

# AM10 (Scot)

## Notice of administrator's progress report



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number   
Company name in full

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

### 2 Administrator's name

Full forename(s)   
Surname

### 3 Administrator's address

Building name/number   
Street   
Post town   
County/Region   
Postcode   
Country

### 4 Administrator's name ①

Full forename(s)   
Surname

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

### 5 Administrator's address ②

Building name/number   
Street   
Post town   
County/Region   
Postcode   
Country

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

# AM10 (Scot)

## Notice of administrator's progress report



### 6 Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2	
To date	<sup>d</sup> 0	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3	

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's signature	Signature 								
Signature date	<sup>d</sup> 1	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3	

# AM10 (Scot)

## Notice of administrator's progress report



### 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 **Arjan Beghal**

Company name **Teneo Financial Advisory Ltd**

Address **156 Great Charles Street**

**Queensway**

Post town **Birmingham**

County/Region

Postcode **B 3 3 H N**

Country

DX

Telephone **+44 121 619 0120**



### 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,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



The Global CEO Advisory Firm

Court Case No. P570-20  
Court of Session  
Company Number: SC036368

Registered Office:  
100 West George Street  
Glasgow  
G2 1PJ

# Meridian Realisations Limited (in administration) (formerly Mackays Stores Limited) (“the Company”)






Progress report to creditors for the period 4 August 2022 to 3 February 2023 pursuant to rules 3.93 to 3.94 inclusive of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 (“the Rules”)

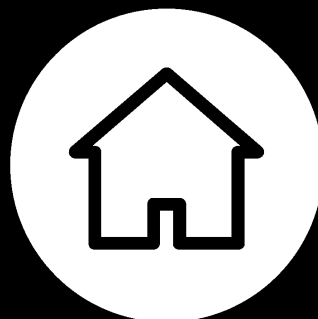
17 March 2023

Michael John Magnay and Gavin George Scott Park (“the Joint Administrators”) were appointed as Joint Administrators of Meridian Realisations Limited (formerly Mackays Stores Limited) on 4 August 2020 by the directors of the Company at Caledonia House, 5 Inchinnan Drive, Inchinnan, Renfrew PA4 9AF. Michael John Magnay ceased to act as a Joint Administrator of the Company on 21 January 2021 as part of a block transfer court order. On 21 January 2021, as part of the same block transfer court order, Clare Boardman of Teneo Financial Advisory Limited (“Teneo”) was appointed as Joint Administrator of the Company. Gavin George Scott Park and Clare Boardman are the Joint Administrators of the Company.

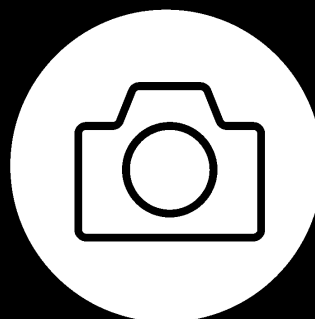
For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), (“the Act”), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

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## Key messages



Key messages

Joint Administrators  
of the Company

Clare Boardman  
Gavin George Scott Park  
Teneo Financial Advisory Limited  
156 Great Charles Street  
Queensway  
Birmingham  
B3 3HN

Contact details

Email: [arjan.beghal@teneo.com](mailto:arjan.beghal@teneo.com)  
Website: [www.ips-docs.com](http://www.ips-docs.com)  
Tel: +44 121 619 0153



Purpose of administration	<ul style="list-style-type: none"><li>The purpose of the administration is to achieve a better result for the Company's creditors as a whole than via a liquidation.</li></ul>
Progress of administration	<ul style="list-style-type: none"><li>Payments of £160,418 (including £123,751 in relation to prior reporting period adjustments) have been made for rent, insurance and service charge for periods where the properties were subject to a licence to occupy agreement ("LTO").</li><li>We are continuing to work with our solicitors to facilitate a number of surrenders and/or assignments of the Company's leasehold obligations. There is one remaining property subject to the LTO.</li><li>Non domestic business rates ("NDBR") refunds of £41,338 have been realised in the report period.</li><li>Agents are preparing a submission to market a freehold property asset owned by the Company which was overlooked when the pre-pack transaction of the Company's business and assets was finalised in August 2020.</li><li>Please see page 5 for further details.</li></ul>
Costs	<ul style="list-style-type: none"><li>Our remuneration has been fixed on a time costs basis. Our time costs for the period of the report are £106,895. Please see page 13 for further details.</li><li>Category 1 third party costs of £11,212 plus VAT have been incurred in the report period. Please see page 6 for further details.</li><li>We have incurred category 2 expenses and disbursements of £4,496 plus VAT in the report period. Please see page 18 for further details.</li></ul>
Outstanding matters	<ul style="list-style-type: none"><li>Complete all remaining leasehold property matters, principally formalising the surrender of leases and making payments of rent to the one remaining landlord for periods where the respective property remains subject to the LTO.</li><li>Complete the realisation of any further identified NDBR refunds.</li><li>Prepare for and make distributions to the unsecured creditors.</li><li>Realising value from a freehold property asset owned by the Company.</li><li>Finalise the Company's VAT and tax matters.</li><li>Statutory closing procedures.</li></ul>
Dividend prospects	<ul style="list-style-type: none"><li>Secured creditor - The secured creditor has been repaid in full.</li><li>Preferential creditors - Preferential claims have been paid in full.</li><li>Secondary Preferential creditor – There is no Secondary Preferential Creditor due to the date of appointment.</li><li>Unsecured creditors - There will be a distribution to unsecured creditors, most likely only via the Prescribed Part.</li><li>Please see page 11 for further details.</li></ul>
Extension to administration period	<ul style="list-style-type: none"><li>The period of the administration has been extended to 4 August 2023. It is likely that a further extension will be required. Please see page 12 for further details.</li></ul>



Progress of the administration

Summary	5
Receipts and payments	7





## Progress of the administration Summary

### Work done during the report period

#### Asset Realisations

As explained in our previous report, certain assets of the Company were excluded from the pre pack sale agreement with M&Co Trading Limited ("the Purchaser"). We have continued to realise these assets during the report period, as outlined below.

#### NDBR Refunds

Non domestic business rates refunds of £38,228 have been realised during the period in respect of overpayments of rates made by the Company prior to our appointment. Further rates refunds may be realised which are currently estimated at c.£49,000.

#### Freehold Property

The Company owns a car park located in Largs, Ayrshire which was overlooked at the time of the pre-pack sale of the business and assets to the Purchaser. The Joint Administrators became aware of this in the previous reporting period but it was not included in the last progress report. The Joint Administrators have been in negotiation with the Purchaser, for the Purchaser to acquire this asset at market value. However, the acquisition was not concluded prior to the Purchaser entering administration on 9 December 2022. We have since engaged third party agents to market this car park for sale.

#### Licence To Occupy ("LTO")

The Joint Administrators have continued to pay, as an expense of the administration, any property costs due under the respective leases, monthly in arrears from the date of our appointment, in line with the terms of and for the period to which the LTO has remained in place. The Company has been put in funds by the Purchaser, whilst the LTO has remained in place, in order to meet these property costs (i.e., there is no net benefit or detriment to the administration estate from LTO receipts and payments). The operation of the LTO for the remaining one leasehold property has continued following the Purchaser entering administration.

Payments of £36,667 have been made in the report period in respect of the one remaining leasehold property subject to the LTO. Total rent payments in the receipts and payments account on page 8 are £160,418 as a result of prior period adjustments.

Funds will continue to be paid by the Purchaser on an ongoing monthly basis to meet the property costs for the one remaining property still subject to the LTO, until this is terminated.

#### Licence To Occupy ("LTO") (continued)

In accordance with the terms of the LTO any residual credit balance held will be returned to the Purchaser after all known liabilities owing to landlords only for the period when the LTO remained in place.

#### Leasehold property

For the 47 sites not included in the Transaction and which were closed on appointment, the landlords of these properties have been contacted and keys returned, where practicably possible to do so. We continue to correspond with a number of landlords and their agents with regards to the surrender/renunciations of leases relating to the vacated sites.

We continue to request landlords to contact us to formalise surrenders as this outstanding matter is prohibiting both the administration proceeding to closure and payment of a distribution to unsecured creditors via the Prescribed Part.

We have continued to assist the Purchaser with assignments, renunciations and/or surrenders in respect of the 20 properties where the Company's leasehold interest has not yet been formalised, during the reporting period.

As stated above, only one property remains occupied by the Purchaser under the LTO.

#### Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case management actions, including updating the insolvency website/creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of this progress report;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HM Revenue & Customs ("HMRC") in respect of VAT and Corporation Tax matters.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.





Progress of the administration Summary

Third party costs incurred during the report period

Joint Administrators’ – Category 1 Expenses

Category 1 expenses are payments to persons providing the service to which the expense relates and which are neither payment to us, the officeholders, or to an associate of ours. These expenses can be paid out of the estate by us without creditor approval.

The following third party expenses have been incurred during the report period:

Legal Costs:

- Burness Paull LLP (“BP”), who are experienced in this area, have provided post sale agreement legal advice in relation to the Company’s leasehold interests (including the LTO and lease surrenders/renunciations and assignments). They have corresponded with various landlords in the period and continue to advise on landlord and general legal matters arising in the administration.
- In the reporting period, BP has incurred costs of £4,878 plus VAT which have been billed but not yet paid.

Agents’ Costs:

- CAPA Limited (“CAPA”), who are experienced in this area, has been engaged to recover NDBR refunds due to the Company on a 15% success fee basis. CAPA has recovered rates refunds of c.£33,593 during the report period, for which they have incurred costs of c.£5,039. These costs have been paid in full.
- LHL Property Auditors Limited (“LHL”), who are experienced in this area, have also been engaged to recover certain NDBR refunds due to the Company on a 15% success fee basis. LHL has recovered rates refunds of c.£8,631 during the reporting period, for which they have incurred costs of c.£1,295 in the report period. These costs have been paid in full outside the reporting period.
- Graham & Sibbald, who are experienced in this area, are being instructed to market a car park site in Largs, Ayrshire. They have not incurred any costs during the report period.

Payment of Category 1 Expenses

All professional costs and expenses are kept under review and analysed to ensure best value for creditors is being obtained.

Please refer to the receipts and payments account on page 7 for details of Category 1 expenses paid to date.

Disbursements – Category 1

Category 1 disbursements are payments to third parties which are initially met by us and then reimbursed to us out of the estate when funds become available, and for which no approval is required. These are summarised in the table below:

£ (net)	Estimated per Proposals	Incurred in previous report periods	Incurred in report period	Paid	Unpaid
Postage/Couriers	4,500	10,241	0	10,241	0
Specific Penalty Bond	230	230	0	230	0
Total expenses	4,730	10,471	0	10,471	0

Category 2 Expenses

These are payments out of the estate either:

- to us (as officeholder), for example reimbursement to staff engaged on the case for their mileage costs) or in respect of shared or allocated costs; or
- to our associates, e.g. to Deloitte LLP where their costs are being charged to the estate following the sale of the Deloitte UK Restructuring team to Teneo Financial Advisory Limited (“Teneo” and “the Transaction”) on 29 May 2021.

These expenses require creditor approval in the same manner as our remuneration and as discussed in further detail on page 18.

Progress of the  
administration  
Receipts and payments

Meridian Realisations Ltd (Formerly Mackays Stores Ltd)  
Joint Administrators' receipts and payments account  
04 August 2022 to 03 February 2023

£	SoA values	Notes	Period	To date
Receipts				
Tangible Assets	6,493,474	1	-	-
Intangible Assets	782,271	1	-	-
Funds held for landlords legal costs	-		-	1,500
LBTT refund	-		-	14,510
Rates Refund	-		41,338	208,340
Sundry Refund	-		-	18
Freehold Land & Property	-		-	2,300,000
Leasehold Property	-		-	360,000
Licence to Occupy Rent - Receipts	-	2	-	4,518,926
IP & Goodwill	-		-	820,881
Furniture & Equipment	-		-	2,178,330
Stock	5,212,330		-	5,112,329
IT Systems	-		-	916,535
Book Debts	-		-	700,000
Insurance Refund	-		-	227
Cash at Bank	621,606		-	125,000
Pre-appointment sales receipts'	500,000		-	500,000
Bank Interest Gross	-	3	2,633	3,246
Furlough funds received	583,000		-	583,645
Funds received on behalf of Newco	-		-	619,982
Miscellaneous Receipts	-		-	5,310
Total receipts	<u>14,192,681</u>	<u>4</u>	<u>43,971</u>	<u>18,968,779</u>



Progress of the  
administration  
Receipts and payments  
(continued)

	Notes	Period	To date
Payments			
Landlords' hypothec claims		-	66,928
Licence to Occupy Rent - Paid	2	160,418	4,212,904
Pre appointment legal fees		-	51,765
Pre appointment legal expenses		-	258
Agents' fees - rates		5,039	30,456
Sundry property costs		1,000	1,380
Pre-Administration Costs - Fees		-	135,206
Administrators' Fees		150,000	1,000,000
Administrators' Expenses		-	10,471
Other professional costs		-	2,750
Legal Fees		4,056	85,546
Customs and Excise Duty		-	435,370
Irrecoverable VAT	5	-	6,736
Funds transferred to Newco		-	619,972
Storage Costs		16	51
Postage & Redirection		903	9,311
Statutory Advertising		-	95
Bank Charges		159	605
Repayment of Miscellaneous Receipts		-	5,310
Customs & Excise	6	-	53,010
Department of Employment	6	-	9,209
Dividend to Preferential Creditors @100p	7	-	348,176
Legal Disbursements		-	1,100
Secured Creditor Distributions		-	10,725,056
Licence to Occupy Rent - Receipts		-	197,201
Total payments		321,590	18,008,865
Balance			959,914
Made up of:			
VAT Receivable	5		45,351
Floating Chge Deposit A/c			991,749
Trade Creditors	9		(77,186)
Balance in hand			959,914



## Progress of the administration Receipts and payments

### Notes to the Receipts and Payments account

A receipts and payments account is provided on page 8 and 9 detailing the transactions during the report period and also cumulatively for the entire period of our appointment from 4 August 2020 to 3 February 2023.

Note 1 - The Company's tangible and intangible assets have been realised but are included in the specific asset headings set out opposite to provide better detail on the values achieved for each type of asset.

Note 2 – c.£36,667 plus VAT (where applicable) has been paid to one landlord in respect of rent, insurance and, where applicable, service charge payable for the occupation of the one remaining leasehold property subject to the LTO. Adjustments totalling c.£123,751 in respect of payments made in earlier periods are also included in the current period. Any balance of funds not used will be repaid to the Purchaser. Payment of rent due from the Purchaser under the LTO was received subsequent to the reporting period and will be detailed in our next report.

Note 3 - All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HMRC.

Note 4 - Our Proposals stated a cumulative net book value of £52m for the Company's assets. However, in a previous reporting period, we received the directors Statement of Affairs which reflects a more accurate representation of the expected asset recoveries of c£14m.

Note 5 - Sums are shown net of VAT, which is recoverable and/or payable and will be accounted for to HMRC. Where landlords have not been able to reissue invoices for rent that was billed to the Company prior to insolvency, the VAT element of these invoices is shown as irrecoverable.

Note 6 - Customs and Exercise and Department of Employment relate to the tax which has been paid for National Insurance and Income Tax in respect of the preferential creditor dividend.

Note 7 - Unclaimed dividends – approximately c.£10k will be remitted to the Accountant in Bankruptcy in respect of unclaimed employee preferential dividends.

Note 8 - A miscellaneous receipt into the administration bank account has now been repaid to the Purchaser following confirmation that it was properly due to them.

Note 9 - Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts.

### Rounding note

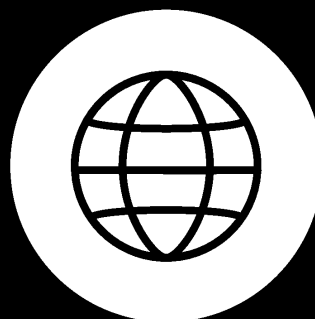
In preparing this report, figures have been rounded (for presentational purposes only). Therefore, there may appear to be rounding errors.



## Information for creditors

Outcome

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Information for  
creditors  
Outcome

Outcome for creditors  
Secured creditors

At the date of the administration, the Company had £11,400,000 of debt (excluding cross guaranteed amounts provide) due to HSBC Bank plc, ("the Secured Creditor"), which was secured by way of a floating charge created on 19 May 2008 and registered on 30 May 2008. The Secured Creditor also benefitted from a cross guarantee provided by the Company in respect of the bank debt of the wider group.

Distributions totaling £10,725,056 have been made to the Secured Creditor under the terms of its floating charge security granted by the Company to date. The balance of the Secured Creditor's debt was offset against funds it held in respect of Merchant Service Facilities on appointment of the Joint Administrators. The Secured Creditor was therefore repaid in full.

Landlord hypothec claims

In accordance with landlords' hypothec, landlords of the Company Scottish stores have a real right of security over the Company's unencumbered moveable assets located at their respective leasehold properties at the date of the administration appointment, up to the value of any unpaid rent existing on appointment.

Since our appointment we have agreed and settled landlords' hypothec claims totalling £66,928.

Preferential creditors

Preferential claims consist of amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions.

Preferential claims totalling £410,395 were paid in full on 10 March 2022. A balance of unclaimed dividends of c.£10,000 will shortly be paid to the Accountant in Bankruptcy where we have not been provided with bank account details for certain employees in respect of their preferential creditors.

Secondary Preferential Debts due to HMRC

Secondary preferential debts are debts due to HMRC in respect of deducted taxes, including VAT, PAYE, student loan repayments, employee NICs and CIS deductions.

As this appointment pre dates 1 December 2020, the Secondary Preferential Debt provisions do not apply.

Unsecured creditors

Prescribed Part

As detailed in the Proposals, we anticipate that there will be a Prescribed Part fund available for distribution to unsecured creditors of £600,000, being the statutory maximum.

Please note that in accordance with Rule 3.50 the costs associated with the Prescribed Part (which would chiefly comprise our costs incurred in adjudicating and processing claims) must be paid out of the Prescribed Part fund.

We are currently completing our adjudication on unsecured claims received to date to enable a Prescribed Part distribution to be paid to unsecured creditors. At the date of this report, a number of unsecured creditors, specifically landlords, have not yet submitted their claims. Accordingly, we cannot yet estimate the likely level and rate of the proposed unsecured dividend as this is subject to change as and when new claims are submitted to us and subsequently accepted for dividend purposes.

Unsecured creditors

We have received 235 claims, to date totalling £35,525,574 which is broadly in line with the Statement of Affairs.

On present information, it is uncertain whether sufficient funds will be realised to enable a dividend to be paid to unsecured creditors other than the Prescribed Part distribution, referred to above.



Information for  
creditors  
Outcome

Claims process

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed, according to the Company's statement of affairs, is £1,000 or less. Instead, we will notify you if funds become available for dividend purposes and provide you with details of the amount at which your claim has been admitted. If you disagree with that amount, you will be provided with an opportunity to notify us of the correct amount.

Please note that should you wish to vote in a decision procedure, you will then need to submit a statement of claim to us.

Creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us either directly via the case website at [www.ips-docs.com](http://www.ips-docs.com) or by downloading and completing a statement of claim form from the case website and which should be sent to the address page 3. Alternatively, a hard copy statement of claim form will be provided free of charge on request.

Extensions to the administration

The administration was extended by the Court on 15 July 2022 and will now end on or before 4 August 2023.

Although it is not yet certain, we consider it likely that we will need to seek an extension to the period of the administration for a period of 12 months from 4 August 2023 by an application to the Court. The purpose of the extension is to enable the agreement of the unsecured creditors' claims to be completed and for a distribution to be made to creditors under the Prescribed Part.

Creditors who wish to object to the proposed extension of the administration by the Court should notify the Joint Administrators in writing, providing reasons for their objection, within 14 days from the date of this report. Such notifications should be sent to either the postal or email address details provided on page 3.

Exit

As detailed in our Proposals, we consider dissolution to be the most appropriate exit route from administration because, based on current information, it is unlikely that there will be any funds available to distribute to unsecured creditors other than via the Prescribed Part.



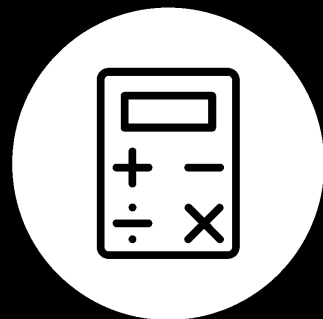




## Remuneration and expenses

Joint Administrators' remuneration

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## Remuneration and expenses

### Joint Administrators' remuneration

#### Joint Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at [www.ips-docs.com](http://www.ips-docs.com).

Should you require a paper copy, please send your request in writing to us at the address on page 3 and this will be provided to you at no cost.

#### Basis of remuneration

On 11 March 2021, we obtained approval from the Secured Creditor and preferential creditors:

- a) to fix the basis of our remuneration by reference to the time properly given by the Joint Administrators and their staff plus VAT thereon; and
- b) to approve our interim claim to recover our pre administration costs and expenses of £135,206 plus pre administration legal fees of £52,000 and legal expenses of £545, as set out in our Proposals, all plus VAT thereon; and
- c) to approve our interim claim to recover our post appointment remuneration and outlays of £1,000,000 and £10,471 respectively for the period 4 August 2020 to 3 February 2021, plus VAT thereon.

The final outcome of the administration is not yet clear. If sufficient funds are realised from the outstanding assets, we may seek approval from the Secured Creditor and preferential creditors to recover our remuneration incurred in respect of earlier accounting periods i.e., earlier reporting periods.

#### Time costs incurred

Our time costs for the reporting period are £106,895 made up of 173 hours at an average charge out rate of £618 across all grades of staff.

Since the date of our appointment until 3 February 2023, we have incurred total time costs of £2,126,604 made up of 3,659 hours at an average charge out rate of £581 across all grades of staff.

Details of the time costs incurred and charge out rates are provided on pages 15 to 17. Time is charged in six minute increments. Creditors may request a detailed breakdown of the time costs incurred by writing to us at the address on page 3.

#### Fees drawn to date

Further to the approval given on 11 March 2021 by the secured and preferential creditors, we have drawn remuneration of £1,000,000, plus VAT, as shown in the receipts and payments account on page 7.



Remuneration and expenses  
Detailed information

Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2021 national charge out rates as summarised below.

Please note that prior to 29 May 2021 (when the Restructuring Services practice transferred from Deloitte LLP to Teneo Financial Advisory Limited, time was charged to the estate by specialists from other Deloitte departments (such as Tax / Vat, Financial Advisory or Deloitte Real Estate) and whose charge out rates may fall outside the bands quoted below.

Our charge out rates are reviewed annually and last increased on 1 June 2021.

Details of charge out rates applicable to prior report periods were given in those reports, copies of which will be provided on request to Arjan Beghal.

Teneo charge out rates (£/hour)

Grade	From 1 June 2021
Directors*	1,100 - 1,195
Associate Directors	900
Managers	815
Assistant Managers	650
Other**	380

Directors\* includes Senior Managing Directors, Managing Directors and Directors.

Other\*\* includes Senior Associate and Associate Consultants



## Joint Administrators' time costs for the period 4 August 2022 to 3 February 2023

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Senior Managing Directors & Directors		Associate Directors		Managers		Consultants		Associate Consultants & Support		TOTAL		Average rate/h Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning	-	-	0.50	450.00	0.70	570.50	3.60	2,340.00	10.10	3,838.00	14.90	7,198.50	483.12
Cashiering and Statutory Filing	3.50	4,040.00	17.90	16,110.00	1.25	1,018.75	6.00	3,900.00	26.65	10,127.00	55.30	35,195.75	636.45
Case Management and Closure	3.50	4,040.00	18.40	16,560.00	1.95	1,589.25	9.60	6,240.00	36.75	13,965.00	70.20	42,394.25	603.91
Realisation of Assets													
Other Assets (e.g. Stock)	0.40	478.00	0.60	540.00	-	-	0.10	65.00	0.40	152.00	1.50	1,235.00	823.33
Property - Freehold and Leasehold	0.25	275.00	4.60	4,140.00	-	-	4.20	2,730.00	13.10	4,978.00	22.15	12,123.00	547.31
	0.65	753.00	5.20	4,680.00	-	-	4.30	2,795.00	13.50	5,130.00	23.65	13,358.00	564.82
Creditors													
Employees	-	-	-	-	0.50	407.50	4.00	2,600.00	0.25	95.00	4.75	3,102.50	653.16
Preferential	-	-	1.00	900.00	-	-	4.30	2,795.00	6.90	2,622.00	12.20	6,317.00	517.79
Unsecured	0.75	825.00	2.20	1,980.00	1.20	978.00	28.90	18,785.00	11.40	4,332.00	44.45	26,900.00	605.17
	0.75	825.00	3.20	2,880.00	1.70	1,385.50	37.20	24,180.00	18.55	7,049.00	61.40	36,319.50	591.52
Case Specific Matters													
VAT	-	-	-	-	-	-	-	-	3.60	1,368.00	3.60	1,368.00	380.00
Tax	6.30	7,186.50	0.50	450.00	7.00	5,705.00	-	-	0.30	114.00	14.10	13,455.50	954.29
	6.30	7,186.50	0.50	450.00	7.00	5,705.00	-	-	3.90	1,482.00	17.70	14,823.50	837.49
<b>TOTAL HOURS &amp; COST</b>	<b>11.20</b>	<b>12,804.50</b>	<b>27.30</b>	<b>24,570.00</b>	<b>10.65</b>	<b>8,679.75</b>	<b>51.10</b>	<b>33,215.00</b>	<b>72.70</b>	<b>27,626.00</b>	<b>172.95</b>	<b>106,895.25</b>	<b>618.07</b>
<b>AVERAGE RATE/HOUR PER GRADE</b>		<b>£ 1,143.26</b>		<b>£ 900.00</b>		<b>£ 815.00</b>		<b>£ 650.00</b>		<b>£ 380.00</b>			



## Joint Administrators' time costs for the entire period of the appointment

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Senior Managing Directors & Directors		Associate Directors		Managers		Consultants		Associate Consultants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	7.71	8,914.71	12.90	11,272.50	33.10	26,976.50	46.61	27,267.49	479.90	79,328.89	580.21	153,760.10	265.01
Case Management and Closure	17.20	17,750.00	92.16	71,197.87	4.85	3,952.75	53.39	26,539.03	166.82	51,431.08	334.42	170,870.73	510.95
Initial Actions	3.36	4,010.76	3.85	3,469.31	12.87	10,490.29	2.76	1,793.10	28.87	3,255.99	51.71	23,019.45	445.18
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	0.20	130.00	-	-	0.20	130.00	650.00
General Reporting	9.76	11,621.56	13.36	12,021.86	20.71	16,881.02	8.20	5,330.00	3.80	2,005.30	55.83	47,859.73	857.28
	38.02	42,297.03	122.27	97,961.53	71.53	58,300.55	111.16	61,059.62	679.38	136,021.26	1,022.37	395,640.00	386.98
Investigations													
Investigations	5.95	6,592.50	9.90	8,572.50	-	-	-	-	-	-	15.85	15,165.00	956.78
Reports on Directors' Conduct	3.20	3,757.50	1.50	1,350.00	2.20	1,793.00	-	-	24.90	2,739.50	31.80	9,640.00	303.14
	9.15	10,350.00	11.40	9,922.50	2.20	1,793.00	-	-	24.90	2,739.50	47.65	24,805.00	520.57
Trading													
Ongoing Trading	-	-	-	-	-	-	9.50	6,175.00	1.50	570.00	11.00	6,745.00	613.18
	-	-	-	-	-	-	9.50	6,175.00	1.50	570.00	11.00	6,745.00	613.18
Realisation of Assets													
Book Debts	-	-	0.80	720.00	-	-	13.70	8,905.00	6.70	3,325.00	21.20	12,950.00	610.85
Other Assets (e.g. Stock)	2.00	2,285.50	10.20	8,505.00	0.20	163.00	8.52	5,535.82	9.43	3,584.68	30.35	20,074.01	661.42
Chattel Assets	-	-	-	-	-	-	-	-	0.30	114.00	0.30	114.00	380.00
Property - Freehold and Leasehold	41.05	44,293.88	323.90	287,209.50	31.50	25,672.50	552.93	352,289.18	294.00	105,374.50	1,243.38	814,839.55	655.34
Retention of Title	7.00	7,700.00	4.80	4,320.00	-	-	-	-	-	-	11.80	12,020.00	1,018.64
Sale of Business / Assets	25.90	28,490.00	21.50	19,350.00	-	-	-	-	-	-	47.40	47,840.00	1,009.28
Third Party Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	75.95	82,769.38	361.20	320,104.50	31.70	25,835.50	575.15	366,730.00	310.43	112,398.18	1,354.43	907,837.56	670.27
Creditors													
Employees	3.96	4,604.66	61.71	53,100.00	6.00	4,890.00	179.71	116,321.06	54.60	10,815.50	305.97	189,731.22	620.09
Preferential	0.50	597.50	44.28	39,011.26	11.20	9,128.00	86.95	41,933.13	52.90	24,225.50	195.83	114,895.39	586.70
Secondary Preferential	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured	15.05	17,304.88	2.20	1,980.00	-	-	-	-	-	-	17.25	19,284.88	1,117.74
Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured	3.30	3,630.00	16.05	13,098.71	9.26	7,545.09	247.45	137,345.01	193.45	93,053.00	469.51	254,671.81	542.42
	22.81	26,137.04	124.25	107,189.97	26.46	21,563.09	514.11	295,599.20	300.95	128,094.00	988.57	578,583.30	585.27
Case Specific Matters													
Litigation	1.60	1,760.00	-	-	-	-	-	-	-	-	1.60	1,760.00	1,100.00
Pensions	-	-	0.10	22.50	-	-	-	-	-	-	0.10	22.50	225.00
VAT	64.12	74,928.06	70.00	68,442.64	30.55	24,540.25	1.50	975.00	20.90	8,787.00	187.07	177,672.95	949.77
Tax	15.50	17,418.00	1.20	1,195.50	11.30	9,209.50	1.38	702.91	16.51	5,011.60	45.89	33,537.51	730.77
	81.22	94,106.06	71.30	69,660.64	41.85	33,749.75	2.88	1,677.91	37.41	13,798.60	234.66	212,992.96	907.66
TOTAL HOURS & COST	227.15	255,659.50	690.42	604,839.14	173.74	141,241.90	1,212.80	731,241.74	1,354.58	393,621.55	3,658.69	2,126,603.82	581.25



Remuneration and expenses  
Detailed information

Category 2 Expenses

Category 2 Expenses - are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses require creditor approval in the same manner as our remuneration.

Joint Administrators’ Category 2 Expenses (including disbursements)

We have summarised our Category 2 expenses in the table below. Mileage is calculated at the prevailing standard mileage rate of up to 45p at the time when the mileage is incurred.

£ (net)	Estimated per Proposals	Incurred in previous report periods	Incurred in report period	Paid	Unpaid
Mileage	0	0	0	0	0
Deloitte Tax costs	0	12,500	0	0	12,500
Deloitte DIJV costs	0	16,738	4,496	0	21,234
Total expenses	0	29,238	4,496	0	33,734

As indicated on page 6 specific approval is required before these costs and expenses can be drawn from the administration estate and which was given by the secured and preferential creditors on 11 March 2021 other than in relation to the Deloitte LLP costs which are discussed further below and, in the column, opposite.

As discussed on page 15, prior to the Transaction, the work delivered by other Deloitte service lines was included in our time costs and thus charged to the estate to be recovered out of our approved remuneration (from which an internal recharge would have then been made).

Following the Transaction, the services being delivered by Deloitte teams can no longer be charged to or form part of our time costs; they are instead being charged to the estate as Category 2 expenses, and thus subject to approval from the appropriate creditor body before payment of same can be made.

Subject to the final outcome of the costs and expenses of the administration we intend to seek these approvals by the consent of the secured creditor and a decision of the preferential creditors.

When seeking approval of category 2 expenses, we are required to explain for each expense the basis on which the expense is being charged to the estate. In that regard, we have detailed opposite a summary of the services that were being delivered by Deloitte together with the range of charge out rates, where applicable.

- Deloitte Tax - were engaged to assist with undertaking work in connection with assessing and finalising the Company’s pre and post appointment corporation tax positions. Their work, which is no longer ongoing, was being charged on a time costs basis, the charge out rates for which are provided below. Please refer to the table opposite for details of their costs incurred from the date of the transaction to date.
- Deloitte Global Financial Advisory India (“DIJV”) – are engaged to assist with case management and administration. Their work, which is no longer ongoing, was charged on a time costs basis, the charge out rates for which are provided below. Please refer to the table opposite for details of their costs incurred from the date of the transaction to date.

Deloitte LLP Charge out rate Bands

Charge out rates last increased on 1 September 2022. Details of charge out rates applicable to prior report periods were given in those reports.

Deloitte LLP Charge out Rate Bands (£/hour)	
Grade	Rate (£/hour)
Partners	1,578 - 1,627
Directors	1329 - 1368
Associate Directors	1208 - 1247
Managers /Assistant Managers	104 - 441
Consultants	623 - 932
Associates	150 - 375
Administrators/Analysts	100 - 409
Agent	38

Creditors’ right to challenge remuneration and/or expenses

Any creditor, or creditors of the Company representing in value at least 25% of the total creditors, may apply to the court to make an order fixing the remuneration and/or expenses at a reduced amount or rate.

Such applications must be made not later than 8 weeks after the period end of this report (being 31 March 2023) detailing the remuneration and/or expenses being complained of, in accordance with Rule 3.100 of the Rules.





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