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# Joint administrators' progress report from 28 May 2019 to 27 November 2019

***Palmer & Harvey McLane Limited***  
CR-2017-008976

***Palmer & Harvey McLane (Holdings) Limited***  
CR-2017-008968

***Palmer & Harvey (Holdings) Plc***  
CR-2017-008977

***P&H (1925) Limited***  
CR-2017-008978

***P & H Direct Van Sales Limited***  
CR-2017-008975

***P&H Sweetdirect Limited***  
CR-2017-008972

***P&H Snacksdirect Limited***  
CR-2017-008979

## ***All in administration***

In the High Court of Justice, Business and Property  
Courts of England and Wales, Insolvency and  
Companies List (ChD)

17 December 2019

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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
ABLS	Asset Based Lenders, namely Barclays Bank Plc, HSBC Invoice Finance (UK) Limited, PNC Business Credit (a trading name of PNC Financial Services UK Limited), RBS Invoice Finance Limited and Santander UK Plc
Administrators/we/us/our	Matthew Boyd Callaghan, Ian David Green and Zelf Hussain to 10 May 2019 Ian David Green and Zelf Hussain from 10 May 2019
BEIS	Department for Business, Energy & Industrial Strategy
Companies	Palmer & Harvey (Holdings) Plc "Plc" Palmer & Harvey McLane (Holdings) Limited "Holdings" Palmer & Harvey McLane Limited "PHML" P & H (1925) Limited "1925" P & H Direct Van Sales Limited "DVS" P&H Snacksdirect Limited "Snacksdirect" P&H Sweetdirect Limited "Sweetdirect"
EBTs	Employee benefit trusts
P&H / Palmer & Harvey Group	the Companies & P&H Direct Limited
Group	The Companies, P&H Direct Limited and WS Retail Limited and all other companies in the wider group
GVA	GVA Grimley
HMRC	HM Revenue & Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
PPF	Pension Protection Fund
preferential creditors	Primarily employee claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
PwC	PricewaterhouseCoopers LLP
RoT	Retention of title
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by BEIS, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
secured creditor	A creditor with security in respect of their debt, in accordance with Section 248 IA86
Security Agent	Barclays Bank Plc, a secured creditor

<b>Abbreviation or definition</b>	<b>Meaning</b>
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
SIP 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
Tobacco Companies / TCs	Imperial Brands Finance Plc and Gallaher Limited
unsecured creditors	Creditors who are neither secured nor preferential
Vans business or Vans	DVS, Snacksdirect and Sweetdirect collectively
Wholesale	The principal business of PHML

# Key messages

## Why we've sent you this report

I'm writing to update you on the progress of the administration of the Companies in the six months since our last report dated 20 June 2019

You can still view our earlier reports on our website at [www.pwc.co.uk/palmerandharvey](http://www.pwc.co.uk/palmerandharvey).

## How much creditors may receive

The following table summarises the possible outcome for creditors\*, based on what we currently know.

Company	Secured creditors (p in £)	Preferential creditors (p in £)	Unsecured creditors (p in £)
<b>PHML</b>			
This report:	ABLS 100p TCs 92-100p	100p	Up to 1p
Last report:	ABLS 100p TCs 92-100p	100p	Up to 1p
<b>Holdings</b>			
This report:	ABLS 100p TCs 92-100p	N/A	Nil
Last report:	ABLS 100p TCs 92-100p	N/A	Nil
<b>Plc</b>			
This report:	ABLS 100p TCs 92-100p	N/A	Nil
Last report:	ABLS 100p TCs 92-100p	N/A	Nil
<b>1925</b>			
This report:	PPF TBC ABLS 100p TCs 92-100p	N/A	Nil
Last report:	PPF TBC ABLS 100p TCs 92-100p	N/A	Nil
<b>Snacksdirect</b>			
This report:	ABLS 100p TCs 92-100p	100p (paid)	Up to 1p
Last report:	ABLS 100p TCs 92-100p	100p	Up to 1p
<b>Sweetdirect</b>			
This report:	ABLS 100p TCs 92-100p	100p (paid)	Up to 1p
Last report:	ABLS 100p TCs 92-100p	100p	Up to 1p
<b>DVS</b>			
This report:	ABLS 100p TCs 92-100p	100p (paid)	Up to 1p
Last report:	ABLS 100p TCs 92-100p	100p	Up to 1p

*\*Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading.*

### *Secured creditors*

As previously stated, it is uncertain whether the secured creditors will be fully repaid their lending and accrued interest out of their security over the Group's assets. On appointment, the total value of the secured lending was £253.5m. The amount owing across the Group to the secured continues to increase as a result of the ongoing interest accrual.

At the date of appointment, the debt due to the ABL's was £187.4m, secured by way of fixed and floating charges over the Group's assets. The ABLs held first ranking security and following our appointment their debt has now been repaid in full.

The Tobacco Companies held second ranking security over the Group's assets (subject to the security in 1925) and were owed £66.1m on appointment. As the ABLs' debt has been discharged in full, funds will be available for distribution to the Tobacco Companies. To date distributions totalling £61.8m have been made to the Tobacco Companies under the terms of their security, and we anticipate a return of 92-100% will be achieved. The timing of future distributions to the Tobacco Companies is currently 6-12 months.

We understand that the Group's defined benefit pension scheme holds first ranking security over certain assets in 1925. As such, any realisations from these assets would be due first to the pension scheme (once costs have been discharged). We continue to liaise with the pension scheme and PPF to establish the level of the pension scheme debt and the proportion secured on the assets of 1925. The timing of any distribution under this security is dependent upon the sale of the assets covered by the charge and confirmation of the level of debt secured. Further details are provided within this report.

### *Preferential creditors*

The dividend prospects for preferential creditors in each of these companies are as follows:

- PHML – Dividend of 100p in £ will be available for preferential creditors.
- Snacksdirect – Dividend of 100p in £ paid on 21 December 2018.
- Sweetdirect – Dividend of 100p in £ paid on 21 December 2018.
- DVS – Dividend of 100p in £ paid on 21 December 2018.
- Plc, Holdings and 1925 – There are no known preferential creditors.

Whilst there are sufficient funds available to pay 100p in the £ to the preferential creditors of PHML, the process to agree their claims had been on hold until the RPS has concluded its review and submitted an amended claim against the Company.

As previously reported, the Employment Tribunal has awarded a Protective Award for certain groups of employees as well as a number of individual claimants. The RPS has now made payments to eligible claimants and submitted an amended claim. We are currently in the process of reviewing the RPS's claim, and subject to any queries, it is anticipated that we may be in a position to commence the adjudication of PHML's preferential claims shortly, with a view to paying the preferential claims in the next few months.

### *Unsecured creditors*

The estimated dividend prospects for unsecured creditors in each of these companies are as follows:

- Snacksdirect – prescribed part distribution of up to 1p in the £
- Sweetdirect – prescribed part distribution of up to 1p in the £
- DVS – prescribed part distribution of up to 1p in the £
- PHML - prescribed part distribution of up to 1p in the £
- Plc, Holdings and 1925 – No dividends are anticipated.

### *Snacksdirect, Sweetdirect & DVS*

We have completed the adjudication of the majority of the unsecured claims against DVS, Sweetdirect, and Snacksdirect but are still to finalise the adjudication of the claims of HMRC and the RPS.

HMRC's claim has been received and is currently under review. However, the RPS has delayed submitting a claim until it has completed dealing with the Protective Awards. Initially the Protective Awards were only granted to certain employees in Sheffield. However, that decision was challenged by the Union and a further Tribunal hearing took place at the end of October 2019, the outcome of which is still awaited. If successful, this may further delay the RPS finalising its claim. However, once the RPS has completed its review and submitted its amended claim, we will then be in a position to commence the process to pay the prescribed part dividend to the unsecured creditors. We estimate that this will take a further 6 months to complete.

#### *PHML*

There will be a prescribed part dividend to unsecured creditors. Once we have completed the distribution to the preferential creditors, we will commence the process to adjudicate and pay the dividend to the unsecured creditors of PHML. We estimate that this may take a further 6 – 12 months to complete.

#### *Holdings, Plc & 1925*

We currently do not believe that there will be any funds available to make a distribution to the unsecured creditors in any of the other companies, i.e. Plc, Holdings or 1925.

### *What you need to do*

This report is for your information and you don't need to do anything.

However, if you haven't already done so and you have a claim against PHML, Snacksdirect, Sweetdirect or DVS, please send your claim to us so that we can agree it. A claim form can be downloaded from our website at [www.pwc.co.uk/palmerandharvey](http://www.pwc.co.uk/palmerandharvey). Please ensure that you set out clearly on the claim form which company your claim is against.

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# *Overview of what we've done to date*

As explained in our earlier reports, our initial strategy was principally to mitigate the losses to the various classes of creditors, by:

- Securing and safeguarding large volumes of stock and facilitating its return to suppliers based on a commercial assessment of RoT claims;
- Securing the various sites and instructing agents to begin valuing and marketing the freehold properties;
- Supporting redundant employees with processing claims against the RPS and engaging with Job Centre Plus and alternative employers looking to hire former employees;
- Seeking a purchaser for the Vans business;
- Locating, securing and arranging for the return of leased vehicles and other third-party assets to their owners;
- Collecting debts owed by customers;
- Quickly assessing the likelihood of any premium value in the leasehold estate and returning leasehold properties to their landlords as soon as possible where no premium value was expected; and
- Selling any assets that were identified to be owned by the Companies, the proceeds of which would firstly be used to discharge the expenses of the administrations, with any amounts remaining being available to the creditors of the Companies in accordance with the statutory order of priority.

The cost of retaining sufficient employees, operational assets and infrastructure across the network (and for the time necessary) to implement the above strategy, together with our remuneration and other professional costs, was estimated to be significant and funding was known to be required. Therefore, immediately on appointment we entered into an agreement with the ABLs that would provide a loan of up to £13.65m, repayable from any floating charge assets (as an expense of the administrations) or from the realisation of any asset subject to the ABLs' fixed charges.

When we last reported, the key outstanding matters in the administration were as follows:

- Complete the adjudication of the preferential claims in PHML;
- Make a distribution to the preferential creditors in PHML;
- Collect the remaining debtor balances owed;
- Realise the remaining assets within the administrations;
- Complete the sales of the remaining freehold properties;
- Make distributions to the secured creditors;
- Adjudicate unsecured claims received in PHML, DVS, Snacksdirect and Sweetdirect; and
- Make a distribution to unsecured creditors in PHML, DVS, Snacksdirect and Sweetdirect.

We provide an update of the progress made in the period in the next section of this report.

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# *Progress since we last reported*

## *Debtors*

### *Collections update*

Since our previous report to you, additional debtor receipts of c£250K have been collected, taking total debtor collections for PHML over both the national and independent customer ledgers to over £212m. Please note that not all of this balance has been collected through the administration accounts and therefore a lower debtor realisation figure is shown on the receipts and payments account. The additional debtor receipts will be swept across into the administration in due course.

There remains a ledger balance of c.£1.9m that the administrators continue to pursue. Where appropriate we have engaged legal advisors to assist with the recovery of the remaining debts due.

Debtors totalling c.£3m have been collected for the Vans business. During the period, we have received additional funds into the administration from the pre-appointment Barclays accounts. These funds had been ring fenced by Barclays to cover off any ongoing direct debit facilities. However, the funds have now been released and receipts of c£503k were received into DVS, c£58k into Sweetdirect and c£3.4k into Snacksdirect.

## *Property*

### *Fareham, 26 Brunel Way, Segensworth*

The sale of the property at Brunel Way, Fareham, completed in April for a gross premium of £875k plus VAT. However, the sale proceeds were received in the period covered by this report.

### *Moorlands Industrial Estate, Saltash*

The sale of the former Warehouse in Saltash completed on 5 October 2018, however, due to various issues, the sale proceeds of £960k were only received during the period of this report

### *Dunfermline, land adjacent to Pitreavie Business Park*

We are continuing to progress discussions regarding the severance land at Dunfermline, which is now close to completion. The proceeds of the sale will be received in the next reporting period.

### *Wasteland in Eastbourne*

We have recently been made aware of some wasteland in Eastbourne owned by 1925. We currently have limited information regarding the wasteland and are making enquiries to determine whether any value can be achieved from its sale for the benefit of the administration estate.

## *Other realisations*

### *Sales of fixtures, fittings & other equipment*

During the period, PHML received the remaining sale proceeds held by our agents of £70k, being sale proceeds of £242k from the various auction sales of office equipment and IT equipment less their total outstanding costs of c£172k. An additional c£16k was received into PHML for a sale of software licences.

### *Rates refunds & other refunds*

During the period we have recovered further rates refunds were received by PHML totalling c.£2.1k.

### *Bank interest received*

During the period covered by this report, total bank interest of c£38k has been received into the administrations. A breakdown by company can be found at Appendix A.

## *Pensions*

During the period covered by this progress report, the main areas in which we have been engaged in relation to the defined benefit scheme are summarised below.

We continue to consider the security held by the pension scheme trustee over properties owned by 1925 and the associated debt owing to the scheme. An opinion has been obtained from leading counsel and we are now working with the PPF and the pension scheme trustee to understand the implications of this.

We have arranged for an independent director to be appointed to the company which is the trustee of one of the EBTs (which strictly are not pension schemes) operated by the Palmer & Harvey Group. The trust does not form part of the administration estate.

We have arranged for pension contributions to continue to be paid to the defined contribution pension schemes, in respect of employees retained in the post-administration period. We have arranged with the insurers of the death in service and private medical insurance schemes for cover to remain in place for continuing employees

## *Employees*

Following our previous report, further redundancies have been made and there now remain two employees who are continuing to assist with the ongoing debt collection and other matters.

## *Extension of the administrations*

Following the Administrators' application to Court on 13 November 2019 an Order was granted extending the administrations of for Snacksdirect, Sweetdirect, DVS, 1925, Plc and Holdings for a further 12 months until 27 November 2020, and the administration of PHML for a further 24 months until 27 November 2021.

## *Other issues*

During the period, we have prepared and circulated our third progress report, submitted the quarterly VAT returns and submitted the tax returns for the relevant periods. In addition, tax clearance requests were also submitted to HMRC for DVS, Sweetdirect, and Snacksdirect, however, we understand that it can take up to three months for HMRC to deal with those requests.

## *Connected party transactions*

We have a duty (under SIP13) to disclose any disposal of assets in the administrations to a director or other connected party, regardless of the nature or value of the assets concerned. We can confirm that no such transactions have occurred, and none are expected in future.

## *Changes of administrator*

Due to an internal restructuring within PwC, Ian David Green, one of the joint administrators, will shortly be resigning as joint administrator of the Companies. To make sure that outstanding issues in the administration continue to be pursued, an application was made to the Court to remove him and appoint Mark James Tobias Banfield as administrator. Mark James Tobias Banfield is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The Order was granted by the Court on 5 December 2019 and so Mark James Tobias Banfield will replace Ian David Green as joint administrator with effect from 19 December 2019. Ian David Green will be released from all liability in respect of his conduct as administrator with effect from 28 days after notice of the Order has been published in the London Gazette. Creditors will have 28 days the publication of the notice to apply to Court to vary or discharge the Court order.

## *Investigations and actions*

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

## *Our receipts and payments account*

We set out in Appendix A an account of our receipts and payments in the administration from 28 May 2019 to 27 November 2019.

## *Our expenses*

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

With the exception of DVS, Sweetdirect and Snacksdirect for which we have submitted tax clearance requests to HMRC, the statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

## *Our fees*

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

## *Pre-administration costs*

As previously reported, we have decided not to seek approval for payment of the unpaid pre-appointment costs detailed in our proposals.

## *Creditors' rights*

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

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

You can also get a copy free of charge by telephoning Adam Thompson on 0113 289 4983.

## *What we still need to do*

Before we can finalise our work in the administrations of the Companies, we still need to deal with the following outstanding tasks:

- Make a distribution to PHML's preferential creditors;
- Collect the remaining debtor balances owed;
- Realise the remaining assets within the administrations;
- Confirm the security position in 1925;
- Make further distributions to the secured creditors;
- Adjudicate unsecured claims received in PHML, DVS, Snacksdirect and Sweetdirect; and
- Make a distribution to unsecured creditors in PHML, DVS, Snacksdirect and Sweetdirect.

Once this has been completed, we will look to make the final distributions to the secured creditors. Other matters include compliance with our statutory duties as administrators, dealing with the Companies' VAT and tax affairs and other incidental tasks associated with the winding down and ultimate dissolution of the Companies.

## *Next steps*

We'll provide an update on our progress in our next report. We expect to send our next report to creditors at the end of the administrations or in about six months, whichever is the sooner. If you've got any questions, please email [phqueries@uk.pwc.com](mailto:phqueries@uk.pwc.com)

Yours faithfully  
For and on behalf of the Companies



Zelf Hussain  
Joint administrator

*Zelf Hussain and Ian Green have been appointed as joint administrators of Palmer & Harvey (Holdings) PLC; Palmer & Harvey McLane Limited; Palmer & Harvey McLane (Holdings) Limited; P&H (1925) Limited; P&H Direct Van Sales Limited; P&H Sweetdirect Limited and P&H Snacksdirect Limited, to manage their affairs, business and property as agents and act without personal liability. Both 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 bound by the Insolvency Code of Ethics which can be found at:*  
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

*The joint administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the joint administrators. Personal data will be kept secure and processed only for matters relating to the joint administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the joint administrators.*

# Appendix A: Receipts and payments

<b>PHML</b>				
<b>Statement of affairs</b>		<b>28 November 2017 to 27 May 2019</b>	<b>28 May 2019 to 27 November 2019</b>	<b>28 November 2017 to 27 November 2019</b>
<b>Fixed Charge realisations</b>				
	Debtors	-	-	-
1,945,000.00	Freehold property	3,400,000.00	-	3,400,000.00
	Bank interest	618.30	-	618.30
<b>Fixed Charge cost of realisations</b>				
		-	-	-
<b>Fixed balance</b>		<b>3,400,618.30</b>	<b>-</b>	<b>3,400,618.30</b>
<b>Fixed charge balance</b>		<b>3,400,618.30</b>	<b>-</b>	<b>3,400,618.30</b>
<b>Floating Charge realisations</b>				
1,989,000.00	Fixtures & Fittings, Office Equipment & Computers	2,976.00	242,855.99	245,831.99
237,099,000.00	Debtors	24,689,414.77	6,579.08	24,695,993.85
	Plant & Machinery	257,884.00	-	257,884.00
190,000.00	Motor Vehicles	1,154,275.68	-	1,154,275.68
	Stock	857,657.72	-	857,657.72
	Intellectual property	115,000.00	16,013.80	131,013.80
593,000.00	Refunds	788,499.68	2,140.30	790,639.98
359,000.00	Prepayments	-	-	-
	Bank Interest	49,077.38	23,158.11	72,235.49
	Suspense Account*	27,231.01	1,838.62	29,069.63
		<b>27,942,016.24</b>	<b>292,585.90</b>	<b>28,234,602.14</b>
<b>Floating Charge cost of realisations</b>				
	Sub Contractors	(135,014.40)	(2,000.00)	(137,014.40)
	Motor & travel expenses	(1,856.26)	-	(1,856.26)
	Professional Fees	(54,472.27)	(5,571.85)	(60,044.12)
	Leased equipment / hire purchase	(192,712.74)	-	(192,712.74)
	Site clearance	(217,083.34)	-	(217,083.34)
	Repairs & Maintenance	(142,296.65)	-	(142,296.65)
	Agents' fees & disbursements	(330,038.38)	(186,242.36)	(516,280.74)
	Duress Payments	(290,993.00)	-	(290,993.00)
	Security	(335,203.84)	-	(335,203.84)
	Software licenses, trademarks & IT	(565,759.84)	(33,124.98)	(598,884.82)
	Office costs, Stationery & Postage	(15,128.30)	-	(15,128.30)
	Legal Fees & disbursements	(2,541,403.24)	(97,382.70)	(2,638,785.94)
	Third party funds	-	-	-
	Employee deductions from earnings	(1,701.97)	-	(1,701.97)
	Irrecoverable VAT	(13.00)	-	(13.00)
	Storage Costs	(35,204.14)	-	(35,204.14)
	Statutory advertising	(444.00)	-	(444.00)
	Rent	(615,481.60)	-	(615,481.60)
	Utilities & Rates	(455,109.31)	(45,784.36)	(500,893.67)
	Insurance	(278,362.49)	(19,883.16)	(298,245.65)
	Wages & Salaries	(2,088,957.44)	(63,394.11)	(2,152,351.55)
	PAYE/NIC and Pension Deductions	(1,063,558.37)	(60,306.52)	(1,123,864.89)
	Employee expenses & related costs	(161,658.98)	(4,108.76)	(165,767.74)
	Bank charges	(690.00)	-	(690.00)
	Head office expenses	(3,750.00)	(72.50)	(3,822.50)
		<b>(9,526,893.56)</b>	<b>(517,871.30)</b>	<b>(10,044,764.86)</b>
	Distribution to Secured Creditors	(22,625,000.00)	-	(22,625,000.00)
<b>Floating charge balance excluding ABL funding</b>		<b>(4,209,877.32)</b>	<b>(225,285.40)</b>	<b>(4,435,162.72)</b>
	Funding from ABLs	9,457,447.30	318.30	9,457,765.60
	VAT control account	(186,176.62)	96,463.32	(89,713.30)
<b>Funds held in interest bearing Barclays account</b>		<b>8,462,011.66</b>	<b>(128,503.78)</b>	<b>8,333,507.88</b>
<i>All items are stated net of VAT</i>				
<i>Note* funds in the suspense account will be reallocated once more information is received.</i>				

Holdings			
Statement of affairs	28 November 2017 to 27 May 2019	28 May 2019 to 27 November 2019	28 May 2017 to 27 November 2019
Fixed Charge realisations	-	-	-
Fixed Charge cost of realisations	-	-	-
Fixed balance	-	-	-
Floating Charge realisations			
Bank interest	0.43	343.30	343.73
Refunds	116.25		116.25
	116.68	343.30	459.98
Floating Charge cost of realisations			
Inter-group funding	-	(318.30)	(318.30)
Floating balance	116.68	25.00	141.68
VAT control account	147,512.11	(147,193.81)	318.30
Funds held in interest bearing Barclays account	147,628.79	(147,168.81)	459.98
All items are stated net of VAT			

Plc			
Statement of affairs	28 November 2017 to 27 November 2018	28 November 2018 to 27 May 2019	28 November 2017 to 27 May 2019
Fixed Charge realisations	-	-	-
Fixed Charge cost of realisations	-	-	-
Fixed balance	-	-	-
Floating Charge realisations			
Refunds	86,535.03	-	86,535.03
Bank Interest	1152.87	222.11	1,374.98
	87,687.90	222.11	87,910.01
Floating Charge cost of realisations			
Insurance	(14,000.00)	-	(14,000.00)
Legal fees	-	(33,257.00)	(33,257.00)
Third party funds	-	-	-
	(14,000.00)	(33,257.00)	(47,257.00)
Floating charge balance excluding ABL funding	73,687.90	(33,034.89)	40,653.01
VAT control account	-	(6,651.40)	(6,651.40)
Funding from ABLs	14,000.00	-	14,000.00
Funds held in interest bearing Barclays account	87,687.90	(33,034.89)	48,001.61
All items are stated net of VAT			

1925				
Statement of affairs		28 November 2017 to 27 May 2019	28 May 2019 to 27 November 2019	28 November 2017 to 27 November 2019
<b>Fixed Charge realisations</b>				
1,614,000.00	Freehold property	2,576,666.66	1,835,000.00	4,411,666.66
1,006,000.00	Fixed charge cash	-	-	-
	Bank interest	10,248.84	13,972.27	24,221.11
67,000.00	Leasing land & buildings	-	-	-
		<u>2,586,915.50</u>	<u>1,848,972.27</u>	<u>4,435,887.77</u>
<b>Fixed Charge cost of realisations</b>				
	Agents' fees & disbursements	(62,125.26)	(47,080.11)	(109,205.37)
	Legal fees & disbursements	(21,127.00)	(110,192.25)	(131,319.25)
	Rent	<u>(14,512.50)</u>	<u>(1,168.22)</u>	<u>(15,680.72)</u>
		<u>(97,764.76)</u>	<u>(158,440.58)</u>	<u>(256,205.34)</u>
<b>Fixed balance</b>		<u>2,489,150.74</u>	<u>1,690,531.69</u>	<u>4,179,682.43</u>
<b>Floating Charge realisations</b>				
	Refunds	<u>41,160.19</u>	<u>-</u>	<u>41,160.19</u>
		<u>41,160.19</u>	<u>-</u>	<u>41,160.19</u>
<b>Floating Charge cost of realisations</b>				
	Agents' Fees & disbursements	<u>(10,290.05)</u>	<u>-</u>	<u>(10,290.05)</u>
		<u>(10,290.05)</u>	<u>-</u>	<u>(10,290.05)</u>
<b>Floating balance</b>		<u>30,870.14</u>	<u>-</u>	<u>30,870.14</u>
	VAT control account	<u>(18,700.46)</u>	<u>342,894.66</u>	<u>324,194.20</u>
<b>Funds held in interest bearing Barclays account</b>		<u>2,501,320.42</u>	<u>2,033,426.35</u>	<u>4,534,746.77</u>
<i>All items are stated net of VAT</i>				

DVS				
Statement of affairs		28 November 2017 to 27 May 2019	28 May 2019 to 27 November 2019	28 November 2017 to 27 November 2019
<b>Fixed Charge realisations</b>		-		-
<b>Fixed Charge cost of realisations</b>		-		-
<b>Fixed balance</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Floating Charge realisations</b>				
1,744,962.00	Cash at bank	-	-	-
	Bank interest	1,704.08		1,704.08
12,095.00	Stock	-		-
821,243.00	Book debts	935,752.28	502,565.00	1,438,317.28
	Allocation of contribution to costs from potential purchaser	67,937.61		67,937.61
	Third party funds	100.00	-	100.00
100.00	Motor vehicles	-	-	-
-	Refunds	<u>1,140.36</u>	<u>-</u>	<u>1,140.36</u>
		<u>1,006,634.33</u>	<u>502,565.00</u>	<u>1,509,199.33</u>
<b>Floating Charge cost of realisations</b>				
	Gross wages and salaries	(49,285.05)	-	(49,285.05)
	Office holders' fees	-	(485,050.00)	(485,050.00)
	Office holders' disbursements	-	(4,447.13)	(4,447.13)
	Bank charges	(12.50)	-	(12.50)
	Corporation tax	-	(110.49)	(110.49)
	Legal fees	(55,890.98)		(55,890.98)
	Rates	-		-
	Agents' Fees & Disbursements	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(105,188.53)</u>	<u>(489,607.62)</u>	<u>(594,796.15)</u>
<b>Floating balance</b>		<u>901,445.80</u>	<u>12,957.38</u>	<u>914,403.18</u>
	Funding from ABLs	49,285.05	-	49,285.05
	VAT control account	<u>(11,178.20)</u>	<u>(97,668.92)</u>	<u>(108,847.12)</u>
	Distribution to preferential creditors 100p in £ 21.12.18	<u>(67,979.41)</u>	<u>-</u>	<u>(67,979.41)</u>
<b>Funds held in interest bearing Barclays account</b>		<u>871,573.24</u>	<u>(84,711.54)</u>	<u>786,861.70</u>
<i>All items are stated net of VAT</i>				

<b>Sweetdirect</b>				
<b>Statement of affairs</b>		<b>28 November 2017 to 27 May 2019</b>	<b>28 May 2019 to 27 November 2019</b>	<b>28 November 2017 to 27 November 2019</b>
	<b>Fixed Charge realisations</b>			
		-	-	-
	<b>Fixed Charge cost of realisations</b>			
		-	-	-
	<b>Fixed balance</b>	-	-	-
	<b>Floating Charge realisations</b>			
847,572.00	Cash at bank	-	-	-
	Allocation of contribution to costs from potential purchaser	62,449.03	-	62,449.03
	Bank interest	1,315.44	-	1,315.44
	Refunds	-	-	-
16,140.00	Stock	-	-	-
	Third party funds	3,738.00	-	3,738.00
615,932.00	Book debts	914,387.32	58,191.90	972,579.22
		<b>981,889.79</b>	<b>58,191.90</b>	<b>1,040,081.69</b>
	<b>Floating Charge cost of realisations</b>			
	Wages	(33,574.81)	-	(33,574.81)
	Office holders' fees	-	(325,401.00)	(325,401.00)
	Office holders' disbursements	-	(1,270.06)	(1,270.06)
	Corporation tax	-	(129.80)	(129.80)
	Legal fees & disbursements	(48,446.41)	-	(48,446.41)
		<b>(82,021.22)</b>	<b>(326,800.86)</b>	<b>(408,822.08)</b>
	<b>Floating balance</b>	<b>899,868.57</b>	<b>(268,608.96)</b>	<b>631,259.61</b>
	Funding from ABLs	33,574.81	-	33,574.81
	VAT control account	(9,689.28)	(65,334.21)	(75,023.49)
	Distribution to preferential creditors 100p in £ 21.12.18	(62,476.80)		(62,476.80)
	<b>Funds held in interest bearing Barclays account</b>	<b>861,277.30</b>	<b>(333,943.17)</b>	<b>527,334.13</b>
<i>All items are stated net of VAT</i>				

<b>Snacksdirect</b>				
<b>Statement of affairs</b>		<b>28 November 2017 to 27 May 2019</b>	<b>28 May 2019 to 27 November 2019</b>	<b>28 November 2017 to 27 November 2019</b>
	<b>Fixed Charge realisations</b>			
		-	-	-
	<b>Fixed Charge cost of realisations</b>			
		-	-	-
	<b>Fixed balance</b>	-	-	-
	<b>Floating Charge realisations</b>			
2,427,263.00	Cash at bank	-	-	-
14,707.00	Vouchers	-	-	-
11,000.00	Tangible assets - other	-	-	-
50,000.00	Intangible assets - software	-	-	-
160,000.00	Motor Vehicles	188,350.00	-	188,350.00
14,088.00	Stock	1,000.00	-	1,000.00
553,190.00	Book debts	1,160,219.53	3,444.63	1,163,664.16
13,557.00	Refunds	101,354.05	-	101,354.05
	Bank Interest	4,722.86	-	4,722.86
	Funding from potential purchaser	169,613.36	-	169,613.36
	Sale of IT equipment	90,000.00	-	90,000.00
		<b>1,715,259.80</b>	<b>3,444.63</b>	<b>1,718,704.43</b>
	<b>Floating Charge cost of realisations</b>			
	Rates & utilities	(8,280.41)	(3,429.00)	(11,709.41)
	Repairs & Maintenance	(558.92)	-	(558.92)
	Office holders' fees	-	(511,489.00)	(511,489.00)
	Office holders' disbursements	-	(9,201.68)	(9,201.68)
	Corporation tax	-	(665.43)	(665.43)
	Employee Related Costs	(243.36)	-	(243.36)
	Sundry Expenses	(403.92)	-	(403.92)
	Agents' Fees	(123,328.03)	-	(123,328.03)
	Legal fees & Expenses	(66,526.38)	-	(66,526.38)
	Employee deductions from earnings	(192.02)	-	(192.02)
	Irrecoverable VAT	(2,093.20)	(73.67)	(2,166.87)
	Phone & IT services	(5,158.45)	-	(5,158.45)
	Wages	(202,072.06)	-	(202,072.06)
	Storage Costs	(5,333.52)	-	(5,333.52)
	Rent	(46,401.81)	-	(46,401.81)
		<b>(460,592.08)</b>	<b>(524,858.78)</b>	<b>(985,450.86)</b>
	<b>Floating balance</b>	<b>1,254,667.72</b>	<b>(521,414.15)</b>	<b>733,253.57</b>
	VAT control account	(39,344.55)	(76,474.34)	(115,818.89)
	Funding from ABLs	202,072.06	-	202,072.06
	Distribution to preferential creditors 100p in £ 21.12.18	(169,637.23)	-	(169,637.23)
	<b>Funds held in interest bearing Barclays account</b>	<b>1,247,758.00</b>	<b>(597,888.49)</b>	<b>649,869.51</b>
<i>All items are stated net of VAT</i>				

# Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and includes our fees but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

<i>PHML</i>	Brought forward from 27 May 2019 (£)	Incurred in the period under review (£)	Cumulative (£)	Estimated future (£)	Anticipated total (£)	Initial estimate (£)	Variance (£)
Bank charges	690.00	-	690.00	90.00	780.00	600.00	180.00
Office holders fees (on a fixed fee basis)	-	-	-	5,989,406.00	5,989,406.00	5,989,406.00	-
Office holders expenses	55,212.33	3,695.57	58,907.90	2,500.00	61,407.90	49,515.48	11,892.42
Legals	2,541,403.24	97,382.70	2,638,785.94	50,000.00	2,688,785.94	2,230,370.00	458,415.94
Agents - asset realisations	330,038.38	186,242.36	516,280.74	15,000.00	531,280.74	421,930.38	109,350.36
Rent	615,481.60	-	615,481.60	-	615,481.60	582,637.69	32,843.91
Gross salaries	3,152,515.81	123,700.63	3,276,216.44	13,000.00	3,289,216.44	3,452,987.03	(163,770.59)
Employee expenses	161,658.98	4,108.76	165,767.74	-	165,767.74	53,154.33	112,613.41
Subcontractors	135,014.40	2,000.00	137,014.40	-	137,014.40	148,253.80	(11,239.40)
Petty cash	3,750.00	72.50	3,822.50	-	3,822.50	1,250.00	2,572.50
Motor and travel expenses	1,856.26	-	1,856.26	-	1,856.26	3,028.58	(1,172.32)
Lease/Hire payments	192,712.74	-	192,712.74	-	192,712.74	160,619.58	32,093.16
IT costs	565,612.84	33,124.98	598,737.82	-	598,737.82	221,829.76	376,908.06
Utilities and rates	455,109.31	45,784.36	500,893.67	80,000.00	580,893.67	735,447.58	(154,553.91)
Insurance	278,362.49	19,883.16	298,245.65	40,000.00	338,245.65	305,551.19	32,694.46
Repairs and maintenance	142,296.65	-	142,296.65	-	142,296.65	129,046.82	13,249.83
Site clearance	217,083.34	-	217,083.34	-	217,083.34	212,759.69	4,323.65
Duress payments	290,993.00	-	290,993.00	-	290,993.00	222,048.00	68,945.00
Postage and stationary	15,128.30	-	15,128.30	-	15,128.30	14,076.28	1,052.02
Advertising	444.00	-	444.00	-	444.00	444.00	-
Storage costs	35,204.14	-	35,204.14	-	35,204.14	27,353.14	7,851.00
Security	335,203.84	-	335,203.84	-	335,203.84	319,415.58	15,788.26
Professional fees	54,472.27	5,571.85	60,044.12	-	60,044.12	49,431.18	10,612.94
TV licence	147.00	-	147.00	-	147.00	147.00	-
Pre administration costs	93,018.75	-	93,018.75	-	93,018.75	93,018.75	-
<b>Total</b>	<b>9,673,409.67</b>	<b>521,566.87</b>	<b>10,194,976.54</b>	<b>6,189,996.00</b>	<b>16,384,972.54</b>	<b>15,424,321.84</b>	<b>960,650.70</b>

Note certain allocations will be made across the group to contribute to the costs paid through PHML to date, therefore the figures shown in the variance column are subject to change following the allocations due across the Palmer & Harvey Group.

<i>Holdings</i>	Brought forward from 27 May 2019 (£)	Incurred in the period under review (£)	Cumulative (£)	Estimated future (£)	Anticipated total (£)	Initial estimate (£)	Variance (£)
Bank charges	-	-	-	15.00	15.00	15.00	-
Office holders fees (on a fixed fee basis)	-	-	-	28,679.00	28,679.00	28,679.00	-
Office holders expenses	2,765.65	221.26	2,986.91	200.00	3,186.91	2,960.64	226.27
Legals	-	-	-	23,000.00	23,000.00	23,000.00	-
Pre administration costs	4,464.90	-	4,464.90	-	4,464.90	4,464.90	-
<b>Total</b>	<b>7,230.55</b>	<b>221.26</b>	<b>7,451.81</b>	<b>51,894.00</b>	<b>59,345.81</b>	<b>59,119.54</b>	<b>226.27</b>

<i>Plc</i>	Brought forward from 27 May 2019 (£)	Incurred in the period under review (£)	Cumulative (£)	Estimated future (£)	Anticipated total (£)	Initial estimate (£)	Variance (£)
Bank charges	-	-	-	203.00	203.00	203.00	-
Office holders fees (on a fixed fee basis)	-	-	-	28,679.00	28,679.00	28,679.00	-
Office holders expenses	549.39	221.26	770.65	200.00	970.65	744.38	226.27
Legals	-	33,257.00	33,257.00	-	33,257.00	23,000.00	10,257.00
Insurance	14,000.00	-	14,000.00	-	14,000.00	14,000.00	-
Pre administration costs	4,464.90	-	4,464.90	-	4,464.90	4,464.90	-
<b>Total</b>	<b>19,014.29</b>	<b>33,478.26</b>	<b>52,492.55</b>	<b>29,082.00</b>	<b>81,574.55</b>	<b>71,091.28</b>	<b>10,483.27</b>

<i>1925</i>	Brought forward from 27 May 2019 (£)	Incurred in the period under review (£)	Cumulative (£)	Estimated future (£)	Anticipated total (£)	Initial estimate (£)	Variance (£)
Bank charges	-	-	-	15.00	15.00	15.00	-
Office holders fees	-	-	-	TBC	TBC	TBC	-
Office holders expenses	119.68	417.51	537.19	380.32	917.51	500.00	417.51
Insurance	-	-	-	48,000.00	48,000.00	48,000.00	-
Legals	21,127.00	110,192.25	131,319.25	15,000.00	146,319.25	23,000.00	123,319.25
Agents fees & disbursements	72,415.31	47,080.11	119,495.42	-	119,495.42	91,500.00	27,995.42
Security & site maintenance	-	-	-	58,000.00	58,000.00	58,000.00	-
Rent	14,512.50	1,168.22	15,680.72	-	15,680.72	-	-
Pre administration costs	2,480.50	-	2,480.50	-	2,480.50	2,480.50	-
<b>Total</b>	<b>110,654.99</b>	<b>158,858.09</b>	<b>269,513.08</b>	<b>121,395.32</b>	<b>390,908.40</b>	<b>TBC</b>	<b>TBC</b>

<i>DVS</i>	Brought forward from 27 May 2019 (£)	Incurred in the period under review (£)	Cumulative (£)	Estimated future (£)	Anticipated total (£)	Initial estimate (£)	Variance (£)
Bank charges	12.50	-	12.50	25.00	37.50	15.00	22.50
Office holders fees (on a fixed fee basis)	-	485,050.00	485,050.00	-	485,050.00	485,050.00	-
Office holders expenses	4,447.09	420.89	4,867.98	250.00	5,117.98	4,015.00	1,102.98
Advertising	-	-	-	75.00	75.00	75.00	-
Corporation tax	-	110.49	110.49	-	110.49	-	110.49
Insurance	-	-	-	-	-	-	-
Legals	55,890.98	-	55,890.98	-	55,890.98	41,000.00	14,890.98
Agents - Debt collection	-	-	-	36,000.00	36,000.00	36,000.00	-
Agents - asset realisations	-	-	-	250.00	250.00	1,402.53	(1,152.53)
Gross salaries	49,285.05	-	49,285.05	-	49,285.05	49,285.05	-
Rent and rates	-	-	-	12,959.10	12,959.10	13,333.50	(374.40)
Security	-	-	-	26,941.20	26,941.20	26,941.20	-
Utilities	-	-	-	4,500.00	4,500.00	4,500.00	-
Other commitments	-	-	-	3,149.70	3,149.70	3,149.70	-
Lease/Hire payments	-	-	-	456.30	456.30	456.30	-
Pre administration costs	7,577.93	-	7,577.93	-	7,577.93	7,577.93	-
<b>Total</b>	<b>117,213.55</b>	<b>485,581.38</b>	<b>602,794.93</b>	<b>84,606.30</b>	<b>687,401.23</b>	<b>672,801.21</b>	<b>14,600.02</b>

<i>Sweetdirect</i>	Brought forward from 27 May 2019 (£)	Incurred in the period under review (£)	Cumulative (£)	Estimated future (£)	Anticipated total (£)	Initial estimate (£)	Variance (£)
Bank charges	-	-	-	15.00	15.00	15.00	-
Office holders fees (on a fixed fee basis)	-	325,401.00	325,401.00	-	325,401.00	325,401.00	-
Office holders expenses	1,207.06	221.26	1,428.32	250.00	1,678.32	743.88	934.44
Advertising	-	-	-	75.00	75.00	75.00	-
Corporation tax	-	129.80	129.80	-	129.80	-	129.80
Insurance	-	-	-	-	-	-	-
Legals	48,446.41	-	48,446.41	-	48,446.41	41,000.00	7,446.41
Agents - debt collection	-	-	-	36,000.00	36,000.00	48,000.00	(12,000.00)
Agents - asset realisations	-	-	-	250.00	250.00	250.00	-
Gross salaries	-	-	-	33,574.81	33,574.81	33,574.81	-
Rent and rates	-	-	-	13,333.50	13,333.50	13,333.50	-
Security	-	-	-	26,941.20	26,941.20	26,941.20	-
Utilities	-	-	-	4,500.00	4,500.00	4,500.00	-
Other commitments	-	-	-	3,149.70	3,149.70	3,149.70	-
Lease/Hire payments	-	-	-	456.30	456.30	456.30	-
Pre administration costs	5,097.43	-	5,097.43	-	5,097.43	5,097.43	-
<b>Total</b>	<b>54,747.06</b>	<b>325,752.06</b>	<b>380,502.96</b>	<b>118,545.51</b>	<b>499,048.47</b>	<b>502,537.82</b>	<b>(3,489.35)</b>

<i>Snacksdirect</i>	Brought forward from 27 May 2019 (£)	Incurred in the period under review (£)	Cumulative (£)	Estimated future (£)	Anticipated total (£)	Initial estimate (£)	Variance (£)
Bank charges	-	-	-	-	-	15.00	(15.00)
Office holders fees (on a fixed fee basis)	-	511,489.00	511,489.00	-	511,489.00	511,489.00	-
Office holders expenses	9,202.07	557.12	9,759.19	1,500.00	11,259.19	6,783.00	4,476.19
Insurance	-	-	-	-	-	-	-
Advertising	-	-	-	75.00	75.00	75.00	-
Corporation tax	-	665.43	665.43	-	665.43	-	665.43
Legals	66,526.38	-	66,526.38	48,000.00	114,526.38	58,466.00	56,060.38
Agents - Debt collection*	120,853.71	-	120,853.71	(72,000.00)	48,853.71	48,240.00	613.71
Agents - asset realisations	2,714.32	-	2,714.32	250.00	2,964.32	1,811.79	1,152.53
Gross salaries and employee related costs	435.38	-	435.38	202,078.06	202,513.44	202,513.44	-
Storage	5,333.52	-	5,333.52	4,200.00	9,533.52	11,092.41	(1,558.89)
Rent and rates	46,401.40	-	46,401.40	-	46,401.40	51,238.84	(4,837.44)
IT and telephone	24,054.34	-	24,054.34	-	24,054.34	24,054.34	-
Security	-	-	-	31,431.40	31,431.40	31,431.40	-
Utilities	374.40	3,429.00	3,803.40	5,250.00	9,053.40	5,250.00	3,803.40
Other commitments	163.92	-	163.92	3,510.73	3,674.65	3,674.65	-
Lease/Hire payments	-	-	-	532.35	532.35	532.35	-
Pre administration costs	7,999.61	-	7,999.61	-	7,999.61	7,999.61	-
<b>Total</b>	<b>284,059.05</b>	<b>516,140.55</b>	<b>800,199.60</b>	<b>224,827.54</b>	<b>1,025,027.14</b>	<b>964,666.83</b>	<b>60,360.31</b>

\*Note that £72,000 will be transferred to Snacksdirect from DVS and Sweetdirect as part of an allocations exercise that will be completed shortly

## Appendix C: Remuneration update

Our fees in respect of all Companies except 1925 were previously approved on a fixed fee basis as set out in our remuneration report for each company (which can be located on the website [www.pwc.co.uk/palmerandharvey](http://www.pwc.co.uk/palmerandharvey)) by the secured and (where applicable) the preferential creditors. As we are now in a position to pay a distribution to preferential creditors of PHML, we will shortly be seeking approval of our fees in PHML from its preferential creditors. We are yet to draw fees in line with the approval given. We have not yet sought fee approval in relation to 1925.

Company name	Fees approved (£)
Palmer & Harvey McLane Limited	5,989,406*
Palmer & Harvey McLane (Holdings) Limited	28,679
Palmer & Harvey (Holdings) Plc	28,679
P & H Direct Van Sales Limited	485,050
P&H Sweetdirect Limited	325,401
P&H Snacksdirect Limited	511,489

\*We still need to seek fee approval from the preferential creditors of PHML.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

### Payments to associates

We have not made any payments to associates in the period covered by this report.

### Our work in the period

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work:

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Strategy & planning	<ul style="list-style-type: none"><li>Six monthly manager and appointee case progression reviews</li><li>Internal meetings &amp; updates</li></ul>	To ensure case progression and monitoring costs	Ensures orderly progression of case and cost management
Creditors	<ul style="list-style-type: none"><li>Liaising with creditors to provide updates</li><li>Responding to queries</li><li>Adjudicating claims received from unsecured creditors of</li></ul>	To keep the creditors informed	Work done in anticipation of returning funds to creditors

	<p>Snacksdirect, Sweetdirect and DVS</p> <p>Writing to creditors of Snacksdirect, Sweetdirect and DVS to request further information in support of their claims.</p>		
<i>Assets</i>	<ul style="list-style-type: none"> <li>• Collecting book debts</li> <li>• Recovering refunds due into the administrations</li> <li>• Liaising with agents on progress for asset sales</li> <li>• Obtaining valuations of assets from agents</li> <li>• Securing and insuring the properties</li> <li>• Seeking advice on security over certain assets in 1925</li> <li>• Liaising with lawyers regarding completion of property sales in 1925</li> </ul>	To ensure returns to the creditors are maximised	Realises funds for the benefit of creditors
<i>Accounting &amp; treasury</i>	<ul style="list-style-type: none"> <li>• Accounting for payments and receipts from the administration account</li> <li>• Bank reconciliations</li> <li>• Performing journals for cash movements within the P&amp;H Group</li> </ul>	To manage the bank account	Ensures proper management of the funds held
<i>Statutory &amp; compliance</i>	<ul style="list-style-type: none"> <li>• Filing documents</li> <li>• Preparing and circulating the second progress report to creditors</li> <li>• Applying to court to seek an extension of the administrations of all 7 companies</li> <li>• Liaising with legals to prepare witness statement in support of the extension</li> <li>• Filing notice of the extension with the Court and Registrar</li> </ul>	To comply with statutory obligations	Required by statute / regulation
<i>Employees &amp; Pensions</i>	<ul style="list-style-type: none"> <li>• Responding to queries from employees</li> <li>• Calculating the preferential claims of employees</li> <li>• Adjudicating unsecured employee claims ahead of prescribed part dividend in Snacksdirect, Sweetdirect and DVS</li> </ul>	To keep employees informed	Required by statute

	<ul style="list-style-type: none"> <li>• Payment of pension contributions</li> <li>• Review of options in relation to the EBT</li> </ul>		
<i>Tax &amp; VAT</i>	<ul style="list-style-type: none"> <li>• Preparing the tax return for the period</li> <li>• Submitting the tax returns in respect of Snacksdirect, Sweetdirect and DVS</li> <li>• Preparing and submitting quarterly VAT returns</li> </ul>	To comply with statutory obligations, pay tax and recover VAT which maximises realisations to creditors	Required by statute and ensures the maximum recovery of input VAT and appropriate payment of corporation tax, for the benefit of creditors

## Our future work

We still need to do the following work to achieve the purpose of administration.

<b>Area of work</b>	<b>Work we need to do</b>	<b>Whether or not the work will provide a financial benefit to creditors</b>
<i>Strategy &amp; planning</i>	<ul style="list-style-type: none"> <li>• Six monthly manager and appointee case progression reviews</li> </ul>	Incidental to proper management of the liquidation
<i>Creditors</i>	<ul style="list-style-type: none"> <li>• Liaising with creditors</li> <li>• Responding to queries from creditors</li> <li>• Agreeing creditor claims</li> <li>• Dividend calculations</li> <li>• Preferential dividend payment in PHML</li> <li>• Unsecured claims adjudication in PHML</li> <li>• Unsecured dividend payments in PHML, Snacksdirect, Sweetdirect and DVS</li> </ul>	Ensuring orderly return of funds to creditors
<i>Assets</i>	<ul style="list-style-type: none"> <li>• Collecting remaining book debts</li> <li>• Recovering refunds due into the administrations</li> <li>• Liaising with agents on progress for asset sales</li> <li>• Obtaining valuations of assets from agents</li> <li>• Securing and insuring the properties</li> <li>• Marketing and negotiating sales of the remaining properties in 1925</li> </ul>	Realises funds for the benefit of creditors

	<ul style="list-style-type: none"> <li>• Confirming position regarding asset security in 1925</li> <li>• Liaising with lawyers regarding completion of property sales</li> </ul>	
<i>Accounting &amp; treasury</i>	<ul style="list-style-type: none"> <li>• Bank reconciliations</li> <li>• Accounting for payments and receipts into the case bank account</li> <li>• Closure of bank accounts</li> <li>• Dealing with unbanked dividend cheques</li> </ul>	Ensures proper management of the funds held
<i>Statutory &amp; compliance</i>	<ul style="list-style-type: none"> <li>• Preparing and submitting six monthly progress reports to creditors</li> <li>• Complying with statutory filing requirements</li> <li>• Preparing and circulating the final report</li> </ul>	Required by statute
<i>Employees &amp; Pensions</i>	<ul style="list-style-type: none"> <li>• Responding to queries from employees</li> <li>• Liaising with the pension scheme in relation to property sales</li> <li>• Payment of pension contributions</li> <li>• Review of options in relation to the EBT</li> </ul>	Required by statute
<i>Tax &amp; VAT</i>	<ul style="list-style-type: none"> <li>• Submitting VAT reclaims</li> <li>• Completing tax returns</li> <li>• Obtaining HMRC clearance</li> </ul>	Required by statute and ensures the maximum recovery of input VAT, for the benefit of creditors
<i>Closure</i>	<ul style="list-style-type: none"> <li>• Obtaining clearances for closure</li> <li>• Closure procedures</li> </ul>	Required by statute, ensures all administration matters have been dealt with

## Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration but has not yet been approved where required. The following disbursements arose in the period of this report.

The following disbursements arose in the period of this report.

### PHML

Category	Policy	Costs incurred £
2	<b>Mileage</b> - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	240.58
1	Car parking	50.00
1	Accommodation and sustenance	846.19
1	Rail, taxi & travel fares	791.80
1	Insurance	221.26
1	Storage	1,505.74
	<b>Total</b>	<b>3,695.57</b>

### Holdings

Category	Policy	Costs incurred £
1	Insurance	221.26
	<b>Total</b>	<b>221.26</b>

### Plc

Category	Policy	Costs incurred £
1	Insurance	221.26
	<b>Total</b>	<b>221.26</b>

### 1925

Category	Policy	Costs incurred £
1	Rail fares	193.25
1	Land registry searches	3.00
1	Insurance	221.26
<b>Total</b>		<b>417.51</b>

### DVS

Category	Policy	Costs incurred £
1	Insurance	221.26
1	Postage	199.63
<b>Total</b>		<b>420.89</b>

### Sweetdirect

Category	Policy	Costs incurred £
1	Insurance	221.26
<b>Total</b>		<b>221.26</b>

### Snacksdirect

Category	Policy	Costs incurred £
1	Insurance	221.26
1	Postage	335.86
<b>Total</b>		<b>557.12</b>

## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

## *Details of subcontracted work*

We have not subcontracted any work in the period covered by this report.

## *Legal and other professional firms*

We've instructed the following professionals on this case:

<b>Service provided</b>	<b>Name of firm / organisation</b>	<b>Reason selected</b>	<b>Basis of fees</b>
Legal services, including: <ul style="list-style-type: none"><li>• contract renewal and debtor dispute assistance; and</li><li>• advice on ROT claims.</li></ul>	<ul style="list-style-type: none"><li>• Dentons UK and Middle East LLP</li><li>• DLA Piper UK LLP</li><li>• Ashurts LLP</li><li>• Hogan Lovells LLP</li></ul>	<ul style="list-style-type: none"><li>• Industry knowledge</li><li>• Previous company knowledge</li></ul>	<ul style="list-style-type: none"><li>• Time costs and disbursements</li></ul>
Chattel agents and valuers	<ul style="list-style-type: none"><li>• Hilco Valuation Services</li><li>• The Fleet Auction Group</li></ul>	<ul style="list-style-type: none"><li>• Industry knowledge</li></ul>	<ul style="list-style-type: none"><li>• % of realisations</li></ul>
Property agents, services including: <ul style="list-style-type: none"><li>• Security</li><li>• Waste collection / skip hire</li></ul>	<ul style="list-style-type: none"><li>• Moorcroft Vacant Property Management</li><li>• ACM Environmental Plc</li><li>• Triton Securities and Facilities Management Limited</li><li>• CAPA UK</li></ul>	<ul style="list-style-type: none"><li>• Industry knowledge</li></ul>	<ul style="list-style-type: none"><li>• Time costs and disbursements</li><li>• % realisations</li></ul>
Agents, services including: <ul style="list-style-type: none"><li>• Rates refunds</li><li>• Debt collection</li></ul>	<ul style="list-style-type: none"><li>• Hilton-Baird Collection Serviced Limited</li></ul>	<ul style="list-style-type: none"><li>• Industry knowledge</li></ul>	<ul style="list-style-type: none"><li>• % realisations</li></ul>
Subcontractors and others <ul style="list-style-type: none"><li>• Assisting with the collection of debtors</li></ul>	<ul style="list-style-type: none"><li>• PG &amp; JE Limited</li><li>• JRC Consultancy Services</li></ul>	<ul style="list-style-type: none"><li>• Industry knowledge</li></ul>	<ul style="list-style-type: none"><li>• Time costs and disbursements</li></ul>

We require all third party professionals to submit time costs analyses and narrative or a schedule of realisations achieved, dependent on their fee basis, in support of invoices rendered. All invoices are reviewed before being approved for payment. We are satisfied that the level of legal and professional costs is appropriate.

# Appendix D: Other information

## Information applicable to all of the Companies

<b>Court details:</b>	In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
<b>Trading name:</b>	Palmer & Harvey, P&H, P&H Snacksdirect, P&H Sweetdirect
<b>Registered address:</b>	<i>Current:</i> Central Square, 8 <sup>th</sup> Floor, 29 Wellington Street, Leeds, LS1 4DL <i>Former:</i> P&H House, Davigdor Road, Hove, East Sussex, BN3 1RE
<b>Date of the administration appointment:</b>	28 November 2017
<b>Administrators' names and addresses:</b>	Zelf Hussain and Ian David Green*, 7 More London Riverside, London, SE1 2RT *Mark James Tobias Banfield will replace Ian David Green with effect from 19 December 2019 Contact: Adam Thompson 0113 289 4983 Adam.x.thompson@pwc.com
<b>Appointer's/applicant's name and address:</b>	The directors of the Companies P&H House, Davigdor Road, Hove, East Sussex, BN3 1RE
<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), or failing that, objective (c) realising the company's assets to pay a dividend to secured or preferential creditors
<b>Division of the Administrators' responsibilities:</b>	The administrators may exercise any of the powers conferred on them by IA 1986 jointly or individually
<b>Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on Insolvency Proceedings (recast) :</b>	The Regulation applies to this administration and the proceedings are main proceedings

## Company specific information

	<i>PHML</i>	<i>Holdings</i>	<i>Plc</i>	<i>1925</i>	<i>DVS</i>	<i>Sweetdirect</i>	<i>Snacksdirect</i>
Court references:	CR-2017-008976	CR-2017-008968	CR-2017-008977	CR-2017-008978	CR-2017-008975	CR-2017-008972	CR-2017-008979
Registered number:	01874153	02274812	06470058	00207555	08003983	06705682	01852968