

## **Vendside Limited - in administration**

High Court of Justice  
Chancery Division  
Birmingham District Registry  
The Priory Courts, 33 Bull Street  
Birmingham, B4 6DS  
Case No. 8465 of 2013

### **Joint Administrators' third progress report for the period from 17 July 2014 to 16 January 2015**

13 February 2015

**[www.pwc.co.uk/vendside](http://www.pwc.co.uk/vendside)**

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The following abbreviations are used in this report:

<i>“the Company” or “Vendside”</i>	Vendside Limited – in administration
<i>“the Administrators” or “we”</i>	Rachael Wilkinson, Lyn Leon Vardy and David Matthew Hammond
<i>“the Administration”</i>	the administration of Vendside
<i>“PwC”</i>	PricewaterhouseCoopers LLP
<i>“LBG”</i>	Lloyds Banking Group
<i>“SBS”</i>	Skipton Building Society
<i>“the UDM”</i>	The Union of Democratic Mineworkers
<i>“EPSG”</i>	Efficient Property Services Group Limited
<i>“Select”</i>	Select Sales and Lettings Limited
<i>“Essential”</i>	Essential Health and Safety Training Limited
<i>“the Group”</i>	Vendside, EPSG, Select and Essential combined
<i>“our solicitors”</i>	DLA Piper UK LLP
<i>“Proposals”</i>	Statement of Proposals dated 28 October 2013
<i>“IA86”</i>	The Insolvency Act 1986
<i>“Sch.B1 IA86”</i>	Schedule B1 to the Insolvency Act 1986
<i>“IR86”</i>	The Insolvency Rules 1986
<i>“Energy Performance”</i>	Energy Performance and Sustainability Group Limited

# 1 The Joint Administrators' progress report

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## Introduction

We write to provide an update on the progress of the Administration, covering the period from 17 July 2014 to 16 January 2015. Our first two progress reports covered the period from the date of our appointment to 16 July 2014.

Further background information on the Company and events leading up to our appointment can be found in our Proposals circulated to creditors on 28 October 2013, which are still available at [www.pwc.co.uk/vendside](http://www.pwc.co.uk/vendside). Our Proposals were approved, without modification, at the initial creditors' meeting on 14 November 2013.

## Change of administrator

As you may be aware from our previous correspondence, Edward Williams, one of the previous joint administrators has now left the firm. To ensure the continued pursuit of outstanding issues, an application was made to the Court to facilitate the resignation of Edward Williams and the appointment in his place of Rachael Wilkinson, who has been heavily involved in the case prior to this. The application was approved and the resignation and appointment was effective from 29 December 2014. Edward Williams was released from all liability in respect of his conduct as joint administrator with effect from 27 January 2015.

## Revision to proposals

As required by the court order above, we hereby formally notify creditors of a minor change to the statement of Proposals dated 28 October 2013. The change is that when the Company moves from administration to creditors' voluntary liquidation (as is the current intention), Edward Williams will not take up the position as liquidator, but instead, Rachael Wilkinson will become one of the liquidators, together with David Matthew Hammond and Lyn Leon Vardy.

## Actions taken by the Administrators

At the time of our last report, the Company's principal remaining assets were residential properties, inter-company book debts and loans to AD Limited and the UDM.

We have continued to let the Company's property portfolio whilst dealing with the litigation claims and pension deficit. We also continued to provide administrative support (on a nil cost basis) to the group companies EPSG and Essential up to 31 December 2014. As mentioned in our previous report, support was provided as it was likely to lead to a better outcome for creditors as it secured the repayment of £156,493 of book debts and provided contribution to the holding costs of Vendside.

A decision was made by the directors of EPSG and Essential to cease operations and therefore all remaining employees of Vendside were made redundant by 31 December 2014. Energy Performance, a company set up by a former employee of EPSG, has been appointed to deal with the management of the property portfolio to ensure continuity of rent collection and avoid the set up costs of appointing a new agent.

The Company employed 16 staff at the date of our appointment. We have now made all of these employees redundant and two employees have transferred from the Company to the UDM.

Following discussions with the pension scheme and solicitors of the litigation creditors, we have now determined the company cannot be rescued as a going concern and expect to proceed to creditors' voluntary liquidation when the current extension expires.

# 1 The Joint Administrators' progress report

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## Asset realisation summary

Total realisations in the Administration to date are summarised as follows:

	£
Sale of freehold properties	240,000.00
Balance at bank	353,262.90
Book debts	156,493.24
Fixtures & fittings	5,850.00
Interest on loans	3,250.00
Interest received gross	753.72
Loans	130,000.00
Office equipment	284.34
Refunds	989.40
Trading account	(151,315.30)
<b>Total</b>	<b><u>739,568.30</u></b>

The trading account currently shows a loss of £151,315.30 however a further £27,000 will be recovered from EPSG and Essential in the next period along with ongoing rental receipts.

### *Property portfolio*

To date one of the 13 residential properties owned by the Company has been sold and we have accepted another on a second. We are continuing to let the remaining properties which are now being managed by the Energy Performance. Rental income of £111,455.33 has been received since the date of appointment on 12 September 2013.

As we have now determined that the Company cannot be rescued, we have begun a programme to realise the property assets. We expect this to take several months to complete.

### *Litigation progress*

In our previous report, we outlined the background to ten claims against the Company where legal proceedings were ongoing. These claims are made by former miners with regard to the handling of their personal injury claims.

The Company is protected by the moratorium which came into effect when the Company entered administration and we have not given consent for claims to continue. We are now in discussion with the solicitors representing the claimants to establish the levels of the claims, including further details regarding the costs associated with each claim, ahead of a formal claims agreement process.

In addition to the known litigation claims, the Company has had information requests from around 207 further potential claimants (of which 12 have been received since our appointment).

Prior to the appointment of administrators a further case had been settled and a cost order made in favour of the Company. During the administration we have progressed this to agree the quantum of costs, all of which has now been paid to the Company's pre appointment solicitors. The administrators are currently seeking directions from the court on how this money should be distributed as there are competing claims on the funds.

### *Pension*

Vendside is a participating employer in the Union of Democratic Mineworkers Officials and Permanent Staff Pension Scheme ("the Scheme"). At the last actuarial valuation date (31 December 2011), the Scheme had a deficit on a buyout basis of c£5.6 million, and we understand that c£1.7 million of this was in relation to Vendside.

As a consequence of the Company's insolvency, the Scheme is being assessed by the Pension Protection Fund ("PPF"). Since appointed we have been in discussions with the Scheme to assess whether a scheme rescue was possible. These discussions have now been concluded and we have issued a notice under Section 122(2)(a) of the Pensions Act 2004 confirming that a scheme rescue is not possible.

# 1 The Joint Administrators' progress report

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## *Balance at bank*

The Company's bank accounts were in credit on appointment. The bank balances held totalled £554,262 across Natwest and Lloyds Banking Group ("LBG"). LBG recovered £201,000 of its debt against these funds under its floating charge security but we have received the remaining bank balance of £353,262.

## *Book debts*

The Company was owed £76,281 by Select, a group company. Select was no longer trading, and therefore was unable to pay the debt in full. Select's only asset was cash of £36,150 which was accepted in full and final settlement of this inter-company debt. Select has subsequently been struck off.

We have recovered £120,120 in relation to the other inter-company book debts. This relates to £319,491 and £620,438 owed by Essential and EPSG for services provided by the Company prior to the Administrators' appointment.

Both Essential and EPSG have now ceased to trade and we do not expect to make any further recoveries.

## *Fixtures & fittings*

The Company owned a large ornamental wheel and plaque, which was located on the site of the previous office, which the Company leased from the UDM.

When the Company vacated the premises, it was agreed that the Company would sell these items, which could not be relocated, to the UDM for £500.

A number of assets used by Essential and EPSG were owned by Vendside. When Essential and EPSG ceased to trade these assets were sold along with the remaining fixtures and fittings located at Vendside's offices. The total amount received for these assets is £5,850.

## *Loans*

AD Limited owed the Company £200,000 in respect of a pre-appointment loan. Following negotiations, we accepted £3,250 in respect of the interest owed and £130,000 in full and final settlement of the loan amount which was received on 11 July 2014.

A loan of £100,000 made to the UDM by the Company is repayable on the sale of a UDM property. The UDM is in the process of selling this property and we expect to receive payment on completion of the sale. We have been informed by the UDM that a sale has been secured and we expect to receive repayment of the loan in full shortly.

## **Expenses statement**

A statement of the expenses incurred by the Administrators in the period 17 July 2014 to 16 January 2015 is included at Section 4.

The statement excludes any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend on the position at the end of the tax accounting period.

## **Administrators' remuneration**

Our remuneration was approved on a time costs basis by the unsecured creditors at the initial meeting of creditors held on 14 November 2013.

As at 16 January 2015, we have drawn remuneration of £123,644.58.

From appointment to 16 January 2015, we have incurred timecosts of £438,674.24. This represents 1,623.91 hours at an average hourly rate of £270.13.

# 1 The Joint Administrators' progress report

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In accordance with the requirements of Statement of Insolvency Practice 9, a full analysis of our time costs and Category 2 disbursements for the period 17 July 2014 to 16 January 2015 is provided in Section 5.

## Pre-administration costs

We incurred costs of £26,474.09 prior to our appointment, but with a view to the Company entering administration. Details of these were provided in the Proposals and previous reports. These costs were approved by the creditors at the meeting held on 14 November 2013 to be paid as an expense of the administration. These costs have been drawn in full.

## Creditors' rights

An explanation of your rights as a creditor with regards to our remuneration, can be found online at the following address:

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/a-creditors-guide-to-administrators-fees-010407.pdf>

Alternatively, a copy can be obtained free of charge by telephoning Jordan Sleightholme on 0113 289 4631.

## Statutory duties

During the period of this report, we have also been dealing with the statutory requirements of an administration appointment. Section 5 provides more detail of these matters.

## Secured creditors

At the date of our appointment, LBG was owed £201,000 secured by fixed and floating charges. As confirmed earlier, this was repaid in full from the credit balance in the account at the time.

SBS were owed £978,000 at the date of the Administration, secured by a number of mortgage charges against the Company's residential properties. To date we have made mortgage interest payments totalling £30,647. We intend to continue to pay the mortgage payments as they fall due which will be funded by the rental income from the properties. As we have now determined that the Company cannot be rescued, we will realise the Company's assets and we expect that the proceeds from the property sales will enable SBS to be repaid in full.

## Estimated dividend prospects

### Preferential creditors (mainly employees)

Preferential claims relate to arrears of wages, subject to statutory limits, and unpaid holiday pay. For commercial reasons, we decided to pay all arrears of wages which has reduced preferential creditor claims and maintained the support of the employees. As we are continuing to trade the Company, all arrears of wages have been paid. Future claims in respect of holiday pay are currently estimated to be in the region of £3,200.

### Unsecured creditors

The Insolvency Act 1986 provides for a prescribed part fund to be made available for unsecured creditors. It is paid out of "net property". Net property is floating charge realisations after costs, and after paying - or setting aside enough to pay - preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

In this case the prescribed part does not apply because the floating charge was registered before 15 September 2003.

At this stage, the level of dividend that will be available for the unsecured creditors is unclear. As detailed above, the outcome to creditors will be determined by the result of the litigation claims along with future realisations and administration costs.

# 1 The Joint Administrators' progress report

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## **Exit from administration**

We are currently preparing to move the Company into creditors' voluntary liquidation prior to 11 March 2015. Creditors' voluntary liquidation is being used as it will be more cost effective to deal with statutory matters and the distribution process.

## **Discharge from liability**

The Administrators now seek the creditors' approval to be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 in respect of any action of theirs as administrators of the Company. Please complete the enclosed form 2.25B and return by 2 March 2015 if you wish to vote.

## **Next report**

We anticipate that we will circulate our next report to creditors on the conclusion of the Administration.

Yours faithfully  
For and on behalf of the Company



Rachael Wilkinson  
Joint Administrator  
Vendside Limited – in administration

*Rachael Wilkinson, Lyn Leon Vardy and David Matthew Hammond have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents without personal liability. All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

*The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration.*

## 2 Statutory and other information

<b>Court details for the Administration:</b>	High Court of Justice, Chancery Division Birmingham District Registry Case No. 8465 of 2013
<b>Full name:</b>	Vendside Limited
<b>Trading name:</b>	Vendside Limited
<b>Registered number:</b>	03367773
<b>Registered address:</b>	c/o PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP
<b>Company directors:</b>	David McGarry Trevor Barker David Nettleship Michael Stevens Jeffrey Wood
<b>Company secretary:</b>	David McGarry
<b>Shareholdings held by the directors and secretary:</b>	David Nettleship – one £1 share – held in trust for UDM (Nottingham section)
<b>Date of the Administration appointment:</b>	12 September 2013
<b>Administrators' names and addresses:</b>	Lyn Leon Vardy of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP and David Matthew Hammond of PricewaterhouseCoopers LLP, One Kingsway, Cardiff CF10 3PW
<b>Additional administrators' appointment:</b>	Rachael Wilkinson of PricewaterhouseCoopers LLP, One Reading Central, 23 Forbury Road, Reading, RG1 3JH
<b>Administrators' resignations:</b>	Eddie Williams of PricewaterhouseCoopers LLP, Donington Court, Pegasus Business Park, Castle Donington, East Midlands DE74 2UZ on 29 December 2014
<b>Appointor's / applicant's name and address:</b>	The directors of the Company, Miners Office, Berry Hill Lane, Mansfield, Nottinghamshire NG18 4JU
<b>Objective being pursued by the Administrators:</b>	Objective (b): achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration)
<b>Division of the Administrators' responsibilities:</b>	In relation to paragraph 100(2) Sch.B1 IA86, during the period for which the administration is in force, any act required or authorised under any enactment to be done together or any of the Administrators acting jointly or alone
<b>Proposed end of the Administration:</b>	Creditors' voluntary liquidation
<b>Estimated dividend for unsecured creditors:</b>	Unknown
<b>Estimated values of the prescribed part and the company's net property:</b>	Not applicable
<b>Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:</b>	Not applicable
<b>The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):</b>	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings.
<b>Extensions to the period of the Administration</b>	On 12 August 2014, the unsecured creditors granted a 6 month extension to the period of the administration to 11 March 2015.



### 3 Administrators' receipts and payments account

Vendside Limited  
Vendside Limited  
Administrators' abstract of receipts and payments

Director's Statement of Affairs	12 September 2013 to 16 July 2014	17 July 2014 to 16 January 2015	Total from 12 September 2013 to 16 January 2015
£	£	£	£
	<b>FIXED CHARGE REALISATIONS</b>		
2,704,000.00	240,000.00	-	240,000.00
	<b>240,000.00</b>	-	<b>240,000.00</b>
	<b>COST OF REALISATION / PAYMENTS</b>		
	(3,600.00)	-	(3,600.00)
	(80,803.60)	-	(80,803.60)
	(3,527.00)	-	(3,527.00)
	(2.00)	-	(2.00)
	-	-	-
	<b>(87,932.60)</b>	-	<b>(87,932.60)</b>
	<b>DISTRIBUTIONS TO FIXED CHARGE CREDITORS</b>		
	(150,644.00)	-	(150,644.00)
	<b>1,423.40</b>	-	<b>1,423.40</b>
	<b>UNCHARGED REALISATIONS</b>		
400,335.00	353,262.90	-	353,262.90
	156,493.24	-	156,493.24
	500.00	5,350.00	5,850.00
	3,250.00	-	3,250.00
	418.33	335.39	753.72
300,000.00	130,000.00	-	130,000.00
	284.34	-	284.34
	989.40	-	989.40
	4,345.50	(2,025.00)	2,320.50
	(153,150.89)	1,763.80	(151,387.00)
	<b>496,392.82</b>	<b>5,424.28</b>	<b>501,817.10</b>
	<b>COST OF REALISATION / PAYMENTS</b>		
	(57.50)	(30.00)	(87.50)
	(28,065.10)	(252.97)	(28,318.07)
	(4,574.05)	(18,845.53)	(23,419.58)
	(15,200.72)	231.12	(14,969.60)
	(77,230.73)	-	(77,230.73)
	(123,644.58)	-	(123,644.58)
	(26,474.09)	-	(26,474.09)
	(150.74)	0.01	(150.73)
	(2,410.91)	(2,025.90)	(4,436.81)
	<b>(277,808.42)</b>	<b>(20,923.27)</b>	<b>(298,731.69)</b>
	<b>PREFERENTIAL CREDITORS</b>		
-		-	-
	<b>UNSECURED CREDITORS</b>		
(179,685.00)		-	-
	8,843.88	(7,048.09)	1,792.29
	<b>228,851.68</b>	<b>(11,042.36)</b>	<b>206,301.10</b>

**Note:** LBG had a floating charge of £201,000 at the date of appointment. This amount was repaid from the credit balance in the Company's account before the balance was paid to the Administrators' account.

The Statement of Affairs figure for the Balance at Bank is the total of the amounts from Natwest and LBG accounts, less the floating charge of LBG.

The duress payment principally relates to the release of information from the Company's solicitors in relation to the ongoing litigation.

Property management charges of £2,232 and mortgage interest payments of £11,569.22 from the previous period have been moved into the trading account to more accurately reflect the nature of the payments.

### 3 Administrators' receipts and payments account

#### Trading account

Vendside Limited (in administration) Trading account				
	12 March 2014 to 16 July 2014	12 September 2013 to 16 July 2014	17 July 2014 to 16 January 2015	Total from 12 September 2013 to 16 January 2015
	£			£
<b>TRADING REALISATIONS</b>				
Income from EPSG	62,805.35	139,136.30	123,370.83	262,507.13
Income from Essential	28,103.77	57,428.04	-	57,428.04
Income from UDM	-	12,173.79	-	12,173.79
Other trading income	200.00	298.33	53.34	351.67
Rental income	32,384.58	69,333.62	42,121.71	111,455.33
	<b>123,493.70</b>	<b>278,370.08</b>	<b>165,545.88</b>	<b>443,915.96</b>
<b>TRADING PAYMENTS</b>				
Cleaning and site clearance	(265.34)	(965.34)	-	(965.34)
Data Protection Act fees	(35.00)	(35.00)	-	(35.00)
Deposit returns	-	-	-	-
IT costs	(402.00)	(625.02)	21.82	(603.20)
Lease/hire charges	(2,496.49)	(6,238.95)	(2,239.76)	(8,478.71)
Mortgage interest payments	(19,142.18)	(19,142.18)	(11,504.72)	(30,646.90)
Net wages	(103,709.19)	(255,799.72)	(84,572.29)	(340,372.01)
Other payroll deductions	-	(1,197.55)	-	(1,197.55)
PAYE & NIC	(47,539.59)	(103,834.85)	(34,597.04)	(138,431.89)
Postage, stationary and printing	(1,525.41)	(2,098.13)	(368.05)	(2,466.18)
Consultancy fees	-	-	(15,200.00)	(15,200.00)
Property management charges	(6,808.77)	(6,808.77)	(7,193.26)	(14,002.03)
Rates	-	(2,228.43)	-	(2,228.43)
Rent	-	(3,000.00)	(150.00)	(3,150.00)
Repairs and maintenance	(1,142.80)	(3,286.60)	(1,039.36)	(4,325.96)
Telephone, fax etc	(2,269.78)	(5,408.07)	(1,180.71)	(6,588.78)
Transport & carriage	(8,743.12)	(8,743.12)	0.01	(8,743.11)
Utilities	(1,285.72)	(10,392.76)	(5,758.63)	(16,151.39)
Water rates	(8.40)	(1,716.48)	-	(1,716.48)
	<b>(195,373.79)</b>	<b>(431,520.97)</b>	<b>(163,781.99)</b>	<b>(595,302.96)</b>
<b>NET TRADING ACCOUNT REALISATIONS/(PAYMENTS)</b>	<b>(71,880.09)</b>	<b>(153,150.89)</b>	<b>1,763.89</b>	<b>(151,387.00)</b>

## 4 Expenses incurred in the period

A statement of expenses incurred by us as administrators between 17 July 2014 to 16 January 2015 is shown below.

The statement provides an estimate of the expenses incurred and unpaid for the period. These are yet to be finalised and may be subject to adjustments before payment. It also excludes any potential tax liabilities that could be classed as an expense of the administration, as these will depend on the Company's position at the end of the tax accounting period.

### Vendside Limited (In Administration) Expenses accrued and unpaid

	Unpaid expenses as at 16 July 2014	Estimated incurred in this period	Expenses paid in this period	Estimated unpaid expenses at 16 January 2015
		£	£	£
<b>PAYMENTS</b>				
<b>FIXED</b>				
Agent's fees	-	-	-	-
Balance held in client account for SBS	-	-	-	-
Legal fees	-	-	-	-
Legal disbursements	-	-	-	-
Management charges	-	-	-	-
Mortgage payments	-	(11,504.72)	11,504.72	-
<b>Uncharged</b>				
Bank charges	-	(30.00)	30.00	-
Duress payments	-	(252.97)	252.97	-
Insurance	11,940.59	(18,845.53)	18,845.53	11,940.59
Irrecoverable VAT	-	(231.12)	231.12	-
Legal fees	20,588.00	(12,078.00)	32,666.00	-
Office holders' fees	202,300.81	110,440.70	-	312,741.51
Pre-administration costs	-	-	-	-
Statutory advertising	-	(14.99)	14.99	-
Storage costs	53.87	(2,025.90)	2,025.90	53.87
<b>Trading</b>				
Cleaning and site clearance	-	-	-	-
Consultancy fees	-	(15,200.00)	15,200.00	-
Data Protection Act fees	-	-	-	-
IT costs	-	21.82	(21.82)	-
Lease/hire charges	374.06	(2,239.76)	2,239.76	374.06
Net wages	-	(99,772.29)	99,772.29	-
Other payroll deductions	-	-	-	-
PAYE & NIC	-	(34,597.04)	34,597.04	-
Postage, stationary and printing	-	(368.05)	368.05	-
Property management charges	-	(7,193.26)	7,193.26	-
Rates	-	-	-	-
Rent	-	(150.00)	150.00	-
Repairs and maintenance	-	(1,039.36)	1,039.36	-
Telephone, fax etc	-	(1,144.86)	1,144.86	-
Transport & carriage	-	0.01	(0.01)	-
Utilities	-	(5,758.63)	5,758.63	-
Water rates	-	-	-	-
	<b>235,257.33</b>	<b>(101,983.95)</b>	<b>233,012.65</b>	<b>325,110.03</b>

## 5 Analysis of Administrators' time costs and Category 2 disbursements

### Explanation of work undertaken for the period 17 July 2014 to 16 January 2015

Later in this Section, we include a table showing our time costs for the period, by grade of staff and area of work. This shows time costs of £110,440.70 in this period, the key elements of which are explained further below.

Area of work	Work undertaken in the period includes:
Strategy and planning	<ul style="list-style-type: none"> <li>• Progress updates with team</li> <li>• Strategy meetings regarding contingent creditors and administration exit</li> <li>• Case reviews with appointees and senior management</li> </ul>
Trading	<ul style="list-style-type: none"> <li>• Dealing with suppliers</li> <li>• Team update meetings regarding the trading position</li> <li>• Trading analysis and decision making</li> <li>• Processing trading receipts and payments</li> </ul>
Assets	<ul style="list-style-type: none"> <li>• Property management</li> <li>• Dealing with sister companies</li> <li>• Handling insurance matters and ensuring adequate cover</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>• Strategy planning on how to approach litigation claims</li> <li>• Liaising with own solicitors and appointees regarding claims</li> <li>• Meeting with claimants' solicitors</li> <li>• Handling contingent creditor enquiries</li> <li>• Discussions with pensions team about effect of contingent creditors on pension scheme rescue plan</li> <li>• Dealing with creditor enquiries</li> <li>• Calculating and handling preferential claims</li> <li>• Meetings held with Pension Scheme</li> </ul>
Accounting and treasury	<ul style="list-style-type: none"> <li>• Accounting for receipts and payments</li> <li>• Bank reconciliations</li> </ul>
Statutory and compliance	<ul style="list-style-type: none"> <li>• Preparing Administrators' progress reports</li> <li>• Arranging storage of Company books and records</li> <li>• Other statutory and compliance matters (such as bonding)</li> </ul>
Tax & VAT	<ul style="list-style-type: none"> <li>• Obtaining VAT advice and deregistering for VAT</li> <li>• Preparing, drafting and submitting quarterly VAT returns</li> <li>• Obtaining tax advice</li> </ul>
Employees & pensions	<ul style="list-style-type: none"> <li>• Redundancy tasks</li> <li>• Liaising with Redundancy Payment Service</li> <li>• Monthly payroll and wage payments</li> <li>• Researching pension scheme rescue options</li> <li>• Advice from pension specialists on strategy</li> <li>• Liaising with Pension Trustees and PPF</li> </ul>
Closure procedure	<ul style="list-style-type: none"> <li>• Assessing the best strategy to close the Administration</li> </ul>

## 5 Analysis of Administrators' time costs and Category 2 disbursements



Vendside Limited

Analysis of time costs for the period from 17 July 2014 to 16 January 2015

Aspect of assignment	Partner	Director	Senior Manager		Manager	Associate	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
			5.00	4.60								
1 Strategy & Planning	-	10.75	0.25	2.85	6.05	3.30	-	-	23.20	8,399.25	362.04	
2 Trading	-	-	0.10	20.55	4.45	26.20	-	-	51.30	10,503.70	204.75	
3 Assets	-	12.75	5.00	33.65	20.65	0.75	-	-	72.80	22,761.50	312.66	
4 Creditors	-	25.25	-	1.70	-	1.75	-	-	28.70	12,706.00	442.72	
5 Accounting and treasury	-	-	4.60	34.60	2.40	42.00	0.50	-	84.10	17,375.00	206.60	
6 Statutory and compliance	-	4.65	3.05	25.70	10.30	5.90	1.50	-	51.10	12,634.25	247.25	
7 Tax & VAT	-	-	3.75	17.24	1.15	2.40	-	-	24.54	7,163.75	291.92	
8 Employees & pensions	-	12.90	0.20	2.75	2.20	20.05	-	-	38.10	11,388.50	298.91	
9 Closure procedures	-	4.75	0.25	20.50	-	-	-	-	25.50	7,508.75	294.46	
<b>Total for the period</b>	-	<b>71.05</b>	<b>17.20</b>	<b>159.54</b>	<b>47.20</b>	<b>102.35</b>	<b>2.00</b>	<b>2.00</b>	<b>399.34</b>	<b>110,440.70</b>	<b>276.56</b>	
<b>Brought forward at 16 Jul 2014</b>									<b>1,224.57</b>	<b>328,233.54</b>	<b>268.04</b>	
<b>Total</b>									<b>1,623.91</b>	<b>438,674.24</b>	<b>270.13</b>	

## 5 Analysis of Administrators' time costs and Category 2 disbursements

### Hourly charge-out rates

The charge-out rates applicable to this case during the period are set out below.

Grade	Administrators' staff £/hour	Specialist departments £/hour
Partner	575	1075
Director	480	1085
Senior Manager	415	915
Manager	330	600
Senior Associate - qualified	250	410
Senior Associate – unqualified	180	-
Associate	160	210
Support staff	85	120

It has been the Joint Administrators' policy to delegate the routine administration of the Administration to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Administrators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Administrators.

Specialist departments within our firm (such as Tax, VAT, Property and Pensions) may charge a small number of hours if and when we require their expert advice. Such specialists' rates do vary but the figures above provide an indication of the maximum rate per hour.

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged in units of not greater than six minutes. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units)

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structure.

### Disbursements

The table below shows the approved policy for charging the different categories of expenses, together with the costs since appointment.

Category	Policy	£
1	All disbursements not falling under Category 2 are recharged at cost	527.46
2	Photocopying - At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	79.44
3	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc).	1,313.68
	<b>Total (to 16 January 2015)</b>	<b><u>1,920.58</u></b>

## 5 Analysis of Administrators' time costs and Category 2 disbursements

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### Legal and other professional firms

The following table lists the professional firms instructed in this case in relation to the period that the report covers

<b>Service provided</b>	<b>Name of firm / organisation</b>	<b>Reason selected</b>	<b>Basis of fees</b>	<b>Fees paid between 17 July 2014 to 16 January 2015 (£)</b>
Legal advice regarding the administration, property sales, debt collection and litigation claims against the Company	DLA Piper UK LLP	Expertise	Time costs	-
Marketing of property and liaising with buyer	Savills (UK) Limited	Expertise	Percentage of realisations	-
Managing agents for the property portfolio	Energy Performance and Sustainability Group Limited	Expertise	Set Fee	7,193.26

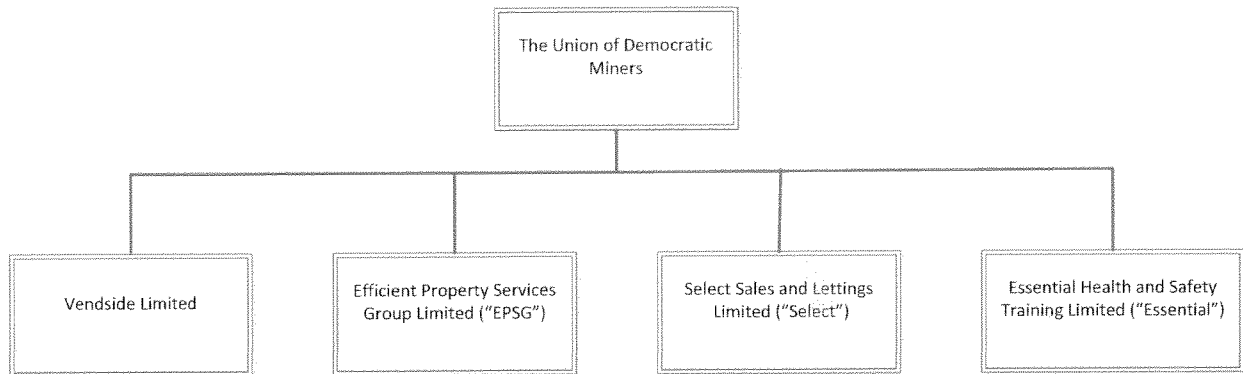
All third party professionals are required to submit time costs analyses and/or narrative in support of invoices rendered. We undertake to review the professional firms' costs to ensure they are reasonable in the circumstances of the case.

## Appendix A Company background and group structure

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The Union of Democratic Mineworkers (“the UDM”) established the Company in 1997 to handle the injury claims of miners and former miners, predominantly for vibration white finger, in accordance with a set process laid down by the courts. The Company assisted about 1,500 miners in making claims, all of which are now complete.

The Company subsequently invested its profits into a combination of residential property and establishing three sister companies, all owned by the UDM. The Company had continued to use its assets to support these companies until they reached profitability. A group company structure is shown below:





## Administrators' progress report 2.24B

Name of Company Vendside Limited	Company Number 03367773
In the High Court of Justice, Chancery Division, Birmingham District Registry	Court case number 8465 of 2013

We Rachael Wilkinson of PricewaterhouseCoopers LLP, One Reading Central, 23 Forbury Road, Reading, RG1 3JH, Lyn Leon Vardy of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP and David Matthew Hammond of PricewaterhouseCoopers LLP, One Kingsway, Cardiff CF10 3PW

Joint Administrators of the above company attach a progress report for the period

from

17 July 2014

to

16 January 2015

Signed



Joint Administrator

Dated

13/02/15