



TUESDAY



\*A83JM8FE\*  
A20 16/04/2019 #70  
COMPANIES HOUSE

### 1 Company details

Company number 0 2 4 1 9 6 3 3

Company name in full Process Projects Limited

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

### 2 Administrator's name

Full forename(s) Gregory Andrew

Surname Palfrey

### 3 Administrator's address

Building name/number 4th Floor Cumberland House

Street 15-17 Cumberland Place

Post town Southampton

County/Region

Postcode S O 1 5 2 B G

Country

### 4 Administrator's name ①

Full forename(s) Stephen John

Surname Adshead

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

### 5 Administrator's address ②

Building name/number 4th Floor Cumberland House

Street 15-17 Cumberland Place

Post town Southampton

County/Region

Postcode S O 1 5 2 B G

Country

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

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 2	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
To date	<sup>d</sup> 2	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9

### 7 Progress report

I attach a copy of the progress report

### 8 Sign and date

Administrator's signature

Signature

X

*CA P... (handwritten signature)*

X

Signature date

<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

# 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 **Craig Aitchison**

Company name **Smith & Williamson LLP**

Address **4th Floor Cumberland House  
15-17 Cumberland Place**

Post town **Southampton**

County/Region

Postcode **S O 1 5 2 B G**

Country

DX

Telephone **023 8082 7600**



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

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



# Process Projects Limited (in administration)

Joint administrators' progress report for the period from  
22 September 2018 to 21 March 2019

15 April 2019



---

# Contents

1.	Glossary	1
2.	Introduction & Summary	2
3.	Progress of the administration	2
4.	Pre-administration costs	3
5.	Administrators' remuneration	3
6.	Administration expenses	4
7.	Estimated outcome for creditors	6
8.	Outstanding matters	7
9.	Privacy and data protection	7
10.	Ending the administration	8
11.	Creditors' rights	8
12.	Next report	8

# Appendices

I	Statutory information	10
II	Receipts and payments account	11
II	Time analysis for the period	13
III	Cumulative time analysis	15
IV	Original Fees estimate	16
V	Staffing, charging, subcontractor and adviser policies and charge out rates	18

# 1. Glossary

Abbreviation	Description
the Company	Process Projects Limited
the administrators/joint administrators	Gregory Andrew Palfrey and Stephen John Adshead
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
ETR	Estimated to realise
HMRC	HM Revenue & Customs
the Landlord	Legal and General Property Partners (Industrial Fund) Limited
the Landlord's agent	Jones Lang LaSelle
PTF	PTF Engineering Limited
RPS	Redundancy Payments Service
ERA	ERA Solutions Limited
Moore Blatch	Moore Blatch LLP
NEST	National Employment Savings Trust
The Bank	National Westminster Bank plc

## 2. Introduction & Summary

This report provides an update on the progress in the administration of the Company for the six month period ended 21 March 2019. It should be read in conjunction with any previous reports. By way of reminder, we, Gregory Andrew Palfrey and Stephen John Adshead, of Smith & Williamson LLP, 4th Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG, were appointed administrators of the Company on 22 March 2018.

- A sale of the Company's plant and machinery, office equipment and stock to PTF was completed on 29 March 2018 for £40k. PTF were given until midnight on 16 April 2018 to remove all of these assets.
- The objective of the administration is as in P3(1)(c) Sch B1, namely realising property in order to make a distribution to one or more secured or preferential creditors.
- The administrators' proposals were deemed approved on 28 May 2018.
- A first and final dividend of £5,000 was paid to the Company's preferential creditors representing a dividend of approximately 31p in the £.
- We believe that there will be insufficient funds available for distribution to the Bank in its capacity as the floating charge creditor.
- There are insufficient funds available to pay a dividend to unsecured creditors.
- On 23 November 2018 the Company's secured and preferential creditors approved the joint administrators' remuneration on a time costs basis and these costs were estimated at £72,143.50. Fees drawn during the administration to date total £45,000.
- During February 2019 the Company's secured creditor gave its consent to an extension of the administration for a further 12 months. We also obtained the preferential creditors consent by deemed consent using a Decision Procedure. The administration has been extended to 21 March 2020 in order to:
  - Enable the administrators to pursue all potential assets available for the benefit of the Company's creditors.
- Once the joint administrators have filed their notice of ceasing to act with the Registrar of Companies, steps will be taken to dissolve the Company.

## 3. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period from 22 September 2018 to 21 March 2019. This account includes cumulative figures for the period from 22 March 2018 to 21 March 2019.

The receipts and payments account also includes a comparison with the directors' SOA values. The following asset realisations have been achieved during the current reporting period.

### 3.1 Book debts

We instructed Moore Blatch solicitors to pursue the recovery of one of the Company's protracted book debts. In September 2018 Moore Blatch issued a 'Letter Before Action' to the remaining debtor.

In October 2018 Moore Blatch confirmed receipt of £1,515 in full satisfaction of the outstanding debt and legal fees bringing total book debt realisations to £42,360.

### 3.2 Potential assets still to be realised

As previously reported our investigations identified some potential further asset recoveries for the estate as a result of possible claims that the Company may have. The administrators still do not consider it appropriate to comment on the details as to do so could influence the value and prospects of any potential recovery.

### 3.3 Other matters

We summarise below the other key matters that we have dealt with during the reporting period. We have:

- Completed the Company's book debt collection.
- Issued a Notice of a Decision Procedure to the Company's preferential creditors and obtained approval from the Company's only secured creditor of the following:
  - Joint administrators' remuneration fixed by reference to time spent by them and their staff in attending to matters in the administration;
  - Joint administrators' pre appointment costs as detailed in the joint administrators' proposals; and
  - Joint administrators' discharge from liability upon ceasing to act.
- Processed payments of all of the approved pre appointment costs.
- Liaised with ERA to review and calculate the Company's preferential claims.
- Issued a Notice of Intended Dividend to all of the Company's preferential creditors.
- Distributed a first and final preferential dividend totalling £5,000.
- Issued a Notice of a Decision by deemed consent to the Company's preferential creditors and obtained consent from the Company's only secured creditor to extend the administration by 12 months.
- Issued this progress report for the six month period ended 21 March 2019.

## 4. Pre-administration costs

On 23 November 2018 the following amounts in respect of pre-administration costs were approved:

Recipient	Brief description of services provided	Amount paid £
Moore Blatch LLP	(Legal advice)	2,000.00
SIA Group	(Chattel agents' asset valuation)	3,515.00
SIA Group	(Chattel agents' disbursements)	76.78
<b>Total</b>		<b>5,591.78</b>

Whilst Moore Blatch pre administration costs of £5,650.00 were approved, Moore Blatch agreed to accept £2,000 in full and final settlement.

Unpaid pre-administration time costs of £23,355.00 incurred by Smith & Williamson were approved in full by the secured and preferential creditors. However no pre administration time costs will be recovered.

## 5. Administrators' remuneration

The secured and preferential creditors approved that the basis of the administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration. This was granted following the joint administrators providing a fees' and expenses' estimate



and the requisite majority of creditors obtained by means of a resolution by correspondence on 23 November 2018. The administrators' estimated fees at the time of approval were £72,143.50.

The administrators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
22 March 2018 to 21 September 2018	330.60	72,143.50	218.22	-
22 September 2018 to 21 March 2019	72.75	15,000.50	206.19	45,000.00
<b>Total</b>	<b>403.35</b>	<b>87,144.00</b>	<b>216.05</b>	<b>45,000.00</b>

Attached as Appendix III, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the body of this report.

Also attached as Appendix IV, is a cumulative time analysis for the period from 22 March 2018 to 21 March 2019 which provides details of the administrators' time costs since appointment. The joint administrators' costs to date are £87,144, as above, compared to the approved estimated time costs of £72,143.50. A total of £45,000 has been drawn on account of these costs and we previously reported that further approval would be required to draw remuneration in excess of that estimate. However as previously anticipated there will be insufficient funds available to draw the administrators' remuneration in full and this has allowed for a dividend totalling £5,000 to be paid to the Company's preferential creditors, which was duly paid in March 2019.

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and providing information relating to the company and its former officers as required by the Company Directors' Disqualification Act 1986.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by the ICAEW, is available free on request or can be downloaded from their website as follows:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix VI.

## 6. Administration expenses

### 6.1 Subcontractors

We have utilised the services of the following subcontractors during the current period:

Provider/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
ERA Solutions Limited (Advice and assistance in respect of employee claims and the Company's pension schemes)	Fixed fee	85.00	575.00	-

Note: As previously reported ERA had quoted £2,000 at the outset of the assignment however, excluding an additional £85 which was incurred during the reporting period in respect of RTI submissions, at the outset of the assignment however ERA have invoiced a total of £1,575 and there are no further costs anticipated from ERA.

## 6.2 Professional advisers

On this assignment we have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Moore Blatch (legal advice re dealing with the directors' claims and book debt collection)	Agreed time costs and disbursements	250.00	691.50	-
Abraham & Dobell (preparation of payroll and other financial information)	Fixed fee	-	1,050.00	-
<b>Total</b>		<b>250.00</b>	<b>1,741.50</b>	<b>-</b>

## 6.3 Administrators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Statutory advertising	-	81.45	-
Administrators' bonds	-	140.00	-
Storage	9.63	48.15	-
IP Bid (online marketing fee)	-	195.00	-
Travel costs (parking)	-	4.67	-
Category 2 disbursements (see next section)	-	67.73	-
<b>Total</b>	<b>9.63</b>	<b>537.00</b>	<b>-</b>

## 6.4 Category 2 disbursements

The following Category 2 disbursements have been incurred and/or paid in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Business mileage @ HMRC rates	-	67.73	-

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

## 6.5 Policies regarding use of third parties and disbursement recovery

Appendix V provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

# 7. Estimated outcome for creditors

The estimated outcome for each class of creditors is set out below.

## 7.1 Secured creditors

The Bank holds a debenture containing a fixed and floating charge, dated 28 April 1992, over the Company's assets. At the date of the administration, the total amount due to the Bank was estimated at £62,104. Interest has been, and continues to be, added until the liability has been paid in full.

There are no funds available for the floating charge creditor in this matter.

## 7.2 Prescribed Part

The Company granted a floating charge to the Bank on 28 April 1992. Accordingly, there is no requirement to set aside a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors as this requirement only applies to charges created on or after 15 September 2003.

## 7.3 Preferential creditors

We previously set out a summary of preferential claims received.

A summary of preferential claims agreed is set out below:

Preferential creditor	Claims received £	Claims agreed in current period £	Total claims agreed £
Employee claims	1,223.76	-	1,223.76
RPS	14,616.23	-	14,616.23
Pension claim	304.85	304.85	304.85
<b>Total</b>	<b>16,144.84</b>	<b>304.85</b>	<b>16,144.84</b>

Please note that we have adjusted the employee total claims received and agreed figures in accordance with the final RPS claim received.

The following dividend has been paid to preferential creditors:

Date	Total amount of dividend paid £	Rate of dividend p in the £
Declared on 28 February 2019	5,000.00	30.96

It is expected that a further dividend will not be paid to preferential creditors.

#### 7.4 Unsecured creditors

We have received claims totalling £395,942.64. Total claims as per the directors' SOA were £494,036.

Due to insufficient realisations from the Company's assets we confirm that no dividend to unsecured creditors will be made in this case.

## 8. Outstanding matters

The joint administrators' time costs to date are £87,144, as detailed in Appendix III, compared to our original fee estimate of £51,476 as detailed in Appendix IV. Only the time costs incurred within the approved estimate will be drawn. Any sum in excess of the approved estimated time costs will not be recovered by the joint administrators.

The remaining actions to be concluded in the administration are as follows:

- Job planning, case reviews and progression. We anticipate incurring costs of approximately £2,500 in this matter, which will provide no financial benefit to creditors.
- Liaising with our solicitors, Moore Blatch, to pursue legal claims that may lead to recoveries. We anticipate incurring costs of approximately £2,000, which may provide a financial benefit to the unsecured creditors depending on the value of recoveries achieved if any.
- Closure of the administration, including preparing and issuing this report and the final report. We anticipate incurring costs of approximately £5,000 in this matter. These costs will not provide a financial benefit to creditors.

## 9. Privacy and data protection

As part of our role as joint administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rsgdpr>

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

## 10. Ending the administration

Subject to completion of the outstanding matters set out above, our intention is to file for the dissolution of the Company before the next anniversary of our appointment.

The administrators will be discharged from liability under P98(3) of Sch B1 immediately upon their appointment as administrators ceasing to have effect.

Authorisation for discharge from liability was granted by the secured and preferential creditors on 23 November 2018.

## 11. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Gregory Andrew Palfrey or Stephen John Adshead in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

- i) Email: [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk)
- ii) Telephone number: +44 300 678 0015
- iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

## 12. Next report

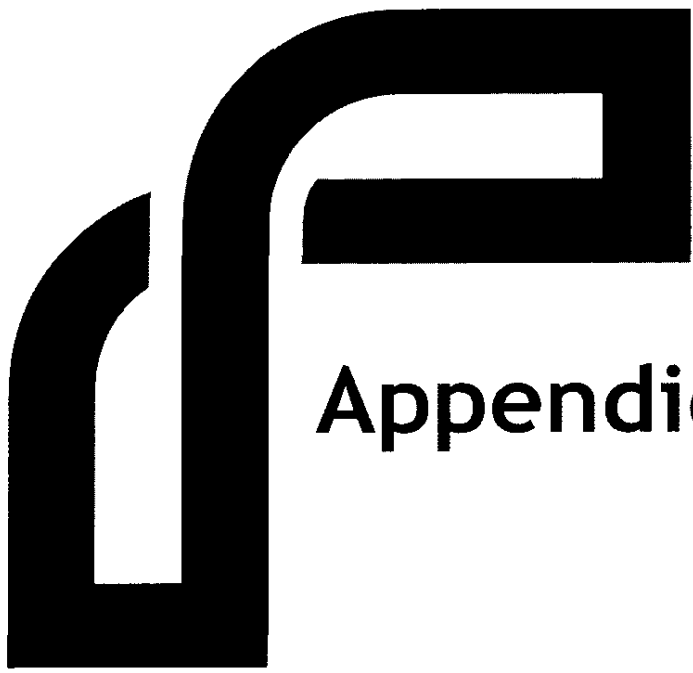
We are required to provide a further report on the progress of the administration within one month of the end of the next six month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report.



**Gregory Andrew Palfrey and Stephen John Adshead**

Joint Administrators

Date: 15 April 2019



# Appendices

---

# I Statutory information

---

Relevant Court	High Court of Justice Business & Property
Court Reference	002016 of 2018
Trading Name(s)	Process Projects Limited
Trading Addresses	Unit 4C, Barton Park Industrial Estate, Hampshire, SO50 6RR
Former Name(s)	Sheet Metalcraft Limited
Registered Office	4 <sup>th</sup> Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG (Formerly Unit 4C, Barton Park Industrial Estate, Hampshire, SO50 6RR)
Registered Number:	02419633
Joint Administrators	Gregory Andrew Palfrey and Stephen John Adshead both of 4th Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG (IP No(s) 9060 and 8574)  In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally.
Contact details	Address: 4 <sup>th</sup> Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG Email address: sam.tovey@smithandwilliamson.com Telephone number: 023 8082 7600
Date of Appointment	22 March 2018
Appointor	The directors of the Company
Extension to period of administration	Administration extended to 21 March 2020

## II Receipts and payments account

### Receipts and payments account to 21 March 2019

Statement of Affairs £	From 22/09/2018 To 21/03/2019 £	From 22/03/2018 To 21/03/2019 £	
<b>ASSET REALISATIONS</b>			
29,413.00	Plant & Machinery, equipment and motor vehicle	-	29,413.00
4,552.00	Work in progress	-	4,552.20
43,000.00	Book Debts	1,514.57	42,360.04
	Sundry refunds	-	20.00
	Corporation Tax Refund	-	698.86
	Interest on Corporation Tax Refund	-	5.71
4,800.00	Cash at Bank - S&W Re client account	-	4,800.00
	Bank Interest Gross	78.79	146.89
		<u>1,593.36</u>	<u>81,996.70</u>
<b>COST OF REALISATIONS</b>			
	Administrators' fees	45,000.00	45,000.00
	Administrators' expenses	537.00	537.00
	Agents' fees - pre appointment	3,515.00	3,515.00
	Agents- disbursements - pre appointment	76.78	76.78
	Accountants' fees	1,050.00	1,050.00
	Legal fees - pre appointment	2,000.00	2,000.00
	Legal fees - post appointment	691.50	8,161.50
	Legal expenses	-	50.00
	Employee claims agent fees	575.00	1,575.00
	Destruction of records	-	72.50
	IT costs	-	537.50
	Rates	-	1,428.35
	Insurance of assets	-	411.49
	Wages & salaries	-	496.38
	Bank charges	1.25	6.45
	Preferential distribution	5,000.00	5,000.00
		<u>58,446.53</u>	<u>69,917.95</u>
		<u>(56,853.17)</u>	<u>12,078.75</u>
	VAT Receivable		11,601.06
	RBS - Clients Deposit account (Interest Bearing)		477.69
			<u>12,078.75</u>

### Notes and further information required by SIP 7

- The administrators' remuneration was approved on a time costs basis by the secured and preferential creditors on 23 November 2018 and we have drawn £45,000 against our time costs to date.
- No payments have been made to us from outside the estate other than an invoice of £5,000 plus VAT paid by the Company, prior to our appointment.
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.



- Information concerning our remuneration and disbursements incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- The client deposit account remains interest bearing and will be made non-interest bearing shortly.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

# II Time analysis for the period

From 22 September 2018 to 21 March 2019

Activity	Partner	Associate Director	Senior Managers	Senior Professionals	Assistant's & Support Staff	Total		Avg Rate
	Hours					Hours	£	£ / hr
<b>Administration &amp; Planning</b>								
Statutory Returns, Reports & Meetings	1.25	-	8.35	17.95	-	27.55	5,586.50	202.78
Cashiering general, including bonding	-	1.40	-	0.95	-	2.35	615.50	261.91
Job planning, reviews and progression	0.65	-	-	4.80	-	5.45	1,109.25	203.53
Post-appointment taxation	0.25	-	-	0.75	-	1.00	230.00	230.00
Insurance & General Asset Protection	-	-	0.55	-	-	0.55	123.75	225.00
Filing, file and information management	-	-	0.25	-	0.10	0.35	62.75	179.29
Agents and Advisers, General	-	-	0.15	0.20	-	0.35	65.75	187.86
Admin & Planning Partner/ Manager review, approval and signing	1.15	-	1.00	-	-	2.15	694.00	322.79
Admin & Planning Other	-	-	0.35	-	-	0.35	78.75	225.00
	<b>3.30</b>	<b>1.40</b>	<b>10.65</b>	<b>24.65</b>	<b>0.10</b>	<b>40.10</b>	<b>8,566.25</b>	<b>213.62</b>
<b>Investigations</b>								
Investigation of legal claims	-	-	-	0.10	-	0.10	14.00	140.00
	-	-	-	0.10	-	0.10	14.00	140.00
<b>Realisation of Assets</b>								
Debtors NOT FINANCED (includes reassigned debtors)	-	-	0.35	0.25	0.20	0.80	136.75	170.94
Other Chattel Assets	-	-	-	0.15	-	0.15	27.00	180.00
Liasing with agents (general)	-	-	-	0.15	0.35	0.50	49.75	99.50
Sale of business - Post Completion Matters	-	-	-	0.55	-	0.55	99.00	180.00
Realisation of Assets Other	-	-	-	0.10	-	0.10	18.00	180.00
	-	-	0.35	1.20	0.55	2.10	330.50	157.38
<b>Trading</b>								
Purchasing / Suppliers (not Landlord)	-	-	0.20	-	-	0.20	45.00	225.00
Accounting	-	-	-	0.05	-	0.05	9.00	180.00
Premises issues (incl Landlord and site clearance)	-	-	-	0.25	-	0.25	45.00	180.00
	-	-	0.20	0.30	-	0.50	99.00	198.00
<b>Creditors</b>								
Fixed charge Creditors	-	-	-	0.45	-	0.45	81.00	180.00
Floating charge creditors	-	-	-	0.50	-	0.50	90.00	180.00
RPO and ERA Claims & Tribunals	-	-	-	1.70	-	1.70	306.00	180.00
Employees & pensions (other) (incl. JobCentre / CSA etc)	0.50	-	-	13.20	-	13.70	2,558.00	186.72
Unsecured creditors	-	-	-	0.15	0.15	0.30	30.75	102.50
Distributions for prefs and unsecured	1.40	1.00	2.15	8.40	-	12.95	2,846.25	219.79
Creditors Other	-	-	0.35	-	-	0.35	78.75	225.00
	<b>1.90</b>	<b>1.00</b>	<b>2.50</b>	<b>24.40</b>	<b>0.15</b>	<b>29.95</b>	<b>5,990.75</b>	<b>200.03</b>
<b>Total Hours</b>	<b>5.20</b>	<b>2.40</b>	<b>13.70</b>	<b>50.65</b>	<b>0.80</b>	<b>72.75</b>		
<b>Total £</b>	<b>1,998.00</b>	<b>768.00</b>	<b>3,085.50</b>	<b>9,097.00</b>	<b>52.00</b>		<b>15,000.50</b>	<b>206.19</b>

## Explanation of major work activities undertaken

### Administration & planning

- Statutory duties associated with the appointment.
- Maintaining physical case files and electronic case details on IPS (case management software).
- Case bordereau and reviews.
- Case planning, administration, and general case progression.
- Updating estimated outcome statements.
- Maintaining and managing the Company's administration cash book and bank account.
- Pursuing pre-appointment corporation tax clearance from HMRC.
- Preparation and circulation of the administrators' first and second progress reports.
- Preparation and circulation of a Decision Procedure by correspondence relating to the approval of the joint administrators' pre appointment costs, the basis of the joint administrators' remuneration and the administrators' discharge from liability upon ceasing to act.

- Preparation and circulation of a Decision Procedure by deemed consent relating to the extension of the administration.

#### **Investigations**

- Working with Moore Blatch in respect of potential further recoveries for the benefit of creditors.

#### **Realisation of assets**

- Working with Moore Blatch to pursue disputed debts.
- Pursuing and processing VAT refunds from HMRC.

#### **Trading**

- Time costs recorded as premises issues relate to:
  - Liaising with the council re-the Company's lease.

#### **Creditors**

- Maintaining creditors' information on our insolvency database.
- Dealing with correspondence from secured and unsecured creditors via post, email and telephone.
- Dealing with correspondence from our employee agents, ERA, via post, email and telephone in dealing with employee queries and claims.
- Liaising with ERA in dealing with the Company's pension claim.
- Preparation and circulation of Notice of Intended dividend and Notice of declared dividend to the Company's preferential creditors.
- Preparation and circulation of Notice of Decision by deemed consent to the Company's preferential creditors in respect of extension of administration and obtaining consent for the extension from the secured creditor.

# III Cumulative time analysis

From 22 March 2018 to 21 March 2019

Activity	Partner	Associate Director	Managers	Other		Total		Avg Rate £ / hr
				Senior Professionals	Assistants & Support Staff	Hours	£	
<b>Administration &amp; Planning</b>								
Statutory Returns, Reports & Meetings	6.80	-	23.10	37.30	-	67.20	14,262.50	212.24
Initial post-appointment notification letters, including creditors	1.80	-	0.95	5.50	0.25	8.50	1,861.50	219.00
Cashiering general, including bonding	-	4.45	1.65	3.25	-	9.35	2,310.00	247.06
Job planning, reviews and progression	3.90	-	4.00	10.65	-	18.55	4,218.00	227.39
Post-appointment taxation	0.50	-	0.85	1.45	-	2.80	637.75	227.77
Protection of company records (incl electronic)	-	-	15.00	11.70	-	26.70	5,347.50	200.28
Insurance & General Asset Protection	-	-	4.75	0.60	-	5.35	1,152.75	215.47
Travelling	-	-	5.25	1.00	-	6.25	1,330.00	212.80
Filing, file and information management	-	-	1.25	0.20	2.55	4.00	477.00	119.25
Agents and Advisers, General	-	-	0.30	0.25	-	0.55	108.50	197.27
Admin & Planning Partner/ Manager review, approval and signing	2.20	-	5.25	-	-	7.45	2,117.75	284.26
Admin & Planning Other	-	-	17.00	0.25	-	17.25	3,801.00	220.35
	15.20	4.45	79.35	72.15	2.80	173.95	37,624.25	216.29
<b>Investigations</b>								
Directors' correspondence & conduct questionnaires	-	-	1.15	1.75	-	2.90	559.50	192.93
Statutory book and accounting records review	-	-	3.65	-	-	3.65	803.00	220.00
Investigation of legal claims	2.75	-	9.65	0.55	-	12.95	3,293.25	254.31
SIP2 and SIP4 obligations (inc CDDA86 forms)	0.25	-	-	8.50	-	8.75	1,581.25	180.71
Asset Tracing (eg Land Reg and Co'y Searches)	-	-	-	0.15	-	0.15	27.00	180.00
	3.00	-	14.45	10.95	-	28.40	6,264.00	220.56
<b>Realisation of Assets</b>								
Debtors NOT FINANCED (includes reassigned debtors)	-	-	19.20	3.70	0.20	23.10	4,897.75	212.02
Stock	-	-	0.10	-	-	0.10	22.00	220.00
Other Chattel Assets	7.25	-	17.90	0.65	-	25.80	6,772.00	262.48
Sale of business as a whole, including liaison with legal advisers agents etc	-	-	0.10	-	-	0.10	22.00	220.00
Completion of Work in Progress	-	-	4.10	-	-	4.10	902.00	220.00
Cash at Bank	-	-	-	1.55	-	1.55	271.25	175.00
Liasing with agents (general)	-	-	-	0.15	0.35	0.50	49.75	99.50
Sale of business - Post Completion Matters	-	-	-	0.55	-	0.55	99.00	180.00
Realisation of Assets Other	1.30	-	1.90	0.90	-	4.10	1,031.25	251.52
	8.55	-	43.30	7.50	0.55	59.90	14,067.00	234.84
<b>Trading</b>								
Sales and Customers	-	-	-	0.05	-	0.05	9.00	180.00
Purchasing / Suppliers (not Landlord)	-	-	0.20	0.20	-	0.40	80.00	200.00
Accounting	-	-	-	0.05	-	0.05	9.00	180.00
Staff and Payroll (inc PAYE&NIC for trading period)	-	-	0.25	-	-	0.25	55.00	220.00
Premises issues (incl Landlord and site clearance)	1.90	-	14.90	2.00	-	18.80	4,340.75	230.89
	1.90	-	15.35	2.30	-	19.55	4,493.75	229.86
<b>Creditors</b>								
Fixed charge Creditors	-	-	-	0.45	-	0.45	81.00	180.00
Floating charge creditors	-	-	0.40	0.85	-	1.25	241.75	193.40
HP & Lease creditors	-	-	3.05	3.90	-	6.95	1,353.50	194.75
RPO and ERA Claims & Tribunals	0.25	-	8.25	7.55	-	16.05	3,253.00	202.68
Employees & pensions (other) (incl JobCentre / CSA etc)	0.50	0.30	15.60	34.35	0.30	51.05	9,842.50	192.80
Crown (not RPO etc)	-	-	-	0.05	-	0.05	8.75	175.00
Unsecured creditors	6.50	0.10	7.15	13.80	3.80	31.35	6,704.75	213.87
Distributions for prefs and unsecured	1.40	1.00	2.15	8.40	-	12.95	2,846.25	219.79
Creditors Director/ Manager review, approval and signing	-	-	0.30	-	-	0.30	66.00	220.00
Creditors Other	0.45	-	0.35	0.35	-	1.15	297.50	258.70
	9.10	1.40	37.25	69.70	4.10	121.55	24,695.00	203.17
<b>Total Hours</b>	<b>37.75</b>	<b>5.85</b>	<b>189.70</b>	<b>162.60</b>	<b>7.45</b>	<b>403.35</b>		
<b>Total £</b>	<b>14,186.00</b>	<b>1,826.25</b>	<b>41,922.00</b>	<b>28,725.50</b>	<b>484.25</b>		<b>87,144.00</b>	<b>216.05</b>

# IV Original Fees estimate

Activity	Partner	Managers	Other Senior	Total		Avg Rate
		Hours	Professionals	Hours	£	£ / hr
<b>Administration &amp; planning</b>						
Statutory, returns, reports and meetings	2.00	3.50	8.10	13.60	2,922.50	214.89
Initial post-appointment work	1.80	0.95	5.75	8.50	1,861.50	219.00
Cashiering general, including bonding		2.30	1.50	3.80	878.75	231.25
Job planning, reviews and progression	2.25	2.50	4.55	9.30	2,182.25	234.65
Post-appointment taxation		1.60	1.15	2.75	563.75	204.82
Protection of company records		15.00	11.40	26.40	5,295.00	200.57
Insurance and general asset protection	-	3.80	0.40	4.20	906.00	215.71
Travelling		5.25	1.00	6.25	1,330.00	212.80
File and information management		1.00	2.00	3.00	372.00	124.00
Partner - manager review approval and signing	0.30	3.50		3.80	881.25	231.91
Administrative, Other		1.50		1.50	350.00	230.00
Sub-Total	6.35	40.90	35.85	83.10	17,522.50	210.86
<b>Investigations</b>						
Directors' correspondence & conduct questionnaires			1.05	1.05	183.75	175.00
SIP 2 and SIP 4 obligations	1.25	2.50	7.50	11.25	2,331.25	207.22
Sub-Total	1.25	2.50	8.55	12.30	2,515.00	204.47
<b>Realisation of assets</b>						
Debtors	1.00	17.20	3.95	22.15	4,845.25	218.75
Stock		0.10		0.10	22.00	220.00
Other chattel assets	7.25	17.45	0.35	25.05	6,619.00	264.23
Sale of business as a whole, including liaison with legal advisers agents etc		0.10		0.10	22.00	220.00
completion of work in progress		4.10		4.10	902.00	220.00
Cash at bank	-		0.50	0.50	87.50	175.00
Realisation of Assets, Other	1.30	1.90		3.20	673.00	210.31
Sub-Total	9.55	40.85	4.80	55.20	13,370.75	242.22
<b>Trading</b>						
Purchasing - Suppliers (not Landlord)			0.15	0.15	26.25	175.00
Staff and payroll (including PAYE/NIC)		0.25		0.25	55.00	220.00
Premises issues (inc landlord and site clearance)	2.40	15.85	0.60	18.85	4,485.75	237.92
Sub-Total	2.40	16.10	0.75	19.25	4,567.00	237.25
<b>Creditors</b>						
Floating charge creditors	0.25	1.00	2.00	3.25	667.50	205.38
HP and lease creditors		3.05	3.40	6.45	1,266.00	196.28
RPO and CRA claims and tribunals	0.50	4.85	8.55	13.90	2,749.50	197.81
Employees and pensions (other)		11.60	11.95	23.55	4,637.75	196.93
Unsecured creditors	0.50	6.05	15.40	22.05	3,962.00	179.68
Creditors, other	0.45		0.35	0.80	218.75	273.44
Sub-Total	1.70	26.55	41.75	70.00	13,501.50	192.88
<b>Total Hours</b>	<b>21.25</b>	<b>126.90</b>	<b>91.70</b>	<b>239.85</b>		
<b>Total £</b>	<b>7,762.50</b>	<b>28,203.75</b>	<b>15,510.50</b>		<b>51,476.75</b>	<b>214.62</b>

## Notes to fee estimate

The following gives a summary of our original estimates, and the actual time costs incurred as at 21 September 2018 for ease of comparison:

Task	Original fees estimate £	Actual fees incurred as at 21 Sep 18 £	Actual fees incurred as 21 Mar 19 £
Administration and Planning	17,522.50	29,058.00	37,624.25
Investigations	2,515.00	6,250.00	6,264.00
Realisation of Assets	13,370.75	13,736.50	14,067.00
Trading	4,567.00	4,394.75	4,493.75
Creditors	13,501.50	18,704.25	24,695.00
<b>Total</b>	<b>51,476.75</b>	<b>72,143.50</b>	<b>87,144.00</b>

The material differences between our original fee estimate and actual time costs incurred as at 21 September 2018 were explained in our previous report. Additional material differences can be explained as follows:

### **Administration and planning (additional £8,566.25 underestimated)**

Our time costs in dealing with Administration and planning has been underestimated due to the following reasons:

- Obtaining consent from the secured and preferential creditors in respect of approval of the basis of the administrators' remuneration, the administrators' pre appointment costs and the administrators' discharge from liability.
- Obtaining consent from the secured and preferential creditors to an extension of the administration.
- Preparing and issuing this progress report as well as additional costs to prepare and issue previous progress report.
- Additional internal planning and reviewing as a result of extension.
- Additional cashiering as a result of extension.

### **Creditors (£5,990.75 underestimated)**

Our time costs in dealing with Creditors have been underestimated due to the following:

- Additional costs incurred liaising with ERA re agreement of preferential creditor claims and issuing NOID and distribution of dividend cheques.
- Additional unsecured and preferential creditor queries.

---

# V Staffing, charging, subcontractor and adviser policies and charge out rates

---

## Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
  - Staff allocation and the use of subcontractors
  - Professional advisers
  - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

## Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

## Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

## Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may

include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

## Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the administrators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2018.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office	Regional offices		
	£/hr	£/hr	£/hr	£/hr
	From 1/7/17	From 1/7/18	From 1/7/17	From 1/7/18
Partner / Director (from 1 January 2016)	435-500	450-520	350-375	360-380
Associate Director	390-410	420	295-315	290-320
Managers	250-350	250-365	190-310	225-310
Other professional staff	160-305	170-320	120-180	140-185
Support & secretarial staff	80-170	90	60-135	60-140

### Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.



[www.smithandwilliamson.com](http://www.smithandwilliamson.com)

**Principal offices:** London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

**Smith & Williamson LLP** is regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. A member of Nexia International. Registered in England at 25 Moorgate, London EC2R 6AY No OC369871.

**Nexia Smith & Williamson Audit Limited** is registered to carry on audit work and regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. A member of Nexia International.



Smith & Williamson is a member of Nexia International, a worldwide network of independent accounting and consulting firms.

© Smith & Williamson Holdings Limited 2013