

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1	Company details	
Company number	0 9 3 1 4 7 2 9	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Collateral (UK) Limited	
2	Liquidator's name	
Full forename(s)	Shane	
Surname	Crooks	
3	Liquidator's address	
Building name/number	55	
Street	Baker Street	
Post town	London	
County/Region		
Postcode	W 1 U 7 E U	
Country		
4	Liquidator's name ❶	
Full forename(s)	Mark	❶ Other liquidator Use this section to tell us about another liquidator.
Surname	Shaw	
5	Liquidator's address ❷	
Building name/number	55	❷ Other liquidator Use this section to tell us about another liquidator.
Street	Baker Street	
Post town	London	
County/Region		
Postcode	W 1 U 7 E U	
Country		

LIQ03

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6 Period of progress report

From date	^d 1	^d 0	^m 0	^m 5	^y 2	^y 0	^y 2	^y 0
To date	^d 0	^d 9	^m 0	^m 5	^y 2	^y 0	^y 2	^y 1

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 0	^d 8	^m 0	^m 7	^y 2	^y 0	^y 2	^y 1
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LIQ03

Notice of progress report in voluntary winding up



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 **Shane Crooks**

Company name **BDO LLP**

Address **5 Temple Square**

Temple Street

Post town **Liverpool**

County/Region

Postcode

L 2 5 R H

Country

DX

Telephone **01512 374 500**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

Collateral UK Limited - in Creditors' Voluntary Liquidation
Summary of receipts and payments for the period 10 May 2019
to 9 May 2021

	Period 10 May 2020 to 9 May 2021	Total
Receipts	£	£
Surplus from the Administrations	-	1,625,249.99
Net Loan Redemptions	1,082,795.11	1,858,860.22
Bank interest	772.87	4,027.40
Refund received from JMW solicitors	-	40,000.00
	<u>1,083,567.98</u>	<u>3,528,137.61</u>

Payments

Professional Fees	3,148.46	5,088.80
Committee Expenses	-	1,714.32
Security Costs	-	49,038.61
Property Agents	3,766.35	12,954.80
Legal fees pre-appointment	-	8,180.61
Legal fees (trust)	80,673.00	191,715.43
Legal fees (non-trust)	43,419.33	62,597.33
Legal disbursements	-	4,033.34
Storage Costs	-	2,000.01
Insurance of Assets	2,675.71	3,605.82
Bank Charges	42.00	246.00
JAs' pre-appointment fees	-	36,463.23
JAs' pre-appointment disbursements	-	1,108.00
Joint Administrators' fees (non-trust)	-	144,277.72
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Joint Liquidators' fees (trust)	230,363.00	280,315.18
VAT input	72,173.81	250,871.40
	<u>436,261.66</u>	<u>1,499,572.52</u>

Balance in hand 2,028,565.09

3,528,137.61

BDO LLP
55 Baker Street
London
W1U 7EU

Shane Crooks
Joint Liquidator
5 July 2021

Notes

- 1 The directors have not submitted a Statement of Affairs for the Companies.

TO ALL KNOWN INVESTORS AND CREDITORS

8 July 2021

Email: investorcollateral@bdo.co.uk

Dear Madams/Sirs

**Collateral (UK) Limited
Collateral Sales Limited
Collateral Security Trustee Limited - All In Creditors' Voluntary Liquidation**

I set out below an annual progress report in accordance with Section 104A of the Insolvency Act 1986 and Rule 18.4 of the Insolvency (England and Wales) Rules 2016 ('the Rules'). This report covers the period 10 May 2020 to 9 May 2021 ('the Period') and should be read in conjunction with my previous reports published in the preceding Administration and the periodic updates published on the dedicated Collateral website that has been set up at <https://www.bdo.co.uk/en-gb-collateral-companies-in-liquidation>.

The following abbreviations are used from time to time throughout this report:

"CUKL"	Collateral (UK) Limited
"CSTL"	Collateral Security Trustee Limited
"CSL"	Collateral Sales Limited
"the Companies"	CUKL, CSTL and CSL, collectively
"the Joint Liquidators"	Shane Crooks and Mark Shaw, of BDO LLP

Given the degree of inter-dependence between the Companies' affairs and for cost-efficiency the reports for the Companies have been consolidated into one document.

1 Professional information regarding the Joint Liquidators

The Joint Liquidators are Shane Crooks (officeholder number: 15110) and Mark Shaw (officeholder number: 8893) both of BDO LLP, 55 Baker Street, London, W1U 7EU.

The Joint Liquidators were appointed on 10 May 2019 following a move from Administration (where they acted as Joint Administrators) to Creditors' Voluntary Liquidation and they carry out their functions jointly and severally meaning any action can be performed by one Liquidator or by both of them.

2 Receipts & Payments

I enclose, for your information, a summary of the receipts and payments for the Period. For the purpose of this report, at this stage, all receipts and payments have been consolidated and included on the summary of receipts and payments for CUKL, notwithstanding the fact that certain receipts and payments may, depending on the outcome of our work, relate to the realisation of assets held on trust by one or more of the Companies for investors.

I trust that the receipts and payments are self-explanatory. Realisations during the Period are set out in more detail in section 4 below. The payments made in relation to Joint Liquidators' fees, legal fees and professional fees are also discussed in further detail in this report.

3 Professional costs in the Liquidation

I provide below a summary of the professional fees and other expenses which have been paid in the Period, the costs which have been accrued but not yet paid and, where possible, an estimate of costs that are anticipated.

Professional Fees and Expenses	Accrued £	Paid £	Anticipated £
Insolvency Risk Services - insurance costs	1,500	3,605.82	1,000
JLVR - transcription services	nil	1,156.34	nil
Avison Young (UK) Ltd - property agents fees & disbursements	nil	5,257.35	Not possible to estimate at this stage
Stevens & Bolton LLP - Legal Fees & Disbursements	158,722	124,092.33	Not possible to estimate at this stage
Total	160,222	134,111.84	Not possible to estimate at this stage

4 Progress of the Liquidation

The Joint Liquidators have continued to deal with the affairs of the Companies, to progress the various work-streams commenced during the preceding Administration and to perform their statutory duties in the Liquidation.

I set out below a summary of the work undertaken in the Period and the progress achieved. I continue to work closely with the Liquidation Committee ('the Committee'), providing detailed updates and seeking its guidance where appropriate.

Electronic data and online platform

I have referred extensively to the importance of the electronic data of the Companies in my previous reports, as well as to the difficulties faced in obtaining access to the electronic information and the steps taken to date in that respect.

Investors and creditors will recall that the aforementioned efforts allowed the Joint Liquidators to rebuild the analysis of the investors' exposure to the Collateral platform. This was an essential step, as the detailed analysis will enable distributions to be made to investors in respect of the different trust assets in due course.

These schedules were circulated to all investors in June 2020. If you are an investor and you have still not received a copy of your detailed loan exposure schedule, please email investorcollateral@bdo.co.uk with your details and request a copy. Similarly, please also email this address if you have any queries in relation to your schedule and/or dispute the sums therein.

The responses received from investors following the circulation of the detailed exposure schedules suggest that a significant majority of investors are in agreement with the reconstituted analyses. There were, however, a limited number of investors who raised queries and/or disputes in relation to the analyses. It also remains possible that some investors may raise issues and disputes at a later stage which could cause complications, especially if the Joint Liquidators have made distributions by that point in time.

The Joint Liquidators have therefore obtained legal advice in relation to the above issue and in respect of other matters that need to be considered prior to any distribution being paid to investors. Due to the nature of the 'trust' assets being dealt with in these particular liquidations, the usual rules governing the adjudication of claims in a liquidation (whereby all creditors must

submit proofs of debt by a particular date or risk losing out on their entitlement to a dividend) do not apply. Similarly, the formal mechanism for dealing with disputed claims, as set out in the Rules, also does not apply.

Without waiving privilege in the legal advice received, the Joint Liquidators have been advised to seek directions from the Court with a view to setting a bar date by when investors must assert any new trust claims and/or raise any queries in relation to their existing trust claims. Following that bar date, all investors' trust claims will be finally quantified and investors will not be permitted to assert any other trust claims. The Joint Liquidators will also seek Court directions to provide a mechanism for dealing with any disputed claims. I have instructed my legal team to progress that Court application.

Once investors' claims have been finally determined under this Court-directed procedure, the Joint Liquidators will be in a position to make a first distribution from those loans that have been realised to date (see below).

The loan book

My previous reports set out the details of the two loan books - the 'property' loan book and the smaller 'chattel' loan book operated by the Companies. This work-stream has remained one of the main areas of focus in the liquidations, and I have continued to liaise closely with the Committee in respect of the outstanding assets that need to be realised.

Property Loans

In my last report, I had advised that the property loans listed below had been realised:

Property	Enforcement action required?	Principal loan £	Amount recovered (before costs) £
Old Road, Bromyard, Hereford	No	210,000	212,174.76
Bolton Street, Blackpool, Lancashire	No	105,000	120,419.18
Barnston Road, Liverpool	No	74,900	94,087.46
Miller Street, Blackpool, Lancashire	No	108,500	129,907.20
Mullen Road, Wallsend, Newcastle upon Tyne	No	80,500	85,000.00
St Albans Crescent, Newcastle upon Tyne	No	133,000	139,000.00
Park Hall, Huyton Hey Road, Liverpool	No	195,615	180,000.00
Mullen Gardens, Wallsend, Newcastle upon Tyne	Yes	122,500	180,850.00
Meadows House, Fulham, London	Yes	595,000	720,000.00
Paddock Way, Doncaster, South Yorkshire	Yes	303,714	212,500.00
10 Oakwell Vale, Pontefract Road, Barnsley	Yes	49,050	64,650.00
39 Oakwell Vale, Pontefract Road, Barnsley	Yes	49,050	52,745.00
67 Oakwell Vale, Pontefract Road, Barnsley	Yes	49,050	56,569.00
Total		2,075,879	2,247,902.60

Since my last report, the following additional loans have been realised by the Receivers who were appointed over the properties:

Property	Enforcement action required?	Principal loan £	Amount recovered (before costs) £
Navigation Building, Station Approach, Hayes, Middlesex	Yes	325,300	362,000.00
Development - Waverledge, Rushton Street, Great Harwood	Yes	935,906	440,000.00
Development - Belgrave Heights, Blackburn Road, Darwen, Blackburn	Yes	1,432,000	800,000.00
Development Site at Sycamore Ave, Burnley, Lancashire	Yes	883,146	600,000.00
Total		3,576,352	2,202,000.00

Please note that, as the attached receipts and payments schedule covers the period to 9 May 2021, some of the above sales proceeds are not yet reflected in that schedule (as they were still held by the relevant Receivers as at that date).

The properties securing the loans listed in the table below remain unsold and I am liaising with the appointed Receivers, my real estate advisors and my legal advisors in relation to the strategy for realising these properties. As investors and creditors may recall from my previous report, offers had been accepted in respect of some of the properties listed below but, for reasons beyond the Joint Liquidators' control, the interested parties were either unable to complete the transactions or withdrew their interest.

Property	Principal loan £
Pembroke Street, Littleborough	125,000
Great Moor Street, Bolton	5,190,000
Block C, Colne Hall, Manchester Rd, Huddersfield	1,601,000
Development Loan - Eco Village at Nether Kypeside, Lanark	1,195,358
12 student accommodation units at Appleton Point, Bradford*	503,580

At the time of my last report, enforcement action had been taken against all but one of the outstanding property loans. During the Period, the Joint Liquidators have taken steps to appoint Receivers over the property marked with an asterisk; being the 12 student accommodation units at a development known as Appleton Point, Bradford. These units have been empty since February 2019, due to a prohibition notice over the property that has been issued by the local fire authority.

As noted in my previous reports, the realisation of a significant number of the properties has been particularly challenging. A number of the properties have had significant issues including, but not limited to, prohibition notices, construction defects, planning and health and safety issues, unauthorised tenants and issues with the security registered over the respective properties. This



has had a resulting impact both upon the Receivers' ability properly to market and sell the properties, and also on the level of market interest/value.

Unsurprisingly, the remaining properties listed in the table above generally possess the greatest number of issues and challenges. The Joint Liquidators will continue to work closely with the appointed Receivers, our professional advisors and the Committee in implementing an appropriate realisation strategy for each remaining asset. However, the challenges facing each of the properties will ultimately likely be reflected in the sales price eventually achieved.

Chattel loans

As set out in my previous reports, all known chattel assets securing the 'chattel' loan book had been collected by my agents.

I have previously advised that there are significant discrepancies between the book value of these assets in the Companies' records and the estimated realisable values provided by the independent agents engaged by the Joint Liquidators. Although I had raised this issue with the Companies' directors, and continued to correspond with them on this issue during the Period, they have not been able satisfactorily to explain why such significant discrepancies in value have arisen. As regards obtaining valuations at the outset of the loans and the 'underwriting' of the loans to provide an exit strategy in the event of default, the directors have advised that there were no formal processes in place.

Given the responses received from the directors, and having liaised with my legal advisors and independent valuers, I do not consider it necessary to continue holding the chattel assets. I am now therefore taking steps to place the chattel assets in upcoming auctions.

I have also continued my investigations in relation to potential additional chattel loans which had not been disclosed at the outset of the preceding administrations. This is another matter that the directors were asked to clarify, but they have been unable to provide any further assistance. My investigations and enquiries in relation to this matter are ongoing.

The Companies' bank accounts

As previously advised, the Companies' bank accounts were secured immediately upon the appointment of the Joint Administrators, and balances of £383,243.54 and £429,307.30, which were held in the CUKL office and client account respectively, were recovered.

As has been noted previously, there is a discrepancy between the balance held in the client account and the Companies' records. The directors have been unable to provide any explanation in relation to the discrepancy. The distribution of client account balances to relevant investors will be dealt with as part of the aforementioned application to Court for directions.

Communication with stakeholders

Investors and creditors will recall that the Joint Liquidators have set up a dedicated website that provides information to investors, creditors and borrowers of the Companies. Please note the website below:

<https://www.bdo.co.uk/en-gb/collateral-companies-in-liquidation>

The website is updated periodically and will be used to provide appropriate updates to stakeholders on the progress of the liquidations. Frequently asked questions ("FAQs") have been uploaded to the website address to deal with the most common queries received from investors and creditors. This approach has been adopted so that we can share the answers to questions raised by individual investors/creditors with all investors/creditors.



Investors who have specific queries should continue to use the dedicated email address at investorcollateral@bdo.co.uk or write to the Joint Liquidators at c/o BDO LLP, 55 Baker Street, London W1U 7EU.

The Committee

I continue to liaise closely with the Committee, providing detailed periodic and ad hoc updates in relation to the progress of the liquidations and especially on the realisation strategy for the remaining property assets.

Due to Covid-19 restrictions, there have been no further physical meetings with the Committee since my last report. However, a virtual meeting is currently being arranged and will take place shortly.

Assets

I can confirm that there are no assets of a peculiar or special nature which cannot be sold. Consequently there has been no distribution of unsold assets to creditors, as mentioned in Rules 18.10/14.13 of the Rules.

Future Prospects for Creditors

Secured Creditors

Based on current information, the Companies have no secured creditors.

Preferential Creditors

As previously reported, certain amounts due to former employees in respect of arrears of wages and accrued holiday pay at the date of the Administrations will be classed as preferential claims.

The directors advised that staff were paid up to 28 February 2018. The Joint Liquidators wrote to the former employees in the preceding Administrations to establish whether there were any amounts due to them in respect of accrued holiday or notice pay.

To date, former employees of CUKL have claimed c£6.2k in respect of accrued holiday and payment in lieu of notice. The Government's Redundancy Payments Service has already paid c£5.9k of that amount. The balance of the amounts claimed by former employees will be a preferential claim in the Liquidation of CUKL.

Investors, unsecured creditors & the Prescribed Part

As set out in my previous reports, based upon the legal advice that we have received to date (in respect of which no privilege is waived), the platform loans are assets likely to be held on trust on behalf of investors. Consequently, the return to investors will vary significantly between different loans based on the net realisations achieved in respect of each loan. In light of the above, each investor will receive a different rate of return, depending on their own particular exposure to the loans in their portfolio.

Earlier in this report, I set out the position in respect of the detailed loan exposure schedules that have been sent to investors and the Court application that is being prepared to enable the Joint Liquidators to implement a scheme that will allow distributions to be made to investors from loan realisations to date (assuming of course that the Court provides the directions being sought). Given the complexity of this issue, and the number of investors involved, I will liaise closely with the Committee in relation to the timing of any distributions, in order to ensure that the process is as cost-effective as possible.

Under Section 176A of the Insolvency Act 1986 where, after 15 September 2003, a company has granted to a creditor a floating charge, a proportion of the net property of that company must be



made available purely for the unsecured creditors. None of the Companies has granted a floating charge to any creditor after 15 September 2003 and consequently there will be no prescribed part in these liquidations.

Investigations

The Joint Liquidators have a duty to investigate the affairs of the Companies and also the conduct of the directors and, in respect of the latter, to submit a confidential statutory report to the Secretary of State. I confirm that we have complied with our duties in this regard.

Since my last report, we have held further interviews with the directors seeking to clarify a number of the issues that have arisen in the liquidations. The directors have provided limited assistance in relation to certain issues, which has allowed us to open new lines of enquiries with third parties.

The Joint Liquidators continue to investigate the Companies' affairs and assets to establish whether there are any further actions which can be pursued for the benefit of investors and creditors. Due to the sensitive nature of these investigations, it is not appropriate to comment further in this report. The Committee remains fully briefed on my progress in this regard.

Joint Liquidators' Remuneration

Pursuant to the Rules, the Joint Liquidators are obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

- (1) As a percentage of the assets realised and distributed; and/or
- (2) By reference to the time the Joint Liquidators and the staff have spent attending to matters in the Liquidation; and/or
- (3) As a set amount; and/or
- (4) As a combination of the above.

As reported previously, the Joint Administrators' and the Joint Liquidators' remuneration is complicated by the nature of the Companies' assets and the fact the Joint Liquidators consider that they are dealing with both 'trust' assets and 'non-trust'/'company' assets.

The Joint Liquidators continue to utilise an internal time recording protocol established at the outset of the Administrations to split time charged to this assignment between specific or general trust assets and non-trust/Company assets. In relation to non-trust assets and issues, all time in the liquidations has been charged to CUKL, but this incorporates time spent dealing with all the Companies.

During the Period, a sum of £230,363.00 was drawn in respect of the Joint Liquidators' remuneration (as agreed by the Committee), as shown on the attached receipts and payments account.

I attach schedules in relation to the liquidations detailing the time costs incurred in the Period in relation to both trust and non-trust assets. As set out previously in the Joint Administrators' Proposals, the charge out rates for all BDO partners and staff working on this matter have been discounted to the rates agreed with the FCA prior to the Joint Administrators' appointment.

To date, the Committee has approved the Joint Liquidators' fees for the period 10 May 2019 to 27 March 2020. In addition to the fees drawn to date, a further £162,023.12 of fees in relation to the Joint Liquidators' 'non-trust' fees have been approved by the Committee but have not yet been drawn from the funds in hand.

For guidance, I enclose 'A creditors' guide to Liquidators' fees', together with a document that outlines the policy of BDO LLP in respect of fees and disbursements.



Joint Liquidators' Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Category 1 disbursements totalling £4,775.75 have accrued in the Period.

Some Liquidators recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements.

The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have accrued in the Period.

Category 1 disbursements accrued in the period are listed in the table below:

	Cat. 1 (£)	Cat. 2 (£)	Total (£)
Data Hosting	3,632.75	-	3,632.75
Relativity Licences	1,140.00	-	1,140.00
Statutory Declaration	5.00	-	5.00
Total	4,777.75	-	4,777.75

Total disbursements of £17,377.50 have been incurred in the liquidations to date (including £12,601.75 listed in my previous report). No disbursements have been drawn during the liquidations to date.

Creditors' rights

I provide at the end of this report an extract from the Rules setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation. Creditors may access information setting out creditors' rights in respect of the approval of Liquidator's remuneration at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to me but are not satisfied with my response, you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at: <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>

If you require any further information please contact me or my colleague David Forster at investorcollateral@bdo.co.uk.



Yours faithfully
For and on behalf of
The Companies

A handwritten signature in black ink, appearing to be 'Shane Crooks', written over a horizontal line.

Shane Crooks
Joint Liquidator
Authorised by the Institute of Chartered Accountants in England & Wales in the UK

Enclosures:

Receipts and Payments Account
SIP 9 Time Cost Reports for the Period
SIP 9 Time Cost Reports for the Liquidation
BDO LLP Policy in respect of Fees and Disbursements
Statement of Creditors' Rights in respect of Fees and Disbursements

Collateral UK Limited - in Creditors' Voluntary Liquidation
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BDO LLP

55 Baker Street
London
W1U 7EU

Shane Crooks
Joint Liquidator
5 July 2021

Notes

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Collateral UK Limited
Collateral Sales Limited
Collateral Security Trustee Limited - All in Creditors' Voluntary Liquidation

Joint Liquidators' time spent dealing with trust asset matters

Summary of time charged and rates applicable for the period from 10 May 2020 to 9 May 2021

Description	PARTNER		DIRECTOR		SENIOR MANAGER/MANAGER		EXECUTIVE		GRAND TOTAL		AV RATE
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£
Assets Realisation/Dealing and Investigations (i.e dealing with realisation of loan books)	33.50	20,100.00	15.50	4,743.00	185.50	73,357.90	20.15	2,892.35	254.65	101,093.25	396.99
Investor claims and queries	2.25	1,350.00			31.90	12,676.60	10.00	1,450.00	44.15	15,476.60	350.55
Liaising with committee on trust asset matters	9.75	5,850.00			23.50	9,282.50			33.25	15,132.50	455.11
Time attributed to specific trust assets. See attached schedule for breakdown.	40.75	24,450.00			216.25	87,043.10			257.00	111,493.10	433.83
	86.25	51,750.00	15.50	4,743.00	457.15	182,360.10	30.15	4,342.35			
Net Total									589.05	243,195.45	412.86

Collateral UK Limited
 Collateral Sales Limited
 Collateral Security Trustee Limited - All in Creditors' Voluntary Liquidation
 Joint Liquidators' time spent dealing with non-trust matters

Summary of time charged and rates applicable for the period from 10 May 2020 to 9 May 2021

Description	PARTNER		SENIOR MANAGER/MANAGER		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£
General Administration, including investigations, liaising with lawyers and the FCA, cashiering, planning and strategy.	13.65	8,165.10	62.65	24,834.00	49.60	7,238.60	95.80	6,041.35	221.70	46,279.05	208.75
Creditor claims and queries			2.50	994.00					2.50	994.00	397.60
Reporting, including statutory reports, maintenance of dedicated webpage and FAQs.	3.50	2,100.00	14.50	5,655.00					18.00	7,755.00	430.83
Liaising with, and reporting to, the Creditors' Committee	4.75	2,850.00	12.00	4,843.40					16.75	7,693.40	459.31
	21.90	13,115.10	91.65	36,326.40	49.60	7,238.60	95.80	6,041.35			
Net Total									258.95	62,721.45	242.21

Collateral UK Limited
Collateral Sales Limited
Collateral Security Trustee Limited - All in Creditors' Voluntary Liquidation

Joint Liquidators' time spent dealing with trust asset matters

Summary of Time Charged and Rates Applicable for the Period From 10 May 2019 to 9 May 2021

Description	PARTNER		DIRECTOR		SENIOR MANAGER / MANAGER		EXECUTIVE		GRAND TOTAL		AV RATE
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	
IT platform specific work	14.00	8,400.00	7.25	2,283.75	16.45	5,477.85	14.95	2,167.75	52.65	18,329.35	348.14
General administration, including liaising with lawyers, meetings and correspondence with the Directors					8.00	2,664.00			8.00	2,664.00	333.00
Assets Realisation/Dealing and Investigations (ie dealing with realisation of loan books)	60.90	36,540.00	15.50	4,743.00	254.49	96,308.84	36.94	6,151.36	367.83	143,743.20	390.79
Investor claims and queries	7.75	4,650.00			73.30	26,462.80	16.75	2,428.75	97.80	33,541.55	342.96
Liaising with committee on trust asset matters	26.00	15,600.00			49.35	17,890.55	4.00	804.00	79.35	34,294.55	432.19
Time attributed to specific trust assets	182.38	109,425.00	4.40	2,167.40	587.87	210,791.73	14.75	2,474.75	789.39	324,858.88	411.53
	291.03	174,615.00	22.75	7,026.75	989.46	359,595.77	87.39	14,026.61			
Net Total											
									1,395.02	557,431.53	399.59

Collateral UK Limited
 Collateral Sales Limited
 Collateral Security Trustee Limited - All in Creditors' Voluntary Liquidation
 Joint Liquidators' time spent dealing with non-trust matters

Summary of Time Charged and Rates Applicable for the Period From 10 May 2019 to 9 May 2021

Description	PARTNER		MANAGER		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£
General Administration, including investigations, liaising with lawyers and the FCA, cashiering, planning and strategy.	33.25	19,746.90	207.15	72,342.20	106.90	15,399.00	165.55	10,410.32	512.85	117,898.42	229.89
Creditor claims and queries	2.00	1,200.00	11.85	4,107.55	8.00	1,160.00			21.85	6,467.55	296.00
Reporting, including statutory reports, maintenance of dedicated webpage and FAQ's.	7.00	4,200.00	20.50	7,653.00			4.00	268.00	31.50	12,121.00	
Liaising with, and reporting to, the Creditors' Committee	15.00	9,000.00	27.90	10,138.10	4.00	804.00			46.90	19,942.10	425.20
	57.25	34,146.90	267.40	94,240.85	118.90	17,363.00	169.55	10,678.32			
Net Total									613.10	156,429.07	255.14



Collateral (UK) Limited - In Creditors Voluntary Liquidation
Collateral Sales Limited - In Creditors Voluntary Liquidation
Collateral Security Trustee Limited - In Creditors Voluntary Liquidation

In accordance with best practice, I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The charge out rates per hour of staff within my firm who may be involved in working on this assignment have been discounted for this project, and are as follows:

London	
Partner	600
Director	462
Senior manager	392-428
Manager	295-333
Assistant manager	266
Senior Executive	248
Executive	165-224
Trainee	92-165

This in no way implies that staff at all such grades will work on the assignment. The rates charged by BDO LLP are reviewed on a regular basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:

Pre Appointment
Steps upon Appointment
Planning and Strategy
General Administration
Asset Realisation/Management
Trading Related Matters
Employee Matters
Creditor Claims
Reporting
Distribution and Closure
Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Other Costs



Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

Category 1 disbursements

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

Category 2 disbursements

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP
8 July 2021



Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
 - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
 - (d) any unsecured creditor with the permission of the court; or
 - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
 - (b) providing some of the information requested; or
 - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
 - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
 - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
 - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
 - (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
 - (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ('the relevant report').

Applications under rules 18.34 and 18.35 where the court has given permission for the application

18.36.—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

- (2) Where the court has given permission, it must fix a venue for the application to be heard.

- (3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or Liquidator or the administrator's or Liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court's permission is not required for the application

- 18.37.—**(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.
- (2) Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or Liquidator or the administrator's or Liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.