4 of the main body of the report above. Please note that where certain of the above expenses were paid to third-party suppliers by Dow Schofield Watts Business Recovery LLP and such costs were subsequently reimbursed from the administration estate, the expenses appear in the Receipts and Payments account as Office Holders Expenses.

The expenses incurred or anticipated to be incurred have exceeded the expenses estimate. The reasons for the additional expenses being incurred are:

- When the Expenses Estimate was prepared in December 2015 it was anticipated that all matters in the administration would be concluded within 12 months;
- Legal advice and input required has been significantly greater than initially expected, due to the complicated and contentious nature of issues which have arisen, and the requirement for applications to Court for extensions to the period of administration; and
- To review and consider those issues, more meetings than expected have been required, and this has involved additional travelling expenses being incurred.

Specialist advice and services

Expenses have been incurred by the Joint Administrators in the instruction of solicitors in this matter. During the period, Brabners LLP ("Brabners") have provided advice concerning the Company's assets and the further Court application to extend the period of administration. Brabners' fees are agreed on a time costs basis. Brabners have been paid fees of £25,000 plus VAT and disbursements of £129 during the current reporting period. In addition to the amounts already paid, Brabners are owed the sum of £66,870 plus VAT for work completed during the administration.

When instructing third parties to provide specialist advice and services, the Joint Administrators are required to consider whether the advice or services are warranted and seek to ensure that the best value and service are obtained. The choice of professional advisers and the Joint Administrators' fee arrangement with them was based on an assessment of the work required and the suitability of those professionals to carry out that work.

Payments to sub-contractors

No work has been sub-contracted out that could otherwise have been carried out by the office holders or their staff.

Payments to associates

No payments have been made to associates of the office holders, their firm, or any individuals within their firm, except for the mileage expenses set out above.

5. Creditors' rights

Under rule 18.9 of the Insolvency (England and Wales) Rules 2016, creditors are entitled to request information from the office-holders about their remuneration or expenses set out in this report.

Any request must be made by a secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or by any unsecured creditor with the permission of the court. A request, or an application to the court for permission, must be made within 21 days of receipt of the report or account.

The office-holder must, within 14 days of receipt of such a request respond by: providing all of the information requested; providing some of the information requested; or declining to provide the information requested.

The office-holder may respond by providing only some of the information requested or decline to provide the information if: the time or cost of preparation of the information would be excessive; disclosure of the information would be prejudicial to the conduct of the proceedings; disclosure of the information might reasonably be expected to lead to violence against any person; or the office-holder is subject to an obligation of confidentiality in relation to the information. An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

A creditor may apply to the court within 21 days of: the office-holder giving reasons for not providing all of the information requested; or the expiry of the 14 days within which an office-holder must respond to a request. The court may make such order as it thinks just.

Under rule 18.34 of the Insolvency (England and Wales) Rules 2016, an application to court may be made on the grounds that the office-holders' remuneration is in all the circumstances excessive, the basis of remuneration is inappropriate, or the expenses incurred by the office-holders are in all the circumstances excessive.

Any application may be made by a secured creditor, an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including the creditor in question), or by any unsecured creditor with the permission of the court. The application must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question.

If the court considers the application to be well-founded, it must make one or more of the following orders: an order reducing the amount of remuneration; an order reducing any fixed rate or amount; an order changing the basis of remuneration; an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration; an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by the administrator to the company; any other order that it thinks just.

Unless the court orders otherwise, the costs of the application must be paid by the applicant and are not payable as an expense of administration.