

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

OC323544

Name of Company

PCD Products LLP

I/ We

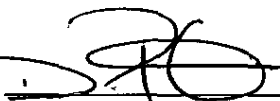
Daniel Plant, 9 Ensign House, Admirals Way, Marsh Wall, London, E14 9XQ

Simon Franklin Plant, 9 Ensign House, Admirals Way, Marsh Wall, London, E14 9XQ

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986.

The Progress Report covers the period from 30/08/2016 to 29/08/2017

Signed



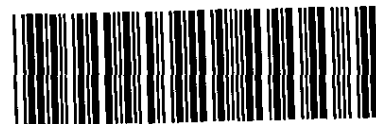
Date

23/10/17

S F P
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ

Ref: PCD0002/DXP/SFP/PT

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COMPANIES HOUSE

Strictly Private and Confidential

PCD Products LLP (In Liquidation)

Progress Report to Members and Creditors

**Daniel Plant
MIPA FABRP**

**Simon Franklin Plant
MIPA FABRP**

**SFP
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ**

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This report has been written and presented for the sole purpose of complying with the relevant provisions of the Insolvency Act 1986. It may not be disclosed, disseminated or copied without our prior written permission, other than to those entitled under statute or otherwise as ordered by the Court, and no liability will be accepted to any other person or party who acts or refrains from acting on its contents.

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1. Introduction

- 1.1** On 30 August 2013, Daniel Plant and Simon Franklin Plant were appointed as Joint Liquidators of the Company. Definitions and further details of terms used in this report are provided in **Appendix I** and further statutory information regarding the winding up is provided in **Appendix II**.
- 1.2** *This report is prepared pursuant to Section 104A of the Act in relation to the Company. It details the progress of the administration of the Company's estate in the Review Period, i.e. the twelve month period since the end of the Last Report, and should be read in conjunction with the Last Report.*

2. Action to Date – Asset Realisations

- 2.1** Attached at **Appendix III** is the Joint Liquidators' Receipts and Payments Account for the Review Period. The contents are in the main self explanatory.

3. Statutory and General Administration

- 3.1** Throughout the Review Period, the Joint Liquidators have carried out the following material tasks in this category:
- 3.1.1** drafting and issuing the last progress report;
 - 3.1.2** consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
 - 3.1.3** consulting with the Associated Entities to receive updates on their progress and to agree strategies;
 - 3.1.4** maintaining case files, which must include records to show and explain the administration of this liquidation and any decisions made by the Joint Liquidators that materially affect the administration;
 - 3.1.5** conducting periodic case and bond reviews to ensure that the liquidation is progressing efficiently, effectively and in line with the statutory requirements;
 - 3.1.6** maintaining and updating the estate cash book and bank account, including regular bank reconciliations and processing receipts and payments; and
 - 3.1.7** completing periodic tax returns and settling any associated liabilities.

4. Investigation

- 4.1** Investigations have been carried out into the Company's affairs prior to it being placed into Liquidation to examine whether there were any potential claims arising from transactions made by the Company prior to Liquidation that might give rise to an action for recovery.
- 4.2** In accordance with the Joint Liquidators' duties, the requisite report has been submitted to the Insolvency Service. All information contained in the report is strictly confidential and the Joint Liquidators are not permitted to divulge details of their report to the Insolvency Service.
- 4.3** Initial assessment of the Company's records suggested that there could be a matter that might lead to recoveries for the insolvent estate and thus further investigations were considered necessary.
- 4.4** Given the complexity of the case, it has proven necessary to draw upon the expertise of a senior forensic specialist, who is also a licensed insolvency practitioner, in addition to the accountancy staff.

- 4.5 Further investigations supported the conclusion of this initial assessment and, with the assistance of solicitors; a recovery of £30,000 has been pursued. To date, the Joint Administrators have collected £25,000 and the remaining £5,000 is payable shortly.
- 4.6 The efforts of the Joint Liquidators, SFP Corporate Solutions and the solicitors have generated a recovery of £25,000 net of associated third party costs.

5. The Joint Liquidators' Remuneration

- 5.2 In accordance with the Rules, the basis of remuneration as agreed in the Administration applies in the Liquidation. As reported in their Final Report, the Joint Administrators' fees had been fixed by reference to the time properly given by the Joint Administrators and their staff. Consequently, this basis applies similarly to the Joint Liquidators' remuneration. In addition, the basis of calculation and payment of certain other costs were approved in the Administration and, by application of the same principle (as provided for in SIP9), the Joint Liquidators are authorised to make such payments, as described further in **Section 6** below.
- 5.3 At **Appendix IV** is a breakdown of the time costs between the grades of staff allocated to the administration of this matter for the Review Period, totalling £9,717, a summary of the time costs for the liquidation period as a whole, and the total fees paid. The charge out rates of the Joint Liquidators and their staff are detailed in **Appendix V**.
- 5.4 The attached breakdown shows that a significant proportion of the time costs incurred in the Review Period relate to the statutory and general administration of the liquidation. Whilst these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the liquidation, which has ensured that the Joint Liquidators and their staff have carried out their work to high professional standards.
- 5.5 Creditors may access a Guide to Liquidators' Fees at <http://panel.sfpgroup.com> or a hard copy will be provided on request.

6. The Joint Liquidators' Expenses

- 6.1 As advised in the Last Report, any remuneration and expenses of the Joint Administrators that remained unpaid were charged on and payable out of the funds and assets transferred to the Joint Liquidators' control. As detailed in the Joint Liquidators' Receipts and Payments Account attached at **Appendix III**, payments on account of these expenses have been made and the remaining sums payable, totalling £5,018, will be discharged from future realisations.
- 6.2 Creditors will note that details of expenses paid and incurred during the Review Period are provided in the Joint Liquidators' Receipts and Payments Account attached at **Appendix III**.
- 6.3 As described in **Section 5** above, the Joint Liquidators have been authorised to pay the Associated Entities' costs and their firm's disbursements from the funds held in the insolvent estate. Information on the bases of these fees and other costs is provided at **Appendix V**.
- 6.4 On 1 June 2016 the business of certain Associated Entities (ie SFP Corporate Solutions, SFP Recoveries and SFP Datastore) transferred to the Joint Liquidators' firm. Therefore, no further costs will be incurred by these entities, but any balances outstanding remain chargeable to the insolvent estate as Category 2 disbursements.

7. Creditors

7.1 During the Review Period, the following main tasks in this category have been carried out:

- 7.1.1 resolving the position as regards to the held dividend of £4,387;
- 7.1.2 responding to creditors' queries and logging their claims and supporting information;
and
- 7.1.3 maintaining the database as regards creditors' contact details and claims.

7.2 No preferential claims have been received to date, however based upon employee claim forms, it is anticipated that the RPO will have a subrogated preferential claim of £108.22. Provision has been made to pay this claim in full in the event that it is received and admitted.

7.3 As previously reported in the Last Report, it was anticipated that a prescribed part would not be available for unsecured creditors. This remains the case.

7.4 On 13 February 2014, a dividend of 2.09p in the £ was declared. The total claims amounted to £957,568. The total amount paid to non-preferential creditors was £15,613. A provision of £4,387 was set aside in relation to a claim that was subject to further review. This claim has since been *compromised and the £4,387 will not be required to be paid to the creditor.*

7.5 On present information, it looks unlikely that there will be sufficient funds to pay a further dividend to non-preferential unsecured creditors, as the funds realised have been used or allocated for paying the distributions described above and defraying the expenses of the liquidation.

8. Conclusion

8.1 At present, the main activities remaining to be carried out are:

- 8.1.1 pursuit of clearance from the relevant government departments and the submission of a final account to members, creditors and the Registrar of Companies.

8.2 The Joint Liquidators will issue a further progress report, which will provide an update on all matters described above that are yet to be concluded, shortly after the next anniversary of the appointment, or when they are in a position to conclude the winding up, if that is sooner.

8.3 Should you have any questions or queries regarding this report, please contact the Manager dealing with this matter, Richard Hunt, on 020 7538 2222 or by email on enquiries@sfggroup.com.

Dated this 20 October 2017



Daniel Plant
Joint Liquidator

DEFINITIONS

Independent Parties instructed to assist with the Liquidation

Valuation agent	Winterhill Largo
Solicitor	PDT Solicitors

Entities associated with SFP

SFP Corporate Solutions	SFP Corporate Solutions Limited (formerly SFP Forensic Limited)
SFP Recoveries	SFP Recoveries Limited
SFP Property	SFP Property Limited
SFP Datastore	SFP Datastore Limited
The Associated Entities	All or any of the above companies

Other Parties

The Company	PCD Products LLP
The Joint Liquidators	Daniel Plant and Simon Franklin Plant
Factoring Company	SME Invoice Finance
The Trading Premises	Unit G, Cleveland Road, Hemel Hempstead, Hertfordshire, HP2 7EY
RPO	Redundancy Payments Office
HMRC	HM Revenue & Customs
BIS	The Department for Business, Innovation and Skills

References to Statutory and other Regulatory Provisions

The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations
CDDA	Company Directors Disqualification Act 1986
SIP	Statement of Insolvency Practice
CVL	Creditors' Voluntary Liquidation
The Final Report	The Joint Administrators' final progress report issued when the Company moved from Administration to CVL
The Last Report	The Joint Liquidators' last progress report
Review Period	Period covered by the Joint Liquidators' progress report

FURTHER DETAILS

Below are further details in respect of the work undertaken by the entities associated with SFP:

Entity	Work Undertaken
SFP Corporate Solutions	Specialises in insolvency investigations, forensic accounting and independent business reviews.
SFP Recoveries	Specialises in the collection of outstanding sales ledgers, providing reports in relation to debtor collections to parties with a vested interest and the appointed insolvency practitioner(s).
SFP Property	Specialises in providing assistance with all property related matters, including property valuations and dealing with formal and informal agreements in place.
SFP Datastore	Deals with all aspects of the collection and storage of books and records and provides security services to ensure company assets remain secure.
The ERA Department	Deals with all employee matters including verbal and written notifications to employees, the processing of employee claims and general employee queries.

STATUTORY INFORMATION

PCD Products LLP (In Liquidation)

Company Number: OC323544

Registered Office: 9 Ensign House
Admirals Way
Marsh Wall
Docklands
London
E14 9XQ

Date of Appointment: 30 August 2013

Joint Liquidators: Daniel Plant and Simon Franklin Plant
SFP
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ

Creditors' Rights to Further Information and Challenge:

Rule 4.49E of the Insolvency Rules 1986: Within 21 days of receipt of a progress report, a creditor may request the Liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing and may be made by either a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors or the permission of the court.

Rule 4.131 of the Insolvency Rules 1986: Any secured creditor, or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors, or with the permission of the Court, may apply to the Court on the grounds that the remuneration or other expenses are excessive. Any such application must be made no later than 8 weeks after receipt of the relevant report.

PCD Products LLP (In Liquidation)

Progress Report to Members and Creditors

APPENDIX III

- **Joint Liquidators' Receipts and Payments Account**

PCD PRODUCTS LLP.
(In Liquidation)

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD FROM 30/08/13 TO 29/08/17

	Notes	Estimated outcome statement	From 30/08/16 to 29/08/17	From 30/08/13 to 29/08/17
		£	£	£
RECEIPTS				
Balance Transferred from Administration		76,686.07	-	76,538.70
Surplus VAT from Administration		26,850.06	-	26,850.06
Pre Appointment Book Debts		-	-	862.80
Post Appointment Book Debts		-	-	576.60
Legal Costs from Pre Appointment Debtors		-	-	98.21
Dividend Receipt		-	-	367.20
Antecedent transaction		-	25,000.00	25,000.00
Bank Interest Gross		-	0.23	20.90
TOTAL RECEIPTS		103,536.13	25,000.23	130,314.47
		Expenses incurred (whether or not paid)	Payments made	
		From 30/08/16 to 29/08/17	From 30/08/16 to 29/08/17	From 30/08/13 to 29/08/17
		£	£	£
PAYMENTS / EXPENSES				
Surplus Joint Administrators' Fees	1	-	45.00	-
Surplus Joint Administrators' Expenses	1	-	13,356.55	8,383.55
Joint Liquidators' Fees		9,717.00	36,912.00	36,276.45
Joint Liquidators' Category 1 Disbursements		309.14	441.06	377.32
Joint Liquidators' Category 2 Disbursements		13.92	148.77	148.77
SFP Corporate Solutions Fees		-	27,400.00	10,660.00
SFP Recoveries Fees		-	2,307.50	2,247.50
SFP Property Fees		-	490.00	270.00
SFP Datastore Fees		-	217.50	-
SFP Datastore Expenses		-	1,395.56	-
Legal Fees		-	36,914.01	36,914.01
Legal Disbursements		-	138.40	138.40
Statutory Advertising		-	338.40	338.40
Employee Consultant Service		-	3,165.00	3,165.00
Pension Advice		-	600.00	600.00
Electricity from Trading Period		-	638.22	638.22
Dividend 2.09p in the £		-	15,613.28	15,613.28
TOTAL PAYMENTS / EXPENSES		10,040.06	140,121.25	115,770.90
BALANCE IN HAND			9,000.23	14,543.57
REPRESENTED BY				
Interest Bearing Current Account			10,386.95	11,543.57
VAT Receivable			- 1,386.72	3,000.00
BALANCE IN HAND			9,000.23	14,543.57

Notes

- 1 On appointment, the Joint Liquidators acquired the obligation to discharge the unpaid Joint Administrators' fees and expenses from the realisations of the insolvent estate. It should be noted that the majority of these expenses were originally incurred by parties other than the Joint Administrators. For further information, see the Joint Administrators' Final Report.

PCD Products LLP (In Liquidation)

Progress Report to Members and Creditors

APPENDIX IV

- Breakdown of SFP's Time Costs

PCD PRODUCTS LLP (IN LIQUIDATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 30 AUGUST 2016 TO 29 AUGUST 2017

CLASSIFICATION OF WORK FUNCTION		Director	Senior Manager	Manager	Assistant Manager	Senior Administrator	Administrator	Assistant	Total	Average rate £	Total Costs £
Statutory and General Administration											
Case Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Set-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Appointment Notification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Records of Insolvent and Officeholder	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	2.60	427.88	1,112.50
Statutory Duties	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.80	2.60	221.15	575.00
Estate Accounting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	150.00	150.00
Post-Appointment Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.40	125.00	50.00
Compliance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.70	2.60	227.88	592.50
Information Technology	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	2.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	9.20	269.57	2,480.00
Investigations											
Case Preparation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Initial Review	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.70	500.00	350.00
Pursuing Claims Identified	10.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.10	468.18	5,665.00
Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Work	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.70	2.70	201.67	544.50
Handling and Examining Records	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Strategy and Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	11.40	0.00	0.00	0.00	0.00	0.00	2.70	0.70	15.50	423.19	6,559.50

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 30 AUGUST 2016 TO 29 AUGUST 2017

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PCD PRODUCTS LLP (IN LIQUIDATION)

SUMMARY OF TIME AND CHARGE OUT RATES FOR THE PERIOD 30 AUGUST 2016 TO 29 AUGUST 2017

CLASSIFICATION OF WORK FUNCTION		Director	Senior Manager	Manager	Assistant Manager	Senior Administrator	Administrator	Assistant	Total	Average rate £	Total Costs £
Creditors and Members											
Communication with Unsecured Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	275.00
Creditor Claims	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ERA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property - Negotiations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property - Professional Advice	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Communication with Secured Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre-Appointment Taxation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Members	1.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.30	500.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.40	483.93	677.50
Total	14.70	0.00	0.00	0.00	0.70	0.00	2.70	1.20	26.10		
Average rate £ per hour	500.00	0.00	0.00	0.00	260.00	0.00	225.00	150.00	372.30		
Total Costs £	7,350.00	0.00	0.00	0.00	182.00	0.00	607.50	180.00	9,717.00		
Total costs from 30/08/2013 to 29/08/2016									27,195.00		
Total costs from 30/08/2013 to 29/08/2017									36,912.00		
Remuneration drawn on account									36,276.45		

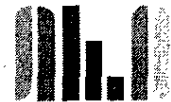
See Appendix for Summary Charge Out Rates for staff

PCD Products LLP (In Liquidation)

Progress Report to Members and Creditors

APPENDIX V

- **SFP's Charge-out Rates and Bases of Disbursements**



Charge-out rates for office holders and their staff and bases of calculation of disbursements

Time costs of office holders and their staff are recorded in 6-minute units at the charge-out rates shown.

These rates are reviewed periodically and are subject to inflationary or other adjustments. Up-to-date schedules of charge-out rates will be provided in all future reports.

For further information regarding fees, please download the relevant Guide at <http://panel.sfpgroup.com/> or a hard copy will be provided on request.

Further information regarding insolvency processes in general is available at www.creditorinsolvencyguide.co.uk.

SFP Restructuring Limited	
Grade	Rate £/hr
Director 2	500
Director 1	450
Senior Manager 2	350
Senior Manager 1	325
Manager 2	300
Manager 1	275
Assistant Manager	260
Senior Administrator 2	250
Senior Administrator 1	225
Administrator 2	175
Administrator 1	150
Assistant	100
Data Store Administrator	75

Category 1 Disbursements

Category 1 disbursements are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost, with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses. Legislation provides that office holders may discharge Category 1 disbursements from the funds held in the insolvent estate without further recourse to creditors.

Category 2 Disbursements

Category 2 disbursements are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 disbursements after the relevant creditors (or committee) have approved the bases of their calculation. Set out below are the bases of the office holder's disbursements in this category.

<u>Stationery / Photocopying</u>		<u>Postage</u>		<u>Other</u>
	Per page / envelope (£)		Postage rate (£)	
1 page of headed paper	0.12	Postage – 1 st class (small)	0.47	Mileage incurred as a result of necessary travel is charged at the HM Revenue & Customs approved rate of 45p per mile.
1 page of continuation paper	0.10	Postage – 1 st class (large)	0.71	
1 page of photocopying paper	0.02	Postage – 2 nd class (small)	0.33	Routine searches and downloads of documents filed at Companies House are charged at £10 per appointment.
Envelopes (all sizes)	0.10	Postage – 2 nd class (large)	0.58	



Category 2 Disbursements (continued)																								
Charges for Record Storage and Retrieval		SFP Property Limited																						
	<u>Charge</u>	SFP Property Limited is an entity associated with the office holders. Time is charged on 6-minute units at the rates listed below.																						
Box Storage:																								
A4	18p per box per week																							
A3	21p per box per week																							
Transit cases	6p per box per week																							
Retrieval costs from site:	£1.10 per mile																							
Same Day Delivery (up to 10 items)	£22.50																							
Per item thereafter	£1.50																							
Delivery to third party offices (up to 10 items)	£15.00																							
Per item thereafter	£1.50																							
Provision of archive boxes	£5 per box																							
		<table><tr><th><u>Grade</u></th><th><u>Rate £/hr</u></th></tr><tr><td>Director</td><td>350</td></tr><tr><td>Senior Manager 2</td><td>275</td></tr><tr><td>Senior Manager 1</td><td>250</td></tr><tr><td>Manager 2</td><td>225</td></tr><tr><td>Manager 1</td><td>200</td></tr><tr><td>Senior Administrator 2</td><td>175</td></tr><tr><td>Senior Administrator 1</td><td>155</td></tr><tr><td>Administrator 2</td><td>135</td></tr><tr><td>Administrator 1</td><td>115</td></tr><tr><td>Assistant</td><td>100</td></tr></table>	<u>Grade</u>	<u>Rate £/hr</u>	Director	350	Senior Manager 2	275	Senior Manager 1	250	Manager 2	225	Manager 1	200	Senior Administrator 2	175	Senior Administrator 1	155	Administrator 2	135	Administrator 1	115	Assistant	100
<u>Grade</u>	<u>Rate £/hr</u>																							
Director	350																							
Senior Manager 2	275																							
Senior Manager 1	250																							
Manager 2	225																							
Manager 1	200																							
Senior Administrator 2	175																							
Senior Administrator 1	155																							
Administrator 2	135																							
Administrator 1	115																							
Assistant	100																							
		SFP Property Limited may also incur direct expenses, such as Land Registry fees, which will be charged to the insolvent estate at cost.																						

Category 2 Disbursements: Former Associated Entities																																																																
As explained in the accompanying report, the office holders instructed certain other entities associated with their firm to assist in their administration. On 1 June 2016, the businesses of the entities listed below were transferred to the office holders' firm and the work previously undertaken by the entities was continued by the office holders' firm at the same charge-out rates.																																																																
SFP Corporate Solutions Limited	SFP Recoveries Limited	SFP Datastore Limited																																																														
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Category 2 Disbursements: Former Associated Entities (continued)

SFP Datastore Limited: Charges for Record Storage and Retrieval

	<u>Charge</u>
Box Storage:	
A4	18p per box per week
A3	21p per box per week
Transit cases	6p per box per week
Retrieval costs from site:	£1.10 per mile
Same Day Delivery (up to 10 items)	£22.50
Per item thereafter	£1.50
Delivery to third party offices (up to 10 items)	£15.00
Per item thereafter	£1.50
Provision of archive boxes	£5 per box

For Administration appointments that commenced prior to 1 June 2016, a minimum period of 2 years' storage was charged up front at a rate of £20.80 per box held. In addition, a destruction charge of £9 per box was charged up front.

The minimum charge was based on the assumption that the Administration would continue for a period of one year and that the records would need to be retained for a further period of one year once the Company had been dissolved, as required by legislation. In the event that the Administration has been extended, any additional charges incurred on the basis above were charged as they were incurred.

With effect from 20 August 2016, all boxes in storage were passed to independent agents who have continued to store the records and arrange for delivery and destruction on request at their standard rates, chargeable to the insolvent estate. Consequently, any over-charged storage and destruction costs calculated on the bases set out above have been refunded to the estate.

The Former Associated Entities may also have incurred direct expenses, such as courier charges and Land Registry fees, which are charged to the insolvent estate at cost.

Treatment of Unpaid Costs of Former Associated Entities

All work carried out by the Former Associated Entities on the office holders' instructions is chargeable as Category 2 disbursements (subject to the relevant creditors' approval), whether or not invoices were raised by the Former Associated Entities before their businesses were transferred to SFP Restructuring Limited. As and when funds become available to discharge these costs, invoices will be discharged from the insolvent estates and will be referenced to the relevant Former Associated Entity in the office holders' receipts and payments accounts.

From 1 June 2016, the staff active on work previously undertaken by the Former Associated Entities became employed directly by SFP Restructuring Limited. Thus, they became the office holders' staff and all time spent from that date is chargeable as the office holders' fees (subject to the relevant creditors' approval).

Primarily because time and other costs will continue to be incurred at the same charge-out rates as previously, it is considered that these structural changes have not increased costs chargeable to the insolvent estate. In fact, one consequence of the simplified management structure is likely to be a small reduction in costs overall.