

The Insolvency Act 1986

Administrator's progress report

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company

John M Henderson & Co (Holdings) Limited –
in Administration

Company number

SC080607

(a) Insert full
name(s) and
address(es) of
administrators~~I/We~~ (a) Geoffrey Isaac Jacobs
KPMG LLP
191 West George Street
Glasgow
G2 2LJBlair Carnegie Nimmo
KPMG LLP
191 West George Street
Glasgow
G2 2LJ

administrators of the above company attach a progress report for the period

from

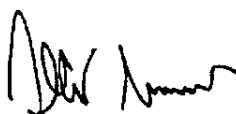
to

(b) Insert date(s)

(b) 24 October 2015

(b) 23 April 2016

Signed



Joint Administrator

Dated

3 June 2016

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

Suzanne Hamilton
KPMG LLP
37 Albyn Place
Aberdeen
Grampian
AB10 1JB

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Co

MONDAY



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When you have completed and signed this form, please send it to the
Registrar of Companies at:-
Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge,
Edinburgh, EH3 9FF
ED235 Edinburgh 1 / LP- 4 Edinburgh 2



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**John M Henderson & Co
Limited & John M Henderson
& Co (Holdings) Limited -
both in Administration**

Joint Administrators' progress report for
the period 24 October 2015 to 23 April
2016

3 June 2016

Notice to creditors

This progress report provides an update on the Administrations of the Companies.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategies for the Administrations and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 4).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following websites:-

<http://www.insolvency-kpmg.co.uk/case+KPMG+JEA24E1422.html>.

<http://www.insolvency-kpmg.co.uk/case+KPMG+JEA24E1531.html>

We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 6).



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1 Executive summary

- This progress report covers the period from 24 October 2015 to 23 April 2016.
- We do not anticipate any further asset recoveries in JMH other than a potential dividend from the Administration of Holdings. All known assets of Holdings have been realised. (Section 2 - Progress to date).
- The Bank's indebtedness has been repaid in full under its standard security in Holdings. Accordingly, the Bank will not require to make a claim under its bond and floating charge held over the assets of JMH (Section 3 - Dividend prospects).
- We anticipate the preferential creditors of JMH will receive a dividend – the quantum of this will be determined once our adjudication of the preferential creditors' claims has been finalised (Section 3 - Dividend prospects).
- Based upon current estimates, it appears there will be sufficient funds available to allow payment of a dividend to the sole known unsecured creditor of Holdings and there may be sufficient funds to allow payment of a dividend to the unsecured creditors of JMH (Section 3 - Dividend prospects).
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals which were issued to the Companies' creditors and can be found at :-
<http://www.insolvency-kpmg.co.uk/case+KPMG+JEA24E1422.html>
<http://www.insolvency-kpmg.co.uk/case+KPMG+JEA24E1531.html>

Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Geoffrey Jacobs
Joint Administrator

2 Progress to date

This section updates you on our strategy for the Administrations and on our progress to date. It follows the information provided in our previous progress report dated 3 December 2015.

2.1 Strategy and progress to date

Strategy

The remaining asset in JMH is an inter-company dividend which we are awaiting receipt of. The main matters outstanding are to finalise the preferential creditor balances, settle all costs and, thereafter, convert to a Creditors' Voluntary Liquidation to implement unsecured creditor distributions, if appropriate.

As previously reported, all assets of Holdings have now been realised. The key matter in Holdings is to finalise the costs and arrange the inter-company distribution.

Debtors

You will recall from our most recent progress report that the remaining outstanding debtor balances due to JMH were subject to various contra balances, counter claims and disputes.

We have reviewed the position with our appointed debt recovery agent and have concluded that there is no prospect of any further recoveries for the Administration from this source. We have closed our files in respect of this matter.

Inter-company balances

There is an inter-company loan of £535,699 due to JMH by Holdings. As commented upon within Section 3 of this report, it is anticipated that JMH will receive a dividend from the Administration of Holdings. However, until the Administration of Holdings is finalised, including settling all of the costs of the process, we are unable to confirm the level of dividend that may be payable.

2.2 Asset realisations

A copy of our receipts and payments account for the period is attached (Appendix 2).

There have been no asset recoveries in JMH in the period and all assets of Holdings have previously been realised.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

We settled legal fees of £2,021 and £1,100 in the Administrations of JMH and Holdings, respectively.



3 Dividend prospects

3.1 Secured creditors

As previously reported, sufficient realisations were achieved in the Administration of Holdings to enable the Bank's debt, together with accrued interest, to be repaid in full under its standard security. Accordingly, the Bank will not require to make a claim under its floating charge over the assets of JMH.

A full and final distribution of £41,067 has been made to the Bank under its standard security in the Administration of Holdings, settling the Bank's indebtedness totalling £241,067.

3.2 Preferential creditors

We estimate the preferential creditors' claims in the Administration of JMH to total approximately £90,000.

Based on current estimates, we anticipate that the preferential creditors of JMH will receive a dividend. However, until our adjudication of the claims received has been finalised, we cannot confirm the quantum or timing of the potential dividend. We will provide creditors with an update on progress of this process in due course.

We are not aware of any preferential creditors of Holdings.

3.3 Unsecured creditors

It is anticipated there may be sufficient funds available to allow payment of a dividend to the unsecured creditors of JMH. The quantum of the potential dividend will depend on the level of dividend received from Holdings, the level of preferential claims admitted for dividend purposes, the final costs of the Administration process, and the level of unsecured claims accepted.

If sufficient funds are available in the Administration of JMH to enable a dividend to be paid to the unsecured creditors, in accordance with the Joint Administrators' proposals, we will move to convert the Administration to a Creditor's Voluntary Liquidation in order to facilitate the dividend distribution process. We will advise creditors of our intentions in this regard in due course.

If sufficient funds are available to allow payment of a dividend, we will contact the unsecured creditors of JMH under separate cover regarding adjudication of their claims.

It appears there will be sufficient funds available to allow payment of a dividend to the sole unsecured creditor of Holdings, being JMH. The level of dividend which may be payable will depend upon the final costs in the Administration of Holdings. Given Holdings has a sole unsecured creditor, who is a related party, we require to obtain the permission of the Court to effect the potential dividend payment in the Administration rather than converting to a Creditors' Voluntary Liquidation as would otherwise be the case. We are liaising with our appointed legal agent in this regard.

4 Other matters

4.1 JMH creditors' meeting

Meeting by correspondence

In order to proceed in the most cost effective manner possible, we propose to conduct the business of a meeting of the creditors of JMH by correspondence. Formal notice of the meeting is enclosed with this report.

The purpose of conducting the business of a meeting by correspondence is to seek approval for:-

- the amount of the Joint Administrators' remuneration for dealing with the Administration of JMH (Section 5.1 - Joint Administrators' remuneration and disbursements); and
- the drawing of Category 2 disbursements from JMH (Section 5.1 - Joint Administrators' remuneration and disbursements).

In accordance with Schedule B1 of the Insolvency Act 1986 (as applied by the Insolvency (Scotland) Rule 1986) (the 'Rules'), we hereby call a meeting of creditors to be conducted by correspondence in order to seek approval of our remuneration.

The enclosed resolutions (detailed further below) must be received at KPMG LLP, 37 Albyn Place, AB10 1JB by 17:00 hours on 30 June 2016 in order to be counted. Responses received after this date will not be admitted.

Resolution

In accordance with Rule 2.28(4) of the Rules, we enclose the aforementioned schedule, which sets out the resolution we are seeking approval of. The resolution is as follows:-

- the Joint Administrators' remuneration as requested for the periods ending 23 April 2015, 23 October 2015 and 23 April 2016 are approved and that the Joint Administrators are permitted to draw the approved remuneration and disbursements from the funds in hand.

As you would expect, our time costs are continuing to accrue as matters are progressed. We will continue to implement all matters as efficiently as possible, however, we will require to write to you again with future reports to seek approval for fees incurred post 23 April 2016.

As noted above, I shall be grateful if you will complete the enclosed schedule confirming your decision and return it to our Aberdeen office by no later than 17:00 hours on 30 June 2016.

Creditors' right to request a physical meeting

We will summon such a meeting (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of JMH, and (2) if the procedures set out below are followed.

Requests for a creditors' meeting must be made within five business days of us sending the formal notice of conducting the business of a meeting by correspondence. They must include:-



- a list of the creditors concurring with the request, showing the amounts of their respective claims against JMH;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting.

In addition, the expenses of summoning and holding a meeting at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a creditors' meeting, please contact Suzanne Hamilton on 01224 416895 to obtain the requisite forms.

5 Joint Administrators' remuneration and disbursements

5.1 JMH

As commented upon within Section 4, we are seeking approval from the unsecured creditors for:-

- remuneration of £335,485.50 (exclusive of VAT) for the period from 24 October 2014 to 23 April 2016;
- disbursements of £1,202.15 (exclusive of VAT) for the period from 24 October 2014 to 23 April 2016 for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) to be charged in accordance with KPMG's policy as set out in Appendix 3. I would note that we have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company;
- Future time costs, and disbursements, will be incurred in seeking to bring all of the outstanding matters in the Administration to a close, which will include:-
 - if available, obtaining an unsecured dividend payment from the Administration of Holdings;
 - if sufficient funds are available, facilitating payment of a preferential dividend following finalisation of the preferential creditor claim adjudication process.;
 - preparing Corporation Tax computations and Corporation Tax returns for the Administration for submission to HMRC;
 - obtaining confirmation from HMRC of JMH's deregistration for VAT purposes;
 - obtaining clearance from HMRC in respect of all of JMH's Corporate Tax and VAT affairs;
 - providing notification of the Joint Administrators' remuneration as considered at a meeting of JMH's creditors;
 - drawing the Joint Administrators' fees from funds in hand;
 - arranging for any other third-party costs in the Administration to be finalised and settled, including the cost of storing JMH's books and records; and
 - attending to all ongoing and closing statutory matters, including reporting progress to the creditors and attending to case cashing requirements.

Please refer to Section 4 for details regarding conducting the meeting of creditors by correspondence.



Time costs

For the period 24 October 2014 to 23 April 2016, we have incurred time costs totalling £335,485.50 (exclusive of VAT) – a summary of these costs in respect of each six month period is provided in the table below. These time costs represent 1,015 hours at an average rate of £331 per hour.

Period	Time costs (£)
24 October 2014 to 23 April 2015	271,454.50
24 April 2015 to 23 October 2015	34,061.00
24 October 2015 to 23 April 2016	29,970.00
Total	335,485.50

Remuneration, outlays and disbursements

During the period, we have not drawn any remuneration, outlays or disbursements.

A summary of the disbursements (exclusive of VAT) incurred in the period 24 October 2014 to 23 April 2016 are detailed in the table below.

SIP 9 – Disbursements					
24 October 2014 to 23 April 2016					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Meals	162.21		NIL		162.21
Mileage	NIL		1,202.15		1,202.15
Bordereau	550.00		NIL		550.00
Professional and legal fees	18.00		NIL		18.00
Telecommunications	167.96		NIL		167.96
Travel	1,387.70		NIL		1,387.70
Total	2,285.87		1,202.15		3,488.02

Additional information

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 24 October 2015 to 23 April 2016. We have also attached our charging and disbursements policy.

Copies of the Joint Administrators' time costs analysis for the periods 24 October 2014 to 23 April 2015 and 24 April 2015 to 23 October 2015 (as provided within our previous progress reports) are provided at Appendix 4.

The Joint Administrators' future remuneration will require to be approved by a meeting of JMH's creditors.



5.2 Holdings

On the basis that JMH is the only known creditor of Holdings, the Joint Administrators' remuneration will require to be fixed by the Court.

Time costs

For the period 24 October 2015 to 23 April 2016, we have incurred time costs of £16,971.50. These time costs represent 51 hours at an average rate of £336 per hour.

A detailed analysis of the time spent is provided at Appendix 3.

Remuneration, outlays and disbursements

During the period, we have not drawn any remuneration, outlays or disbursements.

Additional information

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 24 October 2015 to 23 April 2016. We have also attached our charging and disbursements policy.

6 Future strategy

6.1 Future conduct of the Administrations

We will continue to manage the affairs, the business and the property of the Companies in order to achieve the purposes of the Administrations. This will include but not be limited to realising the remaining assets, finalising costs, adjudicating upon creditors' claims and distributing funds, together with all statutory and administrative matters.

6.2 Extensions of the Administrations

We will endeavour to have all of the outstanding matters in each of the Administrations finalised prior to expiry of the Administrations on 23 October 2016, such that the JMH can be converted to a Creditors' Voluntary Liquidation and Holdings brought to a close.

However, if any of the outstanding matters cannot be finalised prior to 23 October 2016, we may be required to obtain the consent of the Court to extend one or both of the Administrations for a period of up to 12 months. If any creditor wishes to object to a potential application to extend either of the Administrations, they should confirm their objection in writing to the Joint Administrators, c/o KPMG LLP, 37 Albyn Place, Aberdeen, AB10 1JB by no later than 30 June 2016.

6.3 Future reporting

We will issue a further progress report to all known creditors within six weeks of 23 October 2016 at the latest.

As noted at Section 3.3, if sufficient funds are available in the Administration of JMH to enable a dividend to be paid to the unsecured creditors, we will convert the Administration to a Creditor's Voluntary Liquidation in order to facilitate the dividend distribution process. We will advise creditors of our intentions in this regard in due course.



Appendix 1 Statutory information

Company information

Company name	John M Henderson & Co Limited
Date of incorporation	23 February 1924
Company registration number	SC013034
Present registered office	37 Albyn Place, Aberdeen, AB10 1JB

Administration information

Administration appointment	The Administration appointment granted in Court of Session P1079/14,
Appointor	John M Henderson & Co Limited, Sir William Smith Road, Kirkton Industrial Estate, Arbroath, DD11 3RD
Date of appointment	24 October 2014
Joint Administrators' details	Geoff Jacobs and Blair Nimmo
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	23 October 2016



Company information

Company name	John M Henderson & Co (Holdings) Limited
Date of incorporation	27 October 1982
Company registration number	SC080607
Present registered office	37 Albyn Place, Aberdeen, AB10 1JB

Administration information

Administration appointment	The Administration appointment granted in Court of Session P1080/14.
Appointor	John M Henderson & Co (Holdings) Limited, Sir William Smith Road, Kirkton Industrial Estate, Arbroath, DD11 3RD
Date of appointment	24 October 2014
Joint Administrators' details	Geoff Jacobs and Blair Nimmo
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	23 October 2016



Appendix 2 Joint Administrators' receipts and payments accounts

John M Henderson & Co Limited - in Administration

Trading accounts

Statement of Affairs (£)	From 24/10/2015 To 23/04/2016 (£)	From 24/10/2014 To 23/04/2016 (£)
POST-APPOINTMENT SALES		
Stock - work in progress	NIL	21,375.00
	NIL	21,375.00
OTHER DIRECT COSTS		
Direct labour	NIL	243.37
Sub contractors	NIL	(874.00)
	NIL	(630.63)
TRADING EXPENSES		
Sub contractors	NIL	(6,018.50)
Heat & light	NIL	(26,374.60)
Telephone/IT	NIL	(3,341.99)
Cleaning services	NIL	(525.80)
Hire of equipment	NIL	(1,461.60)
Repairs and maintenance	NIL	(33.33)
	NIL	(37,755.82)
Trading surplus/(deficit)	NIL	(17,011.45)



John M Henderson & Co Limited - in Administration
Abstract of receipts & payments

Statement of affairs (£)		From 24/10/2015 To 23/04/2016 (£)	From 24/10/2014 To 23/04/2016 (£)
FIXED CHARGE ASSETS			
846,932.00	Freehold property	NIL	NIL
		NIL	NIL
FIXED CHARGE COSTS			
	Security	NIL	(0.30)
		NIL	(0.30)
FIXED CHARGE CREDITORS			
(232,000.00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
146,374.00	Plant & machinery	NIL	360,550.00
54,141.00	Furniture & equipment	NIL	NIL
100,000.00	Stock	NIL	15,000.00
50,000.00	Stock - work in progress	NIL	NIL
951,845.00	Book debts	NIL	84,145.60
	Intellectual Property	NIL	72,000.00
55,943.00	Cash at bank	NIL	919.82
		NIL	532,615.42
OTHER REALISATIONS			
	Bank interest, gross	514.61	1,169.98
	Sundry refunds	NIL	17,867.83
	Trading surplus/(deficit)	NIL	(17,011.45)
	Petty Cash	NIL	208.41
	Scrap Metal	NIL	30,954.00
899,423.00	Loans and advances	NIL	NIL
315,961.00	Other assets	NIL	NIL
		514.61	33,188.77
COST OF REALISATIONS			
	Statement of affairs work	NIL	(750.00)
	Agents'/Valuers' fees	NIL	(24,111.70)
	Legal fees	(2,020.56)	(10,954.39)
	Storage costs etc (records)	NIL	(1,700.07)
	Re-direction of mail	NIL	(350.00)
	Statutory advertising	NIL	(195.36)
	Insurance of assets	NIL	(2,090.69)



John M Henderson & Co Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 24/10/2015 To 23/04/2016 (£)	From 24/10/2014 To 23/04/2016 (£)
	Wages & salaries	NIL	(12,727.46)
	Bank charges	NIL	(460.00)
		(2,020.56)	(53,339.67)
	PREFERENTIAL CREDITORS		
(322,300.00)	Employees' wage arrears	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(2,612,516.00)	Trade & expense	NIL	NIL
(2,600,000.00)	Other liabilities	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(150,000.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(2,496,197.00)		(1,505.95)	512,464.22
	REPRESENTED BY		
	Floating ch. VAT rec'able		937.80
	Floating charge current		512,991.21
	Floating ch. VAT payable		(110.00)
	Floating ch. VAT control		(680.20)
	Aegon		(674.59)
			512,464.22



John M Henderson & Co (Holdings) Limited - in Administration
Abstract of receipts & payments

Statement of affairs (£)		From 24/10/2015 To 23/04/2016 (£)	From 24/10/2014 To 23/04/2016 (£)
FIXED CHARGE ASSETS			
520,000.00	Freehold property	NIL	500,000.00
		NIL	500,000.00
FIXED CHARGE COSTS			
	Legal fees	NIL	(4,348.00)
	Agents'/Valuers' fees	NIL	(4,045.00)
	Security	NIL	(8,176.29)
		NIL	(16,569.29)
FIXED CHARGE CREDITORS			
(232,000.00)	Fixed charge creditor	(41,067.28)	(241,067.28)
		(41,067.28)	(241,067.28)
ASSET REALISATIONS			
500,619.00	Shares and investments	NIL	NIL
600.00	Cash at bank	NIL	NIL
		NIL	NIL
OTHER REALISATIONS			
	Bank interest, gross	251.27	839.66
		251.27	839.66
COST OF REALISATIONS			
	Legal fees	(1,100.00)	(3,860.00)
	Statutory advertising	NIL	(84.60)
	Insurance of assets	NIL	(5,871.02)
	Bank charges	(20.00)	(40.00)
		(1,120.00)	(9,855.62)
UNSECURED CREDITORS			
(515,088.00)	Trade & expense	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(30,900.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
243,231.00		(41,936.01)	233,347.47
REPRESENTED BY			
	Floating ch. VAT rec'able		3,998.18
	Floating charge current		233,283.99
	Floating ch. VAT control		(3,934.70)



John M Henderson & Co (Holdings) Limited - in Administration**Abstract of receipts & payments**

Statement of affairs (£)	From 24/10/2015	From 24/10/2014
	To 23/04/2016 (£)	To 23/04/2016 (£)
		233,347.47



Appendix 3 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the Administrations is by reference to the time properly given by us and our staff in attending to matters arising in the Administrations. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the Administrations to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Administrators' Remuneration Scotland" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

https://www.r3.org.uk/media/documents/technical_library/SIPS/Creditors' Guide to Administrators' Remuneration Scotland.pdf

If you are unable to access this guide and would like a copy, please contact Suzanne Hamilton on 01224 416895.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on the Administrations. Time is charged by reference to actual work carried out on the Administrations, using a minimum time unit of six minutes.

All staff who have worked on the Administrations, including cashiers and secretarial staff, have charged time directly to the Administrations and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the Administrations but is reflected in the general level of charge-out rates.

Charge-out rates (£)	
Grade	From 01 Oct 2015 £/hr
Partner	595
Director	535
Senior Manager	485
Manager	405
Senior Administrator	280
Administrator	205
Support	125

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the Administrations. In our next statutory report, we will inform creditors of any material amendments to these rates.



Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of Companies car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

John M Henderson & Co Limited – In Administration

Narrative of work carried out for the period 24 October 2015 to 23 April 2016

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; and ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ monitoring and reviewing the Administration strategy, ■ reviewing and authorising junior staff correspondence and other work; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; and ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems; and ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ reviewing post appointment Corporation Tax position and drafting the relevant return; and ■ preparing and submitting post appointment VAT returns.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; and ■ considering the fee approval process.
Trading	<ul style="list-style-type: none"> ■ finalising holding costs
Asset realisations	<ul style="list-style-type: none"> ■ liaising with appointed legal agent regarding debtor recovery process.
Employees	<ul style="list-style-type: none"> ■ adjudicating upon preferential claims; and ■ general communications with employees.
Pensions	<ul style="list-style-type: none"> ■ correspondence with regard to the pre appointment pension scheme
Creditors and claims	<ul style="list-style-type: none"> ■ providing written updates to representatives of the Bank regarding the progress of the Administration and case strategy. ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ considering and reviewing unsecured claims; ■ reviewing pre appointment Corporation Tax position; and ■ drafting our progress report.

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.



John M Henderson & Co Limited – In Administration
SIP 9 – Time costs analysis (24/10/2015 to 23/04/2016)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Cashiering							
General (Cashiering)			1.95		1.95	531.00	272.31
General							
Fees and WIP	0.25	1.30	2.80		4.35	1,444.25	332.01
Statutory and compliance							
Checklist & reviews			7.00		7.00	1,960.00	280.00
Strategy documents		0.60			0.60	243.00	405.00
Tax							
Post appointment corporation tax			3.30		3.30	924.00	280.00
Post appointment VAT		0.40	2.70		3.10	918.00	296.13
Creditors							
Creditors and claims							
Agreement of unsecured claims		2.30	17.50		19.80	5,831.50	294.52
General correspondence	0.30	1.30	4.10		5.70	1,790.00	314.04
Pre-appointment VAT / PAYE / CT			1.30		1.30	364.00	280.00
Secured creditors	0.75	2.70	0.40		3.85	1,606.75	417.38
Statutory reports	1.00	3.00	6.60	1.00	11.60	3,723.00	320.95
Employees							
Agreeing employee claims			14.80		14.80	4,144.00	280.00
Correspondence			0.80		0.80	224.00	280.00
Pension funds	1.30				1.30	695.50	535.00
Pensions reviews			4.45		4.45	1,058.50	237.87
Investigation							
Investigations							
Correspondence re investigations			0.90		0.90	252.00	280.00
Realisation of assets							
Asset Realisation							
Debtors		4.90	6.30		11.20	3,812.50	340.40
Trading							
Purchases and trading costs			1.60		1.60	448.00	280.00
Total in period	3.60	16.50	76.50	1.00	97.60	29,970.00	307.07



John M Henderson & Co (Holdings) Limited – In Administration

Narrative of work carried out for the period 24 October 2015 to 23 April 2016

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none">■ posting information on a dedicated web page;■ preparing statutory receipts and payments accounts; and■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none">■ monitoring and reviewing the Administration strategy,■ reviewing and authorising junior staff correspondence and other work;■ allocating and managing staff/case resourcing and budgeting exercises and reviews; and■ complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	<ul style="list-style-type: none">■ preparing and processing vouchers for the payment of post-appointment invoices;■ creating remittances and sending payments to settle post-appointment invoices;■ reconciling post-appointment bank accounts to internal systems; and■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none">■ reviewing post appointment Corporation Tax position and drafting the relevant return; and■ preparing and submitting post appointment VAT returns.
General	<ul style="list-style-type: none">■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9;■ liaising with appointed legal agent regarding appropriate fee approval process and obtaining Counsel opinion;■ reviewing Counsel's opinion and considering with legal agent thereafter; and■ consulting with legal agent with regarding ability to obtain approval from the Court to pay a dividend to the unsecured creditors via the Administration.
Creditors and claims	<ul style="list-style-type: none">■ providing written updates to representatives of the Bank regarding the progress of the Administration and case strategy.■ making a final distribution to the Bank under its standard security; and■ drafting our progress report.

John M Henderson & Co (Holdings) Limited – In Administration
SIP 9 – Time costs analysis (24/10/2015 to 23/04/2016)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Cashiering							
General (Cashiering)			1.00		1.00	280.00	280.00
Reconciliations (& IPS accounting reviews)			0.20		0.20	56.00	280.00
General							
Fees and WIP	0.25	7.70	8.30		16.25	5,576.25	343.15
Statutory and compliance							
Checklist & reviews			8.60		8.60	2,408.00	280.00
Strategy documents	0.80		0.40		1.20	540.00	450.00
Tax							
Post appointment corporation tax		0.20	3.40		3.60	1,033.00	286.94
Post appointment VAT			2.10		2.10	588.00	280.00
Creditors							
Creditors and claims							
Secured creditors	1.95	4.30	1.30		7.55	3,148.75	417.05
Statutory reports	0.80	2.70	6.50		10.00	3,341.50	334.15
Total in period	3.80	14.90	31.80	0.00	50.50	16,971.50	336.07

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 4 SIP9 time costs analysis for prior periods

John M Henderson & Co Limited – In Administration SIP 9 - Time costs analysis (24/10/2014 to 23/04/2015)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Bankrupt/Director/Member							
Notification of appointment	0.60				0.60	321.00	535.00
Cashiering							
General (Cashiering)		1.00	3.10	5.10	9.20	1,910.50	207.66
Reconciliations (& IPS accounting reviews)			0.70		0.70	196.00	280.00
General							
Books and records			37.50	7.00	44.50	11,210.00	251.91
Fees and WIP	0.40	0.80	0.40		1.60	650.00	406.25
Statutory and compliance							
Appointment and related formalities	3.00	9.90	23.40		36.30	12,626.50	347.84
Bonding and bordereau			0.30		0.30	84.00	280.00
Checklist & reviews	0.40	0.60	2.40		3.40	1,153.00	339.12
Strategy documents	3.20	4.40	3.10		10.70	4,482.00	418.88
Tax							
Initial reviews - CT and VAT			2.10		2.10	588.00	280.00
Post appointment corporation tax	0.50		0.30		0.80	351.50	439.38
Post appointment VAT		4.60	2.10		6.70	2,451.00	365.82
Creditors							
Creditors and claims							
General correspondence	1.30	0.40	25.40	2.70	29.80	8,217.00	275.74
ROT Claims	1.20	7.80	11.40		20.40	6,963.00	341.32
Secured creditors	0.90	14.80			15.70	6,475.50	412.45
Statutory reports	22.75	12.00	22.50	2.60	59.85	24,545.75	410.12
Employees							
Agreeing employee claims			2.80		2.80	784.00	280.00
Correspondence	4.30	4.30	154.60	1.20	164.40	47,480.00	288.81
DTI redundancy payments service			8.90		8.90	2,492.00	280.00
Pension funds	2.70	1.20			3.90	1,930.50	495.00
Pensions reviews			82.80		82.80	21,927.75	264.83



John M Henderson & Co Limited – In Administration
SIP 9 - Time costs analysis (24/10/2014 to 23/04/2015)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Investigation							
Directors							
Correspondence with directors	0.75				0.75	401.25	535.00
D form drafting and submission		4.60	4.40		9.00	3,095.00	343.89
Directors' questionnaire / checklist			0.80		0.80	164.00	205.00
Realisation of assets							
Asset Realisation							
Debtors	0.40	42.70			43.10	18,907.50	438.69
Goodwill			2.10		2.10	588.00	280.00
Health & safety	0.60	4.00	4.20		8.80	3,117.00	354.20
Open cover insurance			4.50		4.50	1,260.00	280.00
Plant and machinery	0.60	14.80	6.20		21.60	8,427.00	390.14
Sale of business	24.75	78.90	71.00		174.65	64,345.25	368.42
Stock and WIP	3.00	9.00	3.30		15.30	6,174.00	403.53
Trading							
Cash & profit projections & strategy		6.40			6.40	2,592.00	405.00
Purchases and trading costs		6.50	10.40		16.90	5,544.50	328.08
Total in period	71.35	228.70	490.70	18.60	809.35	271,454.50	335.40

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

John M Henderson & Co Limited – In Administration
SIP 9 – Time costs analysis (24/04/2015 to 23/10/2015)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Cashiering							
Fund management	0.60				0.60	321.00	535.00
General (Cashiering)			1.80		1.80	421.50	234.17
Reconciliations (& IPS accounting reviews)			0.20		0.20	56.00	280.00
General							
Books and records			0.40	1.00	1.40	237.00	169.29
Fees and WIP		1.20			1.20	486.00	405.00
Statutory and compliance							
Appointment and related formalities	0.10	2.70	7.00		9.80	3,107.00	317.04
Checklist & reviews	1.30	1.60	3.50		6.40	2,323.50	363.05
Strategy documents	0.40				0.40	214.00	535.00
Tax							
Post appointment corporation tax		0.60	0.40		1.00	325.00	325.00
Post appointment VAT		0.60	1.10		1.70	513.50	302.06
Creditors							
Creditors and claims							
Agreement of claims			2.00		2.00	530.00	265.00
General correspondence		0.90	9.90	2.00	12.80	3,169.00	247.58
Secured creditors		0.70	2.70		3.40	1,039.50	305.74
Statutory reports	2.60	7.10	9.00	3.50	22.20	7,224.00	325.41
Employees							
Agreeing employee claims			1.00		1.00	280.00	280.00
Correspondence			2.70		2.70	718.50	266.11
Pensions reviews		3.80	14.50		18.30	5,599.00	305.96
Investigation							
Investigations							
Correspondence re investigations		1.20			1.20	486.00	405.00
Realisation of assets							
Asset Realisation							
Cash and investments			0.10		0.10	28.00	280.00
Debtors		12.30	2.30		14.60	5,528.00	378.63



John M Henderson & Co Limited – In Administration
SIP 9 – Time costs analysis (24/04/2015 to 23/10/2015)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Trading							
Purchases and trading costs		1.50	3.40		4.90	1,454.50	296.84
Total in period	5.00	34.20	62.00	6.50	107.70	34,061.00	316.26

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.



Appendix 5 Glossary

Bank / secured creditor	HSBC Bank plc
Companies	John M Henderson & Co Limited and John M Henderson & Co (Holdings) – both in Administration
Holdings	John M Henderson & Co (Holdings) Limited
JMH	John M Henderson & Co Limited
Joint Administrators/we/our/us	Blair Carnegie Nimmo and Geoffrey Isaac Jacobs
KPMG	KPMG LLP
The/our Proposals	The Joint Administrators' Proposals dated 5 December 2014
The Act	The Insolvency Act 1986

Any references in this progress report to sections, paragraph or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Scotland) Rules 1986 respectively.



Appendix 6 Notice: About this report

This report has been prepared by Geoffrey Isaac Jacobs and Blair Carnegie Nimmo, the Joint Administrators of John M Henderson & Co Limited and John M Henderson & Co (Holdings) Limited – both in Administration (the 'Companies'), solely to comply with their statutory duty to report to creditors under the Insolvency (Scotland) Rules 1986 on the progress of the Administrations, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Companies or any other Companies in the Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

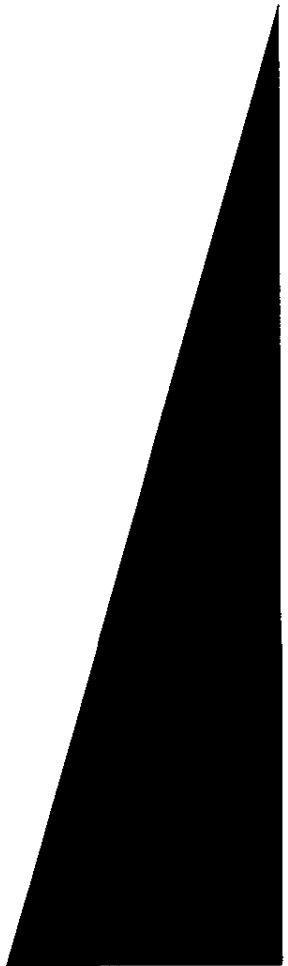
Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (Scotland) Rules 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Geoffrey Isaac Jacobs and Blair Carnegie Nimmo are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

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





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