

# AM20

## Notice of automatic end of administration



Companies House

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|                      |                        |                                                                                       |
|----------------------|------------------------|---------------------------------------------------------------------------------------|
| <b>1</b>             | <b>Company details</b> |                                                                                       |
| Company number       | 0 4 3 7 8 9 8 9        | → Filling in this form<br>Please complete in typescript or in<br>bold black capitals. |
| Company name in full | Dawnus Limited         |                                                                                       |

|                   |                                                    |  |
|-------------------|----------------------------------------------------|--|
| <b>2</b>          | <b>Court details</b>                               |  |
| Court name        | High Court of Justice, Business and Property Court |  |
| Court case number | 0 0 0 0 0 3 2 0 1 9                                |  |

|                  |                                    |  |
|------------------|------------------------------------|--|
| <b>3</b>         | <b>Former administrator's name</b> |  |
| Full forename(s) | Alistair                           |  |
| Surname          | Wardell                            |  |

|                      |                                       |  |
|----------------------|---------------------------------------|--|
| <b>4</b>             | <b>Former administrator's address</b> |  |
| Building name/number | 6th Floor                             |  |
| Street               | 3 Callaghan Square                    |  |
| Post town            | Cardiff                               |  |
| County/Region        |                                       |  |
| Postcode             | C F 1 0 5 B T                         |  |
| Country              |                                       |  |

## AM20

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**5** Former administrator's name <sup>①</sup>

Full forename(s)

Philip

Surname

Stephenson

**① Other administrator**

Use this section to tell us about another administrator.

**6** Former administrator's address <sup>②</sup>

Building name/number

30 Finsbury Square

Street

London

Post town

EC2A 1AG

County/Region

Postcode

Country

**② Other administrator**

Use this section to tell us about another administrator.

**7** Statement of appointment~~I~~was/we were appointed as administrator(s) on:

Date

<sup>d</sup>1<sup>d</sup>5<sup>m</sup>0<sup>m</sup>3<sup>y</sup>2<sup>y</sup>0<sup>y</sup>1<sup>y</sup>9**8** Appointor/applicant's name

Give the name of the person who made the appointment or the administration application

Full forename(s)

the

Surname

directors

**9** Statement of ceasing to act~~I~~we give notice that ~~my~~our appointment as administrator ceased to have effect on:

Date

<sup>d</sup>1<sup>d</sup>4<sup>m</sup>0<sup>m</sup>3<sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>0**10** Final progress report☒ A copy of the final progress report is attached.**11** Sign and date

Former administrator's signature

Signature

X

*Stephen Windell*

X

Signature date

<sup>d</sup>1<sup>d</sup>7<sup>m</sup>0<sup>m</sup>5<sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>2

# AM20

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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 **Kirsty L Dolmor**

Company name **Grant Thornton UK LLP**

Address **11th Floor**

**Landmark St Peter's Square**

Post town **1 Oxford St**

County/Region **Manchester**

Postcode **M 1 4 P B**

Country

DX

Telephone **0161 953 6900**



## 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 and dated 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)



**Ashridge Construction Limited**  
**Churchfield Homes Limited**  
**Dawnus Construction Holdings Limited**  
**Dawnus Developments Limited**  
**Dawnus Group Limited**  
**Dawnus Limited**  
**Dawnus Southern Limited**  
**Quantum Geotechnical Limited**  
**- all in Administration**  
**Joint administrators' final progress report**

UK Restructuring  
Grant Thornton UK LLP  
11th Floor  
Landmark St Peter's Square  
1 Oxford St  
Manchester  
M1 4PB

Prepared by: Alistair Wardell, joint administrator

Contact details: Should you wish to discuss any matters in  
this report, please email  
[cmusupport@uk.gt.com](mailto:cmusupport@uk.gt.com) or write to the  
above address

# Guide to this report

## Report sections

### Definitions

#### 1 **Executive summary**

This should be read in conjunction with the remainder of the report, together with its appendices

#### 2 **An overview of the administrations**

Includes implementation of the joint administrators' proposals

#### 3 **Progress to conclusion**

Includes details on overall strategy and progress (realisation of assets)

#### 4 **Creditors and dividends**

Includes creditor balances and information on dividends

#### 5 **Investigations into the affairs of the Companies**

Includes a summary of the outcome

#### 6 **Joint administrators' remuneration and expenses**

Includes details of payments to the joint administrators (including details of fees and expenses incurred) and their associates

#### 7 **Outcome of administrations**

Includes summary details of the exit from administrations, details on the joint administrators' discharge from liability, and general information for readers (eg data protection)

## Report appendices

#### A **Notice about this report**

Includes information about the preparation and purpose of the report, reliance on it and no liability

#### B **Statutory information**

Includes information required about the Companies (eg name, address) and about the administrations (eg proceedings, administrators, contact details)

#### C **Abstract of the joint administrators' receipts and payments**

#### D **Statement of Insolvency Practice 9 disclosure: Payments to the joint administrators and their associates**

Includes remuneration basis, work done, expenses of the joint administrators, sub-contracted out work, relationships requiring disclosure

# Definitions

The following definitions are used either within the body of this report, the appendices to it, or both.

|                                           |                                                                                                                                                                                                                                                     |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Act</b>                                | The Insolvency Act 1986                                                                                                                                                                                                                             |
| <b>Alder King</b>                         | Alder King LLP                                                                                                                                                                                                                                      |
| <b>Ashridge</b>                           | Ashridge Construction Limited                                                                                                                                                                                                                       |
| <b>Blake Morgan</b>                       | Blake Morgan LLP                                                                                                                                                                                                                                    |
| <b>Churchfield</b>                        | Churchfield Homes Limited                                                                                                                                                                                                                           |
| <b>Credebt</b>                            | Credebt Limited                                                                                                                                                                                                                                     |
| <b>DCHL</b>                               | Dawnus Construction Holdings Limited                                                                                                                                                                                                                |
| <b>DDL</b>                                | Dawnus Developments Limited                                                                                                                                                                                                                         |
| <b>DGL</b>                                | Dawnus Group Limited                                                                                                                                                                                                                                |
| <b>DL</b>                                 | Dawnus Limited                                                                                                                                                                                                                                      |
| <b>DSL</b>                                | Dawnus Southern Limited                                                                                                                                                                                                                             |
| <b>DJM</b>                                | DJM Law Limited                                                                                                                                                                                                                                     |
| <b>Eversheds</b>                          | Eversheds LLP                                                                                                                                                                                                                                       |
| <b>First Administrations</b>              | The administrations of the Group which commenced on 15 March 2019 and automatically terminated 12 months thereafter                                                                                                                                 |
| <b>Geldards</b>                           | Geldards LLP                                                                                                                                                                                                                                        |
| <b>Group / Companies</b>                  | Ashridge Construction Limited, Churchfield Homes Limited, Dawnus Construction Holdings Limited, Dawnus Developments Limited, Dawnus Group Limited, Dawnus Limited, Dawnus Southern Limited and Quantum Geotechnical Limited - all in administration |
| <b>HEF</b>                                | HSBC Equipment Finance (UK) Limited                                                                                                                                                                                                                 |
| <b>HSBC</b>                               | HSBC Bank Plc                                                                                                                                                                                                                                       |
| <b>Naismiths</b>                          | Naismiths Limited                                                                                                                                                                                                                                   |
| <b>Period</b>                             | 15 September 2019 to 14 March 2020                                                                                                                                                                                                                  |
| <b>Proposals</b>                          | The Joint Administrators' proposals dated 30 March 2019                                                                                                                                                                                             |
| <b>Quantum</b>                            | Quantum Geotechnical Limited                                                                                                                                                                                                                        |
| <b>Rules</b>                              | the Insolvency (England and Wales) Rules 2016                                                                                                                                                                                                       |
| <b>Secured Creditors</b>                  | HSBC and WG                                                                                                                                                                                                                                         |
| <b>Second Administrations</b>             | The administrations of the Group which commenced on 19 May 2020 for DCHL and 11 May 2020 for all other companies in the Group                                                                                                                       |
| <b>VAT</b>                                | Value added tax                                                                                                                                                                                                                                     |
| <b>We/us/our/the Joint Administrators</b> | Alistair Wardell, Matthew Richards and Philip Stephenson                                                                                                                                                                                            |
| <b>WG</b>                                 | Welsh Government                                                                                                                                                                                                                                    |
| <b>WIP</b>                                | Work in progress                                                                                                                                                                                                                                    |

# 1 Executive summary

- This final progress report for the administrations of the Group covers the entirety of the administrations
- Our Proposals were deemed approved on 13 May 2019 in accordance with rule 3.38(4) of the Rules
- The key work done in the period since the previous progress report to 14 September 2019 has been
  - Continued to secure and realise assets including properties, plant and machinery and debtors
  - Complied with reporting requirements to the creditors and dealt with any queries and requests they may have
- The First Administrations automatically ended on 14 March 2020 and therefore urgent applications were made to court to retrospectively reappoint the Joint Administrators and extend the administrations, details of which are included in the Second Administration reports
- It is unlikely that there will be sufficient funds to enable a distribution to unsecured creditors from any of the companies in the Group (except potentially by virtue of the prescribed part) therefore, it is intended that the administrations will all move to dissolution once the outstanding matters have finalised in the Second Administrations.



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Alistair Wardell  
Joint Administrator

17 May 2022

## 2 An overview of the administrations

### 2.1 Implementation of the Proposals

The Proposals were approved in accordance with rule 3.38(4) of the Rules.

The duty of the Joint Administrators is to act in the best interests of the creditors as a whole in order to achieve the purpose of the administrations, which was to achieve one of the three objectives set out in the Insolvency legislation:

- Rescuing the Company as a going concern; or
- Achieving a better result for a company's creditors as a whole than would be likely if a 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 pursued the objective of achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up.

As previously advised, it was not possible to achieve a rescue of the Group as a going concern. This is because the Group was loss making, there was no funding available to trade, and the Group had effectively ceased trading prior to the administrations due to the lack of working capital.

We continue to pursue the objective of achieving a better result for the Group's creditors as a whole than would be likely if the Group was wound up (without first being in administration).

The companies in the Group are closely linked in terms of their activities, security structure and intercompany position. Therefore, placing the Group into administration helped achieve the wider group strategy of securing and preserving the assets for the benefit of the creditors as a whole, an update on the progress of this is detailed further below.

### 2.2 Extension of the administrations

The appointment of Joint Administrators ordinarily ceases to have effect at the end of the period of one year from the date of appointment.

In certain circumstances it is necessary to extend the Joint Administrators' term in office to achieve the objective of the administration.

Due to an administrative error, the First Administrations of the Group automatically ended after one year (ie on 14 March 2020).

On identification of this error, urgent applications to court were made to retrospectively approve the extensions and reappoint the Joint Administrators. As such, Second Administrations with the same Joint Administrators took effect on 19 May 2020 (DCHL) and 11 May 2020 (all other companies). The two different appointment dates are due to orders being made in different courts. The appointments were in accordance with paragraph 12 of Schedule B1 to the Insolvency Act 1986.

The Second Administrations were duly extended by the court and are currently due to end on 18 November 2022 for DCHL and 15 September 2022 for the other companies in the Group.



# 3 Progress to conclusion

## 3.1 Strategy and progress from last report

We continue to pursue the second statutory objective of achieving a better result for the Group's creditors as a whole than would be likely if a company was wound up (without first being in administration).

## 3.2 Realisation of assets

We attach as Appendix C, accounts of our receipts and payments for the Period, and cumulative accounts for the period since appointment to the end of the First Administrations.

Please note that we continue to pursue asset realisations in the Second Administrations.

### **Sale of plant and machinery – DCHL**

Plant and Machinery located in the UK and Africa

We have now achieved a sale of all DCHL's plant and machinery located in Sierra Leone for £1.85 million, of which £178,000 was secured equally by a chattel mortgage to HSBC and WG.

To date, the purchaser has paid c£1.53 million in line with the contract, of which £632,500 was received during the period covered by this report. The title to machinery will not pass to the buyer until all sums have been paid, however, all risk has passed including the requirement to maintain insurance.

We continue our work to recover the remaining consideration due from the buyer, although, the uncertainty in the construction sector in Sierra Leone may delay future recoveries.

The receipts and payments account for DCHL at Appendix A shows that a total of £3.79 million has been realised in respect of plant and machinery. This is made up of the realisations below, some of which were realised in prior reporting periods:

- £1.95 million from the UK auction, of which c£142,000 is secured equally by the chattel mortgage to HSBC and WG
- £1.53 million paid to date from the sale of the assets in Africa, of which c£178,000 is secured by the chattel mortgage to HSBC and WG
- £275,000 from the UK assets sold as part of the Quantum sale of the business, of which c£231,000 was utilised to repay the finance attributable to these assets
- £39,000 from a novation of a contract

### Funds in escrow – DCHL

As previously advised, there was £1.8 million held in an escrow bank account. Following advice from Blake Morgan, it was determined that these funds were secured equally between HSBC and WG pursuant to their fixed charges.

The total amount of £1.8 million was received during the Period and a payment of £900,000 was made to both HSBC and WG in respect of this realisation.

### Debtors, WIP and retentions – DCHL, DSL and Quantum

We initially sought advice from quantity surveyors, Naismiths, to appraise the construction contracts of DCHL and DSL and to assist with collections. Naismiths advised that the amounts outstanding in respect of DCHL were c£19 million and DSL of c2.3 million.

During the Period, Naismiths recovered £67,733 in relation to the WIP and retentions and £194,651 in relation to the contract debtors. A total of £555,631 has been received in respect of the WIP and retentions, and contract debtors to date. Funds of £275,000 have been received in DSL to date, however, no amounts were received during the Period.

We have recently instructed DJM to provide legal advice and assistance in relation to the construction contracts. Due to the nature of the contracts with counter claims and disputes, it is difficult to assess the estimated realisation value and collections of these debtors will continue to take time. We anticipate being in a better position to advise on estimated realisations in our next report.

The purchaser of the Quantum business and assets is required to assist us with the collection of the debtors due to Quantum. To date, debtors of £147,198 have been recovered of which £6,045 was recovered during the Period.

DCHL also had book debts relating to the hire of its plant and machinery to third parties. We instructed Credent to assist with the collection of these debtors. To date, we have recovered £234,827, of which £60,000 has been recovered in the Period. We do not anticipate any further recoveries from these debtors.

### Long leasehold properties – DL

DL is the registered owner of two long leasehold properties, the head office based in Swansea and the storage plant yard at Clydach Market.

Alder King, our instructed agent, continues to market the head office and we are progressing with an offer in respect of the storage plant yard. The formalities of the sale of the storage plant yard have taken longer than anticipated but we are working with the prospective purchaser in order to complete as soon as possible.

### Residential development site – Churchfield

Churchfield owns a residential plot in South Wales with six completed houses and four acres of development land. Churchfield also invested in the shared equity scheme where it retained equity of approximately nine homes sold prior to the administration.

We have received an offer for the completed homes and development land and continue negotiations in this regard. Alder King continue to market the shared equity investments.

### Intercompany debtors

As mentioned in our previous reports, some of the companies in the Group are owed funds from other Group companies.

As all of the companies are insolvent, it is uncertain whether there will be any realisations in respect of these entities. These claims will rank as unsecured creditors in each relevant estate so may recover funds if there are prescribed part distributions as described in section 3.3.

### 3.3 Additional assets

During the Period, we have also recovered the following:

- Insurance refund of £29,132 (DCHL)
- Rates refund of £2,665 (DCHL)
- Bank interest of £10,635 (DCHL), £68 (DSL)
- Electricity refund of £350 (DCHL)
- Telephone refund of £9 (QGL)

Please note that no assets have been identified in respect of Ashridge and DDL, however, the cases remain open as they may receive a distribution from other companies within the Group.

# 4 Creditors and dividends

## 4.1 Secured creditors

Below is a summary of the secured creditors, including the potential outcome for each based on current estimates:

### Summary of secured creditors

|                 | Dates of creation of charges                               | Types of charges                                                                                          | Debt outstanding at appointment | Potential outcome based on current information                                                                                                                                                                  |
|-----------------|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WG              | 27/03/2018                                                 | Debenture and chattels mortgage                                                                           | £1.56 million                   | A distribution of £1.04 million has been made to WG to date.<br><br>It is anticipated that there may be sufficient realisations to enable a further distribution, although the quantum and timing is uncertain. |
| HEF             | 16/03/2018, 02/08/2018                                     | Debenture and chattels mortgage                                                                           | Awaiting outcome of asset sales | HEF instructed agents to dispose of its equipment and may make a recovery in full subject to those disposals                                                                                                    |
| HSBC            | 01/08/2017, 04/08/2017, 02/02/2018, 16/02/2018, 16/03/2018 | Legal mortgage, debenture, chattels mortgage, benefits of certain contracts and security of cash deposits | £5 million                      | HSBC has received a total of c£1.04 million to date.<br><br>It is anticipated that there may be sufficient realisations to enable a distribution, although the quantum and timing is uncertain                  |
| Lloyds Bank Plc | 02/02/2018                                                 | Mortgage                                                                                                  | £1.29 million                   | Paid in full following the sale of the properties in Daw nus Limited.                                                                                                                                           |

## 4.2 Preferential creditors

Preferential creditor claims consist of employee claims for wages and holiday pay, up to certain statutory limits. A significant element of these claims will be subrogated to the Secretary of State following payment of claims by the Redundancy Payments Service.

Preferential claims are c£280,000 for DCHL and c£690,000 for DL. Based on current estimates, we anticipate that the preferential creditors of DCHL will be paid in full in the Second Administrations, however, there will be insufficient funds available in DL to make a distribution to the preferential creditors.

The other companies in the Group do not have any preferential creditors.

## 4.3 Unsecured creditors

### Prescribed part

In accordance with section 176A of the Insolvency Act 1986, a prescribed part is to be set aside from the floating charge assets and made available to the unsecured creditors of the Company. The prescribed part calculation is applied to the net property available and is calculated at 50% of the first £10,000 of net realisations and 20% of all further amounts, up to a maximum prescribed part of £600,000.

Based on current estimates, there may be funds available to enable a prescribed part distribution for unsecured creditors of DCHL, DSL and Quantum only but, at this stage, it is not possible to estimate the quantum and timing of the prescribed part distribution due to ongoing work to realise the assets of those companies which continues in the Second Administrations.

**Dividend prospects**

Except for any potential funds available under the prescribed part as mentioned above, based on current estimates, it is highly unlikely that there will be sufficient funds to enable distributions to unsecured creditors.

# 5 Investigations into the affairs of the Group

## 5.1 Investigations

We undertook an investigation into the Group's affairs to establish whether there were any potential asset recoveries, or conduct matters that required further investigation, taking into account the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

As part of our investigations, we have identified a share buyback arrangement between DGL and certain directors, which was triggered in the year prior to the administration. We are currently seeking legal advice on the implications of this arrangement on DGL's financial position, and any potential recovery action will be progressed in the Second Administrations.

No other investigative matters have been identified in respect of the other Group entities. Should any matters come to light, they will be investigated in line with our statutory duties.

# 6 Joint Administrators' remuneration and expenses

## 6.1 Overview

Our remuneration basis has not yet been fixed as we are in discussions with the secured creditors and where appropriate the preferential creditors regarding the proposed basis. The basis of our remuneration will be fixed in the Second Administrations.

The tables below summarise the time costs and expenses incurred to the end of the Period in addition to the First Administration fees estimate.

| £'000       | Time costs to date | First Administration fees estimate |
|-------------|--------------------|------------------------------------|
| Ashridge    | 13                 | 13                                 |
| Churchfield | 47                 | 132                                |
| DCHL        | 1,024              | 2,604                              |
| DL          | 19                 | 13                                 |
| DL          | 85                 | 143                                |
| DSL         | 35                 | 105                                |
| Quantum     | 71                 | 105                                |

| £           | Expenses incurred to date | First Administration expenses estimate |
|-------------|---------------------------|----------------------------------------|
| Ashridge    | 410                       | 104                                    |
| Churchfield | 10,843                    | 62,604                                 |
| DGL         | 714                       | 104                                    |
| DCHL        | 1,004,489                 | 839,882                                |
| DDL         | 625                       | 104                                    |
| DL          | 13,762                    | 150,209                                |
| DSL         | 109,159                   | 23,752                                 |
| Quantum     | 42,749                    | 11,224                                 |

We have not drawn any fees to date.

At this time, we do not seek to revise our fees estimate in order to be able to draw more remuneration.

Further details about remuneration and expenses are provided in Appendix D to this report.

# 7 Outcome of the administration

## 7.1 Exit from the administrations

Our Proposals were deemed approved on 13 May 2022 in accordance with rule 3.38(4) of the Insolvency (England and Wales) Rules 2016.

The statement of proposals empowered the Joint Administrators to conclude the administration by filing the necessary paperwork with the Registrar of Companies and dissolving the Companies.

As advised in section 2.2, the administrations automatically ended following the First Administrations. As such, we are sending Form AM23 to the Registrar of Companies with a copy of this final progress report on the administrations.

Upon registration of Form AM23 by the Registrar of Companies the administrations will have formally ceased.

The Second Administrations have already commenced.

## 7.2 Matters still to be dealt with

We will continue to pursue the outstanding asset realisations as detailed in section 3.2 and progress any potential recoveries in respect of the DGL claim as detailed in section 5.

## 7.3 Discharge from liability

At the conclusion of the administrations we require discharge from liability.

Discharge will be sought from the required category of creditor at the end of the Second Administrations.

## 7.4 Data protection

Any personal information held by the Companies will continue to be processed for the purposes of the administrations of the Companies and in accordance with the requirements of data protection. Our privacy notice on our website ([www.grantthornton.co.uk/en/privacy](http://www.grantthornton.co.uk/en/privacy)) contains further details as to how we may use, process and store personal data.

## 7.5 Contact from third parties

Please be aware fraudsters have been known to masquerade as the legitimate administrators. Fraudsters may contact creditors asking for an upfront fee or tax to release an investment or pay a dividend / to enable release of money payable to the creditor. An administrator would never ask for such a payment nor instruct a third party to make such a request.



# A Notice about this report

This report has been prepared solely to comply with the Joint Administrators' statutory duty to report to creditors under the Rules 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 or any financial interest in the Companies.

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 persons choosing to rely on this report for any purpose or in any context other than under the Rules 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 that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents of the Companies and contract without personal liability. The appointment of the Joint Administrators are personal to them and to the fullest extent permitted by law, Grant Thornton does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

Please note you should read this progress report in conjunction with the Joint Administrators' previous progress reports and proposals issued to the Companies' creditors, which can be found on the Grant Thornton Insolvency Act portal. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT. For definitions of abbreviations please refer to the 'Definitions' table at the start of this progress report.

## B Statutory information

### Company Information

|                           |                                                                                                   |
|---------------------------|---------------------------------------------------------------------------------------------------|
| Company name & number     | Dawnus Construction Holdings Limited<br>(04230579)                                                |
| Date of incorporation     | 7 June 2001                                                                                       |
| Court reference           | Court Reference: 000245 of 2019                                                                   |
|                           | Ashridge Construction Limited (01579831)                                                          |
|                           | 13 September 1981                                                                                 |
|                           | Court Reference: 000004 of 2019                                                                   |
|                           | Churchfield Homes Limited (05006331)                                                              |
|                           | 6 January 2004                                                                                    |
|                           | Court Reference: 000008 of 2019                                                                   |
|                           | Dawnus Limited (04378989)                                                                         |
|                           | 21 February 2002                                                                                  |
|                           | Court Reference: 000003 of 2019                                                                   |
|                           | Dawnus Developments Limited (05265566)                                                            |
|                           | 20 October 2004                                                                                   |
|                           | Court Reference: 000007 of 2019                                                                   |
|                           | Dawnus Group Limited (08670888)                                                                   |
|                           | 2 September 2013                                                                                  |
|                           | Court Reference: 000006 of 2019                                                                   |
|                           | Dawnus Southern Limited (07597648)                                                                |
|                           | 8 April 2011                                                                                      |
|                           | Court Reference: 000005 of 2019                                                                   |
|                           | Quantum Geotechnical Limited (07782715)                                                           |
|                           | 22 September 2011                                                                                 |
|                           | Court Reference: 000009 of 2019                                                                   |
| Former trading address    | Unit 1-7, Dyffryn Court, Riverside Business Park,<br>Swansea, SA7 0AP                             |
| Present registered office | Grant Thornton UK LLP, 11th Floor, Landmark St<br>Peter's Square, 1 Oxford St, Manchester, M1 4PB |

### Administration information

|                                                             |                                                                                                                               |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Administration appointments                                 | The administration appointments were granted<br>in the High Court of Justice, Business and<br>Property Court, England & Wales |
| Appointors                                                  | A qualifying floating charge holder for DCHL and<br>Directors for all other entities                                          |
| Date of appointments                                        | 15 March 2019                                                                                                                 |
| Joint Administrators' names                                 | Alistair Wardell<br>Matthew E Richards<br>Philip Stephenson                                                                   |
| Joint Administrators' addresses                             | 3 Callaghan Square, Cardiff, CF10 5BT<br>30 Finsbury Square, London, EC2P 2YU<br>30 Finsbury Square, London, EC2P 2YU         |
| Purpose of the administrations                              | Achieving a better result for the Group's creditors<br>as a whole than would be likely if the Group were<br>wound up          |
| Estimated values of the Net Property and<br>Prescribed Part | The Net Property is estimated to be c£1.27<br>million for DCHL, c£117,000 for DSL and                                         |

|                                    |                                                                                                                                                                         |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | c£93,000 for Quantum. The Prescribed Part is capped at the statutory maximum of £600,000 and estimated as c£257,000 for DCHL, C£26,000 for DSL and c£22,000 for Quantum |
| Prescribed Part distribution       | The joint administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply                                                    |
| Functions                          | In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them.           |
| Current administration expiry date | 14 March 2020                                                                                                                                                           |

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**Ashridge Construction Limited  
(In Administration)**

C

**Joint Administrators' Summary of Receipts & Payments**

| Statement<br>of Affairs<br>£ | From 15/09/2019<br>To 14/03/2020<br>£ | From 15/03/2019<br>To 14/03/2020<br>£ |
|------------------------------|---------------------------------------|---------------------------------------|
| COST OF REALISATIONS         |                                       |                                       |
| Bank Charges                 | NIL                                   | 5.82                                  |
| Statutory Advertising        | NIL                                   | 73.55                                 |
|                              | NIL                                   | (79.37)                               |
|                              | <b>NIL</b>                            | <b>(79.37)</b>                        |
| REPRESENTED BY               |                                       |                                       |
| Grant Thornton Loan Account  |                                       | (94.08)                               |
| VAT on Purchases             |                                       | 14.71                                 |
|                              |                                       | <b>(79.37)</b>                        |

**Note:**

Note that, as there have been no realisations into the estate, Grant Thornton UK LLP has funded payment of the estate's expenses necessary to progress the case and to comply with statute. This is shown by way of a loan account in the receipts and payments account. The loan will be repayable as an expense of the administration in the same priority as attaches to the respective expenses comprising the loan. In the event there are insufficient realisations to repay the loan, Grant Thornton UK LLP will write-off the final balance when the administration is closed but reserves its right to recover such balance should circumstances subsequently permit.

**Churchfield Homes Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

| Statement<br>of Affairs<br>£ |                             | From 15/09/2019<br>To 14/03/2020<br>£ | From 15/03/2019<br>To 14/03/2020<br>£ |
|------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
|                              | ASSET REALISATIONS          |                                       |                                       |
| 399,985.00                   | Cash at Bank                | NIL                                   | NIL                                   |
|                              | Intercompany Loan           | NIL                                   | 5,296.00                              |
| 174,645.00                   | Investments                 | NIL                                   | NIL                                   |
|                              | Rates refund                | NIL                                   | 1,589.50                              |
| 1,014,290.00                 | WIP and Retentions          | NIL                                   | NIL                                   |
|                              |                             | NIL                                   | 6,885.50                              |
|                              | COST OF REALISATIONS        |                                       |                                       |
|                              | Bank Charges                | 16.12                                 | 33.66                                 |
|                              | Legal Fees (1)              | 243.94                                | 243.94                                |
|                              | Other Property Expenses     | 8,404.85                              | 13,626.35                             |
|                              | Quantity Surveyors Fees     | 1,000.00                              | 1,000.00                              |
|                              | Statutory Advertising       | NIL                                   | 73.55                                 |
|                              |                             | (9,664.91)                            | (14,977.50)                           |
| <b>1,588,920.00</b>          |                             | <b>(9,664.91)</b>                     | <b>(8,092.00)</b>                     |
|                              | REPRESENTED BY              |                                       |                                       |
|                              | Grant Thornton Loan Account |                                       | (11,927.68)                           |
|                              | RBS Current Account NIB     |                                       | 1,058.80                              |
|                              | VAT on Purchases            |                                       | 2,776.88                              |
|                              |                             |                                       | <b>(8,092.00)</b>                     |

**Note:**

Note that, as there have been insufficient realisations into the estate, Grant Thornton UK LLP has funded payment of the estate's expenses necessary to progress the case and to comply with statute. This is shown by way of a loan account in the receipts and payments account. The loan will be repayable as an expense of the administration in the same priority as attaches to the respective expenses comprising the loan. In the event there are insufficient realisations to repay the loan, Grant Thornton UK LLP will write-off the final balance when the administration is closed but reserves its right to recover such balance should circumstances subsequently permit.

**Dawnus Construction Holdings Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**

| Statement<br>of Affairs<br>£     | From 15/09/2019<br>To 14/03/2020<br>£ | From 15/03/2019<br>To 14/03/2020<br>£ |
|----------------------------------|---------------------------------------|---------------------------------------|
| TRADING EXPENDITURE              |                                       |                                       |
| Telephone                        | (44.87)                               | NIL                                   |
| Property Expenses                | NIL                                   | 309.83                                |
| Vehicle Running Costs            | NIL                                   | 5,591.25                              |
| PAYE/NI                          | NIL                                   | 61,727.84                             |
| Net Wages                        | NIL                                   | 123,502.52                            |
| Other Payroll Deductions         | 6,574.00                              | 14,418.56                             |
| Employee Expenses/Redundancy     | NIL                                   | 1,000.00                              |
|                                  | (6,618.87)                            | (206,550.00)                          |
| <b>TRADING SURPLUS/(DEFICIT)</b> | <b>(6,618.87)</b>                     | <b>(206,550.00)</b>                   |

**Dawnus Construction Holdings Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

| Statement<br>of Affairs<br>£ |                                        | From 15/09/2019<br>To 14/03/2020<br>£ | From 15/03/2019<br>To 14/03/2020<br>£ |
|------------------------------|----------------------------------------|---------------------------------------|---------------------------------------|
|                              | <b>SECURED ASSETS</b>                  |                                       |                                       |
| 11,041,211.00                | Plant & Machinery (with fixed charges) | 320,702.17                            | 320,702.17                            |
| 1,966,191.00                 | WIP                                    | NIL                                   | NIL                                   |
| 1,800,000.00                 | Funds in escrow                        | 1,800,000.00                          | 1,800,000.00                          |
|                              |                                        | <u>2,120,702.17</u>                   | <u>2,120,702.17</u>                   |
|                              | <b>COSTS OF REALISATION</b>            |                                       |                                       |
|                              | Legal Fees                             | 7,600.00                              | 7,600.00                              |
|                              | Agents/Valuers Fees                    | 10,504.62                             | 10,504.62                             |
|                              | Other Property Expenses                | 15,269.04                             | 15,269.04                             |
|                              |                                        | <u>(33,373.66)</u>                    | <u>(33,373.66)</u>                    |
|                              | <b>SECURED CREDITORS</b>               |                                       |                                       |
|                              | HSBC Bank Plc                          | 949,419.43                            | 1,038,320.93                          |
|                              | Welsh Government                       | 949,419.43                            | 1,038,320.93                          |
|                              |                                        | <u>(1,898,838.86)</u>                 | <u>(2,076,641.86)</u>                 |
|                              | <b>ASSET REALISATIONS</b>              |                                       |                                       |
|                              | Bank/ISA InterestGross                 | 10,635.14                             | 10,635.14                             |
| 5,289,359.00                 | Book Debts                             | 254,651.82                            | 722,725.30                            |
|                              | Cash at Bank                           | NIL                                   | 281.95                                |
|                              | Electricity refunds                    | 350.24                                | 4,301.05                              |
|                              | Freehold Land & Property               | NIL                                   | 354,024.66                            |
|                              | Insurance Refund                       | 29,132.36                             | 29,423.65                             |
|                              | Plant & Machinery                      | 311,797.83                            | 3,473,118.84                          |
|                              | Rates refund                           | 2,664.62                              | 53,270.98                             |
|                              | Settlement monies                      | NIL                                   | 2,500.00                              |
| 1,793,655.00                 | Stock                                  | NIL                                   | NIL                                   |
|                              | Tax Refund                             | NIL                                   | 17,166.00                             |
|                              | Trading Surplus/(Deficit)              | (6,618.87)                            | (206,550.00)                          |
| 12,385,886.00                | WIP and Retentions                     | 67,732.83                             | 67,732.83                             |
|                              |                                        | <u>670,345.97</u>                     | <u>4,528,630.40</u>                   |
|                              | <b>COST OF REALISATIONS</b>            |                                       |                                       |
|                              | Administrators Expenses                | NIL                                   | 1,500.00                              |
|                              | Agents/Valuers Fees (1)                | 93,533.22                             | 190,913.52                            |
|                              | Auction Costs                          | NIL                                   | 46,856.29                             |
|                              | Bank Charges                           | 143.50                                | 695.78                                |
|                              | Debt Collection                        | 6,000.00                              | 23,732.72                             |
|                              | Environmental costs                    | NIL                                   | 250.00                                |
|                              | Insurance of Assets                    | 3,716.05                              | 3,716.05                              |
|                              | Intercompany Loan                      | NIL                                   | 13,613.86                             |
|                              | IT Services                            | 3,609.86                              | 22,937.41                             |
|                              | Legal Fees (1)                         | 9,382.91                              | 78,168.99                             |
|                              | Licence fee                            | NIL                                   | 17,683.00                             |
|                              | Liens                                  | NIL                                   | 5,600.99                              |
|                              | Other Property Expenses                | 2,979.03                              | 9,389.62                              |
|                              | Professional Fees                      | 53,832.00                             | 105,623.64                            |
|                              | Quantity Surveyors Fees                | 6,530.91                              | 6,530.91                              |
|                              | Rates                                  | NIL                                   | 1,304.72                              |
|                              | Rents Payable                          | (1,750.36)                            | 21,053.86                             |
|                              | Settlement of Finance                  | NIL                                   | 321,784.53                            |
|                              | Statutory Advertising                  | NIL                                   | 73.55                                 |
|                              | Storage Costs                          | 15,490.63                             | 15,490.63                             |
|                              | VAT irrecoverable                      | (3,001.80)                            | 5,331.53                              |
|                              |                                        | <u>(190,465.95)</u>                   | <u>(892,251.60)</u>                   |

**Dawnus Construction Holdings Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

| Statement<br>of Affairs<br>£  | From 15/09/2019<br>To 14/03/2020<br>£ | From 15/03/2019<br>To 14/03/2020<br>£ |
|-------------------------------|---------------------------------------|---------------------------------------|
| Security costs                | 1,490.32<br>(1,490.32)                | 216,960.02<br>(216,960.02)            |
| <b>34,276,302.00</b>          | <b>666,879.35</b>                     | <b>3,430,105.43</b>                   |
| REPRESENTED BY                |                                       |                                       |
| 3 Month Money Market          |                                       | 3,010,635.14                          |
| Fixed Charge VAT on Purchases |                                       | 1,381.62                              |
| Floating Current Account IB   |                                       | 747,974.13                            |
| VAT on Purchases              |                                       | 148,783.49                            |
| VAT on Sales                  |                                       | (478,668.95)                          |
|                               |                                       | <b>3,430,105.43</b>                   |



**Dawnus Developments Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

| Statement<br>of Affairs<br>£ | From 15/09/2019<br>To 14/03/2020<br>£ | From 15/03/2019<br>To 14/03/2020<br>£ |
|------------------------------|---------------------------------------|---------------------------------------|
| COST OF REALISATIONS         |                                       |                                       |
| Bank Charges                 | 0.40                                  | 6.22                                  |
| Legal Fees (1)               | 243.94                                | 243.94                                |
| Statutory Advertising        | NIL                                   | 73.55                                 |
|                              | (244.34)                              | (323.71)                              |
|                              | <b>(244.34)</b>                       | <b>(323.71)</b>                       |
| REPRESENTED BY               |                                       |                                       |
| Grant Thornton Loan Account  |                                       | (387.21)                              |
| VAT on Purchases             |                                       | 63.50                                 |
|                              |                                       | <b>(323.71)</b>                       |

**Note:**

Note that, as there have been no realisations into the estate, Grant Thornton UK LLP has funded payment of the estate's expenses necessary to progress the case and to comply with statute. This is shown by way of a loan account in the receipts and payments account. The loan will be repayable as an expense of the administration in the same priority as attaches to the respective expenses comprising the loan. In the event there are insufficient realisations to repay the loan, Grant Thornton UK LLP will write-off the final balance when the administration is closed but reserves its right to recover such balance should circumstances subsequently permit.

**Dawnus Group Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

| Statement<br>of Affairs<br>£ |                             | From 15/09/2019<br>To 14/03/2020<br>£ | From 15/03/2019<br>To 14/03/2020<br>£ |
|------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
|                              | ASSET REALISATIONS          |                                       |                                       |
| 636,252.00                   | Book Debts                  | NIL                                   | NIL                                   |
|                              |                             | NIL                                   | NIL                                   |
|                              | COST OF REALISATIONS        |                                       |                                       |
|                              | Bank Charges                | 0.40                                  | 6.22                                  |
|                              | Legal Fees (1)              | 243.94                                | 243.94                                |
|                              | Statutory Advertising       | NIL                                   | 73.55                                 |
|                              |                             | (244.34)                              | (323.71)                              |
| 636,252.00                   |                             | (244.34)                              | (323.71)                              |
|                              | REPRESENTED BY              |                                       |                                       |
|                              | Grant Thornton Loan Account |                                       | (387.21)                              |
|                              | VAT on Purchases            |                                       | 63.50                                 |
|                              |                             |                                       | (323.71)                              |

**Note:**

Note that, as there have been no realisations into the estate, Grant Thornton UK LLP has funded payment of the estate's expenses necessary to progress the case and to comply with statute. This is shown by way of a loan account in the receipts and payments account. The loan will be repayable as an expense of the administration in the same priority as attaches to the respective expenses comprising the loan. In the event there are insufficient realisations to repay the loan, Grant Thornton UK LLP will write-off the final balance when the administration is closed but reserves its right to recover such balance should circumstances subsequently permit.

**Dawnus Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**

| Statement<br>of Affairs<br>£     | From 15/09/2019<br>To 14/03/2020<br>£ | From 15/03/2019<br>To 14/03/2020<br>£ |
|----------------------------------|---------------------------------------|---------------------------------------|
| TRADING EXPENDITURE              |                                       |                                       |
| Other Payroll Deductions         | (6,574.00)                            | 0.02                                  |
|                                  | 6,574.00                              | (0.02)                                |
| <b>TRADING SURPLUS/(DEFICIT)</b> | <b>6,574.00</b>                       | <b>(0.02)</b>                         |

**Dawnus Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

| Statement<br>of Affairs<br>£ |                               | From 15/09/2019<br>To 14/03/2020<br>£ | From 15/03/2019<br>To 14/03/2020<br>£ |
|------------------------------|-------------------------------|---------------------------------------|---------------------------------------|
| 2,006,119.00                 | SECURED ASSETS                |                                       |                                       |
|                              | Fixed Assets                  | NIL                                   | NIL                                   |
|                              |                               | NIL                                   | NIL                                   |
|                              | COSTS OF REALISATION          |                                       |                                       |
|                              | Legal Fees                    | 400.00                                | 400.00                                |
|                              |                               | (400.00)                              | (400.00)                              |
|                              | ASSET REALISATIONS            |                                       |                                       |
|                              | Insurance Refund              | NIL                                   | 17,213.20                             |
|                              | Intercompany Loan             | NIL                                   | 8,317.86                              |
|                              | Misc Refunds                  | NIL                                   | 1,997.15                              |
|                              | Trading Surplus/(Deficit)     | 6,574.00                              | (0.02)                                |
|                              |                               | 6,574.00                              | 27,528.19                             |
|                              | COST OF REALISATIONS          |                                       |                                       |
|                              | Bank Charges                  | 35.76                                 | 90.80                                 |
|                              | Legal Fees (1)                | 10,164.54                             | 12,218.54                             |
|                              | Other Property Expenses       | 20,776.03                             | 21,741.37                             |
|                              | Professional Fees             | (13,560.00)                           | NIL                                   |
|                              | Statutory Advertising         | NIL                                   | 73.55                                 |
|                              |                               | (17,416.33)                           | (34,124.26)                           |
| (947,366.00)                 | PREFERENTIAL CREDITORS        |                                       |                                       |
|                              | Preferential Creditors (All)  | NIL                                   | NIL                                   |
|                              |                               | NIL                                   | NIL                                   |
| <b>1,058,753.00</b>          |                               | <b>(11,242.33)</b>                    | <b>(6,996.07)</b>                     |
|                              | REPRESENTED BY                |                                       |                                       |
|                              | Fixed Charge VAT on Purchases |                                       | 80.00                                 |
|                              | Floating Deposit Account NIB  |                                       | 20,134.00                             |
|                              | Grant Thornton Loan Account   |                                       | (34,923.01)                           |
|                              | VAT on Purchases              |                                       | 7,712.94                              |
|                              |                               |                                       | <b>(6,996.07)</b>                     |

**Dawnus Southern Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

| Statement<br>of Affairs<br>£ |                              | From 15/09/2019<br>To 14/03/2020<br>£ | From 15/03/2019<br>To 14/03/2020<br>£ |
|------------------------------|------------------------------|---------------------------------------|---------------------------------------|
|                              | SECURED ASSETS               |                                       |                                       |
| 13,474.00                    | Fixed Assets                 | NIL                                   | NIL                                   |
| 300,000.00                   | WIP                          | NIL                                   | NIL                                   |
|                              |                              | NIL                                   | NIL                                   |
|                              | ASSET REALISATIONS           |                                       |                                       |
|                              | Bank/ISA InterestGross       | NIL                                   | 68.49                                 |
|                              | Book Debts                   | NIL                                   | 275,000.75                            |
|                              |                              | NIL                                   | 275,069.24                            |
|                              | COST OF REALISATIONS         |                                       |                                       |
|                              | Bank Charges                 | 61.62                                 | 100.96                                |
|                              | Legal Fees (1)               | 243.94                                | 107,919.84                            |
|                              | Statutory Advertising        | NIL                                   | 73.55                                 |
|                              |                              | (305.56)                              | (108,094.35)                          |
| <b>313,474.00</b>            |                              | <b>(305.56)</b>                       | <b>166,974.89</b>                     |
|                              | REPRESENTED BY               |                                       |                                       |
|                              | Floating Current Account NIB |                                       | 145,925.22                            |
|                              | VAT on Purchases             |                                       | 21,244.83                             |
|                              | VAT on Sales                 |                                       | (195.16)                              |
|                              |                              |                                       | <b>166,974.89</b>                     |

**Quantum Geotechnical Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**

| Statement<br>of Affairs<br>£     | From 15/09/2019<br>To 14/03/2020<br>£ | From 15/03/2019<br>To 14/03/2020<br>£ |
|----------------------------------|---------------------------------------|---------------------------------------|
| TRADING EXPENDITURE              |                                       |                                       |
| Telephone                        | 8.97                                  | 8.97                                  |
|                                  | 8.97                                  | 8.97                                  |
| <b>TRADING SURPLUS/(DEFICIT)</b> | <b>8.97</b>                           | <b>8.97</b>                           |

**Quantum Geotechnical Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

| Statement<br>of Affairs<br>£ |                              | From 15/09/2019<br>To 14/03/2020<br>£ | From 15/03/2019<br>To 14/03/2020<br>£ |
|------------------------------|------------------------------|---------------------------------------|---------------------------------------|
|                              | ASSET REALISATIONS           |                                       |                                       |
| 871,846.00                   | Book Debts                   | 6,044.95                              | 147,198.02                            |
|                              | Cash at Bank                 | NIL                                   | 12,410.28                             |
|                              | Licence to occupy fee        | NIL                                   | 6,706.08                              |
|                              | Sale of business and assets  | NIL                                   | 50,000.00                             |
|                              | Trading Surplus/(Deficit)    | 8.97                                  | 8.97                                  |
| 527,408.00                   | WIP and Retentions           | NIL                                   | NIL                                   |
|                              |                              | 6,053.92                              | 216,323.35                            |
|                              | COST OF REALISATIONS         |                                       |                                       |
|                              | Bank Charges                 | 62.64                                 | 124.64                                |
|                              | Legal Fees (1)               | 34,134.59                             | 37,958.24                             |
|                              | Rents Payable                | NIL                                   | 4,000.00                              |
|                              | Statutory Advertising        | NIL                                   | 73.55                                 |
|                              |                              | (34,197.23)                           | (42,156.43)                           |
| <b>1,399,254.00</b>          |                              | <b>(28,143.31)</b>                    | <b>174,166.92</b>                     |
|                              | REPRESENTED BY               |                                       |                                       |
|                              | Floating Current Account NIB |                                       | 165,595.12                            |
|                              | VAT on Purchases             |                                       | 8,571.80                              |
|                              |                              |                                       | <b>174,166.92</b>                     |

## Ashridge

### D - Payments, remuneration and expenses to the Joint Administrators or their associates

#### SIP 9 disclosure

This appendix has been prepared in accordance with the requirements of the Act 1986, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the Joint Administrators and their team during the Period
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)



## Pre-appointment costs

Pre-administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners, before a company enters administration but with a view to it doing so. To the extent they remain unpaid when a company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to appointment, the Joint Administrators worked with Ashridge and assisted the directors in placing Ashridge into administration. The Joint Administrators are not seeking payment in relation to their pre-appointment costs.

Solicitors, Geldards and Eversheds, were instructed to assist with matters relating to the Group. Geldards has incurred pre-appointment costs in relation to Ashridge of £300 which remains outstanding.

## Post-appointment costs

### Fee basis of the Joint Administrators

As at the date of this report the fee basis has not been set, however, the Joint Administrators are in discussions with the secured creditors to fix the basis of their remuneration on a time costs basis and 30% of gross recoveries of any additional assets or claims which are not yet known and may arise following our investigations, which will be done in the Second Administrations.

During the Period, time costs were incurred totalling £2,392 represented by 9 hrs at an average of 256 £/hr (as shown in the 'Work done' section below). Description of the work done in the Period is provided in the respective section below.

As at the Period end, the total cumulative time costs and expenses have exceeded the original estimate by £637 and £306 respectively. The fees and expenses estimates were provided to the creditors in the Proposals.

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £13,023, without approval. At present, we do not expect to seek approval to draw remuneration in excess of our fees estimate, however, we reserve our right to do so in the future. Based on current estimates, it is unlikely there will be sufficient realisations to enable the Joint Administrators to draw remuneration in any event.

## Work done by the Joint Administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within our report to creditors dated 30 April 2019. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the Joint Administrators' fees incurred together with a numerical fee estimate variance analysis.

| Area of work                                      | Work done                                                                                                                                                                                                                                                                                                         | Why the work was necessary                                                                                                                                                                               | Financial benefit to creditors                                                                                                                                                                  | Fees incurred  |               |                |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|----------------|
| <b>Creditors</b>                                  |                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                          |                                                                                                                                                                                                 | <b>0.5 hrs</b> | <b>£123</b>   | <b>£/hr245</b> |
| <b>Secured</b>                                    | <ul style="list-style-type: none"> <li>Continued formal reporting to the secured creditors</li> <li>Requested information and approval from the secured creditors in relation to various matters</li> <li>Continued liaison with the secured creditors in relation to their security and amounts owing</li> </ul> | <ul style="list-style-type: none"> <li>To keep the secured creditors informed as the key stakeholders in the administration due to their fixed and floating charges over the company's assets</li> </ul> | <ul style="list-style-type: none"> <li>This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors</li> </ul> |                |               |                |
| <b>Administration</b>                             |                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                          |                                                                                                                                                                                                 | <b>9 hrs</b>   | <b>£2,270</b> | <b>£/hr256</b> |
| <b>Case management</b>                            | <ul style="list-style-type: none"> <li>Periodic reviews of case and progress by insolvency practitioners and internal risk management team</li> <li>Completed six-monthly file reviews</li> <li>Arranged for the extension of the administration</li> </ul>                                                       | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                          | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>     |                |               |                |
| <b>Reports, circulars notices &amp; decisions</b> | <ul style="list-style-type: none"> <li>Drafted, circulated and filed the Joint Administrators' progress report to creditors</li> </ul>                                                                                                                                                                            | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                          |                                                                                                                                                                                                 |                |               |                |
| <b>Treasury, billing &amp; funding</b>            | <ul style="list-style-type: none"> <li>Undertook bank reconciliations</li> <li>Managed and maintain the estate's bank account</li> <li>Arranged for payments of expenses</li> </ul>                                                                                                                               | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                          |                                                                                                                                                                                                 |                |               |                |
| <b>Tax</b>                                        | <ul style="list-style-type: none"> <li>Undertook routine tax reviews and completion of returns</li> </ul>                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>To comply with tax legislation</li> </ul>                                                                                                                         |                                                                                                                                                                                                 |                |               |                |
| <b>Total remuneration charged in the Period</b>   |                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                          |                                                                                                                                                                                                 | <b>9.5 hrs</b> | <b>£2,392</b> | <b>£/hr256</b> |

Commercial in confidence

Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end  
Period from 15/09/2019 to 14/03/2020

| Area of work                              | Partner |   | Manager |        | Executive |          | Administrator |        | Period total |          |        | Cumulative total as at period end |           |        | Fees estimate |           |        | Variance |            |
|-------------------------------------------|---------|---|---------|--------|-----------|----------|---------------|--------|--------------|----------|--------|-----------------------------------|-----------|--------|---------------|-----------|--------|----------|------------|
|                                           | Hrs     | £ | Hrs     | £      | Hrs       | £        | Hrs           | £      | Hrs          | £        | £/hr   | Hrs                               | £         | £/hr   | Hrs           | £         | £/hr   | Hrs      | £          |
| Realisation of Assets:                    | -       | - | -       | -      | -         | -        | -             | -      | -            | -        | -      | 0.10                              | 24.50     | 245.00 | -             | -         | -      | (0.10)   | (245.00)   |
| Debtors                                   | -       | - | -       | -      | -         | -        | -             | -      | -            | -        | -      | 0.10                              | 24.50     | 245.00 | -             | -         | -      | -        | -          |
| Investigations:                           | -       | - | -       | -      | -         | -        | -             | -      | -            | -        | -      | 5.45                              | 1,831.75  | 336.10 | 14.00         | 3,763.00  | 268.79 | 8.55     | 1,931.25   |
| Debtor / director / senior employees      | -       | - | -       | -      | -         | -        | -             | -      | -            | -        | -      | 2.25                              | 990.00    | 440.00 | -             | -         | -      | -        | -          |
| General                                   | -       | - | -       | -      | -         | -        | -             | -      | -            | -        | -      | 3.20                              | 841.75    | 263.05 | -             | -         | -      | -        | -          |
| Creditors:                                | -       | - | -       | -      | -         | -        | -             | -      | 0.50         | 122.50   | 245.00 | 5.85                              | 1,917.00  | 327.69 | 14.00         | 3,330.00  | 237.86 | 8.15     | 1,413.00   |
| Secured                                   | -       | - | -       | -      | 0.50      | 122.50   | -             | -      | 0.50         | 122.50   | 245.00 | 4.45                              | 1,217.00  | 273.48 | -             | -         | -      | -        | -          |
| Unsecured                                 | -       | - | -       | -      | -         | -        | -             | -      | -            | -        | -      | 1.40                              | 700.00    | 500.00 | -             | -         | -      | -        | -          |
| Administration:                           | -       | - | -       | -      | -         | -        | -             | -      | 8.85         | 2,269.85 | 256.48 | 37.03                             | 9,666.65  | 261.05 | 23.00         | 5,930.00  | 257.83 | (14.03)  | (3,736.65) |
| Case management                           | -       | - | -       | -      | 0.35      | 99.50    | 0.15          | 27.00  | 0.50         | 125.50   | 253.00 | 0.50                              | 125.50    | 253.00 | -             | -         | -      | -        | -          |
| Reports to creditors, notices & decisions | -       | - | 1.65    | 603.75 | 3.25      | 865.00   | 1.10          | 148.00 | 6.00         | 1,616.75 | 269.46 | 6.00                              | 1,616.75  | 269.46 | -             | -         | -      | -        | -          |
| Treasury, billing & funding               | -       | - | -       | -      | 0.70      | 126.00   | 1.20          | 216.00 | 1.90         | 342.00   | 180.00 | 10.25                             | 1,845.00  | 180.00 | -             | -         | -      | -        | -          |
| Tax                                       | -       | - | 0.20    | 109.60 | 0.25      | 75.00    | -             | -      | 0.45         | 184.60   | 410.22 | 3.70                              | 952.60    | 257.46 | -             | -         | -      | -        | -          |
| Pensions                                  | -       | - | -       | -      | -         | -        | -             | -      | -            | -        | -      | 1.20                              | 582.00    | 485.00 | -             | -         | -      | -        | -          |
| Closure                                   | -       | - | -       | -      | -         | -        | -             | -      | -            | -        | -      | -                                 | -         | -      | -             | -         | -      | -        | -          |
| General                                   | -       | - | -       | -      | -         | -        | -             | -      | -            | -        | -      | 15.38                             | 4,543.80  | 295.44 | -             | -         | -      | -        | -          |
| Total                                     | -       | - | 1.85    | 713.35 | 5.05      | 1,288.00 | 2.45          | 391.00 | 9.35         | 2,392.35 | 255.87 | 48.43                             | 13,439.90 | 277.51 | 51.00         | 13,023.00 | 255.35 | 2.57     | (637.40)   |

- Notes:
- Partner includes partners and directors
  - Manager includes associate directors and managers
  - Executive includes assistant manager and executives
  - Adverse variances are presented in brackets

## Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Work done' section above.

| Category                                      | Incurring in the Period (£) | Cumulatively incurred as at Period end (£) | Of which paid by the estate as at Period end (£) |
|-----------------------------------------------|-----------------------------|--------------------------------------------|--------------------------------------------------|
| <b>Category 1 disbursements</b>               |                             |                                            |                                                  |
| <b>Insolvency Practitioner's bond</b>         | 0                           | 30                                         | 0                                                |
| <b>Expenses</b>                               |                             |                                            |                                                  |
| <b>Legal fees – Geldards LLP</b>              | 300                         | 300                                        | 0                                                |
| <b>Statutory advertising – Gazette Direct</b> | 0                           | 74                                         | 74                                               |
| <b>Bank charges</b>                           | 0                           | 6                                          | 6                                                |
| <b>Total expenses and disbursements</b>       | <b>300</b>                  | <b>410</b>                                 | <b>80</b>                                        |

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

### Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the joint administrators' receipts and payment account at Appendix C.

### Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only charged at 45p per mile. We have sought approval from the secured creditors to recover category 2 disbursements, however, await their approvals.

Details of these costs are also provided in the table above.

## Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

## Payments to associates

Where we have enlisted the services of others, we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our Firm or from a party with whom (to the best of our knowledge) our Firm, or an individual within our Firm, has a business or personal relationship:

| Service provider      | Services enlisted                                                                                                               | Cost of service                                                                                             |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Grant Thornton UK LLP | <ul style="list-style-type: none"><li>Tax work/advice (narrative is included within the above narrative of work done)</li></ul> | <ul style="list-style-type: none"><li>Costs are included within the above SIP9 time cost analysis</li></ul> |

## Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis, or who provide services to us as Joint Administrators, which may give rise to a potential conflict.

## Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

## Churchfield

### D - Payments, remuneration and expenses to the joint administrators or their associates

#### SIP 9 disclosure

This appendix has been prepared in accordance with the requirements of the Act 1986, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the Joint Administrators and their team during the Period
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

## Pre-appointment costs

Pre-appointment administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners, before a company enters administration but with a view to it doing so. To the extent they remain unpaid when a company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to appointment, the Joint Administrators worked with Churchfield and assisted the directors in placing Churchfield into administration. The Joint Administrators are not seeking payment in relation to their pre-appointment costs.

Solicitors, Geldards and Eversheds, were instructed to assist with matters relating to all companies in the Group and have incurred pre-appointment costs in relation to Churchfield of £1,050 and £244 respectively which have been paid in full. We have sought approval from the secured creditors to ratify the approval of the payments that have already been made. We are awaiting their response and an update will be provided in the Second Administration report.

## Post-appointment costs

### Fee basis of the Joint Administrators

As at the date of this report the fee basis has not been set, however, the Joint Administrators are in discussions with the secured creditors to fix the basis of their remuneration on a time costs basis and 30% of gross recoveries of any additional assets or claims which are not yet known and may arise following our investigations, which will be done in the Second Administrations.

During the Period time costs were incurred totalling £16,057 represented by 60 hrs at an average of 269£/hr (as shown in the 'Work done' section below). Description of the work done is provided in the respective section below.

As at the Period end, we anticipate that the total cumulative time costs and expenses will be in line with the fees (including those to be incurred in the Second Administration) and expenses estimate, both of which were provided to the creditors in the Proposals.

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £131,760, without approval. At present we do not expect to seek approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future.

## Work done by the Joint Administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within our report to creditors dated 30 April 2019. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the Joint Administrators' fees incurred together with a numerical fee estimate variance analysis.

| Area of work             | Work done                                                                                                                                                                                                                                                                                                                                                                                                | Why the work was necessary                                                                                                                                                                               | Financial benefit to creditors                                                                                                                                                                   | Fees incurred |                |                |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------|----------------|
| <b>Assets</b>            |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                          |                                                                                                                                                                                                  | <b>23 hrs</b> | <b>£18,139</b> | <b>£/hr327</b> |
| <b>Insurance</b>         | <ul style="list-style-type: none"> <li>Continued to liaise with our insurance broker regarding the insurance of property</li> </ul>                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>To mitigate risk from loss from an insurable event to protect creditors' interests</li> <li>To comply with regulation and law</li> </ul>                          | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>      |               |                |                |
| <b>Freehold Property</b> | <ul style="list-style-type: none"> <li>Continued to manage the sale of six residential properties and development land which included liaising with agents and interested parties</li> <li>Engaged in extensive discussions in respect of the offer put forward for the residential properties and development land and instructed quantity surveyors to assess the suggested cost deductions</li> </ul> | <ul style="list-style-type: none"> <li>To maximise value in relation to properties</li> <li>To dispose of the properties</li> <li>To realise value for creditors</li> </ul>                              | <ul style="list-style-type: none"> <li>This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul> |               |                |                |
| <b>Creditors</b>         |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                          |                                                                                                                                                                                                  | <b>6 hrs</b>  | <b>£1,612</b>  | <b>£/hr252</b> |
| <b>Secured</b>           | <ul style="list-style-type: none"> <li>Continued quarterly reporting to the secured creditors</li> <li>Requested information and approval in relation to various matters</li> <li>Continued liaison with the secured creditors in relation to their security and amounts owing</li> </ul>                                                                                                                | <ul style="list-style-type: none"> <li>To keep the secured creditors informed as the key stakeholders in the administration due to their fixed and floating charges over the company's assets</li> </ul> | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>      |               |                |                |
| <b>Administration</b>    |                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                          |                                                                                                                                                                                                  | <b>29 hrs</b> | <b>£6,652</b>  | <b>£/hr226</b> |
| <b>Case management</b>   | <ul style="list-style-type: none"> <li>Reviewed case and progress by Insolvency Practitioners and internal risk management team</li> <li>Completed six-monthly file reviews</li> <li>Arranged for the extension of the administration</li> </ul>                                                                                                                                                         | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                          | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>      |               |                |                |



|                                                       |                                                                                                                                                                                         |                                                                                                 |                                                                                                                                                                                             |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Reports, circulars<br/>notices &amp; decisions</b> | <ul style="list-style-type: none"><li>• Drafted, circulated and filed the Joint Administrators' progress report to creditors</li></ul>                                                  | <ul style="list-style-type: none"><li>• To comply with insolvency law and regulations</li></ul> | <ul style="list-style-type: none"><li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li></ul> |
| <b>Treasury, billing &amp; funding</b>                | <ul style="list-style-type: none"><li>• Undertook bank reconciliations</li><li>• Managed and maintained the estate's bank account</li><li>• Arranged for payments of expenses</li></ul> | <ul style="list-style-type: none"><li>• To comply with insolvency law and regulations</li></ul> | <ul style="list-style-type: none"><li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li></ul> |
| <b>Tax</b>                                            | <ul style="list-style-type: none"><li>• Undertook routine tax reviews and completion of returns</li></ul>                                                                               | <ul style="list-style-type: none"><li>• To comply with tax legislation</li></ul>                | <ul style="list-style-type: none"><li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li></ul> |
| <b>Total remuneration charged in the Period</b>       |                                                                                                                                                                                         |                                                                                                 | <b>60 hrs      £16,057      £/hr269</b>                                                                                                                                                     |

Commercial in confidence

Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end

Period from 15/09/2019 to 14/03/2020

| Area of work                              | Partner |   | Manager |          | Executive |          | Administrator |          | Period total |           | Cumulative total as at period end |        |           |        | Fees estimate |            |        | Variance |           |
|-------------------------------------------|---------|---|---------|----------|-----------|----------|---------------|----------|--------------|-----------|-----------------------------------|--------|-----------|--------|---------------|------------|--------|----------|-----------|
|                                           | Hrs     | £ | Hrs     | £        | Hrs       | £        | Hrs           | £        | Hrs          | £         | Hrs                               | £      | £/hr      | £/hr   | Hrs           | £          | £/hr   | Hrs      | £         |
| Realisation of Assets:                    |         |   |         |          |           |          |               |          | 23.95        | 7,794.00  | 325.43                            | 55.40  | 18,138.75 | 327.41 | 238.00        | 71,910.00  | 302.14 | 182.60   | 53,771.25 |
| Insurance                                 | -       | - | 0.50    | 150.00   | -         | -        | -             | -        | 0.50         | 150.00    | 300.00                            | 2.20   | 660.00    | 300.00 |               |            |        |          |           |
| Property                                  | -       | - | 15.25   | 5,807.50 | 6.70      | 1,641.50 | 1.50          | 195.00   | 23.45        | 7,644.00  | 325.97                            | 52.40  | 17,282.75 | 329.82 |               |            |        |          |           |
| Debtors                                   | -       | - | -       | -        | -         | -        | -             | -        | -            | -         | -                                 | 0.50   | 122.50    | 245.00 |               |            |        |          |           |
| Other assets                              | -       | - | -       | -        | -         | -        | -             | -        | -            | -         | -                                 | 0.30   | 73.50     | 245.00 |               |            |        |          |           |
| Investigations:                           |         |   |         |          |           |          |               |          | -            | -         | -                                 | 8.70   | 3,555.50  | 408.68 | 35.00         | 9,550.00   | 272.86 | 26.30    | 5,994.50  |
| Debtor / director / senior employees      | -       | - | -       | -        | -         | -        | -             | -        | -            | -         | -                                 | 5.75   | 2,775.00  | 482.61 |               |            |        |          |           |
| General                                   | -       | - | -       | -        | -         | -        | -             | -        | -            | -         | -                                 | 2.95   | 780.50    | 264.58 |               |            |        |          |           |
| Creditors:                                |         |   |         |          |           |          |               |          | 6.40         | 1,612.00  | 251.88                            | 22.85  | 7,750.25  | 339.18 | 105.00        | 25,925.00  | 246.90 | 82.15    | 18,174.75 |
| Secured                                   | -       | - | 0.80    | 240.00   | 5.60      | 1,372.00 | -             | -        | 6.40         | 1,612.00  | 251.88                            | 19.65  | 6,150.25  | 312.99 |               |            |        |          |           |
| Unsecured                                 | -       | - | -       | -        | -         | -        | -             | -        | -            | -         | -                                 | 3.20   | 1,600.00  | 500.00 |               |            |        |          |           |
| Administration:                           |         |   |         |          |           |          |               |          | 29.45        | 6,651.10  | 225.84                            | 70.33  | 17,653.40 | 251.01 | 95.00         | 24,375.00  | 256.58 | 24.67    | 6,721.60  |
| Case management                           | -       | - | 0.20    | 60.00    | 1.05      | 271.00   | 0.15          | 27.00    | 1.40         | 358.00    | 255.71                            | 1.40   | 358.00    | 255.71 |               |            |        |          |           |
| Reports to creditors, notices & decisions | -       | - | 1.50    | 595.00   | 3.80      | 986.00   | 0.10          | 18.00    | 5.40         | 1,599.00  | 88.83                             | 5.40   | 1,599.00  | 296.11 |               |            |        |          |           |
| Treasury, billing & funding               | -       | - | -       | -        | 17.30     | 3,627.50 | 4.90          | 882.00   | 22.20        | 4,509.50  | 203.13                            | 33.95  | 6,752.00  | 198.88 |               |            |        |          |           |
| Tax                                       | -       | - | 0.20    | 109.60   | 0.25      | 75.00    | -             | -        | 0.45         | 184.60    | 410.22                            | 7.70   | 2,469.60  | 320.73 |               |            |        |          |           |
| Pensions                                  | -       | - | -       | -        | -         | -        | -             | -        | -            | -         | -                                 | 0.90   | 436.50    | 485.00 |               |            |        |          |           |
| Closure                                   | -       | - | -       | -        | -         | -        | -             | -        | -            | -         | -                                 | -      | -         | -      |               |            |        |          |           |
| General                                   | -       | - | -       | -        | -         | -        | -             | -        | -            | -         | -                                 | 20.98  | 6,038.30  | 287.81 |               |            |        |          |           |
| Total                                     | -       | - | 18.45   | 6,962.10 | 34.70     | 7,973.00 | 6.65          | 1,122.00 | 59.80        | 16,057.10 | 268.51                            | 157.28 | 47,097.90 | 299.45 | 473.00        | 131,760.00 | 278.56 | 315.72   | 84,662.10 |

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Due to enhancements to our SIP9 reporting systems, allocation of time against areas of work may differ to previous periods, however this does not affect overall total time costs
- Adverse variances are presented in brackets

## Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Work done' section above.

| Category                                                | Incurred in the Period (£) | Cumulatively incurred as at Period end (£) | Of which paid by the estate as at Period end (£) |
|---------------------------------------------------------|----------------------------|--------------------------------------------|--------------------------------------------------|
| <b>Category 1 disbursements</b>                         |                            |                                            |                                                  |
| Insolvency Practitioner's bond                          | 0                          | 30                                         | 0                                                |
| <b>Category 2 disbursements</b>                         |                            |                                            |                                                  |
| Mileage                                                 | 0                          | 105                                        | 0                                                |
| <b>Expenses</b>                                         |                            |                                            |                                                  |
| Quantity surveyor fee – Craigdam Limited                | 1000                       | 1000                                       | 1000                                             |
| Legal fees – Eversheds LLP                              | 235                        | 235                                        | 235                                              |
| Legal fees – Gendards LLP                               | 1,050                      | 1,050                                      | 1,050                                            |
| Statutory advertising                                   | 0                          | 74                                         | 74                                               |
| Other property expenses – GMS Property Services Limited | 8,405                      | 5,222                                      | 13,626                                           |
| Bank charges                                            | 18                         | 16                                         | 34                                               |
| <b>Total expenses and disbursements</b>                 | <b>10,708</b>              | <b>10,843</b>                              | <b>10,708</b>                                    |

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

### Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the Joint Administrators' receipts and payment account at Appendix C.

### Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only charged at 45p per mile. We have sought approval from the secured creditors to recover category 2 disbursements, however, await their approvals.

Details of these costs are also provided in the table above.

### Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

### Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our Firm or from a party with whom (to the best of our knowledge) our Firm, or an individual within our Firm, has a business or personal relationship:

| Service provider      | Services enlisted                                                                                                                                                                                                            | Cost of service                                                                                             |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Grant Thornton UK LLP | <ul style="list-style-type: none"><li>Tax work/advice (narrative is included within the above narrative of work done)</li><li>Pensions work/advice (narrative is included within the above narrative of work done)</li></ul> | <ul style="list-style-type: none"><li>Costs are included within the above SIP9 time cost analysis</li></ul> |

### Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis, or who provide services to us as Joint Administrators, which may give rise to a potential conflict.

### Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

## DCHL

### D - Payments, remuneration and expenses to the Joint Administrators or their associates

#### SIP 9 disclosure

This appendix has been prepared in accordance with the requirements of the Act 1986, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the Joint Administrators and their team during the Period
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

## Pre-appointment costs

Pre-appointment administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners, before a company enters administration but with a view to it doing so. To the extent they remain unpaid when a company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to appointment, the Joint Administrators worked with DCHL and assisted the directors in placing DCHL into administration. The Joint Administrators are not seeking payment in relation to their pre-appointment costs.

Solicitors, Geldards and Eversheds, were instructed to assist with matters relating to all companies in the Group and have incurred pre-appointment costs in relation to DCHL of £3,824 and £13,267 respectively, which have been paid in full. We have sought approval from the secured and preferential creditors to ratify the approval of the payments that have already been made. We are awaiting their response and an update will be provided in the Second Administration report.

## Post-appointment costs

### Fee basis of the Joint Administrators

As at the date of this report the fee basis has not been set, however, the Joint Administrators are in discussions with the secured creditors to fix the basis of their remuneration on a time costs basis and 30% of gross recoveries of any additional assets or claims which are not yet known and may arise following our investigations, which will be done in the Second Administrations.

During the Period, time costs were incurred totalling £163,440 represented by 465 hrs at an average of £351/hr (as shown in the 'Work done' section below). Description of the work done is provided in the respective section below.

As at the Period end, we anticipate that the total cumulative time costs (including those to be incurred in the Second Administration) and expenses will be in line with the fees and expenses estimate, both of which were provided to the creditors in the Proposals.

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £2,604,225, without approval. At present, we do not expect to seek approval to draw remuneration in excess of our fees estimate, however, we reserve our right to do so in the future.

## Work done by the Joint Administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within our report to creditors dated 30 April 2019. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the Joint Administrators' fees incurred together with a numerical fee estimate variance analysis.

| Area of work                                     | Work done                                                                                                                                                                                                                                                                                                                                                                                    | Why the work was necessary                                                                                                                                                                    | Financial benefit to creditors                                                                                                                                                                                                                                    | Fees incurred  |                |                |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| <b>Assets</b>                                    |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                   | <b>160 hrs</b> | <b>£70,909</b> | <b>£/hr444</b> |
| <b>Insurance</b>                                 | <ul style="list-style-type: none"> <li>Continued to liaise with our insurance broker regarding the insurance of assets both in UK and Africa</li> <li>Obtained information from insurance broker, as requested in relation to pre-appointment insurance claims</li> </ul>                                                                                                                    | <ul style="list-style-type: none"> <li>To mitigate risk from loss from an insurable event to protect creditors' interests</li> <li>To comply with regulation and law</li> </ul>               | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |                |                |                |
| <b>Freehold and leasehold property</b>           | <ul style="list-style-type: none"> <li>Liaised with landlords regarding the surrendering of leases and making the appropriate arrangements once the surrenders were accepted</li> <li>Dealt with utility companies in respect of leased properties</li> </ul>                                                                                                                                | <ul style="list-style-type: none"> <li>To fulfil the company's obligations under the terms of the leases</li> </ul>                                                                           | <ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process</li> </ul> |                |                |                |
| <b>Debtors, stock and WIP</b>                    | <ul style="list-style-type: none"> <li>Engaged DJM to assist with the collection of contract debtors (including retentions, outstanding invoices and WIP)</li> <li>Provided DJM with all relevant books and records relation to the contract debtors to assist with the collections</li> <li>Continued strategy calls with DJM to discuss the progression of book debt collection</li> </ul> | <ul style="list-style-type: none"> <li>To secure and realise the construction contract debts and the plant hire debts where possible</li> <li>To maximise recoveries for creditors</li> </ul> | <ul style="list-style-type: none"> <li>This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul>                                                                  |                |                |                |
| <b>Plant, machinery, fixtures &amp; fittings</b> | <ul style="list-style-type: none"> <li>Managed receipt of deferred consideration payments following the sale of assets</li> <li>Arranged for periodic inspections of assets held in Africa and sold pursuant to the sale</li> <li>Renegotiated sale terms in relation to the sale of plant and machinery located in Africa and prepared the necessary documentation</li> </ul>               | <ul style="list-style-type: none"> <li>To secure and realise the plant and machinery</li> <li>To ensure finance companies are dealt with appropriately</li> </ul>                             | <ul style="list-style-type: none"> <li>This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul>                                                                  |                |                |                |

|                                 |                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                     |                                          |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
|                                 | <ul style="list-style-type: none"> <li>Arranged for the release of certain assets pursuant to the sale of equipment in Africa</li> <li>Managed the distribution of the sale proceeds to third parties (including finance companies) where applicable</li> </ul>                                                                                                             |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                     |                                          |
| <b>Other assets</b>             | <ul style="list-style-type: none"> <li>Liaised with our chattels agent (Hilco) in relation to potential assets located on site</li> </ul>                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>To ensure that all company assets are identified, secured and realised</li> </ul>                                                                                 | <ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>                                                |                                          |
| <b>Investigations</b>           |                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                     | <b>6 hrs      £1,453      £/hr227</b>    |
| <b>Books &amp; records</b>      | <ul style="list-style-type: none"> <li>Liaised with IT specialists to ensure the secure destruction of IT equipment</li> </ul>                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>To comply with regulation and undertake the office holders' duties</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process</li> </ul>   |                                          |
| <b>Claims</b>                   | <ul style="list-style-type: none"> <li>Gathered and reviewed relevant company books and records where necessary, reviewed the claims that were in progress and assessed the potential value to the company</li> <li>Liaised with DCHL's solicitors regarding litigation claims</li> </ul>                                                                                   | <ul style="list-style-type: none"> <li>To ensure that all company assets are identified, secured and realised</li> </ul>                                                                                 | <ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li> </ul> |                                          |
| <b>Creditors</b>                |                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                     | <b>122 hrs      £41,098      £/hr336</b> |
| <b>Secured</b>                  | <ul style="list-style-type: none"> <li>Continued formal reporting to the secured creditors</li> <li>Requested information and approval in relation to various matters</li> <li>Continued liaison with the secured creditors in relation to their security and amounts owing</li> </ul>                                                                                      | <ul style="list-style-type: none"> <li>To keep the secured creditors informed as the key stakeholders in the administration due to their fixed and floating charges over the company's assets</li> </ul> | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                         |                                          |
| <b>Employees &amp; pensions</b> | <ul style="list-style-type: none"> <li>Dismissed retained employees whose assistance was no longer required</li> <li>Continued liaison with employee specialist agents in relation to the 241 employee claims</li> <li>Liaised with employees in relation to their claims in the estate and their queries</li> <li>Dealt with various employment tribunal claims</li> </ul> | <ul style="list-style-type: none"> <li>To ensure all employee claims are dealt with appropriately</li> <li>To ensure that pension schemes and payments are dealt with appropriately</li> </ul>           | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                         |                                          |



|                                                   |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                     |                                     |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
|                                                   | <ul style="list-style-type: none"> <li>• Liaised with pension providers and ensured that payments were made in respect of the retained employees</li> </ul>                                                                                                                                                                 |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                     |                                     |
| <b>Unsecured</b>                                  | <ul style="list-style-type: none"> <li>• Liaised with unsecured creditors in respect of their claims in the estate and dealt with any queries received</li> <li>• Continued reporting requirements to unsecured creditors</li> </ul>                                                                                        | <ul style="list-style-type: none"> <li>• To ensure all creditors are kept up to date with the administration</li> <li>• To ensure all creditor claims are dealt with appropriately</li> </ul> | <ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |                                     |
| <b>Retention of title</b>                         | <ul style="list-style-type: none"> <li>• Liaised with claimants and obtained further detail about their claims</li> <li>• Reviewed documentation supplied by claimants and company documentation</li> <li>• Resolved valid claims where possible by arranging for claimants to collect goods supplied</li> </ul>            | <ul style="list-style-type: none"> <li>• To ensure all claims are dealt with property</li> </ul>                                                                                              | <ul style="list-style-type: none"> <li>• This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process</li> </ul> |                                     |
| <b>Administration</b>                             |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                     | <b>177 hrs    £49,915    £/hr28</b> |
| <b>Case management and general</b>                | <ul style="list-style-type: none"> <li>• Reviewed case and progress by Insolvency Practitioners and internal risk management team</li> <li>• Completed six-monthly file reviews</li> <li>• Arranged for the extension of the administration</li> <li>• Reviewed post and dealt with correspondence appropriately</li> </ul> | <ul style="list-style-type: none"> <li>• To comply with insolvency law and regulations</li> </ul>                                                                                             | <ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |                                     |
| <b>Reports, circulars notices &amp; decisions</b> | <ul style="list-style-type: none"> <li>• Drafted, circulated and filed the Joint Administrators' progress report to creditors</li> </ul>                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>• To comply with insolvency law and regulations</li> </ul>                                                                                             | <ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |                                     |
| <b>Treasury, billing &amp; funding</b>            | <ul style="list-style-type: none"> <li>• Undertook bank reconciliations</li> <li>• Managed and maintain the estate's bank account</li> <li>• Arranged for payments of expenses</li> </ul>                                                                                                                                   | <ul style="list-style-type: none"> <li>• To comply with insolvency law and regulations</li> </ul>                                                                                             | <ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |                                     |
| <b>Tax</b>                                        | <ul style="list-style-type: none"> <li>• Undertook routine tax reviews and completion of returns</li> </ul>                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>• To comply with tax legislation</li> </ul>                                                                                                            | <ul style="list-style-type: none"> <li>• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |                                     |

Commercial in confidence

## Pensions

- Continued to liaise with The Pensions Regulator, employee benefit providers and pension scheme in relation to unpaid pensions contributions
- To ensure that employees continue to receive contractual benefits that they were entitled to
- To comply with pension related legislation
- This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate

**Total remuneration charged in the Period** **465 hrs    £163,440    £/hr351**

## Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end

Period from 15/09/2019 to 14/03/2020

| Area of work                                      | Partner       |                  | Manager       |                  | Executive     |                  | Administrator |                  | Period total  |                   |               | Cumulative total as at period end |                     |               | Fees estimate   |                     |               | Variance        |                     |               |
|---------------------------------------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|-------------------|---------------|-----------------------------------|---------------------|---------------|-----------------|---------------------|---------------|-----------------|---------------------|---------------|
|                                                   | Hrs           | £                | Hrs           | £                | Hrs           | £                | Hrs           | £                | Hrs           | £                 | £/hr          | Hrs                               | £                   | £/hr          | Hrs             | £                   | £/hr          | Hrs             | £                   | £/hr          |
| <b>Realisation of Assets:</b>                     |               |                  |               |                  |               |                  |               |                  | 159.60        | 70,908.50         | 444.29        | 1,046.15                          | 436,557.75          | 417.30        | 5,400.00        | 1,472,000.00        | 272.59        | 4,353.85        | 1,035,442.25        | 237.82        |
| Insurance                                         | -             | -                | 0.50          | 150.00           | 1.90          | 465.50           | -             | -                | 2.40          | 615.50            | 256.46        | 31.40                             | 16,051.00           | 511.18        |                 |                     |               |                 |                     |               |
| Property                                          | -             | -                | 1.80          | 540.00           | 2.30          | 563.50           | -             | -                | 4.10          | 1,103.50          | 269.15        | 63.55                             | 17,051.50           | 299.94        |                 |                     |               |                 |                     |               |
| Books & other debts                               | 50.50         | 25,755.00        | 20.50         | 8,760.00         | 9.60          | 2,352.00         | 3.50          | 192.50           | 84.10         | 37,059.50         | 440.66        | 269.15                            | 107,040.00          | 397.70        |                 |                     |               |                 |                     |               |
| Shareholdings / investments                       | 21.00         | 10,710.00        | -             | -                | -             | -                | -             | -                | 21.00         | 10,710.00         | 510.00        | -                                 | -                   | 510.00        |                 |                     |               |                 |                     |               |
| Plant & machinery, fixtures & fittings, equipment | 39.50         | 21,022.50        | 21.60         | 8,907.00         | 5.70          | 1,396.50         | -             | -                | 66.80         | 31,326.00         | 468.95        | 323.70                            | 152,769.50          | 471.95        |                 |                     |               |                 |                     |               |
| Stock & WIP                                       | -             | -                | -             | -                | -             | -                | -             | -                | -             | -                 | -             | 3.40                              | 1,587.00            | 466.76        |                 |                     |               |                 |                     |               |
| Contributions                                     | 1.00          | 510.00           | -             | -                | -             | -                | -             | -                | 1.00          | 510.00            | 510.00        | 1.00                              | 510.00              | 510.00        |                 |                     |               |                 |                     |               |
| Preservation of IT records                        | -             | -                | -             | -                | -             | -                | -             | -                | -             | -                 | -             | 137.85                            | 36,609.50           | 265.57        |                 |                     |               |                 |                     |               |
| Other assets                                      | -             | -                | -             | -                | 1.20          | 294.00           | -             | -                | 1.20          | 294.00            | 245.00        | 37.70                             | 17,338.25           | 459.90        |                 |                     |               |                 |                     |               |
| General                                           | -             | -                | -             | -                | -             | -                | -             | -                | -             | -                 | -             | 178.40                            | 87,601.00           | 491.04        |                 |                     |               |                 |                     |               |
| <b>Investigations:</b>                            |               |                  |               |                  |               |                  |               |                  | 6.40          | 1,453.00          | 227.03        | 92.35                             | 26,414.75           | 286.03        | 80.00           | 23,225.00           | 290.31        | (12.35)         | (3,189.75)          | 258.28        |
| Debtor / director / senior employees              | -             | -                | -             | -                | -             | -                | -             | -                | -             | -                 | -             | 16.65                             | 7,710.00            | 463.06        |                 |                     |               |                 |                     |               |
| Books & records                                   | -             | -                | -             | -                | 0.20          | 49.00            | -             | -                | 0.20          | 49.00             | 245.00        | 0.20                              | 49.00               | 245.00        |                 |                     |               |                 |                     |               |
| Claims                                            | -             | -                | -             | -                | 5.20          | 1,274.00         | 1.00          | 130.00           | 6.20          | 1,404.00          | 226.45        | 6.20                              | 1,404.00            | 226.45        |                 |                     |               |                 |                     |               |
| General                                           | -             | -                | -             | -                | -             | -                | -             | -                | -             | -                 | -             | 69.30                             | 17,251.75           | 248.94        |                 |                     |               |                 |                     |               |
| <b>Creditors:</b>                                 |               |                  |               |                  |               |                  |               |                  | 122.33        | 41,098.10         | 335.96        | 662.93                            | 204,979.35          | 309.20        | 3,050.00        | 811,000.00          | 265.90        | 2,387.07        | 606,020.65          | 253.88        |
| Secured                                           | 20.25         | 10,376.25        | 34.30         | 13,861.00        | 26.30         | 6,443.50         | -             | -                | 80.85         | 30,680.75         | 379.48        | 203.25                            | 78,517.00           | 386.31        |                 |                     |               |                 |                     |               |
| Employees & pensions                              | -             | -                | 3.10          | 1,307.00         | 10.33         | 2,558.35         | -             | -                | 13.43         | 3,865.35          | 287.81        | 93.08                             | 33,719.85           | 362.27        |                 |                     |               |                 |                     |               |
| Unsecured                                         | -             | -                | 4.30          | 1,290.00         | 8.36          | 2,253.50         | 11.95         | 2,151.00         | 24.56         | 5,694.50          | 231.96        | 313.95                            | 79,044.00           | 251.77        |                 |                     |               |                 |                     |               |
| Retention of title                                | -             | -                | -             | -                | 3.50          | 857.50           | -             | -                | 3.50          | 857.50            | 245.00        | 52.15                             | 13,576.00           | 260.33        |                 |                     |               |                 |                     |               |
| General                                           | -             | -                | -             | -                | -             | -                | -             | -                | -             | -                 | -             | 0.50                              | 122.50              | 245.00        |                 |                     |               |                 |                     |               |
| <b>Administration:</b>                            |               |                  |               |                  |               |                  |               |                  | 176.60        | 49,914.90         | 282.64        | 1,088.05                          | 350,368.90          | 322.02        | 1,200.00        | 298,000.00          | 248.33        | 111.95          | (52,368.90)         | (467.79)      |
| Case management                                   | 6.00          | 3,060.00         | 1.70          | 510.00           | 6.75          | 1,777.50         | 0.15          | 27.00            | 14.60         | 5,374.50          | 368.12        | 14.60                             | 5,374.50            | 368.12        |                 |                     |               |                 |                     |               |
| Reports to creditors, notices & decisions         | 24.74         | 12,671.25        | 12.25         | 4,508.75         | 27.10         | 7,291.25         | 41.65         | 6,927.00         | 105.74        | 31,398.25         | 296.94        | 105.75                            | 31,398.25           | 161.65        |                 |                     |               |                 |                     |               |
| Shareholders / debtor / director communications   | -             | -                | -             | -                | -             | -                | -             | -                | -             | -                 | -             | 4.50                              | 2,295.00            | 510.00        |                 |                     |               |                 |                     |               |
| Treasury, billing & funding                       | -             | -                | 8.80          | 2,423.50         | 31.60         | 6,419.25         | 11.70         | 1,773.50         | 50.10         | 10,616.25         | 211.90        | 185.82                            | 40,856.00           | 217.50        |                 |                     |               |                 |                     |               |
| Tax                                               | -             | -                | 1.20          | 554.80           | 0.55          | 148.50           | -             | -                | 1.75          | 703.10            | 401.77        | 40.75                             | 17,266.85           | 423.73        |                 |                     |               |                 |                     |               |
| Pensions                                          | -             | -                | 3.40          | 1,767.80         | -             | -                | -             | -                | 3.40          | 1,767.80          | 519.94        | 25.05                             | 10,768.00           | 429.84        |                 |                     |               |                 |                     |               |
| General                                           | -             | -                | -             | -                | -             | -                | 1.00          | 55.00            | 1.00          | 55.00             | 55.00         | 711.58                            | 242,410.30          | 340.66        |                 |                     |               |                 |                     |               |
| <b>Total</b>                                      | <b>142.00</b> | <b>73,395.00</b> | <b>111.45</b> | <b>44,579.65</b> | <b>140.53</b> | <b>34,143.85</b> | <b>67.95</b>  | <b>11,128.50</b> | <b>465.43</b> | <b>163,439.50</b> | <b>351.16</b> | <b>2,907.48</b>                   | <b>1,024,152.80</b> | <b>352.25</b> | <b>9,730.00</b> | <b>2,604,225.00</b> | <b>267.65</b> | <b>6,840.52</b> | <b>1,585,904.25</b> | <b>231.84</b> |

## Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Due to enhancements to our SIP9 reporting systems, allocation of time against areas of work may differ to previous periods, however this does not affect overall total time costs
- Adverse variances are presented in brackets

## Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the joint administrators, description of which is provided in the 'Work done' section above.

| Category                                           | Incurred in the Period (£) | Cumulatively incurred as at Period end (£) | Of which paid by the estate as at Period end (£) |
|----------------------------------------------------|----------------------------|--------------------------------------------|--------------------------------------------------|
| <b>Category 1 disbursements</b>                    |                            |                                            |                                                  |
| Accommodation                                      | 0                          | 1,834                                      | 0                                                |
| Insolvency Practitioners' Bond                     | 0                          | 750                                        | 0                                                |
| Courier                                            | 0                          | 20                                         | 0                                                |
| Land registry searches                             | 0                          | 21                                         | 0                                                |
| Locksmith                                          | 0                          | 72                                         | 0                                                |
| Subsistence                                        | 4                          | 995                                        | 0                                                |
| Travel expenses (non-mileage)                      | 21                         | 1,860                                      | 0                                                |
| <b>Category 2 disbursements</b>                    |                            |                                            |                                                  |
| Mileage                                            | 214                        | 1,833                                      | 0                                                |
| <b>Expenses</b>                                    |                            |                                            |                                                  |
| Statutory Advertising                              | 0                          | 74                                         | 74                                               |
| Bank Charges                                       | 144                        | 696                                        | 696                                              |
| Property Expenses                                  | 0                          | 310                                        | 310                                              |
| Vehicle Running Costs                              | 0                          | 5,591                                      | 5,591                                            |
| PAYE / NI                                          | 0                          | 61,728                                     | 61,728                                           |
| Net Wages                                          | 0                          | 123,503                                    | 123,503                                          |
| Other Payroll Deductions                           | 6,574                      | 14,419                                     | 14,419                                           |
| Employee Expenses / Redundancy                     | 0                          | 1,000                                      | 1,000                                            |
| Licence Fee                                        | 0                          | 17,683                                     | 17,683                                           |
| Intercompany Loan                                  | 0                          | 13,614                                     | 13,614                                           |
| Administrators Expenses                            | 0                          | 1,500                                      | 1,500                                            |
| VAT Irrecoverable                                  | 0                          | 5,332                                      | 5,332                                            |
| Agents/ Valuers Fees – Euroauctions                | 0                          | 97,380                                     | 97,380                                           |
| Agents/ Valuers Fees – Hilco Global                | 0                          | 83,092                                     | 83,092                                           |
| Agents/ Valuers Fees – Kanu Equipment (SL) Limited | 65                         | 4,046                                      | 4,046                                            |

Commercial in confidence

|                                                |                |                  |                |
|------------------------------------------------|----------------|------------------|----------------|
| Agents/ Valuers Fees – Naismiths               | 56,798         | 91,798           | 91,798         |
| Legal Fees – Eversheds                         | 14,033         | 71,095           | 71,095         |
| Legal Fees – DJM                               | 2,750          | 3,250            | 3,250          |
| Legal Fees – Geldards LLP                      | 0              | 3,824            | 3,824          |
| Legal Fees – Blake Morgan LLP                  | 200            | 7,600            | 7,600          |
| Professional Fees – ERA Solutions Ltd          | 13,560         | 22,080           | 22,080         |
| Professional Fees – Currency difference charge | 0              | 196              | 196            |
| Debt Collection – Credebt                      | 6,000          | 23,733           | 23,733         |
| Environmental Costs                            | 0              | 250              | 250            |
| Auction Costs – Euroauctions                   | 0              | 46,856           | 46,856         |
| IT Services                                    | 3,610          | 22,937           | 22,937         |
| Security Costs                                 | 1,490          | 216,960          | 216,960        |
| Storage Costs                                  | 15,491         | 15,491           | 15,491         |
| Rents Payable                                  | 0              | 21,054           | 21,054         |
| Rates                                          | 0              | 1,305            | 1,305          |
| Other Property Expenses                        | 2,979          | 9,390            | 9,390          |
| Insurance                                      | 3,716          | 3,716            | 3,716          |
| Liens                                          | 0              | 5,601            | 5,601          |
| <b>Total expenses and disbursements</b>        | <b>127,649</b> | <b>1,004,489</b> | <b>997,104</b> |

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

#### Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the Joint Administrators' receipts and payment account at Appendix C.

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only charged at 45p per mile. We have sought approval from the secured are preferential creditors to recover category 2 disbursements, however, await their approvals.

Details of these costs are also provided in the table above.

Sub-contracted out work

During the Period we have sub-contracted out the following work that could otherwise have been carried out by us or our team:

| Sub-contractor        | Work sub-contracted out                                                                                       | Reason(s) for sub-contracting out                                         | Cost incurred (£)           |
|-----------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------|
| ERA Solutions Limited | <ul style="list-style-type: none"><li>Employment rights advice</li></ul>                                      | <ul style="list-style-type: none"><li>Specialist nature of work</li></ul> | 22,080                      |
| Credebt Limited       | <ul style="list-style-type: none"><li>Debt collection services in respect of plant hire debtors</li></ul>     | <ul style="list-style-type: none"><li>Specialist nature of work</li></ul> | 23,733 (10% of collections) |
| DJM Solicitors        | <ul style="list-style-type: none"><li>Debt collection services in respect of contract debts and WIP</li></ul> | <ul style="list-style-type: none"><li>Specialist nature of work</li></ul> | 3,250                       |
| Naismiths             | <ul style="list-style-type: none"><li>Debt collection services in respect of contract debts and WIP</li></ul> | <ul style="list-style-type: none"><li>Specialist nature of work</li></ul> | 91,798                      |

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our Firm or from a party with whom (to the best of our knowledge) our Firm, or an individual within our Firm, has a business or personal relationship:

| Service provider      | Services enlisted                                                                                                                                                                                                            | Cost of service                                                                                             |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Grant Thornton UK LLP | <ul style="list-style-type: none"><li>Tax work/advice (narrative is included within the above narrative of work done)</li><li>Pensions work/advice (narrative is included within the above narrative of work done)</li></ul> | <ul style="list-style-type: none"><li>Costs are included within the above SIP9 time cost analysis</li></ul> |

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis, or who provide services to us as Joint Administrators, which may give rise to a potential conflict.

## Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

## DDL

### D - Payments, remuneration and expenses to the Joint Administrators or their associates

#### SIP 9 disclosure

This appendix has been prepared in accordance with the requirements of the Act 1986, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the Joint Administrators and their team during the Period
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

## Pre-appointment costs

Pre-administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners, before a company enters administration but with a view to it doing so. To the extent they remain unpaid when a company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to appointment, the Joint Administrators worked with DDL and assisted the directors in placing DDL into administration. The Joint Administrators are not seeking payment in relation to their pre-appointment costs.

Solicitors, Geldards and Eversheds, were instructed to assist with matters relating to all companies in the Group and have incurred pre-appointment costs in relation to DDL of £300 and £244 respectively. Eversheds's fee of £244 has been paid and Geldards's fee of £300 remains outstanding. We have sought approval from the secured creditors to ratify the approval of the payment that has already been made. We are awaiting their response and an update will be provided in the Second Administration report.

## Post-appointment costs

### Fee basis of the Joint Administrators

As at the date of this report the fee basis has not been set, however, the Joint Administrators are in discussions with the secured creditors to fix the basis of their remuneration on a time costs basis and 30% of gross recoveries of any additional assets or claims which are not yet known and may arise following our investigations, which will be done in the Second Administrations.

During the Period time costs were incurred totalling £3,017 represented by 12 hrs at an average of 260 £/hr (as shown in the 'Work done' section below). Description of the work done in the Period is provided in the respective section below.

As at Period end, the total cumulative time costs (including those to be incurred in the Second Administration) and expenses exceeded the fees and expenses estimate, both of which were provided in the Proposals, by £11,000 and £520 respectively.

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £13,025, without approval. The total time incurred to date has exceeded our fees estimate as more time has been incurred in dealing with our statutory requirements. As it is anticipated that insufficient assets will be realised, we do not expect to seek approval to draw remuneration in excess of our fees estimate.



## Work done by the Joint Administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided.

Our fees estimate was included within our report to creditors dated 30 April 2019. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the Joint Administrators' fees incurred together with a numerical fees estimate variance analysis.

| Area of work                                      | Work done                                                                                                                                                                                                                                                                                 | Why the work was necessary                                                                                                                                                                               | Financial benefit to creditors                                                                                                                                                              | Fees incurred  |               |                |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|----------------|
| <b>Creditors</b>                                  |                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                          |                                                                                                                                                                                             | <b>0.5 hrs</b> | <b>£123</b>   | <b>£/hr245</b> |
| <b>Secured</b>                                    | <ul style="list-style-type: none"> <li>Continued quarterly reporting to the secured creditors</li> <li>Requested information and approval in relation to various matters</li> <li>Continued liaison with the secured creditors in relation to their security and amounts owing</li> </ul> | <ul style="list-style-type: none"> <li>To keep the secured creditors informed as the key stakeholders in the administration due to their fixed and floating charges over the company's assets</li> </ul> | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul> |                |               |                |
| <b>Administration</b>                             |                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                          |                                                                                                                                                                                             | <b>12 hrs</b>  | <b>£2,895</b> | <b>£/hr251</b> |
| <b>Case management</b>                            | <ul style="list-style-type: none"> <li>Reviewed case and progress by insolvency practitioners and internal risk management team</li> <li>Completed six-monthly file reviews</li> <li>Arranged for the extension of the administration</li> </ul>                                          | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                          | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul> |                |               |                |
| <b>Reports, circulars notices &amp; decisions</b> | <ul style="list-style-type: none"> <li>Drafted, circulated and filed the Joint Administrators' progress report to creditors</li> </ul>                                                                                                                                                    | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                          |                                                                                                                                                                                             |                |               |                |
| <b>Treasury, billing &amp; funding</b>            | <ul style="list-style-type: none"> <li>Undertook bank reconciliations</li> <li>Managed and maintained the estate's bank account</li> <li>Arranged for payments of expenses</li> </ul>                                                                                                     | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                          |                                                                                                                                                                                             |                |               |                |
| <b>Tax</b>                                        | <ul style="list-style-type: none"> <li>Undertook routine tax reviews and completion of returns</li> </ul>                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>To comply with tax legislation</li> </ul>                                                                                                                         |                                                                                                                                                                                             |                |               |                |
| <b>Total remuneration charged in the Period</b>   |                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                          |                                                                                                                                                                                             | <b>12 hrs</b>  | <b>£3,017</b> | <b>£/hr260</b> |

Commercial in confidence

Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end  
Period from 15/09/2019 to 14/03/2020

| Area of work                              | Partner<br>Hrs | £ | Manager<br>Hrs | £      | Executive<br>Hrs | £        | Administrator<br>Hrs | £      | Period total<br>Hrs | £        | £/hr   | Cumulative total as at period end<br>Hrs | £         | £/hr   | Fees estimate<br>Hrs | £         | £/hr   | Variance<br>Hrs | £          |
|-------------------------------------------|----------------|---|----------------|--------|------------------|----------|----------------------|--------|---------------------|----------|--------|------------------------------------------|-----------|--------|----------------------|-----------|--------|-----------------|------------|
| Realisation of Assets:                    |                |   |                |        |                  |          |                      |        |                     |          |        | 0.50                                     | 122.50    | 245.00 |                      |           |        | (0.50)          | (122.50)   |
| General                                   | -              | - | -              | -      | -                | -        | -                    | -      | -                   | -        | -      | 0.50                                     | 122.50    | 245.00 |                      |           |        |                 |            |
| Investigations:                           |                |   |                |        |                  |          |                      |        |                     |          |        | 8.45                                     | 2,129.25  | 251.98 | 14.00                | 3,765.00  | 268.93 | 5.55            | 1,635.75   |
| Debtor / director / senior employees      | -              | - | -              | -      | -                | -        | -                    | -      | -                   | -        | -      | 2.75                                     | 1,245.00  | 452.73 |                      |           |        |                 |            |
| General                                   | -              | - | -              | -      | -                | -        | -                    | -      | -                   | -        | -      | 5.70                                     | 884.25    | 155.13 |                      |           |        |                 |            |
| Creditors:                                |                |   |                |        |                  |          |                      |        | 0.50                | 122.50   | 245.00 | 8.70                                     | 2,731.00  | 313.91 | 14.00                | 3,330.00  | 237.86 | 5.30            | 599.00     |
| Secured                                   | -              | - | -              | -      | 0.50             | 122.50   | -                    | -      | 0.50                | 122.50   | 245.00 | 6.60                                     | 1,757.50  | 266.29 |                      |           |        |                 |            |
| Unsecured                                 | -              | - | -              | -      | -                | -        | -                    | -      | -                   | -        | -      | 1.80                                     | 900.00    | 500.00 |                      |           |        |                 |            |
| Retention of title                        | -              | - | -              | -      | -                | -        | -                    | -      | -                   | -        | -      | 0.30                                     | 73.50     | 245.00 |                      |           |        |                 |            |
| Administration:                           |                |   |                |        |                  |          |                      |        | 11.55               | 2,894.60 | 250.61 | 58.98                                    | 14,062.90 | 238.44 | 23.00                | 5,930.00  | 257.83 | (35.98)         | (8,132.90) |
| Case management                           | -              | - | -              | -      | 0.45             | 124.00   | 0.15                 | 27.00  | 0.60                | 151.00   | 251.67 | 0.60                                     | 151.00    | 251.67 |                      |           |        |                 |            |
| Reports to creditors, notices & decisions | -              | - | 1.90           | 715.00 | 3.15             | 840.50   | 1.10                 | 148.00 | 6.15                | 1,703.50 | 276.99 | 6.15                                     | 1,703.50  | 276.99 |                      |           |        |                 |            |
| Treasury, billing & funding               | -              | - | -              | -      | 2.80             | 536.50   | 1.30                 | 234.00 | 4.10                | 770.50   | 187.93 | 14.15                                    | 2,586.00  | 182.76 |                      |           |        |                 |            |
| Tax                                       | -              | - | 0.45           | 194.60 | 0.25             | 75.00    | -                    | -      | 0.70                | 269.60   | 385.14 | 19.90                                    | 4,142.85  | 208.18 |                      |           |        |                 |            |
| Pensions                                  | -              | - | -              | -      | -                | -        | -                    | -      | -                   | -        | -      | 0.90                                     | 436.50    | 485.00 |                      |           |        |                 |            |
| General                                   | -              | - | -              | -      | -                | -        | -                    | -      | -                   | -        | -      | 17.28                                    | 5,043.05  | 291.84 |                      |           |        |                 |            |
| Total                                     | -              | - | 2.35           | 909.60 | 7.15             | 1,696.50 | 2.55                 | 409.00 | 12.05               | 3,017.10 | 250.38 | 76.63                                    | 19,045.65 | 248.54 | 51.00                | 13,025.00 | 255.39 | (25.63)         | (6,020.65) |

- Notes:
- Partner includes partners and directors
  - Manager includes associate directors and managers
  - Executive includes assistant manager and executives
  - Adverse variances are presented in brackets

## Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Work done' section above.

| Category                                | Incurred in the Period (£) | Cumulatively incurred as at Period end (£) | Of which paid by the estate as at Period end (£) |
|-----------------------------------------|----------------------------|--------------------------------------------|--------------------------------------------------|
| <b>Category 1 disbursements</b>         |                            |                                            |                                                  |
| <b>Insolvency Practitioner's bonds</b>  | 0                          | 30                                         | 0                                                |
| <b>Expenses</b>                         |                            |                                            |                                                  |
| <b>Legal fees – Eversheds LLP</b>       | 245                        | 245                                        | 245                                              |
| <b>Legal fees – Geldards LLP</b>        | 300                        | 300                                        | 0                                                |
| <b>Statutory advertising</b>            | 0                          | 74                                         | 74                                               |
| <b>Bank charges</b>                     | 0                          | 6                                          | 6                                                |
| <b>Total expenses and disbursements</b> | <b>545</b>                 | <b>625</b>                                 | <b>325</b>                                       |

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

### Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the Joint Administrators' receipts and payment account at Appendix C.

### Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only charged at 45p per mile.

Details of these costs are also provided in the table above.

Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our Firm or from a party with whom (to the best of our knowledge) our Firm, or an individual within our Firm, has a business or personal relationship:

| Service provider      | Services enlisted                                                                                                                                                                                                            | Cost of service                                                                                             |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Grant Thornton UK LLP | <ul style="list-style-type: none"><li>Tax work/advice (narrative is included within the above narrative of work done)</li><li>Pensions work/advice (narrative is included within the above narrative of work done)</li></ul> | <ul style="list-style-type: none"><li>Costs are included within the above SIP9 time cost analysis</li></ul> |

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis, or who provide services to us as Joint Administrators, which may give rise to a potential conflict.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

## DGL

### D - Payments, remuneration and expenses to the Joint Administrators or their associates

#### SIP 9 disclosure

This appendix has been prepared in accordance with the requirements of the Act 1986, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the joint administrators and their team during the Period
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

## Pre-appointment costs

Pre-appointment administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners, before a company enters administration but with a view to it doing so. To the extent they remain unpaid when a company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to appointment, the administrators worked with DGL and assisted the directors in placing DGL into Administration. The administrators are not seeking payment in relation to their pre-appointment costs.

Solicitors, Geldards and Eversheds, were instructed to assist with matters relating to all companies in the Group and have incurred pre-appointment costs in relation to DGL of £300 and £244 respectively. Eversheds's fee of £244 has been paid and Geldards's fee of £300 remains outstanding. We have sought approval from the secured creditors to ratify the approval of the payments that have already been made. We are awaiting their response and an update will be provided in the Second Administration report

## Post-appointment costs

### Fee basis of the Joint Administrators

As at the date of this report the fee basis has not been set, however, the Joint Administrators are in discussions with the secured creditors to fix the basis of their remuneration on a time costs basis and 30% of gross recoveries of any additional assets or claims which are not yet known and may arise following our investigations, which will be done in the Second Administrations.

During the Period, time costs were incurred totalling £21,436 represented by 78 hrs at an average of 275 £/hr (as shown in the 'Work done' section below). Description of the work done is provided in the respective section below.

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £39,425, without approval. We expect to seek approval to draw remuneration in excess of our fees estimate due to the time spent on investigations into the dealings of DGL prior to our appointment.

## Work done by the Joint Administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within our report to creditors dated 30 April 2019. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the Joint Administrators' fees incurred together with a numerical fee estimate variance analysis.

| Area of work                    | Work done                                                                                                                                                                                                                                                                                 | Why the work was necessary                                                                                                                                                                               | Financial benefit to creditors                                                                                                                                                                                                                                    | Fees incurred  |                |                |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| <b>Realisation of assets</b>    |                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                   | <b>8 hrs</b>   | <b>£3,825</b>  | <b>£/hr510</b> |
| <b>Other assets</b>             | <ul style="list-style-type: none"> <li>Reviewing company records in respect of potential assets and liaising with solicitors where appropriate</li> </ul>                                                                                                                                 | <ul style="list-style-type: none"> <li>To ensure that all company assets are identified, secured and realised</li> </ul>                                                                                 | <ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>                                              |                |                |                |
| <b>Investigations</b>           |                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                   | <b>59 hrs</b>  | <b>£15,707</b> | <b>£/hr268</b> |
| <b>Claims</b>                   | <ul style="list-style-type: none"> <li>Continued investigations into the affairs of DGL and liaising with solicitors where necessary</li> </ul>                                                                                                                                           | <ul style="list-style-type: none"> <li>To ensure that all company assets are identified, secured and realised</li> <li>To comply with insolvency law and regulations</li> </ul>                          | <ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process</li> </ul> |                |                |                |
| <b>Creditors</b>                |                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                   | <b>0.8 hrs</b> | <b>£196</b>    | <b>£/hr244</b> |
| <b>Secured</b>                  | <ul style="list-style-type: none"> <li>Continued quarterly reporting to the secured creditors</li> <li>Requested information and approval in relation to various matters</li> <li>Continued liaison with the secured creditors in relation to their security and amounts owing</li> </ul> | <ul style="list-style-type: none"> <li>To keep the secured creditors informed as the key stakeholders in the administration due to their fixed and floating charges over the company's assets</li> </ul> | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |                |                |                |
| <b>Employees &amp; pensions</b> | <ul style="list-style-type: none"> <li>Dealt with employment tribunal queries</li> </ul>                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                          |                                                                                                                                                                                                                                                                   |                |                |                |
| <b>Unsecured</b>                | <ul style="list-style-type: none"> <li>Liaised with creditors regarding their claims in the estate and their queries</li> </ul>                                                                                                                                                           | <ul style="list-style-type: none"> <li>To ensure all creditor claims are dealt with appropriately</li> </ul>                                                                                             |                                                                                                                                                                                                                                                                   |                |                |                |
| <b>Administration</b>           |                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                   | <b>19 hrs</b>  | <b>£3,547</b>  | <b>£/hr192</b> |
| <b>Case management</b>          | <ul style="list-style-type: none"> <li>Reviewed case and progress by insolvency practitioners and internal risk management team</li> <li>Completed six-monthly file reviews</li> </ul>                                                                                                    | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                          | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |                |                |                |

|                                                   |                                                                                                                                                                                         |                                                                                                 |               |                        |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------|------------------------|
|                                                   | <ul style="list-style-type: none"><li>• Arranged for the extension of the administration</li></ul>                                                                                      |                                                                                                 |               |                        |
| <b>Reports, circulars notices &amp; decisions</b> | <ul style="list-style-type: none"><li>• Drafted, circulated and filed the Joint Administrators' progress report to creditors</li></ul>                                                  | <ul style="list-style-type: none"><li>• To comply with insolvency law and regulations</li></ul> |               |                        |
| <b>Treasury, billing &amp; funding</b>            | <ul style="list-style-type: none"><li>• Undertook bank reconciliations</li><li>• Managed and maintained the estate's bank account</li><li>• Arranged for payments of expenses</li></ul> | <ul style="list-style-type: none"><li>• To comply with insolvency law and regulations</li></ul> |               |                        |
| <b>Tax</b>                                        | <ul style="list-style-type: none"><li>• Undertook routine tax reviews and completion of returns</li></ul>                                                                               | <ul style="list-style-type: none"><li>• To comply with tax legislation</li></ul>                |               |                        |
| <b>Total remuneration charged in the Period</b>   |                                                                                                                                                                                         |                                                                                                 | <b>78 hrs</b> | <b>£21,437 £/hr275</b> |



## Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end

Period from 15/09/2019 to 14/03/2020

| Area of work                              | Partner |          | Manager |          | Executive |           | Administrator |        | Period total |           | Cumulative total as at period end |        |           | Fees estimate |        |           | Variance |                     |
|-------------------------------------------|---------|----------|---------|----------|-----------|-----------|---------------|--------|--------------|-----------|-----------------------------------|--------|-----------|---------------|--------|-----------|----------|---------------------|
|                                           | Hrs     | £        | Hrs     | £        | Hrs       | £         | Hrs           | £      | Hrs          | £         | Hrs                               | £      | £/hr      | Hrs           | £      | £/hr      | Hrs      | £                   |
| Realisation of Assets:                    | -       | -        | -       | -        | -         | -         | -             | -      | 7.50         | 3,825.00  | 510.00                            | 24.50  | 10,288.00 | 419.92        | 30.00  | 7,750.00  | 258.33   | 5.50 (2,538.00)     |
| Debtors                                   | -       | -        | -       | -        | -         | -         | -             | -      | -            | -         | -                                 | 1.40   | 543.00    | 387.66        | -      | -         | -        | -                   |
| Sale of business                          | -       | -        | -       | -        | -         | -         | -             | -      | -            | -         | -                                 | 7.40   | 3,071.00  | 415.00        | -      | -         | -        | -                   |
| Other assets                              | 7.50    | 3,825.00 | -       | -        | -         | -         | -             | -      | 7.50         | 3,825.00  | 510.00                            | 11.50  | 5,605.00  | 487.39        | -      | -         | -        | -                   |
| General                                   | -       | -        | -       | -        | -         | -         | -             | -      | -            | -         | -                                 | 4.20   | 1,069.00  | 254.52        | -      | -         | -        | -                   |
| Investigations:                           | -       | -        | -       | -        | -         | -         | -             | -      | 58.70        | 15,706.50 | 267.57                            | 118.90 | 25,954.50 | 218.29        | 30.00  | 9,250.00  | 308.33   | (88.90) (16,704.50) |
| Debtor / director / senior employees      | 5.00    | 2,550.00 | -       | -        | 0.25      | 61.25     | -             | -      | 5.25         | 2,611.25  | 497.38                            | 9.00   | 4,366.25  | 485.14        | -      | -         | -        | -                   |
| Claims                                    | -       | -        | -       | -        | 53.45     | 13,095.25 | -             | -      | 53.45        | 13,095.25 | 245.00                            | 53.45  | 13,095.25 | 245.00        | -      | -         | -        | -                   |
| General                                   | -       | -        | -       | -        | -         | -         | -             | -      | -            | -         | -                                 | 56.45  | 8,493.00  | 150.45        | -      | -         | -        | -                   |
| Creditors:                                | -       | -        | -       | -        | -         | -         | -             | -      | 0.80         | 195.50    | 244.38                            | 18.90  | 4,990.00  | 264.02        | 40.00  | 9,975.00  | 249.38   | 21.10 4,985.00      |
| Secured                                   | -       | -        | -       | -        | 0.30      | 73.50     | -             | -      | 0.30         | 73.50     | 245.00                            | 11.95  | 2,725.75  | 228.10        | -      | -         | -        | -                   |
| Employees & pensions                      | -       | -        | 0.20    | 68.00    | -         | -         | -             | -      | 0.20         | 68.00     | 340.00                            | 2.50   | 631.50    | 252.60        | -      | -         | -        | -                   |
| Unsecured                                 | -       | -        | -       | -        | -         | -         | 0.30          | 54.00  | -            | -         | 180.00                            | 4.45   | 1,632.75  | 366.91        | -      | -         | -        | -                   |
| Administration:                           | -       | -        | -       | -        | -         | -         | -             | -      | 18.50        | 3,547.35  | 191.75                            | 76.18  | 19,193.65 | 251.95        | 45.00  | 12,450.00 | 276.67   | (31.18) (6,743.65)  |
| Case management                           | -       | -        | 0.50    | 162.00   | 0.35      | 99.50     | 0.15          | 27.00  | 1.00         | 288.50    | 288.50                            | 1.00   | 288.50    | 288.50        | -      | -         | -        | -                   |
| Reports to creditors, notices & decisions | -       | -        | 2.65    | 976.25   | 3.15      | 840.50    | 7.20          | 496.00 | 13.00        | 2,312.75  | 177.90                            | 13.00  | 2,312.75  | 177.90        | -      | -         | -        | -                   |
| Treasury, billing & funding               | -       | -        | -       | -        | 2.75      | 527.50    | 1.30          | 234.00 | 4.05         | 761.50    | 188.02                            | 12.00  | 2,205.50  | 183.79        | -      | -         | -        | -                   |
| Tax                                       | -       | -        | 0.20    | 109.60   | 0.25      | 75.00     | -             | -      | 0.45         | 184.60    | 410.22                            | 21.75  | 7,998.60  | 367.75        | -      | -         | -        | -                   |
| Pensions                                  | -       | -        | -       | -        | -         | -         | -             | -      | -            | -         | -                                 | 0.90   | 436.50    | 485.00        | -      | -         | -        | -                   |
| General                                   | -       | -        | -       | -        | -         | -         | -             | -      | -            | -         | -                                 | 27.53  | 5,951.60  | 216.19        | -      | -         | -        | -                   |
| Total                                     | 12.50   | 6,375.00 | 3.55    | 1,315.85 | 60.50     | 14,772.50 | 8.95          | 811.00 | 78.00        | 21,436.85 | 274.63                            | 230.98 | 58,588.65 | 253.65        | 145.00 | 39,425.00 | 271.90   | (93.48) (21,001.15) |

## Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets

## Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Work done' section above.

| Category                                | Incurred in the Period (£) | Cumulatively incurred as at Period end (£) | Of which paid by the estate as at Period end (£) |
|-----------------------------------------|----------------------------|--------------------------------------------|--------------------------------------------------|
| <b>Category 1 disbursements</b>         |                            |                                            |                                                  |
| Insolvency Practitioner's bond          | 0                          | 30                                         | 0                                                |
| Land Registry fees                      | 21                         | 21                                         | 0                                                |
| <b>Category 2 disbursements</b>         |                            |                                            |                                                  |
| Mileage                                 | 0                          | 38                                         | 0                                                |
| <b>Expenses</b>                         |                            |                                            |                                                  |
| Legal fee – Eversheds LLP               | 245                        | 245                                        | 245                                              |
| Legal fee – Geldards LLP                | 300                        | 300                                        | 0                                                |
| Statutory advertising                   | 0                          | 74                                         | 74                                               |
| Bank charges                            | 0                          | 6                                          | 6                                                |
| <b>Total expenses and disbursements</b> | <b>566</b>                 | <b>714</b>                                 | <b>325</b>                                       |

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

### Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the Joint Administrators' receipts and payment account at Appendix C.

### Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only charged at 45p per mile. Details of these costs are also provided in the table above.

## Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

## Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our Firm or from a party with whom (to the best of our knowledge) our Firm, or an individual within our Firm, has a business or personal relationship:

| Service provider      | Services enlisted                                                                                                                                                                                                            | Cost of service                                                                                             |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Grant Thornton UK LLP | <ul style="list-style-type: none"><li>Tax work/advice (narrative is included within the above narrative of work done)</li><li>Pensions work/advice (narrative is included within the above narrative of work done)</li></ul> | <ul style="list-style-type: none"><li>Costs are included within the above SIP9 time cost analysis</li></ul> |

## Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the joint administrators' fee basis, or who provide services to us as Joint Administrators, which may give rise to a potential conflict.

## Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

DL

## D - Payments, remuneration and expenses to the Joint Administrators or their associates

### SIP 9 disclosure

This appendix has been prepared in accordance with the requirements of the Act 1986, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the Joint Administrators and their team during the Period
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

## Pre-appointment costs

Pre-appointment administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners, before a company enters administration but with a view to it doing so. To the extent they remain unpaid when a company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to appointment, the Joint Administrators worked with DL and assisted the directors in placing it into administration. The Joint Administrators are not seeking payment in relation to their pre-appointment costs.

Solicitors, Geldards and Eversheds, were instructed to assist with matters relating to all companies in the Group and have incurred pre-appointment costs in relation to DL of £1,050 and £244 respectively, which have been paid in full. We have sought approval from the secured and preferential creditors to ratify the approval of the payments that have already been made. We are awaiting their response and an update will be provided in the Second Administration report.

## Post-appointment costs

### Fee basis of the Joint Administrators

As at the date of this report the fee basis has not been set, however, the Joint Administrators are in discussions with the secured creditors to fix the basis of their remuneration on a time costs basis and 30% of gross recoveries of any additional assets or claims which are not yet known and may arise following our investigations, which will be done in the Second Administrations.

During the Period time costs were incurred totalling £21,145 represented by 78 hrs at an average of 270 £/hr (as shown in the 'Work done' section below). Description of the work done is provided in the respective section below. We anticipate that the total cumulative time costs (including those to be incurred in the Second Administration) and expenses will be in line with the fees estimate which was provided to creditors in the Proposals.

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £143,170, without approval. At present we do not expect to seek approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future.

## Work done by the Joint Administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within our report to creditors dated 30 April 2019. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the Joint Administrators' fees incurred together with a numerical fee estimate variance analysis.

| Area of work                    | Work done                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Why the work was necessary                                                                                                                                                                               | Financial benefit to creditors                                                                                                                                                                   | Fees incurred |               |                |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|----------------|
| <b>Realisation of assets</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                          |                                                                                                                                                                                                  | <b>23 hrs</b> | <b>£6,189</b> | <b>£/hr266</b> |
| <b>Insurance</b>                | <ul style="list-style-type: none"> <li>Continued to liaise with our insurance broker regarding the insurance of property</li> </ul>                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>To mitigate risk from loss from an insurable event to protect creditors' interests</li> <li>To comply with regulation and law</li> </ul>                          | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>      |               |               |                |
| <b>Long leasehold property</b>  | <ul style="list-style-type: none"> <li>Continued to manage the sale of two long leasehold properties, which included liaising with agents and interested parties</li> <li>Reviewed the marketing strategy and sale documentation for the two long leasehold properties</li> <li>Continued to liaise with agents to attend properties to ensure that they are compliant with the vacant properties insurance policy and for any necessary works to be carried out</li> </ul> | <ul style="list-style-type: none"> <li>To maximise value in relation to properties</li> <li>To dispose of the properties</li> <li>To realise value for creditors</li> </ul>                              | <ul style="list-style-type: none"> <li>This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul> |               |               |                |
| <b>Creditors</b>                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                          |                                                                                                                                                                                                  | <b>22 hrs</b> | <b>£6,327</b> | <b>£/hr291</b> |
| <b>Secured</b>                  | <ul style="list-style-type: none"> <li>Continued quarterly reporting to the secured creditors</li> <li>Requested information and approval in relation to various matters</li> <li>Continued liaison with the secured creditors in relation to their security and amounts owing</li> </ul>                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>To keep the secured creditors informed as the key stakeholders in the administration due to their fixed and floating charges over the company's assets</li> </ul> | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>      |               |               |                |
| <b>Employees &amp; pensions</b> | <ul style="list-style-type: none"> <li>Dismissal of retained employees whose assistance was no longer required</li> <li>Continued liaison with ERA Solutions Limited in relation to the 460 employee claims</li> <li>Liaised with employees in relation to their claims in the estate and their queries</li> <li>Dealt with various employment tribunal claims</li> </ul>                                                                                                   | <ul style="list-style-type: none"> <li>To ensure all employee claims are dealt with appropriately</li> <li>To ensure that pension schemes and payments are dealt with appropriately</li> </ul>           | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>      |               |               |                |

|                                                   |                                                                                                                                                                                                                                                  |                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                   |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                   | <ul style="list-style-type: none"> <li>Liaised with pension providers and ensuring that payments are made in respect of the retained employees</li> </ul>                                                                                        |                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                   |
| <b>Unsecured</b>                                  | <ul style="list-style-type: none"> <li>Liaised with unsecured creditors in respect of their claims in the estate and deal with any queries received</li> <li>Continued reporting requirements to unsecured creditors</li> </ul>                  | <ul style="list-style-type: none"> <li>To ensure all creditors are kept up to date with the administration</li> <li>To ensure all creditor claims are dealt with appropriately</li> </ul>          | <ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process</li> </ul> |
| <b>Administration</b>                             |                                                                                                                                                                                                                                                  |                                                                                                                                                                                                    | <b>33 hrs      £8,629      £/hr260</b>                                                                                                                                                                                                                            |
| <b>Case management</b>                            | <ul style="list-style-type: none"> <li>Reviewed case and progress by insolvency practitioners and internal risk management team</li> <li>Completed six-monthly file reviews</li> <li>Arranged for the extension of the administration</li> </ul> | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                    | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |
| <b>Reports, circulars notices &amp; decisions</b> | <ul style="list-style-type: none"> <li>Drafted, circulated and filed the Joint Administrators' progress report to creditors</li> </ul>                                                                                                           | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                    | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |
| <b>Treasury, billing &amp; funding</b>            | <ul style="list-style-type: none"> <li>Undertook bank reconciliations</li> <li>Managed and maintained the estate's bank account</li> <li>Arranged for payments of expenses</li> </ul>                                                            | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                    | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |
| <b>Tax</b>                                        | <ul style="list-style-type: none"> <li>Undertook routine tax reviews and completion of returns</li> </ul>                                                                                                                                        | <ul style="list-style-type: none"> <li>To comply with tax legislation</li> </ul>                                                                                                                   | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |
| <b>Pensions</b>                                   | <ul style="list-style-type: none"> <li>Continued to liaise with The Pensions Regulator, employee benefit providers and pension scheme in relation to unpaid pensions contributions</li> </ul>                                                    | <ul style="list-style-type: none"> <li>To ensure that employees continue to receive contractual benefits that they were entitled to</li> <li>To comply with pension related legislation</li> </ul> | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                                                                       |
| <b>Total remuneration charged in the Period</b>   |                                                                                                                                                                                                                                                  |                                                                                                                                                                                                    | <b>78 hrs      £21,145      £/hr270</b>                                                                                                                                                                                                                           |

Commercial in confidence

Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end  
Period from 15/09/2019 to 14/03/2020

| Area of work                              | Partner |      | Manager |          | Executive |           | Administrator |          | Period total |           | Cumulative total as at period end |        | Fees estimate |        | Variance |            |
|-------------------------------------------|---------|------|---------|----------|-----------|-----------|---------------|----------|--------------|-----------|-----------------------------------|--------|---------------|--------|----------|------------|
|                                           | Hrs     | £    | Hrs     | £        | Hrs       | £         | Hrs           | £        | Hrs          | £         | Hrs                               | £      | Hrs           | £      | Hrs      | £          |
| Realisation of Assets:                    |         |      |         |          |           |           |               |          | 23.25        | 6,188.50  | 266.17                            | 51.75  | 15,501.00     | 299.54 | 265.00   | 75,850.00  |
| Insurance                                 | -       | -    | -       | -        | 0.70      | 171.50    | -             | -        | 0.70         | 171.50    | 245.00                            | 2.70   | 881.50        | 326.48 |          |            |
| Property                                  | -       | -    | 8.95    | 2,685.00 | 13.60     | 3,332.00  | -             | -        | 22.55        | 6,017.00  | 266.83                            | 49.05  | 14,619.50     | 298.05 |          |            |
| Investigations:                           |         |      |         |          |           |           |               |          | -            | -         | -                                 | 5.20   | 1,543.00      | 296.73 | 51.00    | 13,920.00  |
| Debtor / director / senior employees      | -       | -    | -       | -        | -         | -         | -             | -        | -            | -         | -                                 | 1.75   | 735.00        | 420.00 |          |            |
| General                                   | -       | -    | -       | -        | -         | -         | -             | -        | -            | -         | -                                 | 3.45   | 808.00        | 234.20 |          |            |
| Creditors:                                |         |      |         |          |           |           |               |          | 21.73        | 6,327.45  | 291.18                            | 68.63  | 24,503.95     | 357.04 | 105.00   | 26,875.00  |
| Secured                                   | -       | -    | 1.80    | 540.00   | 4.20      | 1,029.00  | -             | -        | 6.00         | 1,569.00  | 261.50                            | 20.75  | 6,204.75      | 299.02 |          |            |
| Employees & pensions                      | -       | -    | 4.30    | 1,956.60 | 11.03     | 2,729.85  | -             | -        | 15.33        | 4,686.45  | 305.70                            | 43.13  | 16,241.45     | 376.57 |          |            |
| Unsecured                                 | -       | -    | -       | -        | -         | -         | 0.40          | 72.00    | 0.40         | 72.00     | 180.00                            | 4.75   | 2,057.75      | 433.21 |          |            |
| Administration:                           |         |      |         |          |           |           |               |          | 33.25        | 8,628.85  | 259.51                            | 129.92 | 42,997.80     | 330.96 | 90.00    | 26,525.00  |
| Case management                           | -       | -    | 0.70    | 210.00   | 2.40      | 643.00    | 0.15          | 27.00    | 3.25         | 880.00    | 270.77                            | 3.25   | 880.00        | 270.77 |          |            |
| Reports to creditors, notices & decisions | -       | -    | 3.00    | 1,117.50 | 3.15      | 854.25    | 1.10          | 198.00   | 7.25         | 2,169.75  | 299.28                            | 7.25   | 2,169.75      | 299.28 |          |            |
| Treasury, billing & funding               | -       | -    | 0.20    | 60.00    | 14.05     | 2,886.50  | 4.95          | 891.00   | 19.20        | 3,837.50  | 199.87                            | 35.20  | 7,010.50      | 199.16 |          |            |
| Tax                                       | -       | -    | 1.20    | 657.60   | 0.25      | 75.00     | 0.30          | 105.00   | 1.75         | 837.60    | 478.63                            | 9.05   | 3,548.60      | 392.11 |          |            |
| Pensions                                  | -       | -    | 1.80    | 904.00   | -         | -         | -             | -        | 1.80         | 904.00    | 502.22                            | 43.70  | 20,020.50     | 458.14 |          |            |
| General                                   | -       | -    | -       | -        | -         | -         | -             | -        | -            | -         | -                                 | 31.47  | 9,368.45      | 297.69 |          |            |
| Total                                     | 0.00    | 0.00 | 21.95   | 8,130.70 | 49.38     | 11,721.10 | 6.90          | 1,293.00 | 78.23        | 21,144.80 | 270.29                            | 255.50 | 84,545.75     | 330.90 | 511.00   | 143,170.00 |

**Notes:**

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Due to enhancements to our SIP9 reporting systems, allocation of time against areas of work may differ to previous periods, however this does not affect overall total time costs
- Adverse variances are presented in brackets



## Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Work done' section above.

| Category                                                | Incurred in the Period (£) | Cumulatively incurred as at Period end (£) | Of which paid by the estate as at Period end (£) |
|---------------------------------------------------------|----------------------------|--------------------------------------------|--------------------------------------------------|
| <b>Category 1 disbursements</b>                         |                            |                                            |                                                  |
| Insolvency Practitioner's bond                          | 0                          | 30                                         | 0                                                |
| Subsistence                                             | 0                          | 77                                         | 0                                                |
| Accommodation                                           | 0                          | 217                                        | 0                                                |
| Travel expenses – non mileage                           | 0                          | 91                                         | 0                                                |
| <b>Category 2 disbursements</b>                         |                            |                                            |                                                  |
| Mileage                                                 | 0                          | 32                                         | 0                                                |
| <b>Expenses</b>                                         |                            |                                            |                                                  |
| Legal fees – Morgan LaRoche                             | 400                        | 2,054                                      | 2,454                                            |
| Legal fees – DJM Solicitors                             | 8,871                      | 8,871                                      | 8,871                                            |
| Legal fees –Eversheds LLP                               | 245                        | 245                                        | 245                                              |
| Legal fees – Geldards LLP                               | 1,050                      | 1,050                                      | 1,050                                            |
| Statutory advertising                                   | 0                          | 74                                         | 74                                               |
| Other property expenses – GMS Property Services Limited | 20,776                     | 965                                        | 21,741                                           |
| Bank charges                                            | 36                         | 55                                         | 91                                               |
| <b>Total expenses and disbursements</b>                 | <b>31,378</b>              | <b>13,762</b>                              | <b>34,526</b>                                    |

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

### Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the Joint Administrators' receipts and payment account at Appendix C.

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their Firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only charged at 45p per mile. We have sought approval from the secured and preferential creditors to recover category 2 disbursements, however, await their approvals.

Details of these costs are also provided in the table above.

Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

Payments to associates

Where we have enlisted the services of others, we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our Firm or from a party with whom (to the best of our knowledge) our Firm, or an individual within our Firm, has a business or personal relationship:

| Service provider      | Services enlisted                                                                                                                                                                                                            | Cost of service                                                                                             |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Grant Thornton UK LLP | <ul style="list-style-type: none"><li>Tax work/advice (narrative is included within the above narrative of work done)</li><li>Pensions work/advice (narrative is included within the above narrative of work done)</li></ul> | <ul style="list-style-type: none"><li>Costs are included within the above SIP9 time cost analysis</li></ul> |

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis, or who provide services to us as Joint Administrators, which may give rise to a potential conflict.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

## DSL

### D – Payments, remuneration and expenses to the joint administrators or their associates

#### SIP 9 disclosure

This appendix has been prepared in accordance with the requirements of the Act 1986, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the joint administrators and their team during the Period
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

## Pre-appointment costs

Pre-administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners, before a company enters administration but with a view to it doing so. To the extent they remain unpaid when a company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to appointment, the Joint Administrators worked with DSL and assisted the directors in placing DSL into administration. The Joint Administrators are not seeking payment in relation to their pre-appointment costs.

Solicitors, Geldards and Eversheds, were instructed to assist with matters relating to all companies in the Group and have incurred pre-appointment costs in relation to DSL of £3,824 and £244 respectively, which have been paid in full.

We have sought approval from the secured creditors to ratify the approval of the payments that have already been made. We are awaiting their response and an update will be provided in our the Second Administration report.

## Post-appointment costs

### Fee basis of the Joint Administrators

As at the date of this report the fee basis has not been set, however, the Joint Administrators are in discussions with the secured creditors to fix the basis of their remuneration on a time costs basis and 30% of gross recoveries of any additional assets or claims which are not yet known and may arise following our investigations, which will be done in the Second Administrations.

During the Period time costs were incurred totalling £6,500 represented by 23 hrs at an average of 288 £/hr (as shown in the 'Work done' section below). Description of the work done in the Period is provided in the respective section below.

The total cumulative time costs (including those to be incurred in the Second Administration) are in line with the fees estimate that was provided to creditors in the Proposals, however, the total cumulative fees have exceeded the expenses estimate by c£120,000.

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £105,320, without approval. At present we do not expect to seek approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future.

## Work done by the Joint Administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within our report to creditors dated 30 April 2019. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the Joint Administrators' fees incurred together with a numerical fee estimate variance analysis.

| Area of work                                      | Work done                                                                                                                                                                                                                                                                                                                                                                                               | Why the work was necessary                                                                                                                                                                               | Financial benefit to creditors                                                                                                                                                                                                                                      | Fees incurred |               |                |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|----------------|
| <b>Assets</b>                                     |                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                     | <b>4 hrs</b>  | <b>£1,941</b> | <b>£/hr441</b> |
| <b>Debtors, stock and WIP</b>                     | <ul style="list-style-type: none"> <li>Engaged DJM solicitors to assist with the collection of contract debtors (including retentions, outstanding invoices and WIP)</li> <li>Provided DJM with all relevant books and records relation to the contract debtors to assist with the collections</li> <li>Continued strategy calls with DJM to discuss the progression of book debt collection</li> </ul> | <ul style="list-style-type: none"> <li>To secure and realise the construction contract debts and the plant hire debts where possible</li> <li>To maximise recoveries for creditors</li> </ul>            | <ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li> </ul> |               |               |                |
| <b>Creditors</b>                                  |                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                     | <b>2 hrs</b>  | <b>£515</b>   | <b>£/hr245</b> |
| <b>Secured</b>                                    | <ul style="list-style-type: none"> <li>Continued formal reporting to the secured creditors</li> <li>Requested information and approval in relation to various matters</li> <li>Continued liaison with the secured creditors in relation to their security and amounts owing</li> </ul>                                                                                                                  | <ul style="list-style-type: none"> <li>To keep the secured creditors informed as the key stakeholders in the administration due to their fixed and floating charges over the company's assets</li> </ul> | <ul style="list-style-type: none"> <li>This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors</li> </ul>                                                                     |               |               |                |
| <b>Administration</b>                             |                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                     | <b>16 hrs</b> | <b>£4,045</b> | <b>£/hr252</b> |
| <b>Case management</b>                            | <ul style="list-style-type: none"> <li>Reviewed case and progress by insolvency practitioners and internal risk management team</li> <li>Completed six-monthly file reviews</li> <li>Arranged for the extension of the administration</li> <li>Reviewed post and dealt with correspondence appropriately</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                          | <ul style="list-style-type: none"> <li>This work is to be completed solely for the purpose of complying with statutory requirements and has no direct financial benefit to creditors</li> </ul>                                                                     |               |               |                |
| <b>Reports, circulars notices &amp; decisions</b> | <ul style="list-style-type: none"> <li>Drafted, circulated and filed the Joint Administrators' progress report to creditors</li> </ul>                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                          |                                                                                                                                                                                                                                                                     |               |               |                |
| <b>Treasury, billing &amp; funding</b>            | <ul style="list-style-type: none"> <li>Undertook bank reconciliations</li> <li>Managed and maintained the estate's bank account</li> <li>Arranged for payments of expenses</li> </ul>                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                          |                                                                                                                                                                                                                                                                     |               |               |                |

Commercial in confidence

**Tax**

- Undertook routine tax reviews and completion of returns
- To comply with tax legislation

**Total remuneration charged in the Period**

**22 hrs      £6,500      £/hr288**

**Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end**

Period from 15/09/2019 to 14/03/2020

| Area of work                              | Partner     |                 | Manager     |                 | Executive    |                 | Administrator |               | Period total |                 |               | Cumulative total as at period end |                  |               | Fees estimate |                   |               | Variance      |                  |
|-------------------------------------------|-------------|-----------------|-------------|-----------------|--------------|-----------------|---------------|---------------|--------------|-----------------|---------------|-----------------------------------|------------------|---------------|---------------|-------------------|---------------|---------------|------------------|
|                                           | Hrs         | £               | Hrs         | £               | Hrs          | £               | Hrs           | £             | Hrs          | £               | £/hr          | Hrs                               | £                | £/hr          | Hrs           | £                 | £/hr          | Hrs           | £                |
| Realisation of Assets:                    |             |                 |             |                 |              |                 |               |               | 4.40         | 1,940.50        | 441.02        | 21.60                             | 7,740.00         | 358.33        | 160.00        | 45,350.00         | 283.44        | 138.40        | 37,610.00        |
| Debtors                                   | 2.50        | 1,275.00        | 1.00        | 445.00          | 0.90         | 220.50          | -             | -             | 4.40         | 1,940.50        | 441.02        | 14.20                             | 5,694.50         | 401.02        |               |                   |               |               |                  |
| Stock & WIP                               | -           | -               | -           | -               | -            | -               | -             | -             | -            | -               | -             | 0.20                              | 89.00            | 445.00        |               |                   |               |               |                  |
| Other assets                              | -           | -               | -           | -               | -            | -               | -             | -             | -            | -               | -             | 0.10                              | 24.50            | 245.00        |               |                   |               |               |                  |
| General                                   | -           | -               | -           | -               | -            | -               | -             | -             | -            | -               | -             | 7.10                              | 1,932.00         | 272.11        |               |                   |               |               |                  |
| Investigations:                           |             |                 |             |                 |              |                 |               |               | -            | -               | -             | 5.70                              | 2,025.50         | 355.35        | 41.00         | 11,695.00         | 285.24        | 35.30         | 9,669.50         |
| Debtor / director / senior employees      | -           | -               | -           | -               | -            | -               | -             | -             | -            | -               | -             | 2.75                              | 1,245.00         | 452.73        |               |                   |               |               |                  |
| General                                   | -           | -               | -           | -               | -            | -               | -             | -             | -            | -               | -             | 2.95                              | 780.50           | 264.58        |               |                   |               |               |                  |
| Creditors:                                |             |                 |             |                 |              |                 |               |               | 2.10         | 514.50          | 245.00        | 21.65                             | 7,662.25         | 353.91        | 81.00         | 21,425.00         | 264.51        | 59.35         | 13,762.75        |
| Secured                                   | -           | -               | -           | -               | 2.10         | 514.50          | -             | -             | 2.10         | 514.50          | 245.00        | 18.45                             | 6,062.25         | 328.58        |               |                   |               |               |                  |
| Unsecured                                 | -           | -               | -           | -               | -            | -               | -             | -             | -            | -               | -             | 3.20                              | 1,600.00         | 500.00        |               |                   |               |               |                  |
| Administration:                           |             |                 |             |                 |              |                 |               |               | 16.05        | 4,045.35        | 252.05        | 61.92                             | 17,952.30        | 289.93        | 100.00        | 26,850.00         | 268.50        | 38.08         | 8,897.70         |
| Case management                           | -           | -               | 0.20        | 60.00           | 0.55         | 148.50          | 0.15          | 27.00         | 0.90         | 235.50          | 261.67        | 0.90                              | 235.50           | 261.67        |               |                   |               |               |                  |
| Reports to creditors, notices & decisions | -           | -               | 2.75        | 1,006.25        | 4.80         | 1,231.00        | 1.10          | 148.00        | 8.65         | 2,385.25        | 275.75        | 8.65                              | 2,385.25         | 275.75        |               |                   |               |               |                  |
| Committee / commissioners                 | -           | -               | -           | -               | 0.50         | 150.00          | -             | -             | 0.50         | 150.00          | 300.00        | 0.50                              | 150.00           | 300.00        |               |                   |               |               |                  |
| Treasury, billing & funding               | -           | -               | -           | -               | 3.15         | 658.00          | 2.40          | 432.00        | 5.55         | 1,090.00        | 196.40        | 17.85                             | 3,310.50         | 185.46        |               |                   |               |               |                  |
| Tax                                       | -           | -               | 0.20        | 109.60          | 0.25         | 75.00           | -             | -             | 0.45         | 184.60          | 410.22        | 2.45                              | 950.10           | 387.80        |               |                   |               |               |                  |
| Pensions                                  | -           | -               | -           | -               | -            | -               | -             | -             | -            | -               | -             | 0.90                              | 436.50           | 485.00        |               |                   |               |               |                  |
| General                                   | -           | -               | -           | -               | -            | -               | -             | -             | -            | -               | -             | 30.67                             | 10,484.45        | 341.85        |               |                   |               |               |                  |
| <b>Total</b>                              | <b>2.50</b> | <b>1,275.00</b> | <b>4.15</b> | <b>1,620.85</b> | <b>12.25</b> | <b>2,997.50</b> | <b>3.65</b>   | <b>607.00</b> | <b>22.55</b> | <b>6,500.35</b> | <b>288.26</b> | <b>110.87</b>                     | <b>35,380.05</b> | <b>319.11</b> | <b>382.00</b> | <b>105,320.00</b> | <b>275.71</b> | <b>271.13</b> | <b>69,939.95</b> |

**Notes:**

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets

## Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Work done' section above.

| Category                                | Incurred in the Period (£) | Cumulatively incurred as at Period end (£) | Of which paid by the estate as at Period end (£) |
|-----------------------------------------|----------------------------|--------------------------------------------|--------------------------------------------------|
| <b>Category 1 disbursements</b>         |                            |                                            |                                                  |
| <b>Insolvency Practitioner's bond</b>   | 0                          | 150                                        | 0                                                |
| <b>Expenses</b>                         |                            |                                            |                                                  |
| <b>Legal fees – DJM Solicitors</b>      | 0                          | 103,852                                    | 103,852                                          |
| <b>Legal fees – Eversheds LLP</b>       | 1,220                      | 1,220                                      | 1,220                                            |
| <b>Legal fees – Geldards LLP</b>        | 0                          | 3,824                                      | 3,824                                            |
| <b>Statutory advertising</b>            | 0                          | 74                                         | 74                                               |
| <b>Bank charges</b>                     | 62                         | 39                                         | 101                                              |
| <b>Total expenses and disbursements</b> | <b>1,282</b>               | <b>109,159</b>                             | <b>109,071</b>                                   |

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

### Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the Joint Administrators' receipts and payment account at Appendix C.

### Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only charged at 45p per mile. No category 2 disbursements have been incurred to date.

Details of these costs are also provided in the table above.

Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

Payments to associates

Where we have enlisted the services of others, we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our Firm or from a party with whom (to the best of our knowledge) our Firm, or an individual within our Firm, has a business or personal relationship:

| Service provider      | Services enlisted                                                                                                                                                                                                            | Cost of service                                                                                             |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Grant Thornton UK LLP | <ul style="list-style-type: none"><li>Tax work/advice (narrative is included within the above narrative of work done)</li><li>Pensions work/advice (narrative is included within the above narrative of work done)</li></ul> | <ul style="list-style-type: none"><li>Costs are included within the above SIP9 time cost analysis</li></ul> |

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis, or who provide services to us as Joint Administrators, which may give rise to a potential conflict.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.



## Quantum

### D - Payments, remuneration and expenses to the Joint Administrators or their associates

#### SIP 9 disclosure

This appendix has been prepared in accordance with the requirements of the Act 1986, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the joint administrators and their team during the Period
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

## Pre-appointment costs

Pre-appointment administration costs are fees charged and expenses incurred by administrators or other qualified insolvency practitioners, before a company enters administration but with a view to it doing so. To the extent they remain unpaid when a company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to appointment, the Joint Administrators worked with Quantum and assisted the directors in placing Quantum into administration. The Joint Administrators are not seeking payment in relation to their pre-appointment costs.

Solicitors, Geldards and Eversheds, were instructed to assist with matters relating to all companies in the Group and have incurred pre-appointment costs in relation to Quantum of £3,824 and £1,516 respectively, of which the total amount has been paid. We have sought approval from the secured creditors to ratify the approval of the payments that have already been made. We are awaiting their response and an update will be provided in the Second Administration reports.

## Post-appointment costs

### Fee basis of the Joint Administrators

As at the date of this report the fee basis has not been set, however, the Joint Administrators are in discussions with the secured creditors to fix the basis of their remuneration on a time costs basis and 30% of gross recoveries of any additional assets or claims which are not yet known and may arise following our investigations, which will be done in the Second Administrations.

During the Period, time costs were incurred totalling £9,628 represented by 37 hrs at an average of 264 £/hr (as shown in the 'Work done' section below). Description of the work done is provided in the respective section below.

We anticipate that the total cumulative time costs (including those to be incurred in the Second Administration) and expenses will be in line with the fees and expenses estimate, both of which were provided to the creditors in the Proposals.

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £104,715, without approval. At present we do not expect to seek approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future.

## Work done by the Joint Administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within our report to creditors dated 30 April 2019. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the Joint Administrators' fees incurred together with a numerical fee estimate variance analysis.

| Area of work           | Work done                                                                                                                                                                                                                                                                              | Why the work was necessary                                                                                                                                                                                       | Financial benefit to creditors                                                                                                                                                                                       | Fees incurred |               |                |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|----------------|
| <b>Assets</b>          |                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                  |                                                                                                                                                                                                                      | <b>9 hrs</b>  | <b>£2,787</b> | <b>£/hr320</b> |
| <b>Property</b>        | <ul style="list-style-type: none"> <li>Finalised matters in relation to the licence to occupy granted to the purchaser of the business</li> </ul>                                                                                                                                      | <ul style="list-style-type: none"> <li>To maximise value in relation to properties</li> <li>To fulfil the company's obligations under the terms of the leases</li> <li>To realise value for creditors</li> </ul> | <ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul> |               |               |                |
| <b>Debtors</b>         | <ul style="list-style-type: none"> <li>Continued to liaise with the purchaser of the business in relation to the collection of debtors</li> </ul>                                                                                                                                      | <ul style="list-style-type: none"> <li>To secure and realise the contract debts wherever possible</li> <li>To maximise recoveries for creditors</li> </ul>                                                       | <ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul> |               |               |                |
| <b>Stock &amp; WIP</b> | <ul style="list-style-type: none"> <li>Liaised with the purchaser of the business and arranging for the novation of certain contracts</li> </ul>                                                                                                                                       | <ul style="list-style-type: none"> <li>To comply with the asset purchase agreement</li> </ul>                                                                                                                    | <ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul> |               |               |                |
| <b>Creditors</b>       |                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                  |                                                                                                                                                                                                                      | <b>5 hrs</b>  | <b>£1,220</b> | <b>£/hr254</b> |
| <b>Secured</b>         | <ul style="list-style-type: none"> <li>Continued formal reporting to the secured creditors</li> <li>Requested information and approval in relation to various matters</li> <li>Continued liaison with the secured creditors in relation to their security and amounts owing</li> </ul> | <ul style="list-style-type: none"> <li>To keep the secured creditors informed as the key stakeholders in the administration due to their fixed and floating charges over the company's assets</li> </ul>         | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                          |               |               |                |
| <b>Administration</b>  |                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                  |                                                                                                                                                                                                                      | <b>23 hrs</b> | <b>£5,622</b> | <b>£/hr244</b> |
| <b>Case management</b> | <ul style="list-style-type: none"> <li>Reviewed case and progress by insolvency practitioners and internal risk management team</li> <li>Completed six-monthly file reviews</li> <li>Arranged for the extension of the administration</li> </ul>                                       | <ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>                                                                                                                  | <ul style="list-style-type: none"> <li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li> </ul>                          |               |               |                |

|                                           |                                                                                                                                                                    |                                                                                               |                                                                                                                                                                                           |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reports, circulars<br>notices & decisions | <ul style="list-style-type: none"><li>Drafted, circulated and filed the Joint Administrators' progress report to creditors</li></ul>                               | <ul style="list-style-type: none"><li>To comply with insolvency law and regulations</li></ul> | <ul style="list-style-type: none"><li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li></ul> |
| Treasury, billing & funding               | <ul style="list-style-type: none"><li>Undertook bank reconciliations</li><li>Managed and maintain the estate's bank account</li><li>Payments of expenses</li></ul> | <ul style="list-style-type: none"><li>To comply with insolvency law and regulations</li></ul> | <ul style="list-style-type: none"><li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li></ul> |
| Tax                                       | <ul style="list-style-type: none"><li>Undertook routine tax reviews and completion of returns</li></ul>                                                            | <ul style="list-style-type: none"><li>To comply with tax legislation</li></ul>                | <ul style="list-style-type: none"><li>This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate</li></ul> |
| Total remuneration charged in the Period  |                                                                                                                                                                    |                                                                                               | 37 hrs    £9,628    £/hr264                                                                                                                                                               |

Commercial in confidence

Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end

Period from 15/09/2019 to 14/03/2020

| Area of work                              | Partner |   | Manager |          | Executive |          | Administrator |        | Period total |          | Cumulative total as at period end |        |           | Fees estimate |        |            | Variance |        |            |
|-------------------------------------------|---------|---|---------|----------|-----------|----------|---------------|--------|--------------|----------|-----------------------------------|--------|-----------|---------------|--------|------------|----------|--------|------------|
|                                           | Hrs     | £ | Hrs     | £        | Hrs       | £        | Hrs           | £      | Hrs          | £        | Hrs                               | £      | £/hr      | Hrs           | £      | £/hr       | Hrs      | £      |            |
| Realisation of Assets:                    |         |   |         |          |           |          |               |        | 8.70         | 2,786.50 | 320.29                            | 83.85  | 36,499.00 | 435.29        | 110.00 | 34,500.00  | 313.64   | 26.15  | (1,999.00) |
| Property                                  | -       | - | -       | -        | 1.00      | 245.00   | -             | -      | 1.00         | 245.00   | 245.00                            | 10.10  | 2,938.00  | 290.89        |        |            |          |        |            |
| Debtors                                   | -       | - | -       | -        | 0.20      | 49.00    | -             | -      | 0.20         | 49.00    | 245.00                            | 15.80  | 5,439.00  | 344.24        |        |            |          |        |            |
| Stock & WIP                               | -       | - | 4.00    | 1,635.00 | 3.50      | 857.50   | -             | -      | 7.50         | 2,492.50 | 332.33                            | 8.00   | 2,797.50  | 349.69        |        |            |          |        |            |
| Sale of business                          | -       | - | -       | -        | -         | -        | -             | -      | -            | -        | -                                 | 42.80  | 22,487.50 | 525.41        |        |            |          |        |            |
| Other assets                              | -       | - | -       | -        | -         | -        | -             | -      | -            | -        | -                                 | 0.30   | 150.00    | 500.00        |        |            |          |        |            |
| General                                   | -       | - | -       | -        | -         | -        | -             | -      | -            | -        | -                                 | 6.85   | 2,687.00  | 392.26        |        |            |          |        |            |
| Investigations:                           |         |   |         |          |           |          |               |        | -            | -        | -                                 | 6.90   | 2,584.50  | 374.57        | 37.00  | 9,715.00   | 262.57   | 30.10  | 7,130.50   |
| Debtor / director / senior employees      | -       | - | -       | -        | -         | -        | -             | -      | -            | -        | -                                 | 3.75   | 1,755.00  | 468.00        |        |            |          |        |            |
| General                                   | -       | - | -       | -        | -         | -        | -             | -      | -            | -        | -                                 | 3.15   | 829.50    | 263.33        |        |            |          |        |            |
| Creditors:                                |         |   |         |          |           |          |               |        | 4.80         | 1,220.00 | 254.17                            | 26.25  | 8,997.00  | 342.74        | 90.00  | 23,125.00  | 256.94   | 63.75  | 14,128.00  |
| Secured                                   | -       | - | 0.80    | 240.00   | 4.00      | 980.00   | -             | -      | 4.80         | 1,220.00 | 254.17                            | 19.35  | 5,961.75  | 308.10        |        |            |          |        |            |
| Unsecured                                 | -       | - | -       | -        | -         | -        | -             | -      | -            | -        | -                                 | 4.70   | 2,241.25  | 476.86        |        |            |          |        |            |
| Retention of title                        | -       | - | -       | -        | -         | -        | -             | -      | -            | -        | -                                 | 2.20   | 794.00    | 360.91        |        |            |          |        |            |
| Administration:                           |         |   |         |          |           |          |               |        | 23.00        | 5,621.60 | 244.42                            | 93.63  | 22,672.65 | 242.15        | 145.00 | 37,375.00  | 257.76   | 51.37  | 14,702.35  |
| Case management                           | -       | - | 0.20    | 60.00    | 2.95      | 736.50   | 0.15          | 27.00  | 3.30         | 823.50   | 249.55                            | 3.30   | 823.50    | 249.55        |        |            |          |        |            |
| Reports to creditors, notices & decisions | -       | - | 3.15    | 1,053.75 | 5.25      | 1,355.00 | 0.35          | 63.00  | 8.75         | 2,471.75 | 282.49                            | 8.75   | 2,471.75  | 282.49        |        |            |          |        |            |
| Treasury, billing & funding               | -       | - | 0.50    | 150.00   | 7.55      | 1,550.75 | 2.45          | 441.00 | 10.50        | 2,141.75 | 203.98                            | 34.80  | 6,718.00  | 193.05        |        |            |          |        |            |
| Tax                                       | -       | - | 0.20    | 109.60   | 0.25      | 75.00    | -             | -      | 0.45         | 184.60   | 410.22                            | 5.75   | 1,751.10  | 304.54        |        |            |          |        |            |
| Pensions                                  | -       | - | -       | -        | -         | -        | -             | -      | -            | -        | -                                 | 0.90   | 436.50    | 485.00        |        |            |          |        |            |
| General                                   | -       | - | -       | -        | -         | -        | -             | -      | -            | -        | -                                 | 40.13  | 10,471.80 | 260.95        |        |            |          |        |            |
| Total                                     | -       | - | 8.85    | 3,248.35 | 24.70     | 5,848.75 | 2.95          | 531.00 | 36.50        | 9,628.10 | 263.78                            | 210.63 | 70,753.15 | 335.91        | 382.00 | 104,715.00 | 274.12   | 171.37 | 33,961.85  |

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Due to enhancements to our SIP9 reporting systems, allocation of time against areas of work may differ to previous periods, however this does not affect overall total time costs
- Adverse variances are presented in brackets

## Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Work done' section above.

| Category                                | Incurred in the Period (£) | Cumulatively incurred as at Period end (£) | Of which paid by the estate as at Period end (£) |
|-----------------------------------------|----------------------------|--------------------------------------------|--------------------------------------------------|
| <b>Category 1 disbursements</b>         |                            |                                            |                                                  |
| Insolvency Practitioner's bond          | 0                          | 150                                        | 0                                                |
| Subsistence                             | 0                          | 273                                        | 0                                                |
| Travel – non mileage                    | 0                          | 160                                        | 0                                                |
| <b>Expenses</b>                         |                            |                                            |                                                  |
| Legal fees – Eversheds LLP              | 34,134                     | 34,143                                     | 34,134                                           |
| Legal fees – Geldards LLP               | 0                          | 3,824                                      | 3,824                                            |
| Statutory advertising                   | 0                          | 74                                         | 74                                               |
| Rents payable                           | 0                          | 4,000                                      | 4,000                                            |
| Bank charges                            | 63                         | 125                                        | 125                                              |
| <b>Total expenses and disbursements</b> | <b>34,197</b>              | <b>42,749</b>                              | <b>42,157</b>                                    |

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

### Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the Joint Administrators' receipts and payment account at Appendix C.

### Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration.

To the extent that recovery of category 2 disbursements is sought, this will be for mileage only charged at 45p per mile. Details of these costs are also provided in the table above.

## Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

## Payments to associates

Where we have enlisted the services of others, we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our Firm or from a party with whom (to the best of our knowledge) our Firm, or an individual within our Firm, has a business or personal relationship:

| Service provider      | Services enlisted                                                                                                                                                                                                            | Cost of service                                                                                             |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Grant Thornton UK LLP | <ul style="list-style-type: none"><li>Tax work/advice (narrative is included within the above narrative of work done)</li><li>Pensions work/advice (narrative is included within the above narrative of work done)</li></ul> | <ul style="list-style-type: none"><li>Costs are included within the above SIP9 time cost analysis</li></ul> |

## Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the joint administrators' fee basis, or who provide services to us as Joint Administrators, which may give rise to a potential conflict.

## Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

