

AM10 (Scot)

Notice of administrator's progress report



Companies House

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

1 Company details

Company number S C 2 1 3 2 8 2

Company name in full Burntisland Fabrications Limited

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

2 Administrator's name

Full forename(s) Gavin George Scott

Surname Park

3 Administrator's address

Building name/number 100 W George St

Street Glasgow

Post town G2 1PP

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) Clare

Surname Boardman

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

5 Administrator's address ②

Building name/number 7 Park Row

Street

Post town Leeds

County/Region

Postcode L S 1 5 H D

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	^d	1	^d	4	^m	0	^m	6	^y	2	^y	0	^y	2	^y	2
To date	^d	1	^d	3	^m	1	^m	2	^y	2	^y	0	^y	2	^y	2

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

GPark

X

Signature date

^d

1

^d

9

^m

0

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2

^y

0

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2

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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 Vinay Mistry

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 or email enquiries@companieshouse.gov.uk

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



The Global CEO Advisory Firm

Court Case No. P999/20 of 2020
Court of Session
Edinburgh

Company Number: SC213282

Registered Office:
c/o Teneo Financial Advisory Limited
100 West George Street
Glasgow
G2 1PJ

Burntisland Fabrications Limited (in administration) ("the Company" or "BiFab")

Progress report for the period 14 June 2022 to 13 December 2022 pursuant to rules 3.93 to 3.94 inclusive of the
Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 ("the Rules")

18 January 2023

Gavin George Scott Park and Clare Boardman ("the Joint Administrators") were appointed Joint Administrators of Burntisland Fabrications Limited on 14 December 2020 by the directors of the Company. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Teneo Financial Advisory Limited ("Teneo") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

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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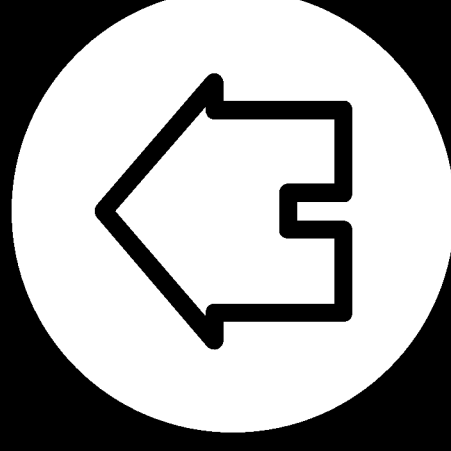
Information for creditors

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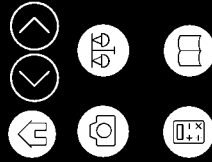
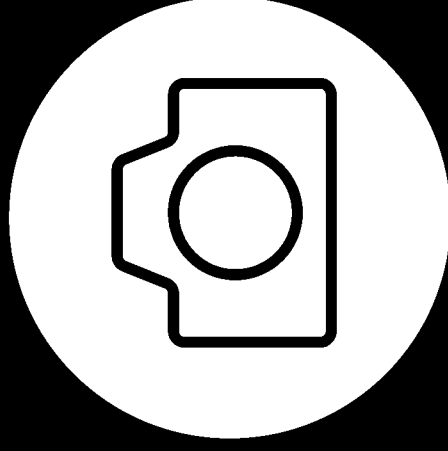
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Key messages



Key messages

Joint Administrators
of the Company

Gavin George Scott Park
Clare Boardman
Teneo Financial Advisory Limited
110 West George Street

Glasgow
G2 1PJ

Contact details

Email: vinay.mistry@teneo.com
Website: www.ips-docs.com
Tel: 0121 619 0149



Purpose of administration
Progress of administration
Costs
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Extension to administration period

- The purpose of the administration is to achieve a better result for the Company’s creditors as a whole than a liquidation.
- The Company has a commercial claim against a customer in connection with contract variations to an agreed scope of works on a legacy project which has an estimated recoverable value of c.£17.8m per the director’s Statement of Affairs (“the Commercial Claim”). We agreed a funding facility with the Scottish Ministers to meet the legal and other costs anticipated for the steps required to pursue this claim. The Company’s lawyers, Taylor Wessing LLP, are continuing to prepare a formal detailed claim submission as the next step in the recovery process. We will provide further update in our next progress report to creditors.
- A book debt settlement fund of c.£148k in respect of a settlement agreed in the previous period was received during the report period. Please see page 5 for further details.
- A pre-administration insurance refund totaling c.£6.7k was received during the report period. Please see page 5 for further details.
- Our remuneration has been fixed on a time costs basis. Our time costs for the period of the report are c.£62,929. Please see pages 15 to 16 for further details.
- No category 1 third party expenses have been incurred in the report period other than in relation to the legal and technical expert’s costs associated with the commercial claim (details of which cannot currently be disclosed due to the commercial sensitivity of this matter). Please see page 7 for further details.
- We have incurred category 2 expenses of £1,086 plus VAT in the report period. Please see page 17 for further details.
- We will continue to progress recovery of the Commercial Claim discussed above.
- We will continue to monitor the revenue triggers for possible deferred consideration associated with the sale of the business.
- On current information, we anticipate the following outcome for each category of creditor:
 - Secured creditors: Royal Bank of Scotland Plc (“RBS”) may be paid in full depending on the level of its contingent claim which materialises (if any). The Scottish Ministers are unlikely to be repaid in full. Please see page 11 for further details.
 - Preferential creditors: We anticipate that there will be sufficient floating charge realisations to enable payment in full of the preferential claim. Please see page 11 for further details.
 - Secondary Preferential creditor: We anticipate that there will be sufficient floating charge realisations to enable payment in full of HM Revenue & Customs (“HMRC”) secondary preferential claims.
 - Unsecured creditors: It is unlikely that there will be a distribution for unsecured creditors other than potentially via the Prescribed Part provisions. Please see page 12 for further details.
- The period of the administration has been extended to 13 December 2023. Depending on the time required to realise the Commercial Claim, it may be necessary to further extend the period of the administration. Please see page 12 for further details.



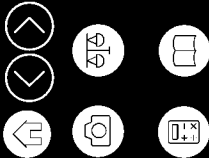
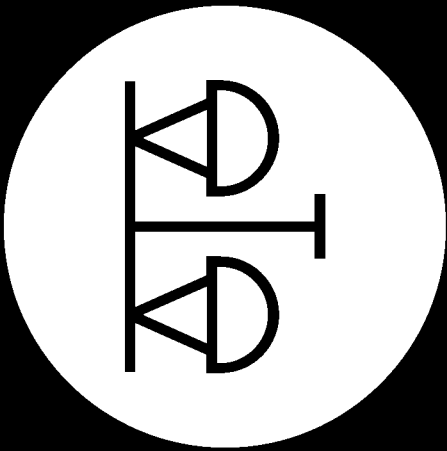
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Progress of the administration Summary

Work done during the report period

Commercial Claim

As explained in the Proposals, in 2019 BiFab was a subcontractor appointed to assist with the construction of wind-turbine pin piles for use in a new offshore wind development at the Moray Firth.

During this project, the customer instructed a number of variations to the agreed contractual scope of works, in respect of which BiFab has advanced various claims for additional costs incurred (the "Commercial Claim"). These claims are contested by the customer. The director's statement of affairs includes an estimated recoverable value of c.£17.8m for this claim.

Management had engaged in various discussions with the customer prior to the administration, however this had not resulted in an agreed settlement by the time of the administration appointment.

We are continuing to engage Taylor Wessing LLP, a firm of lawyers with experience in commercial dispute resolution, to assist with assessing the merits of the claim and to advise on the optimal strategy to realise the claim.

As previously reported, in order to progress the claim further, it was necessary to obtain funding for the costs of the anticipated legal process. We previously agreed a litigation funding facility with the Scottish Ministers ("SM") and are now working with Taylor Wessing LLP to implement the next legal steps to pursue this claim.

As previously reported, Taylor Wessing LLP (with the support of external council and technical experts) is continuing to prepare a formal detailed claim submission as the next step in the recovery process. This process remains ongoing. We will provide further updates in our next progress report to creditors.

Deferred consideration

We continue to monitor the revenue triggers for possible deferred consideration associated with the sale of the business.

No revenue triggers have been identified during the report period.

Book Debts

On appointment, the Company's records showed eight book debts totalling £733k.

To date, we have collected c.£405k from three debtors, including a c.£148k settlement which was collected during the report period. No further book debt recoveries are anticipated other than in relation to the Commercial Claim, which is discussed separately in the column opposite.

Insurance Refund

A pre-administration insurance refund of c.£6.7k was received during the report period.

No further realisations are anticipated in this regard.



Progress of the administration Summary

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 creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of the previous progress report;
- Notifications, including notifying the relevant parties of the progress report;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with 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.

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 Services

Taylor Wessing LLP

Taylor Wessing LLP, a firm of lawyers with experience in dispute resolution, was engaged to assist with realising the Commercial Claim.

We have agreed terms with Taylor Wessing (including supporting external counsel and technical experts) for the ongoing pursuit of the Commercial Claim, which comprise a combination of discounted time based fees, fixed cap and contingent success fee. Due to the commercial sensitivity in relation to this matter, further details of this fee arrangement cannot currently be disclosed. Further details will be provided in future progress reports, if and when we are able to do so.

As mentioned on page 5, these costs will be met from the funding provided by SM. No fees under these arrangements have been paid to date.

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 8 for details of Category 1 expenses paid to date.

Payment of Category 1 Expenses incurred in previous periods

Addleshaw Goddard LLP were paid fees of £24,225 plus VAT, as shown in the receipts and payments account on page 8, in respect of work carried out in the previous report period.

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.

Category 1 expenses

£ (net)	Estimated Proposals	Incurred in per report period	Paid	Unpaid
Specific Penalty Bond	230	-	230	-
Postage/Couriers	226	-	150	-
Total expenses	456	-	380	-

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 are discussed in further detail on page 17.

Progress of the administration

Receipts and payments

Burntisland Fabrications Limited
Joint Administrators' receipts and payments account
14 June 2022 to 13 December 2022

£	SoA values	Notes	Period	To date
Floating charge receipts				
Cash at Bank	379,589		-	379,304
Cash In Hand	1,032		-	1,015
Trade Debtors	732,361	147,938	-	404,539
Plant, Machinery & Vehicles	650,000	-	-	500,000
Intellectual Property	-	-	-	149,996
Goodwill	-	-	-	1
Employees	-	-	-	1
Books and records	-	-	-	1
Permits	-	-	-	1
HMRC VAT debtor	226,580	-	-	227,249
HMRC furlough claim	97,927	-	-	98,750
Insurance Claim	100,000	-	-	100,000
Commercial claim	17,765,782	-	-	-
Funding from SM	-	1	-	300,000
Purchaser contribution to legal fees	-	-	-	17,400
Bank Interest Gross	-	2	1,143	1,439
Insurance Refund	-	-	6,743	9,400
Total receipts	19,953,270		155,824	2,189,097

Floating charge payments				
Trading Deficit	3	-	-	336,648
Statutory Advertising		-	-	95
Specific Bond		-	-	230
Postage		-	-	150
Landlords' hypothec claims		-	-	262,682
Applicant's legal fees		-	-	5,700
Applicant's legal disbursements		-	-	313
Statement of Affairs costs		-	-	1,600
Data Preservation Costs		-	-	3,827
Agents' Fees		-	-	5,000
Agents' Disbursements		-	-	321
Legal Fees		24,225	-	154,764
Legal Disbursements		-	-	24
Administrators' fees		159,063	-	549,063
Administrators' pre-administration fees		-	-	16,129
Bank Charges		-	-	73
Total payments		183,288	1,336,618	

Balance 852,479

Made up of:				
Balance held in funding account	1, 2			300,483
Balance held in floating charge deposit account	2			515,338
VAT Control Account	4			36,658
Balance in hand				852,479

A receipts and payments account together with a separate trading account is provided opposite and on the next page, detailing the transactions during the report period and also cumulatively for the entire period of our appointment from 14 December 2020 to 13 December 2022.

Notes to receipts and payments account

Note 1 - As discussed on page 5, SM provided a funding facility which was initially used to meet the holding costs of the business during the sale period, the terms of which have since been amended to allow the funds to be used for the purposes of pursuing the Commercial Claim.

Note 2 – All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HMRC.

Note 3 – Please refer to the trading receipts and payments account on page 9 for further details.

Note 4 – All sums shown opposite are shown net of VAT, which is recoverable and has been accounted for to HMRC.

Rounding note

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



Progress of the administration Receipts and payments

Joint Administrators' trading account
14 June 2022 to 13 December 2022

£	Notes	Period	To date
Receipts			
HMRC post-appt furlough claim		-	99,860
Sub-supply of electricity		-	9,274
Licence to Occupy - Receipts	1	-	111,059
Total receipts		-	220,193
Payments			
Rents Payable	2	-	56,658
Wages and Salaries		-	174,385
Other Payroll deductions		-	24,385
PAYE		-	52,372
National Insurance		-	41,616
Accountants' fees		-	3,165
Insurance of Assets	3	-	128,029
Employee Vehicle Costs		-	1,041
Security costs		-	35,830
Utilities		-	34,737
Telephone charges		-	4,369
Employee expenses		-	53
Computer equipment and software		-	201
Total payments		-	556,841
Trading surplus/(deficit)		-	(336,648)

A trading account is provided opposite, detailing the transactions during the report period and also cumulatively for the entire period of our appointment from 14 December 2020 to 13 December 2022.

The trading account relates to costs incurred during the period from appointment until conclusion of the sale of the business on 12 February 2021 as well as costs recharged to the purchaser under subsequent licence to occupy arrangements (which ended on 25 February 2022 and are discussed in more detail in prior progress reports).

No further costs are anticipated. Trading accounts have now been reconciled and, as can be seen, there was an overall trading deficit of c.£337k.

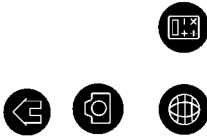
Notes to trading account

Note 1 – The Purchaser was granted a licence to occupy the properties whilst it negotiated its ongoing occupation with the landlords. The licence to occupy arrangements have now been concluded, following the completion of the assignments for the Methil and Arnish sites. Under the licence to occupy, costs of £111k were recharged to the purchaser, comprising rent and insurance which is discussed further below.

Note 2 – Rents paid include c.£20k which was recharged to the Purchaser under the licence to occupy arrangements.

Note 3 – Insurance costs paid include c.£91k which was recharged to the Purchaser under the licence to occupy arrangements.

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

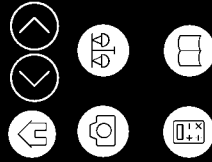
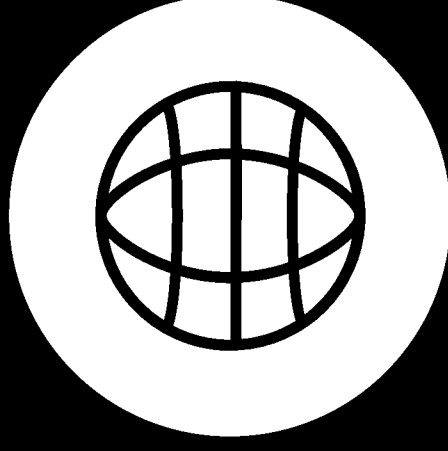


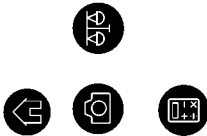


Information for creditors

Outcome

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Information for creditors Outcome

Outcome for creditors Secured creditors

The Company has two floating charge holders, which have first and second ranking floating charges, respectively: RBS and SM.

RBS

RBS provided a warranty bond in connection with a project undertaken in 2017, which expires in September 2023 and has a maximum potential liability of c.£14.0m. To date, there has been no successful claim under this bond by the customer and accordingly there is no claim against RBS under the bond at this time. However, RBS may, in the future, have a claim against the Company in respect of the unpaid premiums to the expiry of the bond, estimated at c.£0.5m within the director's Statement of Affairs.

The eligible value of RBS's claim in the administration under its floating charge is yet to be established, but it is understood to be nil as at the date of this report, noting that the ultimate position of its claim will depend on whether any claims are made under the bond by the customer in the future.

RBS's debt is secured by way of a floating charge which was created on 20 February 2003.

Scottish Ministers

SM provided a loan facility to BiFab, with the Company's records showing that c.£16.4m was owed to SM at the time of our appointment. Interest and charges will continue to accrue on this balance.

SM's debt is secured by way of a floating charge created on 12 January 2018.

SM's floating charge ranks behind RBS's floating charge.

Anticipated outcome

It remains the position that the outcome for RBS and SM will depend on:

- The quantum of RBS's claim in the administration, if any such claim is established in the future (which depends on whether any claim is made under the bond by the customer and the quantum of any such claim);
- Realisations achieved, particularly from the Commercial Claim.

Landlords' Hypothec

By way of Landlords' Hypothec, the Company's landlords had a fixed charge right in security over the Company's moveable property located at their respective leased properties at the time of the administration appointment, up to the value of any unpaid rent existing on appointment.

Settlements in respect of Landlords' Hypothec claims were agreed with each of the Company's three landlords totalling c.£263k (paid in prior report periods).

Preferential creditors

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

All remaining employees at the time of the sale of the business transferred to the Purchaser under Transfer of Undertakings (Protection of Employment) ("TUPE") legislation and accordingly they do not have a preferential claim against the Company.

One employee (who had resigned prior to the sale of the business) has a preferential claim of c.£2.1k. This claim has now been agreed.

On present information we anticipate that sufficient funds will become available to enable preferential creditors to be paid in full, however this is subject to the quantum of future asset realisations and the costs and expenses of the administration.

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.

HMRC has submitted a preferential claim for balances owed in relation to PAYE, NI and VAT totalling c.£219k. This claim is subject to adjudication.

On present information we anticipate that sufficient funds will become available to enable the secondary preferential debt to be paid in full, however this is subject to the quantum of future asset realisations and the costs and expenses of the administration.

Outcome for creditors (continued)

Unsecured creditors

We have received 34 claims to date for a total of £8,548,236 and which is higher than the statement of affairs figure of £7,871,883 made up of 97 unsecured creditors.

On present information, it is unlikely that sufficient funds will be realised to enable a distribution to be made to unsecured creditors (save for any distribution that may be available under the Prescribed Part).

Prescribed Part

The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, (referred to as the net property), as set out under section 176A of the Act. It applies only where the charge was created on or after 15 September 2003.

The Prescribed Part is calculated as a % of the net property and is subject to a statutory maximum of £600,000 per company (or £800,000 where the floating charge was registered after 6 April 2020).

Where the value of the Prescribed Part is so small as to make the costs of distributing it disproportionate, the court may, on our application, disapply it.

Anticipated outcome

RBS's floating charge was created prior to 15 September 2003 and as such the Prescribed Part provisions would not apply to any net property available to RBS.

SM's charge was created after 15 September 2003 (but before 6 April 2020) and as such the Prescribed Part provisions would apply to any net property available to SM.

Therefore, funds would only be available under the Prescribed Part if RBS was repaid in full, which will depend on the quantum of RBS's claim and the realisations achieved, as discussed on the prior page.

The maximum possible Prescribed Part in this case is £600,000 whilst unsecured claims are estimated to be c.£7.9m – accordingly any Prescribed Part distribution, if available, is not expected to exceed 8p in the £.

As detailed in the Proposals, 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.

Claims process

Given the possibility that a dividend under the Prescribed Part may be made to unsecured creditors, we invite creditors to submit claims, following the guidance in the paragraphs below.

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 or by downloading and completing a statement of claim form from the case website which should be sent to the address on 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 initially extended by the secured creditor and the preferential creditors on 15 October 2021 to end on or before 13 December 2022. The administration was then extended by the Court on 9 December 2022 and it will now end on or before 13 December 2023.

Depending on the time required to realise the Commercial Claim, it may be necessary to further extend the period of the administration. This requirement will be reviewed nearer to the end date of the current accounting period of the administration (14 June 2023) and, if necessary, the court will be asked to grant a further extension to the administration.

Exit

Based on our expectation that there will be no funds available for distribution to unsecured creditors (save for any distribution that may be available under the Prescribed Part), we anticipate that dissolution will be the most appropriate exit route from administration.

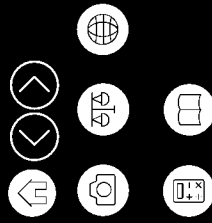
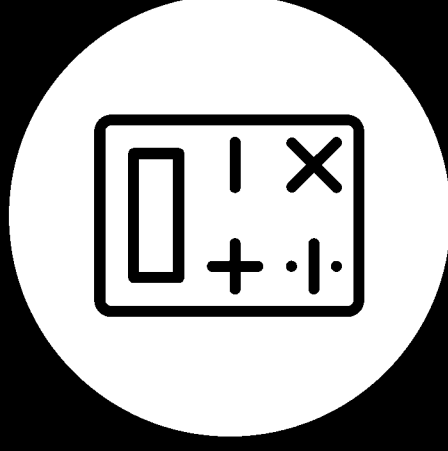




Remuneration and expenses

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

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

Basis of remuneration

On 14 April 2021 we obtained consent from SM (as secured creditor) and approval from 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 time costs and outlays for the period 14 December 2020 to 21 February 2021 in the sum of £549,063 and £379.87 respectively plus VAT thereon.

It should be noted that, as described at page 11, RBS has confirmed that it does not have a secured creditor claim in the administration at present, as there is currently no debt outstanding to it under its floating charge.

Please note that RBS (as secured creditor) declined to participate to fix the basis of our remuneration or approve our time costs for the period 14 December 2020 to 21 February 2021, for the reasons outlined above.

On 21 December 2022 we initiated a creditors decision procedure of the preferential creditors to approve our claim for remuneration for the following periods:

- 14 June 2021 to 13 December 2021 in the sum of £209,997.67 plus VAT;
- 14 December 2021 to 13 June 2022 in the sum of £154,340.83 plus VAT; and
- 14 June 2022 to 13 December 2022 in the sum of £62,928.50 plus VAT.

Each of the above claims for remuneration was approved by the preferential creditors. Consent from the secured creditors is also required before this remuneration may be drawn and will be requested in due course.

Time costs incurred

Our time costs for the period are £62,929 made up of 102 hours at an average charge out rate of £618 per hour across all grades of staff.

Our total time costs since our appointment are £1,108,625 made up of 1,441 hours at an average rate of £770 per hour across all grades of staff.

Details of the time costs incurred and charge out rates is provided opposite. Time is charged in six minute increments.

Fees drawn to date

Further to the approval given on 14 April 2021 by the secured creditor and preferential creditors, we have drawn remuneration of £549,063 plus VAT to date in respect of our time costs for the period 14 December 2020 to 21 February 2021.

Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2021/2022 national charge out rates as summarised below.

Please note that prior to 29 May 2021 (when the Financial Advisory Services practice transferred from Deloitte LLP to Teneo Financial Advisory Limited) time may have been 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.

Charge out rates 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 using the contact details on page 3.

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 14 June 2022 to 13 December 2022

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	-	-	-	-	0.10	81.50	0.50	325.00	3.40	1,292.00	4.00	1,698.50	424.63
Cashiering and Statutory Filing	-	-	16.40	14,760.00	1.40	1,141.00	10.90	7,085.00	36.00	13,680.00	64.70	36,666.00	566.71
Case Management and Closure	-	-	16.40	14,760.00	1.50	1,222.50	11.40	7,410.00	39.40	14,972.00	68.70	38,364.50	558.44
Trading	-	-	-	-	-	-	0.17	108.34	7.00	2,660.00	7.17	2,768.34	386.28
Closure of Trade	-	-	-	-	-	-	0.17	108.34	7.00	2,660.00	7.17	2,768.34	386.28
Realisation of Assets	5.40	5,978.00	2.00	1,800.00	-	-	-	-	-	-	7.40	7,778.00	1,051.08
Book Debts	-	-	1.20	1,080.00	-	-	-	-	-	-	1.20	1,080.00	900.00
Other Assets (e.g. Stock)	-	-	1.00	900.00	-	-	-	-	-	-	1.00	900.00	900.00
Sale of Business / Assets	5.40	5,978.00	4.20	3,780.00	-	-	-	-	-	-	9.60	9,758.00	1,016.46
Creditors	-	-	-	-	-	-	0.20	130.00	-	-	0.20	130.00	650.00
Preferential Secured	0.80	956.00	5.90	5,310.00	-	-	-	-	-	-	6.70	6,266.00	935.22
	0.80	956.00	5.90	5,310.00	-	-	0.20	130.00	-	-	6.90	6,396.00	926.96
Case Specific Matters	-	-	-	-	-	-	1.33	866.66	-	-	1.33	866.66	650.00
Pensions	-	-	2.10	1,890.00	-	-	2.10	1,365.00	4.00	1,520.00	8.20	4,775.00	582.32
VAT	-	-	2.10	1,890.00	-	-	3.43	2,231.66	4.00	1,520.00	9.53	5,641.66	591.78
TOTAL HOURS & COST	6.20	6,934.00	28.60	25,740.00	1.50	1,222.50	15.20	9,880.00	50.40	19,152.00	101.90	62,928.50	617.55
AVERAGE RATE/HOUR PER GRADE	£	1,118.39	£	900.00	£	815.00	£	650.00	£	380.00			



Joint Administrators' time costs for the period 14 December 2020 to 13 December 2022

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 (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning	2.35	2,590.00	2.20	1,760.00	4.90	3,161.00	26.63	14,444.16	39.38	12,080.57											75.47	34,035.74	451.00
	81.70	85,667.50	125.80	107,750.00	58.60	37,399.00	51.67	31,661.34	85.17	32,290.83											402.93	294,768.66	731.56
	8.00	8,200.00	7.60	6,390.00	19.75	12,442.50	-	-	2.00	800.00											37.35	27,832.50	745.18
	1.00	1,070.00	13.00	10,400.00	30.25	19,057.50	-	-	0.30	111.00											44.55	30,638.50	687.73
	93.05	97,527.50	148.60	126,300.00	113.50	72,060.00	78.30	46,105.50	126.85	45,282.40											560.30	387,275.40	691.19
Investigations																							
	0.70	836.50	0.70	630.00	-	-	-	-	-	-											1.40	1,466.50	1,047.50
	0.60	615.00	-	-	12.75	8,032.50	5.70	2,821.50	7.50	2,707.50											26.55	14,176.50	533.95
	1.30	1,451.50	0.70	630.00	12.75	8,032.50	5.70	2,821.50	7.50	2,707.50											27.95	15,643.00	559.68
Trading																							
	3.00	3,075.00	7.90	6,320.00	19.25	12,127.50	-	-	36.65	13,560.50											66.80	35,083.00	525.19
	-	-	8.50	6,800.00	4.00	2,520.00	-	-	-	-											12.50	9,320.00	745.60
	4.00	4,400.00	3.00	2,480.00	2.50	1,575.00	8.50	5,525.01	7.00	2,660.00											25.00	16,640.01	665.60
	7.00	7,475.00	19.40	15,600.00	25.75	16,222.50	8.50	5,525.01	43.65	16,220.50											104.30	61,043.01	585.26
Realisation of Assets																							
	52.80	57,173.50	73.50	63,440.00	3.25	2,047.50	1.60	792.00	-	-											131.15	123,453.00	941.31
	16.60	18,317.00	1.70	1,480.00	3.75	2,362.50	2.08	1,121.66	0.17	63.33											24.30	23,344.50	960.68
	48.90	53,773.00	72.20	62,000.00	-	-	0.40	260.00	-	-											121.50	116,033.00	955.00
	-	-	0.30	240.00	-	-	-	-	-	-											0.30	240.00	800.00
	84.00	86,100.00	123.80	99,210.00	21.25	13,387.50	-	-	-	-											229.05	198,697.50	867.49
	202.30	215,363.50	271.50	226,370.00	28.25	17,797.50	4.08	2,173.66	0.17	63.33											506.30	461,768.00	912.04
Creditors																							
	10.10	10,352.50	12.50	10,050.00	2.00	1,260.00	4.00	2,600.00	25.65	9,490.50											54.25	33,753.00	622.18
	-	-	0.30	240.00	1.00	630.00	0.20	130.00	-	-											1.50	1,000.00	666.67
	51.90	53,998.00	47.40	40,370.00	6.75	4,252.50	-	-	-	-											106.05	98,620.50	929.94
	3.00	3,075.00	0.60	480.00	9.75	6,142.50	10.03	5,281.66	-	-											23.38	14,979.16	640.59
	65.00	67,425.50	60.80	51,140.00	19.50	12,285.00	14.23	8,011.66	25.65	9,490.50											185.18	148,352.66	801.11
Case Specific Matters																							
	-	-	-	-	-	-	-	-	-	-													
	0.60	660.00	5.20	4,510.00	0.50	315.00	8.90	5,118.50	11.25	4,275.00											15.32	7,253.83	473.59
	1.10	1,318.50	3.60	3,090.00	10.00	7,872.50	0.20	130.00	-	-											26.45	14,878.50	562.51
	1.70	1,978.50	8.80	7,600.00	10.50	8,187.50	14.77	8,931.83	20.90	7,845.50											14.90	12,411.00	832.95
																					56.67	34,543.33	609.59
	370.35	391,221.50	509.80	427,640.00	210.25	134,585.00	125.58	73,569.16	224.72	81,609.73											1,440.70	1,108,625.40	769.50
TOTAL HOURS & COST																							
AVERAGE RATE/HOUR PER GRADE		£ 1,056.36		£ 838.84		£ 640.12		£ 585.82		£ 363.17													



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

We have summarised our Category 2 expenses in the table below.

£ (net)	Estimated per Proposals	Incurred in report period	Incurred to date	Paid	Unpaid
Deloitte DIJV*	-	1,086	3,543	-	3,543
Total expenses	-	1,086	3,543	-	3,543

* Previously reported brought forward DIJV time was understated due to an administrative error however it has been corrected in this report

As indicated on page 7 specific approval is required before these costs and expenses can be drawn from the administration estate and which was given by the secured creditor and preferential creditors on 14 April 2021 (other than in relation to the Deloitte LLP costs which are discussed further below and in the column opposite).

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 (including Deloitte DIJV ("DIJV")) 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 bodies before payment of same can be made.

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. Details of the Deloitte LLP charge out rates are provided in the column opposite; we do not, however, intend to seek approval of the Deloitte costs incurred to date at this time.

Deloitte LLP Charge out rate Bands

Charge out rates last increased on 1 June 2022. Details of charge out rates applicable to prior report periods will be provided free of charge on request.

Deloitte LLP Charge out Rate Bands (£/hour)	
Grade	Rate (£/hour)
Partners	1430 - 1475
Directors	1205 - 1240
Associate Directors	1095 - 1130
Managers/Assistant Managers	94 - 400
Consultants	565 - 845
Associates	135 - 340
Administrators/Analysts	90 - 370
Agent	34

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 7 February 2023) detailing the remuneration and/or expenses being complained of, in accordance with Rule 3.100 of the Rules.



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Teneo Financial Advisory Limited is registered in England & Wales with registered number 13192958 and its registered office at 5th Floor, 6 More London Place London, SE1 2DA, United Kingdom