In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10
Notice of administrator's progress report

Companies House

SATURDAY

S91A54XS
SCT 21/03/2020 #409
COMPANIES HOUSE

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

1 Company details

Company number	S C 4 8 5 0 6 0
Company name in full	Ferguson Marine Engineering Limited

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

2 Administrator's name

Full forename(s)	Michael John
Surname	Magnay

3 Administrator's address

Building name/number	PO Box 500
Street	2 Hardman Street
Post town County/	Manchester
Region	
Postcode	M 6 0 2 A T
Country	

4 Administrator's name ❶

Full forename(s)	Robert James
Surname	Harding

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

5 Administrator's address ❷

Building name/number	1 New Street Square
Street	London
Post town County/	
Region	
Postcode	E C 4 A 3 H Q
Country	

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

AM10
Notice of administrator's progress report

6 Period of progress report

	d	d	m	m	y	y	y	y
From date	1	6	0	8	2	0	1	9
To date	1	5	0	2	2	0	2	0

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature

Signature

X X

	d	d	m	m	y	y	y	y
Signature date	2	0	0	3	2	0	2	0

AM10

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	Wendy Packwood
Company name	Deloitte LLP
Address	Four Brindleyplace
Post town	Birmingham
County/Region	
Postcode	B 1 2 H Z
Country	
DX	
Telephone	+44 121 696 8661

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, Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff.

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

Deloitte.

Ferguson Marine Engineering Limited (in Administration)

("the Company" / "FMEL")

Court Case No. P743 of 2019
Court of Session
Company Number:SC485060

Registered Office: c/o Deloitte LLP
Saltire Court,
20 Castle Terrace,
Edinburgh,
EH1 2DB

Progress report for the period 16 August 2019 to 15 February 2020 pursuant to rules 3.93 to 3.94 inclusive of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 ("the Rules")

Michael John Magnay and Robert James Harding ("the Joint Administrators") were appointed Joint Administrators of the Company on 16 August 2019 by HCC International Insurance Company Plc ("HCCI"), as first ranking secured creditor. 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 Deloitte LLP ("Deloitte") 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.

20 March 2020

Key messages

Key messages

Joint Administrators of the Company

Michael Magnay
Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

Rob Harding
Deloitte LLP
1 New Street Square
London
EC4A 3HQ

Contact Details

Email: wpackwood@deloitte.co.uk
Website: www.ips-docs.com
Tel: 0121 696 8661

	Commentary
Purpose of administration	• The purpose of the administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Progress of administration	• As previously reported, the Joint Administrators entered into a Management Agreement ("MA") on 16 August 2019 with Macrocom (1067) Limited ("Macrocom" / "Managing Agent") an entity established, owned and funded by Scottish Ministers ("SM"), allowing the business to continue to trade whilst a buyer was sought. Costs of trading were to be funded by Macrocom. • A comprehensive sale process was undertaken by the Joint Administrators, which confirmed that there were no viable or deliverable offers from commercial buyers for the business. On 2 December 2019 a sale of the business and assets of FMEL to Macrocom completed for a credit bid consideration of £7.5m. Trading in FMEL ceased with effect from this date. • Macrocom subsequently changed its entity name to Ferguson Marine (Port Glasgow) Limited ("FMPGL"). • Following the sale of business, the Joint Administrators have been liaising with FMPGL to finalise trading payments. • Prior to the sale of business, we collected £0.1m of book debts. The majority of remaining debtors transferred to FMPGL upon sale, however FMEL retained one debtor that was excluded from the sale consideration, subsequently we have agreed terms of settlement. • Cash at bank of £7.6m has been received during the period.
Costs	• Our remuneration has been fixed on a time costs basis. Please see page 15 for further details. • Our time costs for the period of the report are £1.2m. • We have incurred outlays of £4k in the report period. • Third party costs and expenses of £235k have been incurred in the report period. Please see page 7 for further details.
Outstanding matters	• Monitor settlement of debtor collection • Finalisation of costs of trading • Approval to the quantum and payment of our fees • Payment of Prescribed Part • Distribution to secured creditors • Statutory closing procedures
Dividend prospects	• The secured creditors will not be paid in full. • We do not anticipate any preferential creditor claims. All employees transferred to FMPGL upon the sale of business under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"). • Unsecured creditors will be paid a dividend via the Prescribed Part.
Extension to administration period	• We do not anticipate that it will be necessary to extend the period of the administration which is due to end on or before 16 August 2020.

Progress of the administration

Progress of the administration
Summary

Work done during the report period

Trading

On 16 August 2019 the Joint Administrators entered into a MA with Macrocom (now FMPGL), an entity established, owned and funded by SM. Details of the MA were provided in our Proposals dated 9 October 2019.

Macrocom funded trade costs to enable trading to continue whilst a sale of the business was explored. During the report period £6.0m was received in funding and costs of trading totalling £5.4m have been paid. Following the sale of business on 2 December 2019, we are liaising with FMPGL to finalise the costs of trading.

No surplus is expected to remain once trading costs are concluded as the MA requires surplus funds to be returned to FMPGL.

Sale of business

A comprehensive sale process was undertaken by the Joint Administrators, which resulted in three indicative offers for the business from commercial parties.

However, as detailed in our Proposals, in October 2019, the Joint Administrators concluded that none of the offers were either capable of being executed, in terms of the structure of the offers proposed, or would have represented a better outcome for creditors than was achieved from a sale of the business to Macrocom.

Accordingly, a sale of the business and assets of FMEL completed to Macrocom (FMPGL) on 2 December 2019 for a consideration of £7.5m. This was following a number of weeks working on agreement of the terms of sale with Macrocom, and resolution of legal issues. The consideration was by way of a credit bid (reduction against secured debts owed to SM). A breakdown of the consideration is shown in the table opposite.

Independent valuations were obtained for chattel assets, freehold property and intangible assets, as detailed in our Proposals.

Sale of Business (continued)

The two contracts with the Company's main customer, Caledonian Maritime Assets Limited (known as 801 and 802), were included in the sale at nil consideration owing to the outcome of these contracts being anticipated losses.

The transfer of two of the Company's other contracts (known as hulls 804 and 805), completed on 24 January 2020 with an effective date of 2 December 2019, were also at nil consideration with the transfer of benefit and burden of the contracts.

Consideration

Asset	£
Business intellectual property	182,998
Contracts (benefit subject to burden)	Nil
Debts	225,825
Equipment	1,971,000
Goodwill	1
Information technology rights	1
Long lease (car park)	20,000
Long lease (slipway)	Nil
Owned property (freehold)	4,800,000
Records	Nil
Stock	341,032
The benefit of all policies of insurance and assurance and all claims under such policies to the extent relating to the period prior to the completion date	Nil
Motor vehicles	3,000
Total	**7,543,857**

Other assets not included in the sale of business

Cash at bank

Cash at bank of £7.6m has been received during the period. This includes £4.5m of cash collateral held by HCCI at the date of the Joint Administrators' appointment, which was released on completion of the sale of business and the transfer of the 801 and 802 contracts to FMPGL and the release of HCCI as a subject to those contracts.

Work done during the report period (continued)

Other assets not included in the sale of business (continued)

Book debts and other debtors

As at the date of our appointment, the Company's sales ledger comprised 11 pre-appointment book debts totalling £1.7m. As at the date of sale of business, we had collected £0.1m. The majority of the remaining book debts, together with other debtors, transferred to Macrocom upon the sale of business.

One book debt, in the sum of £1.5m, related to the 803 contract and was subject to dispute at the date of our appointment. Both the debtor and the contract were excluded from the sale of business to FMPGL.

Subsequent to this report period we have agreed a commercial settlement with the customer that is tied to FMPGL agreeing to carry out works in respect of the vessel and its successful delivery to the customer. Further details will be provided in our next report.

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 set-up and management actions, including updating the 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 Proposals;
- Appointment notifications, including notifying relevant parties of the appointment;
- Preparation and submission of our confidential report to The Insolvency Service on the directors' conduct;
- 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.

Director Conduct Reports

We have complied with our statutory duty to report on the conduct of the Company's directors and submitted our confidential report to The Insolvency Service on 27 October 2019.

Progress of the administration
Summary

Work done during the report period

Investigations

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Company.

Having completed this review no further avenues of recovery have been identified.

If you have any information that you feel we should know, please contact us in writing using the contact details on page 3.

Third party costs incurred during the report period

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

- Legal costs - Shepherd and Wedderburn LLP ("S&W"), a firm of lawyers with the appropriate expertise and experience in dealing with these types of administrations, were instructed to advise on legal matters and to prepare any related legal documentation including:
  - Validity of appointment review;
  - Lodging caveats;
  - The MA, the Put Option and documents relating to sale of business;
  - Debtor collection strategy and advice;
  - Employee matters; and
  - Review and advice in relation to claims by the Company.
- To date their accrued costs have amounted to £185,493 (plus VAT).
- In addition, disbursements of £17,250 plus VAT have been paid in relation to Counsel's fees relating to certain legal matters requiring resolution for the sale of business.
- Agents' costs – we have instructed agents with the appropriate expertise and experience, to assist in the following matters:
  - Graham & Sibbald ("G&S") were instructed to undertake a valuation of the Company's freehold property for an agreed fee of £14,000 plus VAT;
  - SIA Group (UK) London Limited ("SIA") were instructed to undertake a valuation of the Company's plant and machinery, office furniture and equipment, motor vehicles and stock for an agreed fee of £10,482 plus VAT
  - Hilco Streambank ("Hilco") were instructed to undertake a valuation of the Company's intangible assets including brand and organisational knowledge associated with shipbuilding, for an agreed fee of £7,500 plus VAT.

All agents' costs have been paid, as shown in the receipts and payments account on the following page.

S&W costs have not yet been paid and will be reviewed before payment is approved.

All professional costs are reviewed and analysed in detail before payment is approved.

Joint Administrators' receipts and payments account
16 August 2019 to 15 February 2020

£	SoA values	Notes	Period	To date
Receipts				
Trading surplus	-	1	640,822	640,822
Freehold/leasehold building and land	*4,000,000*		-	-
Cash collateral (held by Surety)	*4,500,000*		4,546,543	4,546,543
Book debts	*1,651,000*		108,518	108,518
Non POC WIP	*141,000*	7	-	-
Prepayments and other debtors	*699,000*	7	177,567	177,567
Sale of business	*43,894,000*	2	-	-
801/802 price claim	*48,329,000*	3	-	-
Cash at bank	*3,000,000*		3,024,989	3,024,989
Bank Interest Gross	-	4	7,096	7,096
Total receipts	*106,214,000*		**8,505,534**	**8,505,534**
Payments				
Statutory advertising			178	178
Agents' fees			31,982	31,982
Legal Fees			500	500
Legal Expenses			17,250	17,250
Other sale of business costs			6,426	6,426
SPA debts to purchaser			4,135	4,135
Bank charges			555	555
Total payments			**61,026**	**61,026**
Balance				**8,444,508**
Made up of:				
Balance held in IB bank account		4		306,861
Balance held in IB non trading bank account		4		7,798,067
VAT (payable)/receivable		5		338,392
Sale control account				484
Trade creditors		6		704
Balance in hand				**8,444,508**

A receipts and payments account together with a separate trading account is provided above and on the next page, respectively, detailing the transactions during the report period.

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

Notes to receipts and payments account

1 Trading surplus

Any trading surplus remaining after the conclusion of administration costs of trading is to be returned to FMPGL (formerly Macrocom).

2 Sale of business

The consideration for the sale of business was £7.5m. This was by way of credit bid (i.e. no cash consideration). Please refer to page 5 for details of the consideration.

The £43.9m value attributed to the sale of business in the Directors' SoA was calculated on a going concern basis, therefore the SoA value is not directly comparable to the consideration agreed.

3 801/802 price claim

The Directors' SoA attributes a value of £48.3m in respect of a potential claim against FMEL's principal customer. We have obtained Counsel's opinion confirming that there was no realistic opportunity for the Company to pursue the claim for benefit to the creditors.

4 Bank interest

All funds are held in an interest bearing ("IB") account. The associated corporation tax on interest received has been/will be accounted for to HMRC.

5 VAT

All sums shown opposite are shown net of VAT, which is recoverable and has been/will be accounted for to HMRC.

6 Trade creditors

Invoices are logged on an accruals basis. The balance shown represents invoices logged but not yet sent for payment.

7 Adjustments

An adjustment was made of £35,291 to the receipts and payments account to reflect the misallocation of Non POC WIP to Prepayments and other debtors.

Progress of the administration
Receipts and payments

Joint Administrators' trading account
16 August 2019 to 2 December 2019

£	To date
Receipts	
Recharges	14,648
Sundry maintenance and repairs	8,599
Funding from Managing Agent	5,988,374
Total receipts	**6,011,621**
Payments	
Purchases	1,523,226
Contractors	219,688
Direct labour	2,495,602
Employee expenses	9,415
Consumable stores	103,547
Payroll processing	4,881
Rents	82,586
Rates	19,006
Heat and light	20,188
Security	49,845
Telephone, internet and IT	50,784
Carriage and transport	6,467
Insurance	101,007
Professional fees	3,437
Bank charges	12
Cleaning	42,338
Hire of Equipment	67,553
Repairs and Maintenance	4,548
Health and safety	39,500
Accommodation & subsistence	2,911
Storage of records	207
Office furniture	17,171
Ransom creditors	434,300
Pre - appointment employee expenses	1,313
Pre - appointment payroll deductions	63,394
Petty cash	5,000
Waste removal	2,874
Total payments	**5,370,800**
Trading surplus/(deficit)	**640,822**

Notes to trading account

The trading account shown in the table opposite has been prepared on an accruals basis.

The final administration trading account remains outstanding and we are liaising with FMPGL to agree final balances payable with final transactions still being processed.

Sales of £79,304, included in our Proposals, related to the excluded debtor and have been adjusted out of the trading account to reflect the current position.

Any final trading surplus will be returned to FMPGL.

Progress of the administration
Pre-administration costs

Pre administration costs

In the following paragraphs we have provided an explanation of the work carried out by us in the period prior to the administration which was carried out with the intention of helping to achieve the objective of the administration, i.e. achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Company:

- Planning for and implementing an administration strategy to enable continuation of business;
- Preparatory work relating to terms and conditions of the MA and Put Option to be entered into on appointment, with Macrocom; and
- To achieve this we liaised with S&W regarding the legal aspects of the administration appointment and the preparation of the MA, the Put Option and appointment documents.

Pre-administration time costs

Grade	Hours	Amount (£)
Partners & directors	104.0	110,970
Assistant directors	8.0	7,000
Managers	70.7	55,853
Assistant managers	3.5	2,205
Support	4.0	1,160
Total paid	**190.2**	**177,188**

Time costs

We have incurred pre-administration time costs of £177,188 as above.

Disbursements

No pre-administration disbursements were incurred.

Legal costs

During planning for the administration, we were assisted by S&W on matters including:

- Preparation of appointment documentation;
- Advising on the security structure and title documents;
- Advising on the timings of appointment;
- Preparation of MA and Put Option documentation; and
- Advising on various applicable regulations to the appointment.

In respect of this work, S&W incurred time costs of £75k plus VAT and no expenses.

Approval of unpaid pre-administration costs

As set out opposite and above, we have unpaid pre administration costs and expenses of £177,188. ~~and~~ S&W have unpaid pre-administration costs of £75k plus VAT.

The payment of these unpaid costs as an expense of the administration is subject to approval under Rule 3.52. In this regard we have sought approval from the secured creditors to decide whether and to what extent the unpaid pre-administration costs should be approved for payment. Approval of these costs has has been received from two of the secured creditors however approval remains outstanding from SM (approval first sought on 25 November 2019).

Information for creditors

Outcome for creditors

Secured creditors

The Company's records and the Directors' SoA show that, at the date of our appointment, the following amounts were owed to secured creditors:

- HCCI - £20.3m, secured by way of floating charges granted by the Company on 2 November 2016 and 14 February 2018, and a standard security over freehold property dated 13 March 2018. HCCI also held a cash collateral deposit in the sum of £4.5m. Subsequently, HCCI issued a demand to the Company dated 9 August 2019 for an amount of £19.8m.
- SM - £49.8m, secured by way of a floating charge granted by the Company on 25 June 2018 and a standard security over freehold property dated 4 July 2018. Subsequently, SM issued a demand to the Company dated 2 September 2019 for a total amount of £50.1m comprising £19.5m relating to sums advanced to the Company and £30.6m relating to sums advanced to FMEL's parent company, Ferguson Marine Engineering (Holdings) Limited ("FMEHL").
- Clyde Blowers Capital ("CBC") - £3.0m provided to FMEHL. This is secured by way of a floating charge granted by the Company on 1 February 2019 and a standard security over freehold property dated 13 February 2019.
- Clydeport Operations Limited ("Clydeport") – £5k, this amount was secured by way of a standard security over freehold property granted by the Company on 16 September 2014.

An Intercreditor Deed dated 1 February 2019 between HCCI, SM, CBC, the Company, FMEHL and MacKellar Sub-Sea Limited ("Mackellar") details the ranking of the above secured creditors, as follows:

1. Debts owed to HCCI;
2. Debts owed to SM in relation to sums advanced to the Company; and
3. Debts owed to SM relating to sums advanced to FMEHL, then debts due to CBC.

Secured creditors (continued)

HCCI's claim and assigned security against the Company was satisfied in full as part of the sale of business to Macrocom with the cash collateral deposit monies being returned to the Company.

The A sale to Macrocom for a credit bid consideration resulted in SM's debt reducing by the amount of the consideration, £7.5m. SM will likely receive further distributions in respect of their debt.

No distributions have been made to CBC and we do not anticipate there will be funds available to enable a distribution to CBC.

To enable completion of the sale of business, Macrocom provided funding to settle the outstanding debt to Clydeport. Therefore no further secured balances are due to Clydeport.

Preferential creditors

Preferential claims relate to amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions. Estimated preferential claims as per the Directors' SoA totalled £172k. However, as all employees transferred to FMPGL under TUPE, we do not anticipate any preferential creditor claims will be received.

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 £600k per company. 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.

Based on current information, we anticipate that the maximum Prescribed Part of £600k will be available. The actual Prescribed Part may be lower in the event that costs of administration are greater than currently anticipated.

Outcome for creditors (continued)

Prescribed Part (continued)

After deduction of the costs for dealing with the Prescribed Part (which primarily comprise our time costs for agreeing creditors' claims and making the distribution to them) we estimate, on present information, that a distribution of c.9p /£ will be available for unsecured creditors based on unsecured creditors per the SoA of £5.95m.

Unsecured creditors

On present information, insufficient funds will be realised to enable a dividend to be paid to unsecured creditors, other than the Prescribed Part distribution.

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 is £1,000 or less per the Statement of Affairs, unless you wish to vote in any decision procedure in which case proof of claim must be given.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the statement of affairs. If you disagree with that amount you will be provided with an opportunity to notify us of the correct amount.

Claims process – 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 completing a statement of claim form which is available on the case website and which should be sent for the attention of Wendy Packwood, Deloitte LLP, Four Brindleyplace, Birmingham, B1 2HZ.

Extensions to the administration

We do not anticipate that it will be necessary to extend the period of the administration, which is due to end on or before 16 August 2020.

Exit

As detailed in our Proposals, we consider that dissolution will be the most appropriate exit route from administration as there will be no funds available to the unsecured creditors other than the possible Prescribed Part funds.

Remuneration and expenses

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 Wendy Packwood, Deloitte LLP, Four Brindleyplace, Birmingham, B1 2HZ, and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed by the secured creditors on 18 March 2020 by reference to the time properly given by the Joint Administrators and their staff.

Time costs incurred

Our time costs for the period are £1,188,672 made up of 1,775.2 hours at an average charge out rate of £669.6/hour across all grades of staff.

Details of the time costs incurred is provided on the following page. Time is charged in six minute increments. Creditors may request a detailed breakdown of the time costs incurred by writing to the address at the front of this report.

Fees drawn to date

No fees have been drawn to date. Approval to the basis of our fees was received on 18 March 2020 therefore we have not yet sought formal approval of our quantum of fees.

Please note that we do not intend to draw the full value of time costs incurred and undrawn balances will be written off.

Joint Administrators' time costs for the period 16 August 2019 to 15 February 2020

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.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & 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	5.25	5,820.00	-	-	38.95	30,770.50	16.40	10,332.00	312.00	41,760.00	372.60	88,682.50	238.01
Case Management and Closure	31.20	34,878.00	9.70	8,487.50	37.70	29,783.00	19.50	12,285.00	9.90	2,183.00	108.00	87,616.50	811.26
Initial Actions	7.30	7,856.00	0.10	103.50	8.40	6,636.00	12.30	7,749.00	21.00	2,890.00	49.10	25,234.50	513.94
General Reporting	1.50	1,740.00	1.00	875.00	41.10	32,469.00	11.60	7,308.00	8.10	1,853.00	63.30	44,245.00	698.97
	45.25	50,294.00	10.80	9,466.00	126.15	99,658.50	59.80	37,674.00	351.00	48,686.00	593.00	245,778.50	414.47
Investigations													
Investigations	-	-	-	-	2.00	1,580.00	-	-	12.69	3,349.70	14.69	4,929.70	335.58
Reports on Directors' Conduct	1.00	1,160.00	-	-	1.50	1,185.00	-	-	24.50	2,485.00	27.00	4,830.00	178.89
	1.00	1,160.00	-	-	3.50	2,765.00	-	-	37.19	5,834.70	41.69	9,759.70	234.10
Trading													
Day 1 Control of Trading	-	-	4.00	3,500.00	38.40	30,336.00	-	-	-	-	42.40	33,836.00	798.02
Monitoring Trading	37.50	40,800.00	18.90	16,537.50	131.50	103,885.00	28.80	18,144.00	15.70	4,553.00	232.40	183,919.50	791.39
	45.90	49,968.00	24.10	21,087.50	248.90	196,631.00	51.50	32,445.00	100.40	30,140.00	470.80	330,271.50	701.51
Realisation of Assets													
Book Debts	30.50	33,040.00	1.00	875.00	10.80	8,532.00	1.20	756.00	0.20	58.00	43.70	43,261.00	989.95
Other Assets (e.g. Stock)	1.00	1,160.00	2.80	2,450.00	10.70	8,453.00	2.10	1,323.00	1.00	290.00	17.60	13,676.00	777.05
Property - Freehold and Leasehold	-	-	-	-	0.20	158.00	-	-	-	-	0.20	158.00	790.00
Sale of Business / Assets	255.80	276,946.00	52.60	46,025.00	123.20	97,328.00	1.30	819.00	-	-	432.90	421,118.00	972.78
	287.30	311,146.00	57.80	59,400.00	145.50	114,945.00	4.60	2,898.00	3.70	673.00	498.70	480,062.00	962.63
Creditors													
Employees	2.50	2,900.00	2.00	1,750.00	19.30	15,247.00	34.20	21,546.00	5.90	1,831.00	63.90	43,274.00	677.21
Secured	11.00	12,760.00	6.40	5,600.00	0.50	395.00	-	-	-	-	17.90	18,755.00	1,047.77
Unsecured	-	-	-	-	1.20	948.00	12.00	7,560.00	4.60	870.00	17.80	9,378.00	526.85
	13.50	15,660.00	8.40	7,350.00	21.00	16,590.00	46.20	29,106.00	10.50	2,701.00	99.60	71,407.00	716.94
Case Specific Matters													
Pensions	-	-	-	-	-	-	1.80	1,134.00	-	-	1.80	1,134.00	630.00
VAT	0.30	411.00	5.20	5,490.45	7.30	5,767.00	4.30	2,709.00	23.50	17,145.00	40.60	31,522.45	776.42
Tax	0.50	514.80	17.24	15,085.00	0.10	79.00	3.30	2,079.00	7.90	979.00	29.04	18,736.80	645.21
	0.80	925.80	22.44	20,575.45	7.40	5,846.00	9.40	5,922.00	31.40	18,124.00	71.44	51,393.25	719.39
TOTAL HOURS & COST	393.75	429,163.80	123.34	108,878.95	552.45	436,435.50	171.50	108,045.00	534.19	108,158.70	1,775.23	1,188,671.95	669.59
AVERAGE RATE/HOUR PER GRADE		£ 1,089.91		£ 882.75		£ 790.00		£ 630.00		£ 198.73			
FEES DRAWN												-	

Remuneration and expenses
Detailed information

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Joint Administrators' Disbursements

Details of all disbursements are given below. We have not recovered our disbursements in full at this time.

Category 1

These are payments made by us direct to third parties and for which no approval is required.

Category 2

Specific approval is required before these costs and expenses can be drawn from the administration estate and was given by the secured creditors on 18 March 2020.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Category 1 outlays approved

£ (net)	Incurred during appointment	Unpaid
Travel and Parking	808	808
Subsistence	99	99
Accommodation	889	889
Stationery	195	195
Bordereau	230	230
Postage and Couriers	884	884
Total expenses	**3,105**	**3,105**

Category 2 outlays approved

£ (net)	Incurred during appointment	Unpaid
Mileage	627	627
Total disbursements	**627**	**627**

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 11 April 2020) detailing the remuneration and/or expenses being complained of, in accordance with Rule 3.100 of the Rules.

Deloitte.