

# Joint administrators' progress report from 28 May 2021 to 27 November 2021

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

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

17 December 2021

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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 to 19 December 2019 Zelf Hussain and Mark James Tobias Banfield from 19 December 2019
Companies	Palmer & Harvey (Holdings) Plc "Plc" Palmer & Harvey McLane Limited "PHML"
P&H / Palmer & Harvey Group	The Companies, P&H Direct Limited, Palmer & Harvey McLane (Holdings) Limited, P & H (1925) Limited "1925", P&H Snacksdirect Limited, P&H Sweetdirect Limited and P & H Direct Van Sales Limited
Group	The Companies, P&H Direct Limited, Palmer & Harvey McLane (Holdings) Limited, P&H Snacksdirect Limited, P&H Sweetdirect Limited, P & H Direct Van Sales Limited and WS Retail Limited and all other companies in the wider group
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
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
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 2	Statement of Insolvency Practice 2: Investigations by office holders in administrations and insolvent liquidations and the submission of conduct reports by office holders. Effective from 6 April 2016.

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	P&H Snacksdirect Limited, P&H Sweetdirect Limited and P & H Direct Van Sales Limited collectively
Wholesale	The principal business of PHML

This report has been prepared by Zelf Hussain and Mark James Tobias Banfield as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any person choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at [www.pwc.co.uk/palmerharvey](http://www.pwc.co.uk/palmerharvey). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Mark James Tobias Banfield and Zelf Hussain have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its 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](http://PwC.co.uk) website or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

# Key messages

## Why we've sent you this report

We are writing to update you on the progress of the administration of the Companies in the six months since our last report dated 18 June 2021.

Creditors may wish to read this report in conjunction with our proposals or earlier progress reports, all of which continue to be available on our website at [www.pwc.co.uk/palmerharvey](http://www.pwc.co.uk/palmerharvey). Please email Adam Thompson at [uk\\_palmerharvey\\_creditors@pwc.com](mailto:uk_palmerharvey_creditors@pwc.com), if you wish to request a hard copy of the report.

## 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 the £)	Preferential creditors (p in the £)	Unsecured creditors (p in the £)
<b>PHML</b>			
This report:	ABLs 100p TCs 80-100p	100p (paid)	Up to 1p
Last report:	ABLs 100p TCs 80-100p	100p (paid)	Up to 1p
<b>Plc</b>			
This report:	ABLs 100p TCs 80-100p	N/A	Nil
Last report:	ABLs 100p TCs 80-100p	N/A	Nil

## Secured creditors

As previously reported, it is uncertain whether the secured creditors will fully be 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 creditors continues to increase 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. The ABLs held first ranking security (except in 1925) and following our appointment their debt has been repaid in full.

The Tobacco Companies held second ranking security over the Group's assets and were owed £66.1m on appointment. As the ABLs' debt has been discharged in full, funds were made available for distribution to the Tobacco Companies. To date distributions totalling £63.1m have been made to the Tobacco Companies under the terms of their security, no further distributions have been made during the period covered by this report. We anticipate a return of 80-100% will be achieved, however, the timing of future distributions to the Tobacco Companies is currently 12-24 months and dependent on the outcome of the litigation discussed in a later section of this report.

## Preferential creditors

The dividend prospects for preferential creditors in each company are as follows:

- PHML – Dividend of 100p in the £ declared on 27 April 2020 and paid on 21 July 2020.
- Plc - There are no known preferential creditors.

## Unsecured creditors

The estimated dividend prospects for unsecured creditors in each company is as follows:

- PHML - Prescribed part distribution of up to 1p in the £.
- Plc - No dividends to unsecured creditors are anticipated.

## **PHML notice of intended distribution**

We issued our notice of our intention to distribute funds to creditors on 29 October 2021. The notice expired on 10 December 2021. As the deadline has now passed, any claims received may be rejected. The prescribed part distribution will be declared to creditors on or before 9 February 2022.

## **What you need to do**

If you are a creditor of PHML and concerned about whether your claim is admitted, please contact Conor Beatty on 0113 289 4000.

If you are a creditor of Plc, this report is just for your information and you don't need to do anything.

# 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 retention of title 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 JobCentre Plus and alternative employers looking to hire former employees;
- 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.

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

- Collect the remaining debtor balances owed;
- Realise the remaining assets within the administrations;
- Make further distributions to the secured creditors;
- Adjudicate unsecured claims received in PHML; and
- Make a distribution to unsecured creditors in PHML.

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

# Progress since we last reported

## Realisation of assets

### PHML - Debtors

During the period of this report, the sum of £104k has been received into the administration bank account relating to debtor receipts held in a pre-appointment bank account. Additional debtor receipts of £57k have also been collected, but not yet paid into the administration bank account, they will be transferred in due course. This takes total debtor collections for both the nationals and independents ledger to over £213m. The sum of £25.6m is shown on the receipts and payments account at Appendix A as being paid directly into the administration.

The remaining ledger balance now stands at £240k and this balance is continuing to be pursued and where appropriate we continue to use legal advisors to assist with the recovery.

### Litigation update & restoration of P&H (2008) Limited

Since our appointment, with the assistance of legal advisers and Counsel we have conducted various investigations into the issues previously identified by management and considered potential claims that may be brought against certain of the former professional advisers of the Group and the merits of such claims.

It also became clear as part of the aforementioned investigations that P&H (2008) Limited, which was part of the P&H Group, had also suffered losses and therefore should be included as a claimant alongside PHML and Plc, it was for this reason that in the spring of 2021, we applied to the Court on behalf of PHML and Plc for an order to restore and wind-up P&H (2008) Limited so that it could be added as a claimant alongside PHML and Plc. P&H (2008) is now in compulsory liquidation and a separate report will be sent in June 2022 in respect of this company.

During the period covered by this report, we have continued to engage with their legal advisers and Counsel to investigate the potential claims. Due to the commercial sensitivity of this claim, we are unable to provide further details at this time but will update creditors further in our next report.

### Cartel Claim

As previously reported, prior to our appointment, PHML was involved with a group action in relation to a truck cartel claim. The claim is ongoing and may not be resolved for some time, however, we understand that if successful it may result in significant additional realisations into PHML.

In 2018, the UK Trucks Claim Limited ("UKTC") applied to the Competition Appeal Tribunal ("CAT") for a Collective Proceedings Order ("CPO") with a view to claiming damages on behalf of purchasers and lessees of new trucks in the UK caused by the cartel operated by the manufacturers of medium and heavyweight trucks between 1997-2011. UKTC brought the claim on behalf of the "opt-out" CPO, of which PHML is a member. UKTC's application to the CAT to bring a collective claim for damages on behalf of those who acquired new medium or heavy trucks in the UK during this 14-year period was heard over five days from 19 April 2021. At the same time, the CAT heard the Road Haulage Association ("RHA's") application to bring a collective claim arising from the same competition breach.

The CAT has reserved its judgement on both applications and its decision is awaited. If successful, PHML, which owned approximately 5,000 trucks, estimates a significant potential recovery for the administration estate of PHML.

## Extension of the administration

Following our application to the Court on 18 November 2021, an Order was granted extending the administrations of PHML and Plc by 24 months to 27 November 2023.

## Employees

As previously reported, there remains just one employee who is continuing to assist with the ongoing debt collection. We are continuing to arrange for pension contributions to be paid to the defined contribution pension scheme and arranging with the insurer of the death in service scheme for cover to remain in place for the continuing employee.



## Connected party transactions

There have been no connected party transactions in the period covered by this report.

## Other issues

During the period, we submitted the quarterly VAT returns and submitted the tax returns for the relevant period.

## 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 accounts of our receipts and payments in the administrations from 28 May 2021 to 27 November 2021.

## Our expenses

We set out in Appendix B statements of the expenses we've incurred to the date covered by this report and estimates of our future expenses.

The statements exclude 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 updates on our remuneration which covers our fees, disbursements and other related matters in these cases.

## 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 IR16. This information can also be found in the guide to fees at:

[https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2015/guide\\_to\\_administrators\\_fees\\_oct\\_2015.ashx?la=en](https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2015/guide_to_administrators_fees_oct_2015.ashx?la=en)

You can also get a copy free of charge by emailing Adam Thompson on [uk\\_palmerharvey\\_creditors@pwc.com](mailto:uk_palmerharvey_creditors@pwc.com).

## 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:

- Collect the remaining debtor balances owed;
- Realise potential value from the remaining contingent assets within the administrations (including litigation and cartel claims);
- Make further distributions to the secured creditors;
- Complete the adjudication of PHML's unsecured creditor claims; and
- Make a distribution to unsecured creditors in PHML.

Once the above matters are 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 this in our next report. We expect to send our next report to creditors in about six months.

If you've got any questions, please email [uk\\_palmerharvey\\_creditors@pwc.com](mailto:uk_palmerharvey_creditors@pwc.com).

Yours faithfully

For and on behalf of the Companies

A handwritten signature in black ink, appearing to read 'Zelf Hussain', with a stylized flourish at the end.

Zelf Hussain  
Joint administrator

# Appendix A: Receipts and payments

Plc			
Statement of affairs	28 November 2017 to 27 May 2021	28 May 2021 to 27 November 2021	28 November 2017 to 27 November 2021
<b>Fixed Charge realisations</b>			
	-	-	-
<b>Fixed Charge cost of realisations</b>			
	-	-	-
<b>Fixed balance</b>	-	-	-
<b>Floating Charge realisations</b>			
Refunds	86,535.03	-	86,535.03
Sundry realisations	5,633.03	-	5,633.03
Bank Interest	1,469.07	-	1,469.07
	<b>93,637.13</b>	-	<b>93,637.13</b>
<b>Floating Charge cost of realisations</b>			
Insurance	(14,000.00)	-	(14,000.00)
Legal fees	(131,595.09)	-	(131,595.09)
	<b>(145,595.09)</b>	-	<b>(145,595.09)</b>
<b>Floating charge balance excluding ABL funding</b>	<b>(51,957.96)</b>	-	<b>(51,957.96)</b>
*VAT control account	565,160.00	(573,905.05)	(8,745.05)
Funding from ABLs	14,000.00	75,797.55	89,797.55
<b>Funds held in interest bearing Barclays account</b>	<b>527,202.04</b>	<b>(498,107.50)</b>	<b>29,094.54</b>

\* Note that the VAT movement during the period relates to VAT due to PHML but received into Plc as the head of the VAT group.

## PHML

Statement  
of affairs

		28 November 2017 to 27 May 2021	28 May 2021 to 27 November 2021	28 November 2017 to 27 November 2021
<b>Fixed Charge realisations</b>				
	Debtors	-	-	-
1,945,000	Freehold property	3,400,000.00	-	3,400,000.00
	Bank interest	618.30	-	618.30
		<u>3,400,618.30</u>	<u>-</u>	<u>3,400,618.30</u>
<b>Fixed Charge cost of realisations</b>				
		<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>
	<b>Fixed charge balance</b>	<u>3,400,618.30</u>	<u>-</u>	<u>3,400,618.30</u>
<b>Floating Charge realisations</b>				
1,989,000	Fixtures & Fittings, Office Equipment & Computers	245,831.99	-	245,831.99
237,099,000	Debtors	25,635,397.63	104,790.07	25,740,187.70
	Plant & Machinery	257,884.00	-	257,884.00
190,000	Motor Vehicles	1,157,275.68	-	1,157,275.68
	Pre-appointment bank sweep	1,545.90	-	1,545.90
	Stock	857,921.72	-	857,921.72
	Intellectual property	131,013.80	-	131,013.80
593,000	Refunds	800,250.38	-	800,250.38
359,000	Prepayments	-	-	-
	Bank Interest	89,118.27	-	89,118.27
	Suspense Account*	29,069.63	-	29,069.63
		<u>29,205,309.00</u>	<u>104,790.07</u>	<u>29,310,099.07</u>
<b>Floating Charge cost of realisations</b>				
	Sub Contractors	(137,014.40)	-	(137,014.40)
	Motor & travel expenses	(1,856.26)	-	(1,856.26)
	Professional Fees	(60,544.12)	-	(60,544.12)
	Leased equipment / hire purchase	(192,712.74)	-	(192,712.74)
	Site clearance	(191,106.10)	-	(191,106.10)
	Repairs & Maintenance	(108,010.21)	-	(108,010.21)
	Agents' fees & disbursements	(512,795.50)	-	(512,795.50)
	Duress Payments	(291,271.93)	-	(291,271.93)
	Security	(260,265.32)	-	(260,265.32)
	Software licenses, trademarks & IT	(598,884.82)	-	(598,884.82)
	Office costs, Stationery & Postage	(14,847.82)	-	(14,847.82)
	Legal Fees & disbursements	(2,450,105.90)	(160,427.31)	(2,610,533.21)
	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)	(87.00)	(531.00)
	Corporation tax	(14,061.37)	-	(14,061.37)
	Office holders' fees	(5,900,000.00)	-	(5,900,000.00)
	Rent	(615,481.60)	-	(615,481.60)
	Utilities & Rates	(497,721.01)	-	(497,721.01)
	Insurance	(257,250.25)	-	(257,250.25)
	Wages & Salaries	(2,195,742.50)	(8,851.80)	(2,204,594.30)
	PAYE/NIC and Pension Deductions	(1,146,242.40)	(2,939.75)	(1,149,182.15)
	Employee expenses & related costs	(166,577.74)	(38.90)	(166,616.64)
	Bank charges	(705.00)	-	(705.00)
	Head office expenses	(3,822.50)	-	(3,822.50)
		<u>(15,654,382.60)</u>	<u>(172,344.76)</u>	<u>(15,826,727.36)</u>

Distributions			
Secured Creditors	(22,625,000.00)	-	(22,625,000.00)
Preferential creditors (100p in the £ - paid 21 July 20)	(1,448,209.38)	877.79	(1,447,331.59)
	<u>(24,073,209.38)</u>	<u>877.79</u>	<u>(24,072,331.59)</u>
<b>Floating charge balance excluding ABL funding</b>	<b>(10,522,282.98)</b>	<b>(66,676.90)</b>	<b>(10,588,959.88)</b>
Funding from ABLs	9,420,922.93	-	9,420,922.93
VAT control account	(584,680.32)	872,173.76	287,493.44
<b>Funds held in interest bearing Barclays account</b>	<b>1,714,577.93</b>	<b>805,496.86</b>	<b>2,520,074.79</b>

## Notes to the R&P

Amounts shown exclude VAT.

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report.

We consider all payments made during the period to be proportionate in the context of the administration.

Office holders' fees are approved on a fixed fee basis.

\*Funds in the suspense account will be reallocated once more information is received.

# Appendix B: Expenses

Expenses are amounts properly payable by us as administrators from the estate, but excludes our fees and distributions to creditors.

These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. Expenses fall into two categories:

Expense	SIP 9 definition
Category 1	These are payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

We do not need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in the case of Plc the secured creditors and in the case of PHML the secured and preferential creditors) also has the responsibility for agreeing the policies for payment of Category 2 expenses.

The following table provides a breakdown of the Category 2 expenses have been incurred by us as administrators or our associates, together with details of the Category 1 expenses that have been incurred by PwC and will be recharged to the case:

## Plc

Category	Costs incurred by	Policy	Costs incurred £
2	PwC	<b>Photocopying</b> - up to 5 pence per side copied, only charged for circulars to creditors and other bulk copying.	-
2	PwC	<b>Mileage</b> - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	PwC	Bonding	40.00
<b>Total</b>			<b>40.00</b>

## PHML

Category	Costs incurred by	Policy	Costs incurred £
2	PwC	<b>Photocopying</b> - up to 5 pence per side copied, only charged for circulars to creditors and other bulk copying.	-
2	PwC	<b>Mileage</b> - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	PwC	Printing	534.47

1	PwC	Car parking	7.92
1	PwC	Accommodation	7.64
1	PwC	Storage	5,647.55
1	PwC	Rail fares	161.68
<b>Total</b>			<b>6,359.26</b>

Our expenses policy allows for all properly incurred disbursements to be recharged to the administration but only once the appropriate approval has been received.

Approval for Category 2 expenses was obtained from the secured creditor and preferential creditors at the same time as approval for our fees.

IR16 defines expenses as all fees, costs, charges and other expenses incurred in the course of the administration. The table below therefore provides details of our expenses 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 below 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.

We confirm that we do not consider any of the parties to whom expenses have or will be paid to be associates. All transactions are on a purely commercial basis and parties have been chosen based on their expertise in accordance with the needs of the administration.

Plc	Brought forward from 27 May 2021	Incurred in the period under review	Cumulative	Estimated future	Anticipated total	Initial estimate	Variance
	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Bank charges	-	-	-	15.00	15.00	203.00	(188.00)
Office holders fees	-	-	-	28,679.00	28,679.00	28,679.00	-
Office holders expenses	780.65	40.00	820.65	200.00	1,020.65	744.38	276.27
Legals	131,594.84	-	131,594.84	5,000.00	136,594.84	23,000.00	113,594.84
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 (excl VAT)</b>	<b>150,840.39</b>	<b>40.00</b>	<b>150,880.39</b>	<b>33,894.00</b>	<b>184,774.39</b>	<b>71,091.28</b>	<b>113,683.11</b>

<b>PHML</b>	<b>Brought forward from 27 May 2021 (£)</b>	<b>Incurred in the period under review (£)</b>	<b>Cumulative (£)</b>	<b>Estimated future (£)</b>	<b>Anticipated total (£)</b>	<b>Initial estimate (£)</b>	<b>Variance (£)</b>
Bank charges	705.00	-	705.00	90.00	795.00	600.00	195.00
Office holders fees	5,900,000.00	-	5,900,000.00	89,406.00	5,989,406.00	5,989,406.00	-
Office holders expenses	88,284.55	6,359.26	94,643.81	6,000.00	100,643.81	49,515.48	51,128.33
Legals	2,450,105.85	160,427.31	2,610,533.16	50,000.00	2,660,533.16	2,230,370.00	430,163.16
Agents - asset realisations	512,795.50	-	512,795.50	5,000.00	517,795.50	421,930.38	95,865.12
Rent	615,481.60	-	615,481.60	-	615,481.60	582,637.69	32,843.91
Gross salaries	3,341,984.76	11,791.55	3,353,776.31	12,000.00	3,365,776.31	3,452,987.03	(87,210.72)
Employee expenses	166,577.74	38.90	166,616.64	-	166,616.64	53,154.33	113,462.31
Subcontractors	137,014.40	-	137,014.40	-	137,014.40	148,253.80	(11,239.40)
Petty cash	3,822.50	-	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	598,737.82	-	598,737.82	-	598,737.82	221,829.76	376,908.06
Utilities and rates	495,005.99	-	495,005.99	5,000.00	500,005.99	735,447.58	(235,441.59)
Insurance	257,250.13	-	257,250.13	13,000.00	270,250.13	305,551.19	(35,301.06)
Repairs and maintenance	108,010.21	-	108,010.21	-	108,010.21	129,046.82	(21,036.61)
Site clearance	191,106.10	-	191,106.10	-	191,106.10	212,759.69	(21,653.59)
Duress payments	291,271.93	-	291,271.93	-	291,271.93	222,048.00	69,223.93
Postage and stationary	14,847.82	-	14,847.82	-	14,847.82	14,076.28	771.54
Advertising	444.00	87.00	531.00	-	531.00	444.00	87.00
Storage costs	35,204.14	-	35,204.14	-	35,204.14	27,353.14	7,851.00
Security	260,265.32	-	260,265.32	-	260,265.32	319,415.58	(59,150.26)
Professional fees	60,544.12	-	60,544.12	-	60,544.12	49,431.18	11,112.94
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	-
Corporation tax	13,291.16	-	13,291.16	-	13,291.16	-	13,291.16
<b>Total (excl VAT)</b>	<b>15,830,485.39</b>	<b>178,704.02</b>	<b>16,009,189.41</b>	<b>180,496.00</b>	<b>16,189,685.41</b>	<b>15,424,321.84</b>	<b>765,363.57</b>



# Appendix C: Remuneration update

Our fees in respect of all Companies 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.

Company name	Fees approved (£)	Fees Drawn (£)
Palmer & Harvey McLane Limited	5,989,406	5,900,000
Palmer & Harvey (Holdings) Plc	28,679	-

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

## Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report.

## Our work in the period

The following table provides detail on the key areas of work completed in the period covered by this report.

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
<b>Both Companies unless stated</b>			
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 creditor claims in PHML ahead of the prescribed part distribution</li> </ul>	To keep the creditors informed	Work done in anticipation of returning funds to creditors
Assets	<ul style="list-style-type: none"> <li>Collecting book debts</li> <li>Recovering refunds due into the administrations</li> <li>Monitoring potential realisations from prospective litigation and claims</li> </ul>	To ensure returns to the creditors are maximised	Realises funds for the benefit of creditors
Accounting & treasury	<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
Statutory & compliance	<ul style="list-style-type: none"> <li>Filing documents</li> <li>Preparing and circulating the fifth progress report to creditors</li> </ul>	To comply with statutory obligations	Required by statute / regulation

Employees & Pensions	<ul style="list-style-type: none"> <li>Responding to queries from employees</li> <li>Payment of pension contributions</li> <li>Review of options in relation to the EBT</li> </ul>	To keep employees informed	Required by statute
Tax & VAT	<ul style="list-style-type: none"> <li>Preparing and submitting the tax returns for PHML and Plc</li> <li>Obtaining clearance in respect of Plc</li> <li>Preparing and submitting quarterly VAT returns</li> <li>Preparing and submitting necessary forms to make PHML head of the VAT group</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.

Area of work	Work we need to do	Whether or not the work will provide a financial benefit to creditors
<b>Both Companies unless stated</b>		
Strategy & planning	<ul style="list-style-type: none"> <li>Six monthly manager and appointee case progression reviews</li> </ul>	Incidental to proper management of the liquidation
Creditors	<ul style="list-style-type: none"> <li>Liaising with creditors</li> <li>Responding to queries from creditors</li> <li>Agreeing creditor claims in PHML</li> <li>Dividend calculations for PHML</li> <li>Unsecured claims adjudication in PHML</li> <li>Unsecured dividend payments in PHML</li> </ul>	Ensuring orderly return of funds to creditors
Assets	<ul style="list-style-type: none"> <li>Collecting remaining book debts (PHML)</li> <li>Recovering refunds due into the administrations</li> <li>Working closely with legal advisors, counsel, experts and factual witnesses to progress the Company's claim against former professional advisors:</li> <li>Identifying and implementing the optimal legal strategy to enhance realisations for creditors</li> <li>Managing costs and budgets to ensure funding remains available to progress ongoing litigation to include reporting to key stakeholders on claim status</li> <li>Managing costs and budgets of ongoing litigation to include reporting to key stakeholders on claim status / progress</li> <li>Monitoring litigation claims and potential windfalls</li> <li>Monitoring cartel claim in PHML</li> </ul>	Realises funds for the benefit of creditors
Accounting & treasury	<ul style="list-style-type: none"> <li>Bank reconciliations</li> <li>Accounting for payments and receipts into the case bank account</li> <li>Payment of final distributions to the TCs</li> <li>Closure of bank accounts</li> <li>Dealing with unbanked dividend cheques</li> </ul>	Ensures proper management of the funds held
Statutory & compliance	<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>Requesting a further extension of the administrations of PHML and Plc if required</li> <li>Preparing and circulating final reports</li> </ul>	Required by statute
Employees & Pensions	<ul style="list-style-type: none"> <li>Responding to queries from employees</li> <li>Payment of pension contributions</li> </ul>	Required by statute
Tax & VAT	<ul style="list-style-type: none"> <li>Submitting VAT reclaims</li> <li>Completing tax returns in respect of PHML</li> </ul>	Required by statute and ensures the maximum

	<ul style="list-style-type: none"> <li>Obtaining HMRC clearance in respect of PHML</li> </ul>	recovery of input VAT, for the benefit of creditors
Closure	<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

## 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 these cases:

Service provided For PHML unless stated	Name of firm / organisation	Reason selected	Basis of fees
<b>Legal services, including:</b> <ul style="list-style-type: none"> <li>Contract renewal and debtor dispute assistance; and</li> <li>Advice on ROT claims.</li> <li>Investigation Matters</li> </ul>	<ul style="list-style-type: none"> <li>Dentons UK and Middle East LLP</li> <li>DLA Piper UK LLP</li> <li>Ashurst LLP</li> <li>Hogan Lovells LLP (also Plc)</li> <li>Quinn Emmanuel Urqhart &amp; Sullivan UK LLP</li> </ul>	Industry knowledge and expertise Previous company knowledge	Time costs and disbursements
<b>Chattel agents and valuers</b>	<ul style="list-style-type: none"> <li>Hilco Valuation Services</li> <li>The Fleet Auction Group</li> </ul>	Industry knowledge	% of realisations
<b>Property agents, services including:</b> <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> </ul>	Appropriateness of services and cost	Time costs and disbursements % realisations
<b>Agents, services including:</b> <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 Services Limited</li> <li>CAPA UK</li> </ul>	Expertise and cost	% realisations
<b>Subcontractors and others</b> <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>	Expertise and cost	Time costs and disbursements

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 for the administration:</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
<b>Registered address:</b>	Current: Central Square, 8 <sup>th</sup> Floor, 29 Wellington Street, Leeds, LS1 4DL Former: P&H House, Davigdor Road, Hove, East Sussex, BN3 1RE
<b>Date of the joint administrators' appointment:</b>	28 November 2017
<b>Joint administrators' names, addresses and contact details:</b>	Zelf Hussain and Mark James Tobias Banfield, 7 More London Riverside, London , SE1 2RT Contact: Adam Thompson - Tel 0113 289 4983, email - <a href="mailto:uk_palmerharvey_creditors@pwc.com">uk_palmerharvey_creditors@pwc.com</a>
<b>Extensions to the administration:</b>	The administration of Plc and PHML has been extended by 24 months to 27 November 2023
<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 joint administrators' responsibilities:</b>	The joint 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

	PHML	Plc
<b>Court references:</b>	CR-2017-008976	CR-2017-008977
<b>Registered number:</b>	01874153	06470058