
Joint administrators' progress report from 28 May 2018 to 27 November 2018

19 December 2018

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)

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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
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"
P&H Direct Limited	"Direct"
P&H / Palmer & Harvey Group	"the Companies & P&H Direct Limited"
FLAG	The Fleet Auction Group
Group	The above Companies, WS Retail Limited and all other companies in the wider group
GVA	GVA Grimley
Hilco	Hilco Valuation Services
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
Abbreviation or definition	Meaning
Security Agent	Barclays Bank Plc, a secured creditor
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	Direct, DVS, Snacksdirect and Sweetdirect collectively
Wholesale	The principal business of PHML

Key messages

Why we've sent you this report

We're writing to update you on the progress of the administrations of the Companies in the six months since our last report dated 19 June 2018.

Please note that a final report was issued in respect of Direct and a copy can be found at the below website. As such, details in respect of Direct are not detailed in this report.

You can still view our earlier reports on our website at 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 £)
PHML			
This report:	ABLS 100p TCs 90-100p	Nil	Nil
Last report:	ABLS 73-100p TCs 0-59p	Nil	Nil
Holdings			
This report:	ABLS 100p TCs 90-100p	N/A	Nil
Last report:	ABLS 73-100p TCs 0-59p	N/A	Nil
Plc			
This report:	ABLS 100p TCs 90-100p	N/A	Nil
Last report:	ABLS 73-100p TCs 0-59p	N/A	Nil
1925			
This report:	PPF TBC ABLS 100p TCs 90-100p	N/A	Nil
Last report:	PPF TBC ABLS 73-100p TCs 0-59p	N/A	Nil
Snacksdirect			
This report:	ABLS 100p TCs 90-100p	100p	Up to 1p
Last report:	ABLS 73-100p TCs 0-59p	100p	Up to 1p
Sweetdirect			
This report:	ABLS 100p TCs 90-100p	100p	Up to 1p
Last report:	ABLS 73-100p TCs 0-59p	100p	Up to 1p
DVS			
This report:	ABLS 100p TCs 90-100p	100p	Up to 1p
Last report:	ABLS 73-100p TCs 0-59p	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

We don't think 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. At present the total amount owing across the Group to the secured creditors is £266.7m as a result of the ongoing interest accrual.

At the date of appointment, the debt due to the ABLs was £187.4m, secured by way of fixed and floating charges over the Group's assets. This security is first-ranking, subject to the fixed charge security in 1925 which is noted below. The return to the ABLs has been 100%.

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. Funds will be available for distribution to the Tobacco Companies as a result of the ABLs' debt being discharged in full. We currently anticipate a return of 90-100% to the Tobacco Companies. 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 are currently liaising 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. Further details are provided within this report.

Preferential creditors

According to the Companies' books and records (including the directors' statements of affairs), staff were employed in PHML, Snacksdirect, Sweetdirect and DVS, which is therefore where preferential claims are expected to arise.

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

- PHML – no funds available for preferential creditors
- Snacksdirect – Dividend of 100p in £ to by 26 December 2018.
- Sweetdirect – Dividend of 100p in £ to by 26 December 2018.
- DVS – Dividend of 100p in £ to by 26 December 2018.

During the period, we have written to the employees of Snacksdirect, Sweetdirect and DVS to agree their preferential claims in the administrations. We also gave our notice of intention to distribute funds to preferential creditors and confirmed that a distribution will be made to preferential creditors by 26 December 2018.

Unsecured creditors

Dividends for creditors are only currently anticipated for the following three companies from the ring-fenced prescribed part fund. We comment later on the factors that affect the outcome for creditors.

- Snacksdirect – we currently estimate a prescribed part distribution of up to 1 pence in the £ to unsecured creditors.
- Sweetdirect – we currently estimate a prescribed part distribution of up to 1 pence in the £ to unsecured creditors.
- DVS – we currently estimate a prescribed part distribution of up to 1 pence in the £ to unsecured creditors.

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

What you need to do

If you haven't already done so and your claim relates to 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. If your claim is against Plc, Holdings, PHML or 1925 then this report is just for your information and you are not required to do anything.

All creditors of Snacksdirect, Sweetdirect and DVS wishing to receive the anticipated dividend payment must submit a proof of debt.

Please note that should you wish to vote in relation to any decision procedure during the administration or object to a decision sought by deemed consent, you'll need to submit a proof of debt, even if one is not required for dividend purposes.

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.

Immediately on our appointment, we deployed a team across the c.60 locations to ensure that assets were secured and within our control. Assets included:

- Stock held on site;
- Companies' vehicles;
- Plant machinery and equipment;
- Fixtures and fittings;
- Freehold property;
- Cash held at bank / on site;
- Outstanding debtor balances; and
- Intellectual property and licenses.

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.

Wholesale

At the time of our appointment, PHML was the UK's largest delivered wholesaler to the UK convenience market. It had around 90,000 customers ranging from small local corner stores to the UK's largest supermarkets. It operated from a head office in Hove and a delivery network of 16 regional distribution centres which supplied up to 12,000 product lines.

Following our appointment, the Wholesale business ceased to trade and our focus was on site clearance, handing back third party assets and realising value from owned assets. At the date of appointment, the Wholesale business employed 2,953 staff. Following our appointment it was necessary to make 2,533 staff redundant immediately.

The Vans business

Whilst the benefits of continuing to trade would be outweighed by the costs and risks, we were aware that the Vans business could be of interest to certain third parties, albeit for a nominal value, and we quickly explored this interest to see if any sale could be possible.

Given the temporary suspension of trade, a rapid sale of the Vans business in its entirety was the primary objective in the days following our appointment. This was considered to be the best strategy as it would generate value for creditors from the business itself, but also maximise the recovery of book debts with the potential assistance of an ongoing trading business, mitigate creditor claims by preserving jobs and could reduce the cost of the administrations (compared to a closure scenario) as there would be less depots, employees and assets to deal with.

A number of parties were contacted, three probable buyers were identified and within three days of our appointment, one party had made a firm offer for the Vans business. Unfortunately, the sale could not be completed as the prospective purchaser chose not to proceed. A total of £300k was received in non-refundable deposits, which was used to discharge the ongoing liabilities of the administrations while trading was suspended.

Due to the lack of any alternative and credible purchaser and the lack of funding available to continue to temporarily maintain the infrastructure of the business, it was necessary to make all depot-based employees redundant on 8 December 2017. The strategy for the Vans business then followed that of the Wholesale business.

Retention of title

On appointment, PHML held c.£44m of stock across 900 supplier lines. In broad terms, this was equivalent to 65,000 pallets of stock, albeit a large number of pallets had been broken down ready to be distributed to customers. In addition, there was c.£2.1m of stock within the Vans business. This was held at depots across the country, as well as an element of the stock being kept in the vans, which had to be cleared and returned to depots, both to deal with the stock and to allow the vans to be sold or returned to lessors. Over 360 RoT claims were received, with a value of c.£41m.

We made extensive efforts to identify and contact suppliers, assisted in dealing with their RoT claims and facilitated the return of a significant quantity and value of stock. This work has both mitigated the level of unsecured claims in the administrations whilst also improving the position for RoT creditors.

Property

As stated in our previous report, the Companies have now vacated all properties, with the exception of the Head Office in Hove. All vacated leasehold properties have been offered back to the landlord for surrender.

Owned vehicles, fixed assets, equipment & chattels

The Companies' assets (other than non-RoT stock, debtors and property) can be categorised into vehicle fleet, fixed assets, materials handling equipment and chattels. Most of the assets were leased but a proportion of the older assets were owned.

We appointed Hilco as agents to provide a valuation and assist with the sales strategy for c.220 owned vehicles.

The majority of the fleet of owned vehicles were HGVs. Hilco worked with FLAG (auctioneers) to manage the collection of the vehicles and their subsequent sale through an auction process in January 2018.

The total realisations from the sale of vehicles at auction was £1.3m. This was split between PHML and Snacksdirect, with c.£1.2m received into the administration of PHML and c.£39k received into the administration of Snacksdirect. In addition, commercial vehicles of Snacksdirect were also included in a bulk asset sale, generating £150k.

Third party and leased assets

As at the date of our appointment, the Companies held a wide range of leased assets in their possession. These ranged from company cars, trucks and vans through to fork lift trucks and IT equipment.

Only a small number of company cars were retained for use. The vehicles were supplied on a mixture of rental and lease agreements from asset based lenders and rental companies. Total leased vehicles within the Companies on appointment consisted of 165 cars and 630 commercial and heavy goods vehicles.

As at 27 November 2018, 164 cars and all commercial and heavy goods vehicles have been returned. 1 vehicle remains in the administration of PHML.

Assets other than vehicles

This included the racking, picking machinery and refrigeration units at the various sites, along with IT equipment, software licences and refunds due.

As outlined previously, there were c.60 pieces of material handling equipment that were owned. Hilco assisted with the sale of these assets and total realisations of £8k were recovered.

There were various other chattel assets, including the IT, office and warehouse equipment. An offer of £200k was accepted for all of the P&H owned roll cages, which was in line with our agent's recommendations. We also realised £50k from the sale of various thermotainers into PHML. Other general items of plant and machinery were also sold by Hilco, generating realisations of £260k.

IT assets were collected from all sites across the UK and were held centrally in two locations. Hilco sold the majority of these assets, realising c.£131k. There remains a small element of IT equipment in use by retained employees which could generate future realisations.

Metis Partners were instructed to assist us in the identification and marketing of Intellectual Property, including trademarks and licenses. As previously reported, a sale was completed for specific trademarks and sale of a software licence, realising value of £115k into the administration of PHML.

Progress since we last reported

Debtors

Background

In accordance with the terms of the ABLs' security, following our appointment the Companies book debts were assigned to the Security Agent. On appointment, the total PHML debtor balance was c.£264.4m, relating to goods sold and delivered prior to our appointment.

The PHML debtors ledger on appointment comprised a "nationals" ledger totalling £243.7m across 70 accounts and an "independents" ledger totalling £20.7m across c.4,200 accounts.

Book debts outstanding for the Vans business totalled c.£7.8m on appointment, including c.£3.3m in accrued income relating to commission and rebates from suppliers.

Collections update

As at 27 November 2018, debtors totalling c.£211m have been collected for PHML.

We have reached commercial settlements with a number of PHML's significant debtors, with 67 out of the 70 "national" accounts now settled. A balance of c.£3.5m remains on the nationals ledger that is yet to be settled.

We are continuing to work through the contractual terms of the agreements in place with the remaining debtors. Where appropriate, we have engaged legal advisors to review contractual terms and to make the necessary arrangements to prepare legal proceedings in order to resolve any ongoing disputes.

In respect of the PHML independents ledger, c.82% of the ledger has been collected to date.

To 27 November 2018, debtors totalling c.£3m have been collected for the Vans business. This includes amounts recovered in respect of accrued supplier income. No further debtor realisations are expected for the Vans business.

Property

As stated in our previous report, we vacated all properties other than the Head Office in Hove, which we continue to occupy for achieving the purpose of the administrations.

Site Security

Works have been undertaken across the freehold properties to ensure that they remain compliant for insurance purposes. Part of this process involves our security agents undertaking property inspections of the vacant freehold sites to ensure that the sites remain compliant and secure.

Leeds, 94-96 Geldard Road

This property was fully marketed for a 6-8 week period, advertisements were placed in Estates Gazette and online details posted to the GVA website. An acceptable offer was received and a sale completed on 16 October 2018. Gross realisations into PHML from this sale, prior to costs of sale, were £3.4m

Brandon, Wimbledon Avenue

This property was fully marketed for a 6-8 week period, advertisements were placed in Estates Gazette and online details posted to the GVA website. An offer on the property was accepted and a sale completed on 5 July 2018, realising total funds of £1.92m into the administration of 1925.

Saltash, Moorlands Industrial Estate, Plymouth

This land was fully marketed for a 6-8 week period, advertisements were placed in Estates Gazette and online details posted to the GVA website. An offer on the land was accepted and a sale completed on 5 October 2018, realising total funds of £960k into the administration of 1925. Additionally, a separate area of the car parking land was sold to a local motor dealer on 31 July 2018 for a gross realisation of £40k. Both realisations came into the administration of 1925.

Inverness, Caresgate Road North, Carse Industrial Estate

This property was fully marketed for a 6-8 week period, advertisements were placed in Estates Gazette and online details posted to the GVA website. An acceptable offer was received in relation to this property and a sale was completed on 14 August 2018, realising funds of c.£617k into the administration of 1925.

Fareham, 26 Brunel Way, Segensworth

This property was fully marketed for a 6-8 week period, advertisements were placed in Estates Gazette and online details posted to the GVA website. Multiple bids have been received for this property. During the period we have accepted an offer for the property, which is subject to a formal valuation and contract. This property is held on a long lease from the Local Authority. The ground lease is subject to an outstanding rent review that needs to be negotiated and agreed before the landlord will consent to assign the lease. The negotiations over the rent review process are ongoing at the date of this report.

Dunfermline, land adjacent to Pitreavie Business Park

This land is currently being marketed by our agents, GVA.

We continue to market the remaining properties and will provide a further update in our next report.

Other realisations

Rates refunds & other refunds

During the period we have recovered refunds totalling c.£381k across the Palmer & Harvey Group, the breakdown of these can be located on the receipts and payments accounts at Appendix A. These refunds relate to a combination of business rates refunds and other credits due.

Bank interest received

During the period covered by this report, bank interest of £7,718 has been received into the administrations. A breakdown by company can be found at Appendix A.

Pensions

The Group operated the following pension schemes:

- A defined benefit scheme, for which accrual of pensionable service ceased in 2013; and
- Two defined contribution schemes, which were the “live” schemes at the time of our appointment.

There was also a separate scheme providing a benefit in the event of death in service, and some other insured employee benefit arrangements.

We understand that PHML and Snacksdirect are employers under the defined benefit scheme.

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 have carried out detailed investigations into the security held by the pension scheme trustee over properties owned by 1925 and the associated debt owing to the scheme. We have appointed legal advisers to assist us in this process, and those legal advisers are in the process of obtaining documents and information from the legal advisers acting for the trustee. We anticipate that it may be some time before the status of pension scheme’s security is resolved. In the meantime, the properties have been sold and therefore the question is the extent to which the scheme is entitled to some or all of the proceeds of sale under the terms of the security.
- We have corresponded with the PPF and the scheme trustee in relation to a property which was sold in 2016 prior to the appointment of administrators, where the trustee had security over the property (which it released to facilitate the sale). We are seeking to establish what formal arrangements were made with the trustee with regards to the sale and the proceeds from the sale.
- We have carried out work to establish options for the future of one of the employee benefit trusts (EBTs, which strictly are not pension schemes) operated by the Palmer & Harvey Group. The trusts does not however form part of the administration estate. We have also corresponded with HM Revenue & Customs on the EBTs.

- 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 insurer of the death in service scheme for cover to remain in place for continuing employees.

Employees

As stated in our previous report, at the date of our appointment, the Companies employed 3,369 people across the many depot and head office locations in the UK. As detailed in our previous progress report, employees were made redundant at various dates. Following our previous report, further redundancies have been made across various dates and locations, and we have currently retained 9 staff to assist with the ongoing debt collection and other matters administrations.

Extension of the administrations

During the period, we have sought an extension of the administrations of the Snacksdirect, Sweetdirect, and Direct Van Sales from the secured and preferential creditors, and we sought an extension of Holdings, 1925 and Plc from the secured creditors. In the case of PHML we applied to Court to have the administration period extended. I am pleased to confirm that extensions have been granted and the administrations of the Companies now run until 27 November 2019.

Closure of P&H Direct

During the period covered by this report, we have concluded the administration of Direct. This company was wound up as part of the wider group and operated as a holding company for the Vans business. The company was dormant and had no assets or employees, therefore we have resolved to end the administration and dissolve the company by filing the relevant notice at Companies House.

Other issues

During the period, we have prepared and circulated our first progress report for the administrations of the Companies. We have also prepared the VAT return for the period and prepared our fee approval requests, along with issuing our notice of intention to distribute to preferential creditors of Snacksdirect, Sweetdirect and Direct Van Sales. Our specialist tax team have also began preparing the Companies' tax returns for the relevant periods.

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.

Investigations and actions

We have complied with our duties under the Company Directors' Disqualification Act 1986 and SIP 2. During the period covered by this report, we have submitted our report to the Insolvency Service as required and are cooperating with any further information requests.

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 SIP2.

Our receipts and payments account

We set out in Appendix A the accounts of our receipts and payments in the administrations from 28 May 2018 to 27 November 2018.

Our expenses

We set out in Appendix B statements of the expenses we've incurred to 27 November 2018 and the estimates of our future expenses. 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

You can find in Appendix D information about the approval of the unpaid pre-administration costs previously 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 the preferential creditors in DVS, Snacksdirect and Sweetdirect;
- Collect the remaining debtor balances owed;
- Realise the remaining assets within the administrations;
- Complete the sales of the remaining freehold properties;
- Make an interim distribution to the secured creditors;
- Adjudicate unsecured claims received in DVS, Snacksdirect and Sweetdirect; and
- Make a distribution to unsecured creditors in 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 are currently considering the outstanding issues across the Companies and assessing whether any of them can be closed. We'll provide an update on this in our next report. We expect to send our next report to creditors at the end of the administration or in about six months, whichever is the sooner. If you've got any questions, please email phqueries@uk.pwc.com.

Yours faithfully
For and on behalf of the Companies



Zelf Hussain
Joint administrator

Zelf Hussain, Matthew Callaghan 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. 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 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

PHML			
Statement of affairs	Brought forward at 27 May 2018	28 May 2018 to 27 November 2018	28 November 2017 to 27 November 2018
Fixed Charge realisations			
237,099,000.00 Debtors	6,582.29	23,808,782.93	23,815,365.22
1,945,000.00 Freehold property	-	3,400,000.00	3,400,000.00
Bank interest	-	618.30	618.30
Fixed Charge cost of realisations	-	-	-
Fixed balance	6,582.29	27,209,401.23	27,215,983.52
Distribution to Secured Creditors	-	(22,625,000.00)	(22,625,000.00)
Fixed charge balance	6,582.29	4,584,401.23	4,590,983.52
Floating Charge realisations			
1,989,000.00 Fixtures & Fittings, Office Equipment & Computers	-	2,976.00	2,976.00
Plant & Machinery	257,884.00	-	257,884.00
190,000.00 Motor Vehicles	1,154,275.68	-	1,154,275.68
Stock	857,253.72	354.00	857,607.72
Intellectual property	115,000.00	-	115,000.00
593,000.00 Refunds	650,878.97	131,483.76	782,362.73
359,000.00 Prepayments	-	-	-
Bank Interest	716.41	3,311.59	4,028.00
Suspense Account*	8,432.85	9,387.52	17,820.37
	3,044,441.63	147,512.87	3,191,954.50
Floating Charge cost of realisations			
Sub Contractors	(122,271.50)	(12,742.90)	(135,014.40)
Motor & travel expenses	(1,856.26)	-	(1,856.26)
Professional Fees	(49,431.18)	-	(49,431.18)
Leased equipment / hire purchase	(160,484.58)	(32,228.16)	(192,712.74)
Site clearance	(193,719.69)	(19,988.65)	(213,708.34)
Repairs & Maintenance	(137,714.25)	(4,222.40)	(141,936.65)
Agents' fees & disbursements	(227,287.15)	(42,591.91)	(269,879.06)
Duress Payments	(239,048.00)	(45,450.00)	(284,498.00)
Security	(304,145.08)	(28,655.16)	(332,800.24)
Software licenses, trademarks & IT	(144,976.76)	(322,735.78)	(467,712.54)
Office costs, Stationery & Postage	(14,148.46)	(979.84)	(15,128.30)
Legal Fees & disbursements	(3,810.00)	(1,817,329.41)	(1,821,139.41)
Third party funds	(234,795.16)	234,795.16	-
Employee deductions from earnings	(1,701.97)	-	(1,701.97)
Irrecoverable VAT	(13.00)	-	(13.00)
Storage Costs	(12,889.41)	(11,838.56)	(24,727.97)
Statutory advertising	(444.00)	-	(444.00)
Rent	(505,421.21)	(56,472.73)	(561,893.94)
Utilities & Rates	(19,947.58)	(242,865.60)	(262,813.18)
Insurance	(488.98)	(219,129.03)	(219,618.01)
Wages & Salaries	(1,776,088.41)	(203,199.46)	(1,979,287.87)
PAYE/NIC and Pension Deductions	(835,279.28)	(163,433.10)	(998,712.38)
Employee expenses & related costs	(46,654.33)	(111,573.64)	(158,227.97)
Bank charges	(450.00)	(180.00)	(630.00)
Head office expenses	(750.00)	-	(750.00)
	(5,034,400.66)	(3,100,821.17)	(8,134,637.41)
Floating charge balance excluding ABL funding	(1,982,792.32)	(2,953,308.30)	(4,942,682.91)
Funding from ABLs	6,552,730.59	2,896,269.67	9,449,000.26
VAT control account	(103,050.40)	613,416.30	510,365.90
Funds held in interest bearing Barclays account	4,466,887.87	5,140,778.90	9,607,666.77
<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>			

Note – debtor balances have been recovered directly by the Security Agent and therefore do not appear in their entirety on the administration receipts and payments account.

Holdings			
Statement of affairs	28 November 2017 to 27 May 2018	28 May 2018 to 27 November 2018	28 November 2017 to 27 November 2018
Fixed Charge realisations	-	-	-
Fixed Charge cost of realisations	-	-	-
Fixed balance	-	-	-
Floating Charge realisations			
Bank interest	-	0.04	0.04
Refunds	56.25	60.00	116.25
	<u>56.25</u>	<u>60.04</u>	<u>116.29</u>
Floating Charge cost of realisations	-	-	-
Floating balance	<u>56.25</u>	<u>60.04</u>	<u>116.29</u>
VAT control account	-	-	-
Funds held in interest bearing Barclays account	<u>56.25</u>	<u>60.04</u>	<u>116.29</u>
<i>All items are stated net of VAT</i>			

Plc			
Statement of affairs	28 November 2017 to 27 May 2018	28 May 2018 to 27 November 2018	28 November 2017 to 27 November 2018
Fixed Charge realisations	-	-	-
Fixed Charge cost of realisations	-	-	-
Fixed balance	-	-	-
Floating Charge realisations			
Refunds	86,535.03	-	86,535.03
Bank Interest	12.22	145.71	157.93
	<u>86,547.25</u>	<u>145.71</u>	<u>86,692.96</u>
Floating Charge cost of realisations			
Insurance	(14,000.00)	-	(14,000.00)
Third party funds	234,795.16	(234,795.16)	-
	<u>220,795.16</u>	<u>(234,795.16)</u>	<u>(14,000.00)</u>
Floating charge balance excluding ABL funding	<u>307,342.41</u>	<u>(234,649.45)</u>	<u>72,692.96</u>
VAT control account	-	-	-
Funding from ABLs	14,000.00	-	14,000.00
Funds held in interest bearing Barclays account	<u>321,342.41</u>	<u>(234,649.45)</u>	<u>86,692.96</u>
<i>All items are stated net of VAT</i>			

Note the statement of affairs for Holdings & Plc did not show any realisable assets within the administrations

1925				
Statement of affairs		28 November 2017 to 27 May 2018	28 May 2018 to 27 November 2018	28 November 2017 to 27 November 2018
	Fixed Charge realisations			
1,614,000.00	Freehold property	-	2,576,666.66	2,576,666.66
1,006,000.00	Fixed charge cash	-	-	-
	Bank interest	-	4,034.14	4,034.14
67,000.00	Leasing land & buildings	-	-	-
		-	2,580,700.80	2,580,700.80
	Fixed Charge cost of realisations			
	Rent	-	(14,512.50)	(14,512.50)
	Fixed balance	-	2,566,188.30	2,566,188.30
	Floating Charge realisations			
	Refunds	41,160.19	-	41,160.19
		41,160.19	-	41,160.19
	Floating Charge cost of realisations			
	Agents' Fees & disbursements	(10,290.05)	-	(10,290.05)
		(10,290.05)	-	(10,290.05)
	Floating balance	30,870.14	-	30,870.14
	VAT control account	(2,058.01)	-	(2,058.01)
	Funds held in interest bearing Barclays account	28,812.13	2,566,188.30	2,595,000.43
	<i>All items are stated net of VAT</i>			

DVS				
Statement of affairs		28 November 2017 to 27 May 2018	28 May 2018 to 27 November 2018	28 November 2017 to 27 November 2018
	Fixed Charge realisations	-	-	-
	Fixed Charge cost of realisations	-	-	-
	Fixed balance	-	-	-
	Floating Charge realisations			
1,744,962.00	Cash at bank	-	-	-
	Bank interest	-	3.04	3.04
12,095.00	Stock	-	-	-
821,243.00	Book debts	-	821,756.01	821,756.01
	Third party funds	-	100.00	100.00
100.00	Motor vehicles	-	-	-
-	Refunds	5,379.30	4,677.80	10,057.10
		5,379.30	826,536.85	831,916.15
	Floating Charge cost of realisations			
	Gross wages and salaries	(49,285.05)	-	(49,285.05)
	Rates	-	(374.40)	(374.40)
	Agents' Fees & Disbursements	(1,152.53)	-	(1,152.53)
		(50,437.58)	(374.40)	(50,811.98)
	Floating charge balance excluding ABL funding	(45,058.28)	826,162.45	781,104.17
	Funding from ABLs	49,285.05	-	49,285.05
	VAT control account	(230.51)	-	(230.51)
	Funds held in interest bearing Barclays account	3,996.26	826,162.45	830,158.71
	<i>All items are stated net of VAT</i>			

Note 1925 and Vans cash at bank was set-off on appointment against monies owed to the ABLs per their security, therefore does not appear on the administration receipts and payments account.

Sweetdirect				
Statement of affairs		28 November 2017 to 27 May 2018	28 May 2018 to 27 November 2018	28 November 2017 to 27 May 2018
Fixed Charge realisations		-	-	-
Fixed Charge cost of realisations		-	-	-
Fixed balance		-	-	-
Floating Charge realisations				
847,572.00 Cash at bank		-	-	-
Bank interest		-	0.97	0.97
Refunds		-	3,737.12	3,737.12
16,140.00 Stock		-	-	-
615,932.00 Book debts		326.37	230,208.35	230,534.72
		<u>326.37</u>	<u>233,946.44</u>	<u>234,272.81</u>
Floating Charge cost of realisations				
Wages		(33,574.81)	-	(33,574.81)
		<u>(33,574.81)</u>	<u>-</u>	<u>(33,574.81)</u>
Floating charge balance excluding ABL funding		<u>(33,248.44)</u>	<u>233,946.44</u>	<u>200,698.00</u>
Funding from ABLs		33,574.81	-	33,574.81
VAT control account		-	-	-
Funds held in interest bearing Barclays account		<u>326.37</u>	<u>233,946.44</u>	<u>234,272.81</u>
All items are stated net of VAT				

Snacksdirect				
Statement of affairs		28 November 2017 to 27 May 2018	28 May 2018 to 27 November 2018	28 November 2017 to 27 November 2018
Fixed Charge realisations		-	-	-
Fixed Charge cost of realisations		-	-	-
Fixed balance		-	-	-
Floating Charge realisations				
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		157.45	1,958,144.59	1,958,302.04
13,557.00 Refunds		80,995.19	6,193.38	87,188.57
Bank Interest		61.03	222.78	283.81
Funding from potential purchaser		300,000.00	-	300,000.00
Sale of IT equipment		90,000.00	-	90,000.00
		<u>660,563.67</u>	<u>1,964,560.75</u>	<u>2,625,124.42</u>
Floating Charge cost of realisations				
Rates & utilities		(7,906.01)	-	(7,906.01)
Repairs & Maintenance		(558.92)	-	(558.92)
Employee Related Costs		(243.36)	-	(243.36)
Sundry Expenses		(240.00)	(163.92)	(403.92)
Agents' Fees		(1,561.79)	(120,613.71)	(122,175.50)
Legal fees & Expenses		(10,466.00)	-	(10,466.00)
Employee deductions from earnings		(192.02)	-	(192.02)
Irrecoverable VAT		(2,093.20)	-	(2,093.20)
Phone & IT services		(5,158.45)	-	(5,158.45)
Wages		(202,072.06)	-	(202,072.06)
Storage Costs		(1,213.05)	(3,503.67)	(4,716.72)
Rent		(44,671.04)	(1,730.77)	(46,401.81)
		<u>(276,375.90)</u>	<u>(126,012.07)</u>	<u>(402,387.97)</u>
Floating charge balance excluding ABL funding		<u>384,187.77</u>	<u>1,838,548.68</u>	<u>2,222,736.45</u>
VAT control account		37,794.72	(65,837.50)	(28,042.78)
Funding from ABLs		202,072.06	-	202,072.06
Funds held in interest bearing Barclays account		<u>624,054.55</u>	<u>1,772,711.18</u>	<u>2,396,765.73</u>
All items are stated net of VAT				

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.

Please note that as our fee basis has been approved on a fixed fee basis, the estimated future figure shown in the below tables is a fixed amount that will not change.

<i>PHML</i>	Brought forward from 27 May 2018 (£)	Incurred in the period under review (£)	Cumulative (£)	Estimated future (£)	Anticipated total (£)	Initial estimate (£)	Variance (£)
Bank charges	450.00	180.00	630.00	90.00	720.00	600.00	120.00
Office holders fees (on a fixed fee basis)	-	-	-	5,989,406.00	5,989,406.00	5,989,406.00	-
Office holders expenses	43,515.48	5,708.81	49,224.29	500.00	49,724.29	49,515.48	208.81
Legals	3,180.00	1,817,329.41	1,820,509.41	600,000.00	2,420,509.41	2,230,370.00	190,139.41
Agents - asset realisations	161,622.75	42,591.91	204,214.66	17,715.72	221,930.38	421,930.38	(200,000.00)
Rent	505,421.23	56,472.73	561,893.96	20,743.73	582,637.69	582,637.69	-
Gross salaries	3,315,287.03	203,199.46	3,518,486.49	40,000.00	3,558,486.49	3,452,987.03	105,499.46
Employee expenses	46,654.33	111,573.64	158,227.97	-	158,227.97	53,154.33	105,073.64
Subcontractors	118,253.80	12,742.90	130,996.70	12,000.00	142,996.70	148,253.80	(5,257.10)
Petty cash	750.00	-	750.00	500.00	1,250.00	1,250.00	-
Motor and travel expenses	1,928.58	-	1,928.58	-	1,928.58	3,028.58	(1,100.00)
Lease/Hire payments	160,619.58	32,228.16	192,847.74	-	192,847.74	160,619.58	32,228.16
IT costs	144,829.76	322,735.78	467,565.54	25,000.00	492,565.54	221,829.76	270,735.78
Utilities and rates	19,947.58	242,865.60	262,813.18	190,000.00	452,813.18	735,447.58	(282,634.40)
Insurance	488.98	219,129.03	219,618.01	98,000.00	317,618.01	305,551.19	12,066.82
Repairs and maintenance	128,046.82	4,222.40	132,269.22	-	132,269.22	129,046.82	3,222.40
Site clearance	193,719.69	19,988.65	213,708.34	-	213,708.34	212,759.69	948.65
Duress payments	222,048.00	45,450.00	267,498.00	10,000.00	277,498.00	222,048.00	55,450.00
Postage and stationary	14,076.28	979.84	15,056.12	1,100.00	16,156.12	14,076.28	2,079.84
Advertising	444.00	-	444.00	-	444.00	444.00	-
Storage costs	13,411.01	11,838.56	25,249.57	11,200.00	36,449.57	27,353.14	9,096.43
Security	319,415.58	28,655.16	348,070.74	-	348,070.74	319,415.58	28,655.16
Professional fees	49,431.18	-	49,431.18	-	49,431.18	49,431.18	-
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	-
Total	5,556,707.41	3,177,892.04	8,734,599.45	7,016,255.45	15,750,854.90	15,424,321.84	326,533.06

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 2018 (£)	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	2,710.64	55.01	2,765.65	194.99	2,960.64	2,960.64	-
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	-
Total	7,175.54	55.01	7,230.55	51,888.99	59,119.54	59,119.54	-

<i>Plc</i>	Brought forward from 27 May 2018 (£)	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	494.38	55.01	549.39	194.99	744.38	744.38	-
Legals	-	-	-	23,000.00	23,000.00	23,000.00	-
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	-
Total	18,959.28	55.01	19,014.29	52,076.99	71,091.28	71,091.28	-

<i>1925</i>	Brought forward from 27 May 2018 (£)	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	-	-	-	70,000.00	7,000.00	TBC	-
Office holders expenses	-	55.01	55.01	444.99	500.00	500.00	-
Insurance	-	-	-	-	-	TBC	-
Legals	-	-	-	23,000.00	23,000.00	23,000.00	-
Agents (figures estimated but subject to completion values and timescales)	-	-	-	91,500.00	91,500.00	91,500.00	-
Security & site maintenance (figure is dependent on timescales for completion)	-	-	-	30,000.00	30,000.00	TBC	-
Rent	-	14,512.50	14,512.50	-	14,512.50	-	-
Pre administration costs	2,480.50	-	2,480.50	-	2,480.50	2,480.50	-
Total	2,480.50	14,567.51	17,048.01	214,959.99	169,008.00	TBC	-

<i>DVS</i>	Brought forward from 27 May 2018 (£)	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)	-	-	-	485,050.00	485,050.00	485,050.00	-
Office holders expenses	3,715.00	732.09	4,447.09	700.00	5,147.09	4,015.00	1,132.09
Advertising	-	-	-	75.00	75.00	75.00	-
Insurance	-	-	-	-	-	-	-
Legals	-	-	-	41,000.00	41,000.00	41,000.00	-
Agents - Debt collection	-	-	-	36,000.00	36,000.00	36,000.00	-
Agents - asset realisations	1,152.53	-	1,152.53	250.00	1,402.53	1,402.53	-
Gross salaries	49,285.05	-	49,285.05	-	49,285.05	49,285.05	-
Rent and rates	-	374.40	374.40	12,959.10	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	7,577.93	-	7,577.93	-	7,577.93	7,577.93	-
Total	12,445.46	1,106.49	62,837.00	611,096.30	673,933.30	672,801.21	1,132.09

<i>Sweetdirect</i>	Brought forward from 27 May 2018	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	-
Office holders expenses	643.88	559.34	1,203.22	550.00	1,753.22	743.88	1,009.34
Advertising	-	-	-	75.00	75.00	75.00	-
Insurance	-	-	-	-	-	-	-
Legals	-	-	-	41,000.00	41,000.00	41,000.00	-
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	-
Total	5,741.31	559.34	6,300.65	485,246.51	491,547.16	502,537.82	(10,990.66)

<i>Snacksdirect</i>	Brought forward from 27 May 2018	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	-
Office holders expenses	6,283.00	2,919.07	9,202.07	1,500.00	10,702.07	6,783.00	3,919.07
Insurance	-	-	-	-	-	-	-
Advertising	-	-	-	75.00	75.00	75.00	-
Legals	10,466.00	-	10,466.00	48,000.00	58,466.00	58,466.00	-
Agents - Debt collection	240.00	120,613.71	120,853.71	-	120,853.71	48,240.00	72,613.71
Agents - asset realisations	1,561.79	-	1,561.79	250.00	1,811.79	1,811.79	-
Gross salaries and employee related costs	435.38	-	435.38	202,078.06	202,513.44	202,513.44	-
Storage	1,213.05	3,503.67	4,716.72	4,200.00	8,916.72	11,092.41	(2,175.69)
Rent and rates	44,670.63	1,730.77	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	-	-	-	5,250.00	5,250.00	5,250.00	-
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	-
Total	96,923.80	128,931.14	225,854.94	808,316.54	1,034,171.48	964,666.83	69,504.65

Note agents' fees for debt collection were paid entirely through Snacksdirect and will be apportioned between Snacksdirect, Sweetdirect and DVS, on the basis of the above future estimates for DVS and Sweetdirect. This means that the amount paid through Snacksdirect will be reduced by £72,000 which will bring the amount paid from Snacksdirect back in line with our initial estimate.

Appendix C: Remuneration update

During the period covered by this report, our fees in respect of all Companies except 1925 were 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) by the secured and (where applicable) the 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 approval (£)
Palmer & Harvey McLane Limited	5,989,406.00
Palmer & Harvey McLane (Holdings) Limited	28,679.00
Palmer & Harvey (Holdings) Plc	28,679.00
P & H Direct Van Sales Limited	485,050.00
P&H Sweetdirect Limited	325,401.00
P&H Snacksdirect Limited	511,489.00

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

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"> Six monthly manager and appointee case progression reviews Internal meetings & updates 	To ensure case progression and monitoring costs	Ensures orderly progression of case and cost management
Creditors	<ul style="list-style-type: none"> Liaising with creditors to provide updates Responding to queries 	To keep the creditors informed	Work done in anticipation of returning funds to creditors
Assets	<ul style="list-style-type: none"> Collecting book debts Recovering refunds due into the administrations Liaising with agents on progress for asset sales 	To ensure returns to the creditors are maximised	Realises funds for the benefit of creditors

	<ul style="list-style-type: none"> • Obtaining valuations of assets from agents • Securing and insuring the properties • Dealing with pre-appointment property sale in N Ireland and allocation of sales proceeds • Marketing and negotiating sales of properties in PHML and 1925 • Liaising with lawyers regarding completion of property sales 		
<i>Accounting & treasury</i>	<ul style="list-style-type: none"> • Accounting for payments and receipts from the administration account • Bank reconciliations • Performing journals for cash movements within the P&H Group 	To manage the bank account	Ensures proper management of the funds held
<i>Statutory & compliance</i>	<ul style="list-style-type: none"> • Filing documents • Preparing and circulating the first progress report to creditors • Seeking an extension of the administrations from secured and preferential creditors • Obtaining formal fee approval in respect of all Companies excluding 1925 • Filing notice of the extension with the Court and Registrar • Preparing and submitting the final report in respect of Direct 	To comply with statutory obligations	Required by statute / regulation
<i>Employees & Pensions</i>	<ul style="list-style-type: none"> • Responding to queries from employees • Calculating the preferential claims of employees • Writing to employees to issue our notice of intention to declare a preferential dividend • Resolving the issue around security with PPF • Liaising with the pension scheme in relation to property sales • Payment of pension contributions • Review of options in relation to the EBT 		
<i>Tax & VAT</i>	<ul style="list-style-type: none"> • Preparing the tax return for the period • Preparing and submitting quarterly VAT returns 	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
<i>Closure</i>	<ul style="list-style-type: none"> Completing closure tasks associated with the closure of Direct Filing notice of move to dissolution of Direct with the Registrar 	To comply with statutory obligations	Required by statute / regulation

Our future work

We still need to do the following work in the liquidation.

Area of work	Work we need to do	Whether or not the work will provide a financial benefit to creditors
<i>Strategy & planning</i>	<ul style="list-style-type: none"> Six monthly manager and appointee case progression reviews 	Incidental to proper management of the liquidation
<i>Creditors</i>	<ul style="list-style-type: none"> Liaising with creditors Responding to queries from creditors Agreeing creditor claims Dividend calculations Distributing funds to preferential and unsecured creditors of Snacksdirect, Sweetdirect and DVS 	Ensuring orderly return of funds to creditors
<i>Assets</i>	<ul style="list-style-type: none"> Collecting remaining book debts Recovering refunds due into the administrations Liaising with agents on progress for asset sales Obtaining valuations of assets from agents Securing and insuring the properties Marketing and negotiating sales of the remaining properties in 1925 Liaising with lawyers regarding completion of property sales 	Realises funds for the benefit of creditors
<i>Accounting & treasury</i>	<ul style="list-style-type: none"> Bank reconciliations Accounting for payments and receipts into the case bank account Closure of bank accounts Dealing with unbanked dividend cheques from Snacksdirect, Sweetdirect and PHML 	Ensures proper management of the funds held

<i>Statutory & compliance</i>	<ul style="list-style-type: none"> • Preparing and submitting six monthly progress reports to creditors • Complying with statutory filing requirements • Preparing and circulating the final report 	Required by statute
<i>Employees & Pensions</i>	<ul style="list-style-type: none"> • Responding to queries from employees • Adjudicating unsecured employee claims ahead of prescribed part dividend in Snacksdirect, Sweetdirect and DVS • Resolving the issue around security with PPF • Liaising with the pension scheme in relation to property sales • Payment of pension contributions • Review of options in relation to the EBT 	
<i>Tax & VAT</i>	<ul style="list-style-type: none"> • Submitting VAT reclaims • Completing tax returns • Obtaining HMRC clearance 	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"> • Obtaining clearances for closure • Closure procedures 	Required by statute, ensures all administration matters have been dealt with

Payments to associates

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

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.

PHML

Category	Policy	Costs incurred £
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	65.13
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	80.19
1	Postage	152.90
1	Car parking	8.75
1	Accommodation and sustenance	3,137.89
1	Rail, taxi & travel fares	2,075.50
1	IT costs	188.45
	Total	5,708.81

Holdings

Category	Policy	Costs incurred £
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	-
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	Postage	55.01
	Total	55.01

Plc

Category	Policy	Costs incurred £
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	-
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	Postage	55.01
	Total	55.01

Category	Policy	Costs incurred £
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	-
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	Postage	55.01
	Total	55.01

DVS

Category	Policy	Costs incurred £
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	190.08
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	Postage	542.01
	Total	732.09

Sweetdirect

Category	Policy	Costs incurred £
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	171.34
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	Postage	388.00
	Total	559.34

Category	Policy	Costs incurred £
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	690.54
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	Postage	1,245.01
1	Accommodation and sustenance	232.10
1	Rail, taxi & travel fares	751.42
	Total	2,919.07

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.

Legal and other professional firms

We've instructed the following professionals on this case:

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

Appendix D: Pre-administration costs

A formal request to the secured and (where applicable) preferential creditors will be made in due course. That request will seek approval for unpaid pre-administration costs as an expense of the administration.

Appendix E: Other information

Information applicable to all of the Companies

Court details:	In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
Trading name:	Palmer & Harvey, P&H, P&H Snacksdirect, P&H Sweetdirect
Registered address:	<i>Current:</i> Central Square, 8 th Floor, 29 Wellington Street, Leeds, LS1 4DL <i>Former:</i> P&H House, Davigdor Road, Hove, East Sussex, BN3 1RE
Date of the administration appointment:	28 November 2017
Administrators' names and addresses:	Matthew Boyd Callaghan, Ian David Green and Zelf Hussain, 7 More London Riverside, London, SE1 2RT Contact: Adam Thompson 0113 289 4983 Adam.x.thompson@pwc.com
Appointer's/applicant's name and address:	The directors of the Companies P&H House, Davigdor Road, Hove, East Sussex, BN3 1RE
Objective being pursued by the Administrators:	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
Division of the Administrators' responsibilities:	The administrators may exercise any of the powers conferred on them by IA 1986 jointly or individually
Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on Insolvency Proceedings (recast) :	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