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***P&H Snacksdirect Limited (in administration)***  
Remuneration Report: Initial Information to  
Creditors

15 June 2018



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# 1 Abbreviations and definitions

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

<b>Abbreviation or definition</b>	<b>Meaning</b>
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
the Administrators / we / us / our	Matthew Boyd Callaghan, Ian David Green and Zelf Hussain
the Company	P&H Snacksdirect Limited
Firm	PricewaterhouseCoopers LLP
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
Preferential creditors	Creditors with claims for: <ol style="list-style-type: none"><li>1. unpaid wages for the whole or any part of the period of four months before 28 November 2017 (up to a maximum of £800);</li><li>2. accrued holiday pay for any period before 28 November 2017; and</li><li>3. unpaid pension contributions in certain circumstances.</li></ol>
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
RPS	Redundancy Payments Service (part of the Insolvency Service, an executive agency of the Department for Business, Energy & Industrial Strategy)
Secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
SIP	Statement of Insolvency Practice (issued by regulatory authorities, setting out principles and key compliance standards with which insolvency practitioners are required to comply)
Tobacco Companies	Imperial Brands Finance Plc and Gallaher Limited
Unsecured creditors	Creditors who are neither secured nor preferential

*Matthew B Callaghan, Zelf Hussain and Ian D Green have been appointed as joint administrators of the Company to manage its affairs, business and property as its 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.*

# 2 Fixing the basis of our remuneration

## 2.1 Purpose of this report

If a company or individual is facing financial difficulty they may enter a formal insolvency process under the control of an independent external person (an insolvency practitioner). The costs of the proceedings are paid out of the assets of the company or the individual's estate and include the insolvency practitioner's remuneration, which in this case would be our fees for acting as joint administrators.

We must seek approval to the basis of our remuneration before it is paid and provide the fee approving body with sufficient information for them to make a decision. Insolvency law determines who the fee approving body is (and it depends on the circumstances of the case), but it's usually those creditors who have a direct interest in the amount paid because it impacts on how much those creditors recover.

Changes to insolvency legislation on 1 October 2015 also now require us to give all known creditors details of the work we expect to carry out during the case and the expenses that are likely to be incurred. Also, if our fees are proposed to include remuneration calculated on a time costs basis, we must provide an estimate of those fees. This report provides all this information and details of where further information can be obtained.

## 2.2 Action required by you

The following table gives our current estimates on the likely return for the various classes of creditors. We caution creditors against using data in this report as a basis for estimating the value of their claims or their likely eventual entitlement to payment from the Company's assets. The joint administrators, their firm, its members, partners and staff and advisers accept no liability to any party for any reliance placed upon this report.

The dividend prospects estimated below should not be used as the main basis for any bad debt provision or debt trading.

*Table 1 – dividend prospects*

<b>Class of creditor</b>	<b>Forecast return</b>	<b>Timing</b>
Secured creditor(s) *		
ABL's	73-100%	6-12 months
TC's	0-58%	6-12 months
Preferential creditors	100%	6 months
Unsecured creditors	Up to 1%	6 months

*\*Figures above are shown as the forecasted returns based on a cross guarantee basis, and do not reflect the actual realisations and distributions from the Company.*

We confirmed in our statement of proposals dated 18 January 2018 that we believe there will be no funds to distribute to unsecured creditors, other than potentially via the prescribed part. We expect preferential creditors to be paid in full.

Therefore if no committee is appointed, the secured creditor(s) and the preferential creditors have the responsibility for fixing the basis of our fees and Category 2 disbursements (as defined in Section 4.1). We will seek such fee approval separately in due course. The secured creditors are the ABLs and the Tobacco Companies.

This Remuneration Report is therefore for information purposes only and no action is required.

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## **Creditors' rights**

You can find information on administrators' fees and your rights at

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

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## ***2.3 How fees are calculated***

Insolvency law currently allows fees to be calculated in three ways:

- As a percentage of the value of the property which we deal with (often referred to as a “percentage basis”);
- By reference to the time properly given by us and our staff attending to the matters arising (“time costs basis”); or
- A set amount (a fixed fee).

The basis of our fees can be a combination of the above and different bases can be used for different parts of our work. The fee approving body decides which basis (or combination of bases) should be used to calculate fees, once it is satisfied that the fee basis proposed represents the most appropriate mechanism in the circumstances of the case.

## ***2.4 The proposed basis of fees***

In this case we are proposing that our remuneration is a fixed fee for the work described below and for the following reasons:

- The majority of our work has either been completed or can be reasonably estimated.
- The only class of creditor impacted by our remuneration is the secured creditors, due to the high level of debt they are owed.
- A fixed fee provides certainty of outcome to the secured creditors.
- We have and will continue to report separately to the secured creditors on the projected outcome of the administration including details of our remuneration (and provide such additional information as they require). Accordingly, a fixed fee avoids the additional costs associated with a time cost basis (specifically the requirements for detailed fee reporting to classes of creditors that have no financial interest in the matter).

We will be proposing a fixed fee of £511,489 plus VAT, in relation to the Company.

## ***2.5 Prescribed part costs***

We currently expect that there will be sufficient floating charge realisations after costs and paying (or setting aside enough to pay) preferential creditors in full, for a dividend to be available for unsecured creditors from the ring-fenced prescribed part fund.

The costs of agreeing claims and distributing the funds are usually met by the fund itself. However, in this case we will not be seeking the approval for the payment of any costs from the prescribed part fund.

Based on the level of unsecured claims in the directors statement of affairs, a dividend of up to 1pence in the pound may be available.

## ***2.6 Variations to our remuneration***

The proposed fixed fee basis is considered to be the most appropriate in the circumstances of this case, including by reference to the following:

- the complexity (or otherwise) of the case;
- any exceptional responsibility falling on us;

- 
- the effectiveness with which we are carrying out, or to have carried out, our duties; and
  - the value and nature of the property with which we have to deal.

The amount of the fee will not vary if the scope of our work changes or additional work becomes necessary. However, creditors should be assured that the agreement of a fixed fee will not affect the proper conduct of the administration. If after the basis of our remuneration has been fixed, there is a material and substantial change in the circumstances which were taken into account in fixing it, we may request that the basis be changed. Consent for any change is usually sought from the fee approving body (as described earlier).

# 3 Work we propose to undertake

The following table provides details of the work we propose to do (indicated by →), have already done (✓) or which is in progress (□). It provides a brief summary for each category rather than an exhaustive list of all possible tasks.

Table 3 – Work we propose to do

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>
<b>Assets</b>	Sale of business	<ul style="list-style-type: none"> <li>• Preparing company information for interested parties ✓</li> <li>• Liaising with purchasers and solicitors ✓</li> <li>• Holding internal meetings to discuss/review offers received ✓</li> </ul>
	Property	<ul style="list-style-type: none"> <li>• Carrying out title searches and securing relevant property records ✓</li> <li>• Securing possession of property ✓</li> <li>• Liaising with valuers and agents ✓</li> <li>• Liaising with landlords regarding vacation of properties and surrender of leases</li> </ul>
	Debtors	<ul style="list-style-type: none"> <li>• Corresponding with debtors ✓</li> <li>• Reviewing and assessing debtors ledgers ✓</li> <li>• Managing company staff to collect debts in the initial period ✓</li> <li>• Liaising with debt collectors and solicitors □</li> <li>• Monitoring collections and providing updates to the secured lenders □</li> </ul>
	Stock	<ul style="list-style-type: none"> <li>• Reviewing stock values ✓</li> <li>• Liaising with potential purchasers ✓</li> </ul>
	Other chattel assets	<ul style="list-style-type: none"> <li>• Liaising with agents and interested parties ✓</li> <li>• Liaising with purchasers and solicitors ✓</li> <li>• Reviewing asset listings ✓</li> <li>• Preparation and completion of Sale and Purchase Agreements ✓</li> <li>• Collecting and recording sale consideration □</li> </ul>
	Retention of title claims	<ul style="list-style-type: none"> <li>• Arranging for the completion of retention of title claim forms ✓</li> <li>• Maintaining retention of title file ✓</li> <li>• Arranging for agents and company staff to meet claimants on site to identify goods ✓</li> <li>• Adjudicating retention of title claims ✓</li> <li>• Corresponding with claimants regarding outcome of adjudication ✓</li> <li>• Seeking legal advice on claims where appropriate ✓</li> <li>• Coordinating third party agents and suppliers to facilitate the return of ROT stock to suppliers ✓</li> <li>• Dealing with ROT queries □</li> </ul>
	Intangible assets	<ul style="list-style-type: none"> <li>• Liaising with agents and interested parties ✓</li> <li>• Liaising with purchasers and solicitors ✓</li> <li>• Reviewing asset listings ✓</li> <li>• Preparation and completion of Sale and Purchase Agreements ✓</li> <li>• Collecting and recording sale consideration ✓</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>• Identifying potential issues requiring attention of insurance specialists ✓</li> <li>• Reviewing insurance policies ✓</li> <li>• Corresponding with insurer regarding initial and ongoing insurance requirements □</li> <li>• Realising any value within policies □</li> </ul>



<i>Category of work</i>	<i>General description</i>	<i>Work included</i>
	Third party assets	<ul style="list-style-type: none"> <li>• Reviewing leasing documents ✓</li> <li>• Liaising with owners/lessors ✓</li> <li>• Arranging for agents / company staff to meet claimants on site to collect third party assets ✓</li> <li>• Carrying out tasks associated with surrendering leases ☐</li> </ul>
<b>Creditors</b>	Creditor enquiries	<ul style="list-style-type: none"> <li>• Setting up a dedicated website for delivery of initial and ongoing communications and reports ✓</li> <li>• Receiving and following up creditor enquiries via telephone, email and post ✓</li> <li>• Reviewing and preparing correspondence to creditors and their representatives ☐</li> <li>• Receipting and filing proofs of debt when not related to a dividend ☐</li> </ul>
	Secured creditors	<ul style="list-style-type: none"> <li>• Notifying secured creditors of appointment ✓</li> <li>• Preparing reports to secured creditor ☐</li> <li>• Responding to secured creditor's queries ☐</li> <li>• Making distributions in accordance with security entitlements →</li> </ul>
	Preferential claims	<ul style="list-style-type: none"> <li>• Corresponding with employees regarding dividend →</li> <li>• Preparing, issuing and receiving employee preferential claim agreement forms →</li> <li>• Corresponding with the RPS regarding proof of debt →</li> <li>• Calculating dividend rate and preparing dividend file →</li> <li>• Advertising dividend notice →</li> <li>• Preparing and paying distribution →</li> <li>• Ensuring PAYE/NIC is deducted and remitted to HMRC →</li> </ul>
	Unsecured claims	<ul style="list-style-type: none"> <li>• Dealing with proofs of debt for dividend purposes →</li> <li>• Preparing correspondence to potential creditors inviting lodgment of proof of debt →</li> <li>• Receiving proofs of debt and maintaining register →</li> <li>• Adjudicating claims, including requesting further information from claimants →</li> <li>• Preparing correspondence to claimant advising outcome of adjudication and advising of intention to declare dividend →</li> <li>• Advertising intention to declare dividend →</li> <li>• Calculating dividend rate and preparing dividend file →</li> <li>• Preparing correspondence to creditors announcing declaration of dividend →</li> <li>• Preparing and paying distribution →</li> </ul>
<b>Employees and pensions</b>	Communications with employees	<ul style="list-style-type: none"> <li>• Drafting, issuing and delivering initial communications and announcements ✓</li> <li>• Preparing letters to employees advising of their entitlements and options available ✓</li> <li>• Receiving and following up employee enquiries via telephone, post and email ☐</li> </ul>
	Payroll	<ul style="list-style-type: none"> <li>• Reviewing employee files and company's books and records ✓</li> <li>• Reviewing awards and payroll structure ✓</li> <li>• Calculating and paying periodic payroll ✓</li> <li>• Deducting and paying over PAYE/NIC to HMRC and other deductions to relevant agencies and third parties ✓</li> </ul>
	Redundancy related work	<ul style="list-style-type: none"> <li>• Selecting and making redundancies ✓</li> <li>• Liaising with the RPS and external agencies ✓</li> </ul>
	Pensions	<ul style="list-style-type: none"> <li>• Reviewing insurance policies ✓</li> <li>• Issuing statutory notices ✓</li> </ul>

<b>Category of work</b>	<b>General description</b>	<b>Work included</b>
		<ul style="list-style-type: none"> <li>Dealing with general pension scheme issues and the Pension Protection Fund ✓</li> <li>Calculating contributions and requesting payments to the relevant scheme or policy ✓</li> </ul>
<b>Wind down</b>	Wind down management	<ul style="list-style-type: none"> <li>Liaising with suppliers ✓</li> <li>Liaising with management and staff ✓</li> <li>Attending on site ✓</li> <li>Authorising purchase orders and other commitments ✓</li> <li>Maintaining purchase order registry ✓</li> <li>Reviewing company's budgets and financial statements ✓</li> <li>Preparing budgets and financial reports ✓</li> <li>Holding meetings to discuss trading position ✓</li> </ul>
	Processing receipts and payments	<ul style="list-style-type: none"> <li>Preparing and authorising receipts and payments ✓</li> <li>Entering receipts and payments into accounting system. ✓</li> </ul>
<b>Investigations</b>	Conducting investigations	<ul style="list-style-type: none"> <li>Collecting company books and records where related to investigatory work ✓</li> <li>Reviewing books and records ✓</li> <li>Preparing investigation file and lodging findings with the Department for Business, Innovation and Skills ✓</li> </ul>
	Asset recoveries	<ul style="list-style-type: none"> <li>Identifying potential asset recoveries ✓</li> <li>Instructing and liaising with solicitors regarding recovery actions for debtors →</li> <li>Holding internal meetings to discuss status of litigation for debtors →</li> <li>Attending to negotiations and settlement matters →</li> </ul>
<b>Statutory and compliance</b>	Initial letters and notifications	<ul style="list-style-type: none"> <li>Preparing and issuing all necessary initial letters and notices regarding the administration and our appointment ✓</li> </ul>
	Remuneration report	<ul style="list-style-type: none"> <li>Preparing and circulating to creditors a report giving details of the work we expect to carry out during the case, our fees estimate and the expenses that are likely to be incurred. □</li> </ul>
	Case reviews	<ul style="list-style-type: none"> <li>Conducting case reviews after the first month, then every six months □</li> </ul>
	Proposals and initial meeting of creditors	<ul style="list-style-type: none"> <li>Drafting and reviewing a statement of proposals to creditors including preparing receipts and payments accounts and statutory information. ✓</li> <li>Circulating notice of the proposals to creditors, members and the Registrar of Companies. ✓</li> </ul>
	Progress reports and extensions	<ul style="list-style-type: none"> <li>Preparing and issuing periodic progress reports to creditors and the Registrar □</li> <li>Making applications to creditors or court for the extension of the administration and filing relevant notices →</li> </ul>
	Other meetings / resolutions	<ul style="list-style-type: none"> <li>Preparing documents and information for the purpose of obtaining approval to fees, Category 2 disbursements and other matters in the administration □</li> </ul>
	Books and records	<ul style="list-style-type: none"> <li>Collecting company's books and records where not related to investigatory work ✓</li> <li>Dealing with records in storage □</li> <li>Sending job files to storage →</li> </ul>
	Other statutory and compliance	<ul style="list-style-type: none"> <li>Filing of documents □</li> <li>Updating checklists and diary management system □</li> </ul>
<b>Tax &amp; VAT</b>	Tax	<ul style="list-style-type: none"> <li>Gathering information for the initial tax review ✓</li> <li>Carrying out tax review and subsequent enquiries ✓</li> </ul>

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>
		<ul style="list-style-type: none"> <li>• Preparing tax computations →</li> <li>• Liaising with HMRC →</li> </ul>
	VAT	<ul style="list-style-type: none"> <li>• Gathering information for the initial VAT review ✓</li> <li>• Carrying out VAT review and subsequent enquiries ✓</li> <li>• Preparing VAT returns □</li> <li>• Liaising with HMRC →</li> </ul>
<b>Administration</b>	Strategy and planning	<ul style="list-style-type: none"> <li>• Completing tasks relating to job acceptance ✓</li> <li>• Preparing fee budgets &amp; monitoring cost □</li> <li>• Holding team meetings not relating to trading and discussions regarding status of administration □</li> </ul>
	Accounting and treasury	<ul style="list-style-type: none"> <li>• Opening and closing bank accounts and arranging facilities ✓</li> <li>• Dealing with receipts, payments and journals not relating to trading □</li> <li>• Carrying out bank reconciliations and managing investment of funds □</li> <li>• Corresponding with bank regarding specific transfers □</li> </ul>
	Closure procedures	<ul style="list-style-type: none"> <li>• Withdrawing undertakings not relating to trading and obtaining clearances from third parties →</li> <li>• Completing checklists and diary management system →</li> <li>• Closing down internal systems →</li> </ul>

Included in the above table are tasks that we must perform that may not directly benefit creditors financially. These typically relate to fulfilling obligations imposed by statute or regulatory bodies; or are tasks necessary or incidental in the orderly winding up of the Company's affairs.

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# 4 Expenses

## 4.1 What is an expense?

Expenses are defined in SIP9 as amounts properly payable by the office holder from the estate which are not office holders' remuneration or a distribution to creditors. These include disbursements, which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. They fall into two categories: Category 1 and Category 2:

<b>Disbursement</b>	<b>SIP9 definition</b>
Category 1	Payments to independent third parties where there is specific expenditure directly referable to the appointment in question.
Category 2	Costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis.

Our firm's disbursements policy allows for all properly incurred expenses to be recharged to the case. We don't need approval from creditors to draw Category 1 disbursements as these have all been provided by third parties, but we do need approval to draw Category 2 disbursements as these are for services provided by our firm. The body of creditors who approve our fees also have responsibility for agreeing the policies for the payment of Category 2 disbursements, which in this case are as follows:

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## 4.2 Our expenses estimate

The following table shows expenses incurred to date and an estimate of further expenses we consider will be (or are likely to be) incurred.

The total expenses estimate for the case is £964,666.83.

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

Our expenses estimate includes pre-administration costs that (if approved) would be payable as an expense of the administration and which were explained in more detail in our proposals dated 18 January 2018. Whilst pre-administration costs are subject to approval in the same manner as our remuneration, they do not form part of our remuneration in relation to our work as joint administrators following our appointment.

Table 5 – Expenses estimate

<b>Nature of Expense</b>	<b>Purpose of Expense</b>	<b>Incurred to Date</b>	<b>Estimated future expense</b>
<b>Bank charges</b>	CHAPs payments	-	15.00
<b>Office holders fees</b>	Administrators fees - based on a fixed fee basis	- *	511,489.00
<b>Office holders expenses</b>	Expenses incurred by the administrators directly and recharged to the company	6,283.00	500.00
<b>Insurance</b>	Insurance cover for all assets and public liability cover for properties	- **	TBC
<b>Advertising</b>	Advertising in London Gazette for claims	-	75.00
<b>Legals</b>	Costs for dealing with a variety of tasks and issues including (but not limited to): Retention of Title, Supplier and creditor claims, Debtor disputes, Property issues, Sale of IP, Security validation and Pension matters.	10,466.00	48,000.00
<b>Agents - Debt collection</b>	Hilton Baird - fees based on 5% of recoveries	240.00	48,000.00
<b>Agents - asset realisations</b>	CAPA - fees based on 25% of rates recoveries	1,561.79	250.00
<b>Gross salaries and employee related costs</b>	Employees retained for a period whilst sale of business pursued	435.38	*** 202,078.06
<b>Storage</b>	Collection, monthly storage and destruction of company records	1,213.05	9,879.36

<b>Rent and rates</b>	Given group nature and status costs have been allocated at 35% for the Vans businesses	44,670.63	6,568.21
<b>IT and telephone</b>	Given group nature and status costs have been allocated at 35% for the Vans businesses	24,054.34	
<b>Security</b>	Given group nature and status costs have been allocated at 35% for the Vans businesses	- ***	31,431.40
<b>Utilities</b>	Given group nature and status costs have been allocated at 35% for the Vans businesses	- ***	5,250.00
<b>Other commitments</b>	Given group nature and status costs have been allocated at 35% for the Vans businesses	- ***	3,674.65
<b>Lease/Hire payments</b>	Given group nature and status costs have been allocated at 35% for the Vans businesses	- ***	532.35
<b>Pre administration costs</b>	Contingency planning work undertaken with a view to the insolvency appointment	7,999.61	-

\* Office holders fees are shown as Estimated future expenses as formal approval has not yet been sought from the relevant fee approving bodies.

\*\* Per pre appointment policy, insurance was dealt with for the Palmer & Harvey group as a whole as such an allocation will need to be made to meet the estimated insurance costs across the group of £305,062.21

\*\*\* As none have been paid to date from this company these are all showing on the Estimated future expense

\*\*\*\* Please note the above table excludes any tax liabilities that will not be known until the tax period ends and calculations are completed

## 5 Professionals and subcontractors

The following table provides details on the use of sub-contractors (work we could have done, but have outsourced).

*Table 6 – Professionals and subcontractors*

<b>Services Provided</b>	<b>Name of Firm</b>	<b>Reason Selected</b>	<b>Basis of fee</b>
Legal	DLA Piper UK LLP	Industry knowledge	Time cost and disbursements
Legal	Ashurst LLP	Industry knowledge and previous company knowledge	Time cost and disbursements
Legal	Hogan Lovells International LLP	Industry knowledge and previous company knowledge	Time cost and disbursements
Debt collection agency	Hilton Baird	Industry knowledge and previous company knowledge	Success fee: Companies ledger up to £300k - 5% £300k-£450k - 7.5% £450k plus - 10% Independent debtors up to £3m - 5% over £3m - 7.5%
Security	Triton Security and Facilities Management Limited	Industry knowledge	Time costs and disbursements
Security	Secure Site (UK) Ltd	Industry knowledge	Time costs and disbursements
Agents - rates refunds	CAPA	Industry knowledge	25% of realisations
Legal	K&L Gates LLP	Industry knowledge	Time costs and disbursements

We require all third party professionals to submit time costs analyses and narrative and where applicable a schedule of realisations achieved in support of invoices rendered. We undertake a review of the narrative, work undertaken, time charged and value added in respect of professional firms' costs.

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# ***6 Notes and assumptions***

## ***6.1 Fixed fee***

We have made the following key assumptions:

- We have assumed the administration will last between one and two years and will remain in administration for the purpose of distributing the prescribed part fund to unsecured creditors.
- Only one extension will be required to the statutory one year period of the administration, which can be granted by the appropriate class(es) of creditors.
- We have assumed that any additional further work that becomes necessary or beneficial, is not so excessive such that it would have impacted on the appropriateness of a fixed fee basis or the amount of that fee.

## ***6.2 Expenses***

We have made the following key assumptions:

- Estimated future expenses based on current estimated time frames.
- Estimated future expenses are based on current estimates with current providers.
- Estimated future expenses do not detail the Insurance costs as these will be subject to certain variances and final allocations.

## ***6.3 Associates***

The Administrators have no business or personal relationships with parties responsible for approving remuneration or who provide services to the Administrators in respect of the appointment where the relationship could give rise to a conflict of interest.