

Administrator's progress report

Name of Company HCL Realisations 2013 Ltd (Formerly Hatfield Colliery Ltd)	Company Number FC030174
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 8541 of 2013

(a) Insert full name(s) and
address(es) of
administrator(s)

We (a) David James Kelly of PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Mosley Street, Manchester, M2 3PW; and
Toby Scott Underwood and Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

Joint liquidators and former joint administrators of the above Company attach a progress report for the period

(b) Insert dates

from

to

(b) 9 June 2014

(b) 18 November 2014

Signed

Joint liquidator and former joint administrator

Dated 16 DECEMBER 2014

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Kristy Wall	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street	
Leeds, LS1 4JP	Tel 0113 289 4636
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ **DX 33050 Cardiff**



WEDNESDAY



**HCL Realisations 2013 Ltd (formerly
Hatfield Colliery Ltd) – in liquidation and
formerly in administration**

**High Court of Justice, Chancery Division,
Companies Court**

Case No. 8541 of 2013

**The former joint administrators' final
progress report for the period 9 June 2014
to 18 November 2014**

16 December 2014

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Abbreviations used

"the former administrators" or "we"	David James Kelly, Toby Scott Underwood and Ian David Green
"PwC"	PricewaterhouseCoopers LLP
"IA86"	Insolvency Act 1986
"IR86"	Insolvency Rules 1986
"CVL" / "Liquidation"	Creditors Voluntary liquidation
"TUPE"	Transfer of Undertakings Protection of Employment Regulations 2006
"the Company" / "HCL"	HCL Realisations 2013 Ltd formerly Hatfield Colliery Ltd
"ING"	ING Group NV
"Hargreaves"	Hargreaves Services plc
"HCPL"	Hatfield Colliery Partnership Limited
"EBT"	Hatfield Colliery EBT Company Limited
"HMRC"	HM Revenue & Customs
"Network Rail"	Network Rail Infrastructure Limited
"SPA"	Sale and purchase agreement

1. Former administrators' final progress report for the period 9 June 2014 to 18 November 2014

Introduction

In accordance with Rule 2.47 and Rule 2.110 of the Insolvency Rules 1986, the former administrators write to provide creditors with details of the progress of the administration of the Company for the period 9 June 2014 to 18 November 2014

The former administrators are required to provide certain statutory information pursuant to Rule 2.47(1) IR86, which is included in Section 2

As outlined below, all assets have now been realised and so on 18 November 2014 the Company entered CVL

Background information and steps taken during the administration

As at the date of the former administrators appointment on 9 December 2013 the position as regards the Company was as follows -

- The Company was established for the purpose of the production and supply of coal
- The former administrators' appointment arose as a consequence of significant unexpected production and mining issues which adversely impacted production. Notably production was impacted for a 13 week interruption in 2011, and a 16 week interruption in 2012 which caused a major drain on cash flow of approximately £1m per week.
- Key issues facing the Company were as follows -
 - A landslip in February 2013 which affected cash flow whilst efforts were diverted to clear up the slip and restore the land
 - Network Rail claimed costs and damages in the sum of approximately £34m following the landslip
 - Sections of the mine roof collapsed blocking production equipment, which further affected production.
 - ING and Hargreaves, the shareholders, confirmed they would not inject funds into the Company in its current form

Following an initial review, the former administrators concluded that the most appropriate strategy was to seek a solvent restructure, however as matters developed it became clear that a solvent restructure was not viable and a restructure via an insolvency process was the only viable option

As a result, we were appointed administrators on 9 December 2013, and immediately following our appointment, the Company's business and assets were transferred to HCPL, a new company formed for the purpose of this transaction. Furthermore, on 11 December 2013 the shares in HCPL were sold to a recently formed Employee Benefit Trust, Hatfield Colliery EBT Company Limited

All of the Company's business and assets (with the exception of a third party contribution of £850,000, plus £50,000 VAT, cash and any insurance proceeds) were transferred to HCPL

For further background information on the sale please refer to the SIP 16 document dated 12 December 2013 and /or the former administrators' proposals dated 23 December 2013. Both are available at www.pwc.co.uk/hcl

1. Former administrators' final progress report for the period 9 June 2014 to 18 November 2014

Other Issues

Network Rail Insurance Claim

As mentioned previously, in February 2013 a landslip on a spoil tip owned by the Company resulted in the closure of the rail line from Doncaster to Immingham for several months, this being one of the busiest freight routes in the UK

Since our appointment the former administrators, with our legal advisors, have been in discussions with Network Rail and the respective insurers with a view to reaching a consensual settlement. We are pleased to report that the terms of this settlement have now been agreed and the claim of Network Rail has been settled in full through the Company's pre-appointment insurance policy.

Payment of Trade Creditors by HCPL

As creditors are aware, HCPL - as part of the agreement to purchase the Company's business and assets - undertook to pay all the Company's trade creditors within a nine month period and to date the majority of trade creditors have received at least 50% of the balance owed to them

However, as reported previously, HCPL have faced issues affecting its ability to pay within this original timescale and have subsequently communicated a revised repayment time frame to creditors in a letter of 10 June 2014.

It is still hoped that trade creditors will be paid in full, although we understand this will not be until 30 June 2015, and we will continue to monitor the ongoing payment of trade creditors

Investigations

We have reviewed the affairs of the Company prior to administration and have also considered the points raised by creditors in discharging our duties under the Company Directors' Disqualification Act 1986

Creditors are reminded that we have a statutory obligation to consider the directors' conduct and to submit a return/report to the Insolvency Service. We can confirm that we have complied with this requirement

Discharge from Liability

Further to paragraph 98(2)(c) of Schedule B1 to the IA86, we had to apply to court for our discharge from liability. Consequently, on 4 November 2014, it was ordered by the Court that the former joint administrators be discharged from liability 28 days after the filing of this final progress report.

Final receipts and payments account

An account of the final receipts and payments in the administration for the period to 18 November 2014 is set out in Section 4 to this report.

Receipts in the period include -

- Refunds amounting to £1,782.82,
- Interest earned of £1,015.99 on funds invested.

1. Former administrators' final progress report for the period 9 June 2014 to 18 November 2014

Payments include -

- Office holder's fees of £65,000,
- Office holder's expenses of £1,815 23;
- Pre-appointment fees and expenses of £33,000;
- Professional fees of £1,016 23,
- Storage costs of £705 00,
- VAT paid of £20,104 05 all of which should be recoverable

Expenses statement

A statement of the expenses incurred by the former administrators in the period 9 June 2014 to 18 November 2014 is included at Section 5. The statement excludes any potential tax liabilities that may be payable as an expense of the administration in due course because amounts due will depend on the position at the end of the tax accounting period.

The former Administrators' accrued and unpaid expenses will be met from funds held by the liquidators in accordance with Paragraph 99 of SchB1 IA86 in priority to distributions to creditors.

Former administrators' remuneration

The former administrators' remuneration on a time costs basis was approved by the secured creditor on 24 October 2014.

To 18 November 2014 the former administrators have incurred time costs of £122,792, representing 525 hours at an average hourly rate of £233 74. To date the former administrators have drawn fees of £65,000. We have also drawn disbursements totalling £1,815 23 to 18 November 2014.

In accordance with the requirements of Statement of Insolvency Practice No 9, a full analysis of the former Administrators' final time costs and Category 2 disbursements for the period 9 December 2014 to 18 November 2014 is provided in Section 6.

Pre-administration costs

Information regarding the approval of the pre-administration costs previously detailed in the former administrators' proposals can be found in Section 7 of this report.

Payment of these costs was approved by the secured creditor on 24 October 2014.

Creditors' rights

A statement of creditors' rights in relation to the former administrators' remuneration and expenses can be found at the link below.

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-administrators-fees-final.ashx>

Alternatively, a paper copy can be obtained free of charge by telephoning Kristy Wall on 0113 289 4636.

1. Former administrators' final progress report for the period 9 June 2014 to 18 November 2014

Outcome for creditors

Secured creditor

As a result of the restructure, the level of secured debt remaining in HCL was reduced from approximately £102 million to £2million. There were no fixed charge realisations for the secured creditor as all assets transferred to HCPL as part of the sale.

If there are funds remaining after the distribution of the £600,000 prescribed part, ING may receive a small distribution under its floating charge. However, ING will suffer a significant shortfall under its security.

Preferential creditors

There are no preferential creditors as all employees transferred to HCPL as part of the transaction.

Unsecured creditors

As previously advised, we anticipate that there will be a distribution to unsecured creditors of approximately £600,000 (less the costs of any distribution).

The timing and quantum of the dividend to unsecured creditors is dependent upon the payment of trade creditors by HCPL, which is discussed in more detail above. It will be necessary for all unsecured creditors to have finalised claims before any distribution, and with the ongoing repayment scheme by HCPL it is necessary to wait until they have made all their repayments before any unsecured distribution can be calculated with accuracy. In any case, it is still hoped that all trade creditors will be repaid in full by HCPL under the provisions of the sales agreement and so will not be included in any unsecured distribution.

As for all other creditors not classed as "trade" creditors, it is currently anticipated that they will receive between 0 - 6p / £.

Exit route from administration

We consider that the restructure and transfer of the business in the administration has resulted in a better outcome for the creditors of the Company than would have been likely if the Company had been wound up (without first going into liquidation). Accordingly, we believe that the statutory purpose of the administration has been achieved. In accordance with our proposals and Paragraph 83(1) of Sch B1 IA86, we have filed Form 2 34B (move from administration to CVL) with the Registrar of Companies which was duly registered on 18 November 2014. There having been no alternate nominations, David Kelly, Toby Underwood and Ian Green were appointed as joint liquidators on 18 November 2014.

This exit route to liquidation was chosen due to there being an anticipated distribution to unsecured creditors.

It was considered that moving to CVL was preferable to continuing the administration for the following reasons;

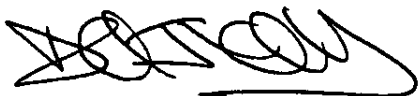
- There will be a distribution to unsecured creditors and a court order would be required to enable the distribution to be made in the administration. There would be no need for such an application to court in a CVL,
- The statutory reporting period in a CVL is annually whereas in an administration it is six monthly.

For the above reasons, a move to liquidation is considered the most appropriate exit route in this case.

1. Former administrators' final progress report for the period 9 June 2014 to 18 November 2014

Next report

The next report to creditors will be circulated by the joint liquidators of the CVL in approximately 12 months.



David Kelly
Joint liquidator and former joint administrator
HCL Realisations 2013 Ltd

David James Kelly, Toby Scott Underwood and Ian David Green are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

*The former joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998.
PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration*

2. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court <i>Court number 8541 of 2013</i>
Full name:	HCL Realisations 2013 Ltd (Formerly Hatfield Colliery Ltd)
Trading name:	Hatfield Colliery
Registered number:	<i>Jersey Company Register: 107932</i> <i>UK Companies House FCo30174</i>
Registered address:	First Floor Number 37 Broad Street, St Helier Jersey, JE4 9NU
Company directors:	Iain Cockburn Peter Kindt Robert Bernard O'Donoghue Jaap Jan Prins Samuel Andrew Scott
Company secretary:	Verite Secretaries Limited
Shareholdings held by the directors and secretary:	Nil
Date of the Administration appointment:	9 December 2013
Former Administrators' names and addresses:	David James Kelly of PwC LLP, 101 Barbirolli Square, Lower Mosley Street, Manchester, M2 3PW, and Toby Scott Underwood and Ian David Green, both of PwC LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP
Changes in office holder:	No changes
Appointor's / applicant's name and address:	Court appointment
Objective being pursued by the Former Administrators:	(b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration)
Division of the Former Administrators' responsibilities:	In relation to paragraph 100(2) Sch B1 IA86, during the period for which the Administration is in force, any function of the administrators and/or any act required or authorised under any enactment to be done by the administrators may be exercised and/or done by any or all of the administrators acting jointly or separately
Extensions to the period of the Administration:	No extensions
End of the administration:	CVL
Estimated dividend for unsecured creditors:	0 – 6p in the £
Estimated values of the prescribed part and the company's net property:	£600,000
Whether and why the administrators intend to apply to court under Section 176A(5) IA86:	Do not intend to apply
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this administration and the proceedings are main proceedings

3. Summary of the former administrators' proposals

Our proposals for achieving the purpose of administration were as follows.

- i) We'll continue to manage and finance the Company's business, affairs and assets from asset realisations as we consider appropriate. We'll do this with a view to achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration)
- ii) We may investigate and, if appropriate, pursue any claims the Company might have. We'll also do anything else we think appropriate, to achieve the purpose of the administration or to protect and preserve the Company's assets or to maximise realisations or for any other purpose incidental to these proposals
- iii) If we think there will be money for unsecured creditors, we may (but we won't have to) agree in principle the claims of unsecured creditors for confirmation by a subsequent liquidator. The costs of doing this may be charged to the administration, as part of our fees, or paid out of the prescribed part, depending on whether or not there will be a dividend for unsecured creditors other than the prescribed part. If we choose not to agree the claims in principle and there is money for unsecured creditors, a subsequent liquidator will agree the claims
- iv) If we think there will be money for unsecured creditors, we may (but we won't have to) ask the court to allow us to pay dividends to those creditors. If we choose not to ask the court for such an order and there is enough money for unsecured creditors, a subsequent liquidator will pay dividends to them.
- v) We may use one or more "exit route" strategies to end the administration, but we're likely to choose the following options as being the most cost effective and practical in this case
 - (a) Once we've finished our work, we'll put the Company into creditors' voluntary liquidation. If this happens, we propose that David James Kelly, Toby Scott Underwood and Ian David Green are appointed as Joint Liquidators and that any act required or authorised to be done by the Joint Liquidators can be done by any or all of them. Creditors may, before these proposals are approved, nominate a different person or persons as Liquidator(s), in accordance with paragraph 83(7)(a) of schedule B1 to the Insolvency Act 1986 and Rule 2.117A(2)(b) of the Insolvency Rules 1986.
 - (b) Once we've finished disposing of the assets we'll apply to the court for permission to pay any surplus funds to unsecured creditors. If this is granted, we'll end the administration by filing a notice with the Registrar of Companies and the Company will be dissolved three months later. If we don't get permission we'll put the Company into creditors' voluntary liquidation in accordance with paragraph (a) above or comply with the terms of any court order where different
- vi) We'll be discharged from liability in respect of any of our actions as administrators at a time set by the secured creditor(s).
- vii) We propose that the unpaid pre-administration costs set out at Appendix A are approved for payment as an expense of the administration. The payment of unpaid pre-administration costs as an expense of the administration is subject to approval under rule 2.67A of the Insolvency Rules 1986 and is not part of the proposals subject to approval under paragraph 53 of Schedule B1 to the Insolvency Act 1986. Because we've said we think the Company doesn't have enough assets to pay anything to unsecured creditors other than via the prescribed part, we'll ask the secured creditor to do so instead.
- viii) We propose that our fees be fixed based on the time we and our staff spend on the case at our normal charge out rates for this type of work. We also propose that disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice No 9) are charged as per our firm's policy

Because we've said we think the Company doesn't have enough assets to pay anything to unsecured creditors other than via the prescribed part we'll ask the secured creditor to fix the basis of our fees and Category 2 disbursements. If creditors or the committee do not fix the basis of our fees and Category 2 disbursements, we may apply to the court to fix them no later than 18 months after the date of our appointment

4. Final receipts and payments account

Directors' statement of affairs		9 December 2013 to 8 June 2014	9 June 2014 to 18 November 2014	Total
£		£	£	£
	Receipts			
	Sale of business	200 00	-	200 00
	Funding from third party/chargeholder	850,000 00	-	850,000 00
	VAT on third party contribution	50,000 00	-	50,000 00
	Refunds	-	1,782 82	1,782 82
	Interest received	1,159 05	1,015 99	2,175 04
600,000 00	Plant and machinery	-	-	-
11,000 00	Stock	-	-	-
52,712 00	Cash	-	-	-
		<u>901,359 05</u>	<u>2,798 81</u>	<u>904,157 86</u>
	Payments			
	Insurance	(9,010 00)	-	(9,010 00)
	Legal fees	(26,550 35)	-	(26,550 35)
	Legal disbursements	(635 86)	-	(635 86)
	Office holder's fees (time costs basis)	-	(65,000 00)	(65,000 00)
	Office holder's expenses	-	(1,815 23)	(1,815 23)
	Pre-appointment fees and expenses (time cost basis)	-	(33,000 00)	(33,000 00)
	Professional fees	(1,837 03)	(1,016 23)	(2,853 26)
	Registrar's fees	(10 00)	-	(10 00)
	Statutory advertising	(75 37)	-	(75 37)
	Storage costs	-	(705 00)	(705 00)
		<u>(38,118 61)</u>	<u>(101,536 46)</u>	<u>(139,655 07)</u>
663,712 00		<u>863,240 44</u>	<u>(98,737 65)</u>	<u>764,502 79</u>
	VAT payable/(receivable)	(55,437 24)	(20,104 05)	(75,541 29)
663,712.00	Balance on interest bearing current account	<u>807,803 20</u>	<u>(118,841 70)</u>	<u>688,961 50</u>

5. Statement of expenses

As required by Rule 2 47 (1)(dc) IR86 the following table provides a summary of expenses incurred during the period of this report, together with expenses remaining unpaid at the period end, for the case as a whole

Category	Unpaid expenses as at 9 June 2014 (£)	Expenses incurred in this period (£)	Expenses paid in this period (£)	Unpaid expenses as at 18 November 2014 (£)
Administrators' disbursements	1,740.06	75 17	1,815 23	-
Administrators' remuneration	97,532 60	25,259 70	65,000 00	57,792 30
Pre-administration costs	78,557 85	-	33,000 00	45,557.85 *
Legal disbursements	281 60	10 51	-	292 11
Legal fees	3,758 33	23,020 62	-	26,778 95
Professional fees	-	1,016 23	1,016 23	-
Storage costs	-	705 00	705 00	-
Total	181,870.44	50,087.23	101,536.46	130,421.21

* Outstanding pre-administration time of £45,557 85 will not be drawn in the liquidation and has been written off

6. Our charging and disbursements policy

Time costs summary for the period 9 December 2013 to 8 June 2014

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	-	-	0.25	-	1.15	5.35	-	6.75	1,280.75	189.74
2 Secured creditors	-	1.00	1.00	-	-	0.30	-	2.30	915.60	398.09
3 Trading	-	-	-	-	1.65	2.10	-	3.75	611.25	163.00
4 Assets	2.00	4.50	8.50	-	-	6.40	-	21.40	7,837.80	366.25
5 Investigations	-	-	-	2.00	-	49.60	-	51.60	8,728.90	169.16
6 Creditors	-	4.00	1.00	0.20	3.75	15.80	0.50	25.25	5,770.90	228.55
7 Accounting and treasury	-	-	1.16	0.50	2.10	6.90	-	10.66	2,140.30	200.78
8 Statutory and compliance	10.30	4.00	20.75	23.20	33.20	109.25	0.10	200.80	47,749.45	237.80
9 Tax & VAT	-	-	4.30	10.00	7.60	53.85	-	75.75	17,006.05	224.50
10 Employees & pensions	-	-	-	11.15	6.20	0.55	-	17.90	5,491.60	306.79
Total	12.30	13.50	36.96	47.05	55.65	250.10	0.60	416.16	97,532.60	234.36

6. Our charging and disbursements policy

Time costs summary for the period 9 June 2014 to 18 November 2014

Aspect of assignment	Partner	Senior			Manager	Director	Senior			Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
		Partner	Director	Manager	Manager	Director	Manager	Associate	Associate	Associate	Associate	Secretarial			
1 Strategy & Planning	-	-	-	-	-	-	-	0 10	1 50	-	-	1 00	2 60	483 00	185 77
2 Secured creditors	-	-	-	-	-	-	-	5 25	-	0 20	-	-	5 45	1,764 50	323 76
3 Trading	2 00	-	-	-	-	-	-	-	-	1 15	-	-	3 15	1,334 00	423 49
4 Assets	0 20	1 00	-	-	-	-	-	-	1 05	-	-	-	2 25	784 00	348 44
5 Creditors	-	-	-	-	-	-	-	-	0 70	1 70	-	-	2 40	398 70	166 13
6 Accounting and treasury	-	-	-	0 05	0 50	2 35	5 65	0 10	-	-	-	-	8 65	1,525 05	176 31
7 Statutory and compliance	2 30	3 00	1 08	9 10	22 35	27 90	-	-	-	-	-	-	65 73	15,063 80	229 18
8 Tax & VAT	-	-	1 15	0 70	2 90	7 70	-	-	-	-	-	-	12 45	2,665 65	214 11
9 Closure procedures	-	-	-	1 00	1 55	3 95	-	-	-	-	-	-	6 50	1,241 00	190 92
Total for the period from 9 June 2014	4 50	4 00	2 28	16 65	32 40	48 25	1 10						109 18	25,259 70	231 36
Brought forward at 9 June 2014													416 16	97,532 60	
Total													525 34	122,792 30	

6. Our charging and disbursements policy

Key areas of work carried out

The tables below detail the work categories shown in the previous time cost analyses

Key areas of our work during the period 9 December 2013 to 8 June 2014

Work category	Work undertaken
Strategy & planning	<ul style="list-style-type: none">• Internal team briefings on case progression and resolution of outstanding issues.• Former administrators' oversight of case progression.• Filing• General correspondence.• Managing case/diary events
Secured creditors	<ul style="list-style-type: none">• Updating secured creditor on progress of the administration
Trading	<ul style="list-style-type: none">• Arranging change of name for the Company• Reviewing legacy creditors
Assets	<ul style="list-style-type: none">• Bonding and insurance matters• Liaising with solicitors and final preparations prior to sale of the Company• Finalising sale of the Company.• Dealing with Network Rail claim
Investigations	<ul style="list-style-type: none">• Reviewing books and records and undertaking the necessary investigations to complete the return as specified by the Company Directors Disqualification Act 1986
Creditors	<ul style="list-style-type: none">• Reviewing and agreeing claims• Responding to creditor queries.• Management of incoming unsecured creditor claims
Accounting and treasury	<ul style="list-style-type: none">• Bank reconciliations• Making and recording payments• Analysing and recording receipts
Statutory and compliance	<ul style="list-style-type: none">• Former administrators' review of case, required by licensing body, preparation and review• Managing statutory issues• Preparing and issuing the first progress report• Updating communications on the website.• Filing and ongoing case review• Other compliance matters
Tax and VAT	<ul style="list-style-type: none">• Preparing and submitting the pre-appointment VAT return• Preparing and submitting the first VAT return prior to de-register
Employees & pensions	<ul style="list-style-type: none">• Reviewing and agreeing employee/pensions position

6. Our charging and disbursements policy

Key areas of our work during the period 9 June 2014 to 18 November 2014

Work category	Work undertaken
Strategy & planning	<ul style="list-style-type: none">• Internal team briefings on case progression and resolution of outstanding issues• Former administrators' oversight of case progression.• Filing.• General correspondence.• Managing case/diary events
Secured creditors	<ul style="list-style-type: none">• Updating secured creditor on progress of the administration.• Seeking fee approval from the secured creditor.
Trading	<ul style="list-style-type: none">• Reviewing legacy creditors
Assets	<ul style="list-style-type: none">• Bonding and insurance matters.• Dealing with Network Rail claim
Creditors	<ul style="list-style-type: none">• Reviewing and agreeing claims.• Responding to creditor queries.• Management of incoming unsecured creditor claims
Accounting and treasury	<ul style="list-style-type: none">• Bank reconciliations• Making and recording payments.• Analysing and recording receipts
Statutory and compliance	<ul style="list-style-type: none">• Former administrators' review of case, required by licensing body, preparation and review.• Managing statutory issues• Preparing and issuing this report• Updating communications on the website• Filing and ongoing case review• Other compliance matters
Tax and VAT	<ul style="list-style-type: none">• Meetings with internal specialists with a view to obtaining advice to determine necessary actions and responsibilities on Tax and VAT matters
Closure procedures	<ul style="list-style-type: none">• Preparing and submitting order for discharge• Notifying Companies House of move from administration to creditors' voluntary liquidation

6: Our charging and disbursements policy

Office holder's charging and disbursements policy

The time charged to the administration is by reference to the time spent by us in dealing with matters arising.

It is our policy to delegate tasks to appropriate members of staff. We take into account their level of experience and any specialist knowledge needed to maximise cost effectiveness. Where there are complex or important matters which need more responsibility, these are dealt with by senior staff or the former administrators themselves.

Hourly rates

Set out below are the relevant charge-out rates per hour worked for grades of the former administrators' staff actually or likely to be involved on these assignments. Time is charged by reference to actual work carried out on the assignments. There has been no allocation of any general costs or overhead costs.

Grade	Rate per hour (£) at 1 July 2014	Rate per hour (£) at 1 July 2013
Partner	575	555
Director	480	465
Senior Manager	415	405
Manager	330	320
Senior Associate - qualified	250	240
Senior Associate - unqualified	180	177
Associate	160	152
Support staff	85	82

Our specialist departments such as Tax and VAT may charge a small number of hours if and when we need their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

Grade	Rate per hour (£) at 1 July 2014	Rate per hour (£) at 1 July 2013
Partner	1,310	1,075
Director	1,040	1,085
Senior Manager	875	915
Manager	630	600
Senior Associate	465	460
Associate	225	210
Support staff	130	120

In common with all professional firms, the scale rates used by the former administrators may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. Any material amendments to these rates will be advised to the creditors in the next statutory report.

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged by reference to actual work carried out on the assignment in 6 minute units. The minimum time chargeable is 3 minutes (i.e. 0.5 units).

6: Our charging and disbursements policy

Disbursements

Our firm's expense policy allows for all properly incurred expenses to be recharged to the case as set out in the table below covering the period of this report (and excluding VAT).

Category	Policy	Total £
1	All disbursements not falling under category 2 are recharged at cost	929.81
2	Photocopying is charged at 5 pence per sheet copied – only charged for circulars to creditors and other bulk copying	514.53
2	Mileage is charged at a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	370.89
Total to 18 November 2014		1,815.23

Summary of legal and other professional firms

We have instructed the following professionals/subcontractors -

Service provided	Name of firm	Reason selected	Basis of fees
Legal services	Dentons LLP	Knowledge and experience	Time cost basis

All third party professionals are required to submit time cost analyses (where appropriate) and narrative in support of invoices rendered, in order for us to consider whether they are reasonable in the circumstances of the case

7. Approval of unpaid pre-administration costs

Breakdown of pre-administration costs

Classification of Work	Partner (Hours)	Director (Hours)	Senior Manager (Hours)	Manager (Hours)	Senior Associate (Hours)	Associate (Hours)	Secretarial (Hours)	Total hours	Time cost (£)	Average hourly rate (£)
Strategy & Planning	33 20	74 60	78 25	14 40	111 75	8 30	-	320.50	124,291.35	387 80
Assets	-	-	-	-	60 00	-	-	60.00	14,400.00	240 00
Statutory and compliance	-	-	-	-	-	-	11 70	11.70	1,344.50	114 91
Tax/VAT/Pensions	-	-	20 40	-	-	-	-	20.40	12,642.00	619 71
Employees	-	-	-	2 75	-	-	-	2.75	880.00	320 00
Total	33 20	74 60	98 65	17 15	171 75	8 30	11 70	415 35	153,557.85	369.71

Pre-administration costs

	£
Pre-administration costs incurred	153,557 85
Costs paid pre-administration by the Company	(75,000 00)
Outstanding pre-administration costs at date of appointment	78,557 85
Billed as an expense in the administration	(33,000 00)
Remaining unpaid pre-administration costs	45,557 85

The former administrators received approval from the secured creditor on 24 October 2014 for their unpaid pre-appointment costs at 8 June 2014. As stated in the former administrators' proposals, we sought approval of the secured creditors to take £33,000 of these unpaid costs as an expense of the administration. No more pre-administration costs shall be drawn.