

TO ALL KNOWN CREDITORS

18 December 2017

Ref:
CR/SW/KA/CW/JEI/NWM1295
&1296/PCF19.1

Direct line: 0161 333 2729
Direct fax: 0161 333 3001

Please ask for Jane Irving

Dear Sirs

**HS Realisations Limited (formerly known as Hewden Stuart Limited)
(‘HS Realisations’)
Hewden Properties Limited (‘Hewden Properties’)
(both in Administration) (together ‘the Companies’)**

**Registered office: c/o Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh,
EH3 8EZ**

I write, in accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986, to provide creditors with a report on the progress of the Administrations. This report covers the period from 22 May 2017 to 21 November 2017 (‘the Period’), and should be read in conjunction with the Joint Administrators’ previous report dated 16 June 2017, and the Joint Administrators’ Statement of Proposals dated 9 January 2017 (‘the Proposals’).

The Companies entered Administration on 22 November 2016 (‘the Date of Appointment’) and S J Woodward and C P Dempster of Ernst & Young LLP were appointed to act as Joint Administrators. The appointments were made by the Companies’ Directors under the provisions of paragraph 22 of Schedule B1 to the Insolvency Act 1986 (‘the Act’).

The wider Hewden group in Administration consists of the Companies together with Woodster Realisations Limited (formerly known as Interlift Limited) (in Administration) and The Rigging House Limited (in Administration) (collectively ‘the Group’).

A summary of statutory information relating to the Companies is provided at Appendix 1.

Extension of the Administrations

The Administration of the Companies has been extended for a period of twelve months to 21 November 2018. The extensions were granted on 14 November 2017 by the secured and preferential creditors of HS Realisations and the secured creditors of Hewden Properties, as permitted under paragraph 76(2)(b) of Schedule B1 to the Insolvency Act 1986. The purposes of the extensions is to allow sufficient time to realise the Companies’ residual key assets and to finalise a number of remaining matters in the Administrations.

Summary of progress

On-site/industrial plant business

As previously reported, the transaction entered into with Ashtead Plant Hire Company Limited ('A Plant') on 22 November 2016 included £2m of deferred consideration. The trigger for payment of this amount was satisfied on 22 May 2017 and the full balance was received from A Plant on 8 June 2017.

Assets remaining to be realised

A small number of assets belonging to the Companies were being held by third parties who had exercised liens or had claimed competing title to these assets. We are pleased to report that we have agreed a settlement with one of these third parties, resulting in proceeds of £39k plus VAT being received in the Administration. The funds were received after this reporting period and are not reflected in the attached receipts and payments account. We continue to pursue a resolution for the remaining case.

Book debts

The HS Realisations debtor ledger totalled £17.3m on appointment.

The HS Realisations ledger is made up of over 2,000 customer accounts, comprising complex accounts, crane hire contracts and smaller debts.

As previously reported, historical book debt collections in the Administration were received and retained by Bank of America Merrill Lynch ('BAML') in satisfaction of the debt due to the asset based lender syndicate. During the Period, a full reconciliation exercise was completed, with realisations now recognised in the Companies receipts and payments account at Appendix 2.

During the Period, a further c. £1.1m was collected, bringing total realisations to date to c. £14.6m. The Joint Administrators have now engaged Hilton Baird Collection Services Limited to pursue remaining outstanding balances.

Properties

Overview

At the Date of Appointment, the Companies operated nationally from 29 sites split as follows:

- 7 sites relating to the on-site business; and
- 22 plant depots

These properties were a mixture of short leasehold, long leasehold and freehold. In addition to these operational premises, the Group occupied a head office at Trafford House, Manchester and held leases to several premises which were sub-let.

Freehold / long-leasehold properties

During the Period we completed sales of the following freehold and long-leasehold properties, all of which were owned by Hewden Properties.

Location	Freehold/long-leasehold	Price (£'000)	Current status
Glasgow	Long-leasehold	675	Completed May 2017
Dundee	Freehold	160	Completed June 2017
Whitehaven	Long-leasehold	232	Completed July 2017
Wokingham	Freehold	3,250	Completed August 2017
Redruth	Freehold	250	Completed October 2017
Total		4,567	

We have accepted an offer for the remaining property (long-leasehold) at Swansea and hope to complete this sale shortly.

Short leasehold properties

As previously reported, we granted certain purchasers of the Group's trading assets licences to occupy a total of 9 leasehold properties until the leases could be assigned to the purchasers or new leases could be agreed. All of the leases have now been either assigned to purchasers, have expired, or the properties have been vacated.

Licence fee proceeds of c. £103k have been received in the Period, bringing total licence fee proceeds received to date to c. £356k.

Trafford House

The Companies' head office was situated in Trafford House, Manchester in which the Companies occupied three suites. This was reduced to one suite in February 2017 and subsequently we fully vacated the premises in July 2017. A surrender of the lease has been offered to the landlord.

Sub-let properties

At the Date of Appointment the Companies held leases to six former Hewden depots which were sub-let to third parties. Valuations of these were carried out by D Currie Consultancy Limited and two of the six premises were identified as having potential sale value; these being located in Eastleigh and Bedford. A sales process was commenced in respect of these sites with a surrender of the Eastleigh property completing in the Period for a premium of £50k.

The remaining sale is progressing and we hope to complete this shortly.

The remaining four properties were vacated in the Period, with surrenders of the leases being offered to the landlords. Two sites have now been formally surrendered.

The Companies have received sub-tenant income totalling c. £51k during the Period, bringing total income received from this source in the Administrations to c. £61k.

Cash at appointment

Cash at the Date of the Appointment of the Joint Administrators was previously split as follows:

- HS Realisations c.£151k;
- Hewden Properties c.£33k

Following further investigation, we now understand that the funds recognised as belonging to Hewden Properties were controlled and held for HS Realisations as a rent deposit for one of the sub-let properties. We have returned a proportion of the deposit to the tenant and have paid the balance to HS Realisations.

Further monies totalling £11.9k have been received in the Period relating to funds held in a HS Realisations bank account.

Trading sales

Live hire contracts were allowed to continue as normal (excluding crane and cross-hire assets) until 28 February 2017.

As advised in our earlier report, c. £2.2m of post appointment trading sales receipts were received directly and retained by the Group's pre appointment lenders BAML to satisfy the secured debt owed by the Group. This is now recognised following the completion of a reconciliation exercise during the Period. A further £0.3m of trading sales receipts were received during the Period.

Significant progress was made during the Period finalising remaining trading liabilities.

Other income

During the Period, HS Realisations received income relating to prepayments and other debts totalling £163k, made up as follows:

- £63k insurance claim;
- £47k pre-appointment deposit;
- £53k of rent arrears.

A further £33k was received in relation to the sale of other assets bringing total other assets income to £163k in the Administration.

In addition, rates refunds of c. £20k and c. £5k of employee related benefits were received in the Period.

Bank interest

Bank interest of c. £5k has been received in the Period, bringing total interest received by the Companies to c. £21k.

Other matters

Corporation tax

Corporation Tax computations have been submitted in respect of the pre-appointment period to assist HM Revenue & Customs in determining its unsecured claim against HS Realisations and Hewden Properties.

EY tax specialists have also submitted Corporation Tax returns in respect of HS Realisations for the trading period ending 13 April 2017. Through the application of tax losses no Corporation Tax is payable in respect of this period.

Administrators' receipts and payments account

Summaries of the Joint Administrators' receipts and payments account for the Companies covering the period from 22 May 2017 to 21 November 2017 are attached at Appendix 2. Please note that these do not reflect future estimated realisations or costs including the Joint Administrators' remuneration and disbursements.

Joint Administrators' remuneration and disbursements

Remuneration

A statement was made in the Proposals under the provision of paragraph 52(1) of Schedule B1 to the Insolvency Act to the effect that there will be no funds available for the non-preferential creditors of the Companies other than by virtue of the Prescribed Part. No creditors' committees were formed. Accordingly the Joint Administrators' remuneration and disbursements was fixed on the basis of time properly spent by them and their staff in dealing with matters arising in the Administrations by the secured and preferential creditors by resolution on 27 March 2017.

During the Administrations to date, the Joint Administrators have incurred time costs totalling £6,556,698 across the Companies, against which £5,903,838 was drawn in the Period. A summary of these costs are set out in the table below and a detailed analysis for each company is attached at Appendix 3 to this report.

Name	Time costs (£)	Drawn in the Period (£)
HS Realisations	6,172,907	5,703,838
Hewden Properties	383,751	200,000
Total	6,556,698	5,903,838

The statutory provisions relating to remuneration are set out in Rule 2.39 of the Insolvency (Scotland) Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of The Insolvency Practitioners Association at <https://www.insolvency-practitioners.org.uk> (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees, then 'Guides for Scotland', then 'Administration'), or is available in hard copy upon written request to the Joint Administrators.

At Appendix 4 there is a statement of the Joint Administrators' policy in relation to charging time and disbursements.

Disbursements

To 21 November 2017, the Joint Administrators have incurred a total of £75,783 of Category 1 and £8,191 of Category 2 disbursements across the Companies, as set out in the table below. Category 1 disbursements totalling £63,579 and £8,084 of Category 2 disbursements have been drawn in relation to HS Realisations in the Period. No disbursements have been drawn in relation to Hewden Properties.

The Joint Administrators received approval to draw Category 2 disbursements from the secured and preferential creditors on 27 March 2017. In line with Statement of Insolvency Practice 9, it is the Joint Administrators' policy to disclose Category 1 disbursements but not seek approval to draw them.

Name	Category 1 (£)	Category 2 (£)	Drawn in the Period (£)
HS Realisations	74,490	8,191	71,663
Hewden Properties	1,293	Nil	Nil
Total	<u>75,783</u>	<u>8,191</u>	<u>71,663</u>

Payments to other professionals

We have engaged the following other professionals to assist us. They were chosen on the basis of their experience in similar assignments.

Name of firm	Nature of service	How contracted to be paid	Paid during the Period (£) exc VAT
Addleshaw Goddard LLP ('Addleshaw')	Legal services	Time cost basis	159,871.75
Pinsent Masons LLP	Legal services	Time cost basis	14,016.00
Euro Auctions UK Limited	Plant/equipment advisors and agents	Phase 1 (advisory): time cost basis Phase 2 (selling agency): percentage of realisations (subject to a cap)	-
Hilton-Baird Collection Services Limited	Debtor collection services	Percentage of realisations	19,694.09
Metis Partners ('Metis')	Valuation advice	Fixed fee	-
HBJ	Legal services	Time cost basis	-
D Currie Consultancy Limited	Real estate and asset consultancy	Percentage of sale value plus marketing costs	59,250.00
In2Corporate Limited	Plant/equipment agents	Percentage of realisations	8,015.40
Total			260,847.24

Pre-Administration costs

The payment of unpaid pre-Administration costs as an expense of the Administrations is subject to approval under Rule 2.39C of the Insolvency (Scotland) Rules 1986.

As no creditors' committees were formed, the unpaid pre-Administration costs were approved by resolution of the secured and preferential creditors on 27 March 2017.

The amounts approved are set out in the table below. Amounts in respect of EY fees and disbursements were paid in this reporting period, however, all other pre-Administration costs were settled in the prior reporting period to 21 May 2017.

Entity	EY (£)	Addleshaw (£)	Metis (£)
HS Realisations	99,930.31	115,820.50	6,000.00
Total	<u>99,930.31</u>	<u>115,820.50</u>	<u>6,000.00</u>

Outcome to creditors

Secured creditors

As detailed in the Proposals, at the Date of Appointment the Group owed c. £98.9m to a syndicate of asset based lenders, led by Bank of America Merrill Lynch (together 'the Syndicate') and a further £56.4m to Czech Asset Management ('CAM'), whose security ranked behind the Syndicate.

A total of c. £100m has been distributed by the Group to the Syndicate, discharging its debt (after application of post-appointment interest and charges) in full.

Group distributions totalling c. £33m have been paid to CAM in the Administrations, of which c. £17m were made during the Period. Whilst further distributions will be made to CAM, we continue to estimate that it will suffer a shortfall against its secured lending.

Preferential creditors

Preferential creditors' claims are estimated to be in the region of c. £0.6m. They are all against HS Realisations and are in respect of employee claims for arrears of wages, holiday pay, and includes a subrogated claim from the Redundancy Payments Office in respect of unpaid salaries and pension contributions.

A notice of intended dividend was issued to the preferential creditors on 10 October 2017 inviting creditors to lodge their claims no later than 7 November 2017, being the last date for proving. A dividend of 100 pence in the £ was declared on 7 December 2017 on agreed claims totalling £512,809.59. The dividend was declared after this reporting period and is not reflected in the attached receipts and payments account.

Non-preferential creditors

The Joint Administrators continue to receive claims from non-preferential creditors. The current value of non-preferential claims received to date in relation to HS Realisations total c. £61m.

At this stage, we do not anticipate that there will be funds available for distribution to unsecured creditors of HS Realisations other than by virtue of the Prescribed Part. We do not anticipate any distribution to unsecured creditors in Hewden Properties, either via the Prescribed Part or otherwise.

The Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986 ('the Act'). The Prescribed Part applies to floating charges created on or after 15 September 2003.

As outlined in the Proposals, the floating charges held by the Syndicate and CAM were created after 15 September 2003 and accordingly section 176A of the Act does apply to these Administrations and a Prescribed Part will be set aside for unsecured creditors of the Companies, to the extent there is sufficient net property.

We currently estimate the Net Property, the Prescribed Part, and the illustrative return to creditors in each company will be as follows:

£m	HS Realisations	Hewden Properties
Net Property	79.8	-
Estimated Prescribed Part	0.6	-
Non-preferential creditors per Directors' SOA	150.0 *	1.8
Illustrative dividend before costs of distribution (p in the £)	0.4	nil

* Figure is based on value of claims per Directors' SOA and not value of claims received to date.

As the Companies have intercompany claims in other Group companies, all matters across the Group will need to be finalised, before any non-preferential dividend is declared and paid.

The Joint Administrators currently anticipate that a first and final distribution of the Prescribed Part from HS Realisations will be made in the first half of 2018.

Future conduct of the Administrations

We will continue to deal with the Administrations in line with the Proposals. Future tasks will include, but may not be limited to, the following:

- Continuing to deal with landlords regarding the remaining leasehold premises;
- Progressing the sale of the remaining long-leasehold property;
- Collecting remaining book debts, including non-trade balances;
- Continuing to pursue the remaining assets of the Companies;
- Discharging remaining Administration liabilities (including trading liabilities);

- Completion of the statutory requirements of the Administrations, including reporting to creditors;
- Preparing post-appointment corporation tax and VAT returns;
- Making further distributions to the secured creditors;
- Adjudication of non-preferential claims and distribution of the Prescribed Part;
- Any such actions the Joint Administrators consider, in their reasonable opinion, are necessary and/or expedient to fulfil the purpose of the Administrations; and
- Bringing the Administrations to a conclusion.

The end of the Administrations

The Administrations will end automatically on 21 November 2018, although they can be extended by way of court order should the Joint Administrators feel it necessary.

It is currently anticipated that, upon completion of the Administrations, the Companies will be dissolved. In this case, the Companies will be deemed to be dissolved three months after registration of the corresponding notices with Companies House.

I will report to you again at the conclusion of the Administrations or in six months' time, whichever is the sooner. Should you have any queries in respect of this report or the Administrations in general, please do not hesitate to contact my colleague Jane Irving on 0161 333 2729.

I trust this report has been informative, however, should you have any queries, please do not hesitate to contact Jane Irving on telephone number 0161 333 2729.

Yours faithfully
for the Companies



S J Woodward
Joint Administrator

Enc: Appendix 1 - Statutory information
Appendix 2 - Joint Administrators Receipts and Payments Accounts
Appendix 3 - Summary of the Joint Administrators' time costs and disbursements
Appendix 4 - Joint Administrators' policy on remuneration and disbursements

S J Woodward is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales. C P Dempster is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Companies are being managed by the Joint Administrators, S J Woodward and C P Dempster, who act as agents of the Companies only and without personal liability.

We may collect, use, transfer, store or otherwise process (collectively, 'Process') information that can be linked to specific individuals ('Personal Data'). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998.

Statutory information

Company Information

Company Name: HS Realisations Limited (formerly Hewden Stuart Limited)
 Registered Office Address: c/o Ernst & Young LLP
 Atria One, 144 Morrison Street, Edinburgh, EH3 8EX
 Registered Number: SC045681
 Trading Name: Hewden Stuart Limited
 Trading Address: 9th Floor, Trafford House, Chester Road, Stretford,
 Manchester, M32 0RL

Details of the Joint Administrators and of their appointment

Administrators: S J Woodward and C P Dempster
 Date of Appointment: 22 November 2016
 By Whom Appointed: The appointment was made by the Directors pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986
 Court Reference: P1124 of 2016 (Court of Session, Parliament House, Edinburgh)

Any of the functions to be performed or powers exercisable by the Joint Administrators may be carried out/exercised by either of them acting alone or by both of them acting jointly.

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Share capital

Shareholder	Authorised		Issued and fully paid	
	Number	£	Number	£
Zeus Topco Limited	896,021,005	0.10	896,021,005	89,602,100
	Ordinary shares			

Directors and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Susan Shardlow	Director and Company Secretary	5 May 2010	n/a	None
Christopher John Hull	Director	11 May 2015	n/a	None
Mark Hierons	Director	1 May 2013	n/a	None
Adrian Michael Murphy	Director	31 January 2015	14 February 2017	None

Statutory information

Company Information

Company Name:	Hewden Properties Limited
Registered Office Address:	c/o Ernst & Young LLP Atria One, 144 Morrison Street, Edinburgh, EH3 8EX
Registered Number:	SC043085
Trading Name:	Hewden Properties Limited
Trading Address:	9 th Floor, Trafford House, Chester Road, Stretford, Manchester, M32 0RL

Details of the Joint Administrators and of their appointment

Administrators:	S J Woodward and C P Dempster
Date of Appointment:	22 November 2016
By Whom Appointed:	The appointment was made by the Directors pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986
Court Reference:	P1125 of 2016 (Court of Session, Parliament House, Edinburgh)

Any of the functions to be performed or powers exercisable by the Joint Administrators may be carried out/exercised by either of them acting alone or by both of them acting jointly.

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Share capital

Shareholder	Authorised		Issued and fully paid	
	Number	£	Number	£
HS Realisations Limited	100 Ordinary shares	1	100	100

Directors and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Susan Shardlow	Director and Company Secretary	5 May 2010	n/a	None
Christopher John Hull	Director	11 May 2015	n/a	None
Mark Hierons	Director	1 May 2013	n/a	None
Adrian Michael Murphy	Director	31 January 2015	14 February 2017	None

**Joint Administrators' receipts and payments account for the period
from 22 November 2016 to 21 November 2017**

HS Realisations

Statement of affairs estimated to realise	Note	22 November 2016 to 21 May 2017	22 May 2017 to 21 November 2017	Total
(£)		(£)	(£)	(£)
	Fixed charge receipts			
	Property	350,000.00	1.00	350,001.00
	Sub-tenant income	9,835.62	1,937.50	11,773.12
12,502,937.00	4 Book debts	226,601.30	14,360,679.54	14,587,280.84
500,000.00	Intellectual property	500,002.00	(1.00)	500,001.00
2,000,002.00	Goodwill	5.00	2,000,000.00	2,000,005.00
	Bank interest	73.78	2,593.33	2,667.11
		<u>1,086,517.70</u>	<u>16,365,200.37</u>	<u>17,451,718.07</u>
	Floating charge receipts			
96,354,690.00	7 P&M, F&F, IT Equipment	121,075,628.10	(203,005.75)	120,872,622.35
	Property licence fee proceeds	253,303.35	102,717.56	356,020.91
141,944.00	Stock	4.00	-	4.00
170,133.00	Motor vehicles and DVLA refunds	297,288.42	96.25	297,384.67
	Pension, health care and life assurance refunds	41,575.27	5,344.24	46,919.51
	Rates refunds	50,158.09	20,032.87	70,190.96
1.00	Transferred records	7.00	-	7.00
115,365.00	Cash at bank and in hand	150,616.65	11,972.71	162,589.36
220,498.00	Intercompany debtors	-	-	-
	Prepayments and other debts	-	162,690.70	162,690.70
	Other assets	129,940.91	33,076.77	163,017.68
	Bank interest	16,551.43	1,788.14	18,339.57
	Contribution to third party costs	-	3,030.00	3,030.00
1.00	Hire contracts	6.00	-	6.00
		<u>122,015,079.22</u>	<u>137,742.79</u>	<u>122,152,822.01</u>
<u>112,005,571.00</u>	1,2 Total receipts	<u>123,101,596.92</u>	<u>16,502,943.16</u>	<u>139,604,540.08</u>
	6 Trading account	(100,430.06)	2,500,752.73	2,400,322.67
	Fixed charge payments			
	Bank charges	5.90	62.20	68.10
	Joint Administrators' fees	-	713,885.00	713,885.00
	Legal fees and disbursements	-	91,732.29	91,732.29
	Debt collection expenses	-	19,694.09	19,694.09
		<u>5.90</u>	<u>825,373.58</u>	<u>825,379.48</u>
	Floating charge payments			
	Ransom payments	29,400.00	-	29,400.00
	Gross wages	1,676,575.65	68,245.33	1,744,820.98
	Employers' NIC and Pension contributions	233,915.66	14,630.70	248,546.36
	Sundry expenses	3,463.86	5,050.01	8,513.87
	Pre appointment employee expenses	26,201.18	-	26,201.18
	Post appointment employee expenses	23,093.56	98.07	23,191.63
	ROT settlements	41,611.87	-	41,611.87
	Telephone	173,950.95	100,582.62	274,533.57
	Utilities	118,375.08	15,963.03	134,338.11
	Rates	53,923.99	118,408.49	172,332.48
	Rent and service charge	212,646.30	145,868.57	358,514.87
	Rent due to group companies	-	38,375.00	38,375.00
	Insurance	160,546.76	92,031.63	252,578.39
	Motor expenses	4,861.26	125,512.65	130,373.91
	Stationery and printing	16,488.17	812.53	17,400.70
	Security	213,300.23	123,034.43	336,334.66
	Cleaning	4,363.20	5,803.11	10,166.31
	Legal fees	485,160.47	72,064.96	557,225.43
	Agents' fees	1,768,866.41	(215,494.45)	1,553,371.96
	Pre appointment legal fees	115,820.50	-	115,820.50
	Statement of Affairs preparation	12,000.00	-	12,000.00
	Public notices	95.90	-	95.90
	Other professional fees	9,285.08	-	9,285.08
	Waste disposal costs	70,934.01	15,666.07	86,600.08
	Storage costs	3,521.50	1,150.55	4,672.05
	Transport costs	795,675.36	35,605.00	831,280.36
	Irrecoverable VAT	460.00	-	460.00
	Bank charges	540.90	186.70	727.60
	Joint Administrators' pre appointment fees and disbursements	-	99,930.31	99,930.31
	Joint Administrators' fees	-	4,989,953.00	4,989,953.00
	Joint Administrators' disbursements	-	71,862.81	71,862.81
		<u>6,255,097.85</u>	<u>5,925,240.92</u>	<u>12,180,338.77</u>
	1,2 Total payments	<u>6,255,103.75</u>	<u>6,750,614.50</u>	<u>13,005,718.25</u>
	Distributions			
	4 Secured creditors - fixed charge (BAML)	678,105.48	10,404,842.45	11,082,947.93
	4 Secured creditors - floating charge (BAML)	86,509,612.92	1,797,019.26	88,306,632.18
	Secured creditors - floating charge (CAM)	14,558,376.24	6,679,556.00	21,237,932.24
	Secured creditors - fixed charge (CAM)	-	4,620,000.00	4,620,000.00
	Total distributions	<u>101,746,094.64</u>	<u>23,501,417.71</u>	<u>125,247,512.35</u>
	3 Balances in hand	<u>14,999,968.47</u>	<u>(11,248,336.32)</u>	<u>3,751,632.15</u>
	Represented by:			
	Cash at bank			2,622,413.13
	VAT receivable (payable)			530,558.57
	PAYE / NIC control and pension control			(4.00)
	Intercompany loan accounts			(13,724.45)
	VAT due to other group companies			653,072.63
	Unallocated receipts			(40,683.73)
				<u>3,751,632.15</u>

Notes

- 1 This receipts and payments account is shown net of VAT.
- 2 This receipts and payments account has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid.
- 3 All funds are held in interest bearing accounts.
- 4 As set out in the Joint Administrators' receipts and payments account in our previous report, further amounts of book debts and post appointment debtor receipts were received directly by Bank of America ML (BAML) into the BAML blocked account, and utilised to satisfy BAML secured debt owed by the Group. These cash flows were not recognised in the earlier reporting period. During the Period we have completed a reconciliation exercise and recognised this income over the course of the Administration.
- 5 VAT liabilities have been prepared on the basis of VAT invoices raised during the Period. Further collections from trading sales are paid directly into BAML blocked account and swept over to the Administration estate. blocked bank account and any surpluses are swept back to the Administration estate.
- 6 Trading account is shown separately overhead.
- 7 A final reconciliation of Euro Auctions UK Limited P&M proceeds has been completed in the Period. The net impact of this reconciliation is a small upward adjustment.

**Joint Administrators' receipts and payments account for the period
from 22 November 2016 to 21 November 2017**

HS Realisations**Trading account**

Note	22 November 2016 to 21 May 2017 (£)	22 May 2017 to 21 November 2017 (£)	Total (£)
Trading income			
Trading sales	1,292.29	2,504,503.97	2,505,796.26
Trading payments			
Repairs & renewals	(18,827.24)	4,552.79	(14,274.45)
Stationery and printing	(3,230.78)	(1,344.72)	(4,575.50)
Trading suppliers	(41,938.84)	(6,959.31)	(48,898.15)
Depot cleaning	(6,084.15)	-	(6,084.15)
Telephone	(263.84)	-	(263.84)
Insurance for motor vehicles	(31,377.50)	-	(31,377.50)
	(101,722.35)	(3,751.24)	(105,473.59)
Trading position	<u>(100,430.06)</u>	<u>2,500,752.73</u>	<u>2,400,322.67</u>
Notes			
<p>1 The above analysis does not include employee salaries and wages for those members of staff who were responsible for assisting in trading matters. An amount of employee time will have been spent in assisting with the trading strategy of HS Realisations. However, for reporting purposes all employee costs have been included within floating charge expenses.</p>			

**Joint Administrators' receipts and payments account for the period
from 22 November 2016 to 21 November 2017**

Hewden Properties

Statement of affairs estimated to realise (£)	Note	22 November 2016 to 21 May 2017 (£)	22 May 2017 to 21 November 2017 (£)	Total (£)
	Fixed charge receipts			
5,908,256.00	Property	2,252,600.00	4,617,000.00	6,869,600.00
	Bank interest	116.98	458.82	575.80
		<u>2,252,716.98</u>	<u>4,617,458.82</u>	<u>6,870,175.80</u>
	Floating charge receipts			
104,400.00	Interco debtors	-	-	-
32,864.00	Cash at bank and in hand	32,863.77	(32,863.77)	-
	Sub-tenant income	-	48,564.50	48,564.50
	Bank interest	10.04	7.64	17.68
		<u>32,873.81</u>	<u>15,708.37</u>	<u>48,582.18</u>
<u>6,045,520.00</u>	1,2 Total receipts	<u>2,285,590.79</u>	<u>4,633,167.19</u>	<u>6,918,757.98</u>
	Fixed charge payments			
	Joint Administrators' fees	-	200,000.00	200,000.00
	Bank charges	30.50	85.60	116.10
	Agent's fees	31,630.00	59,250.00	90,880.00
	Agent's disbursements	8,966.00	-	8,966.00
	Legal fees	-	10,090.50	10,090.50
		<u>40,626.50</u>	<u>269,426.10</u>	<u>310,052.60</u>
	Floating charge payments			
	Rent	-	27,018.95	27,018.95
	Statement of Affairs preparation	2,000.00	-	2,000.00
	Public notices	95.90	-	95.90
	Sundry expenses	-	377.88	377.88
	Bank charges	0.30	0.60	0.90
		<u>2,096.20</u>	<u>27,397.43</u>	<u>29,493.63</u>
	1,2 Total payments	<u>42,722.70</u>	<u>296,823.53</u>	<u>339,546.23</u>
	Distributions			
	Secured creditors - fixed charge (BAML)	240,000.00	-	240,000.00
	Secured creditors - fixed charge (CAM)	1,100,000.00	4,722,201.00	5,822,201.00
	Total distributions	<u>1,340,000.00</u>	<u>4,722,201.00</u>	<u>6,062,201.00</u>
	3 Balances in hand	<u>902,868.09</u>	<u>(385,857.34)</u>	<u>517,010.75</u>
	Represented by:			
	Cash at bank			1,167,310.14
	VAT receivable (payable)			(666,423.84)
	Intercompany loan accounts			13,724.45
	Funds held by solicitors			2,400.00
				<u>517,010.75</u>

Notes

1 This receipts and payments account is shown net of VAT.

2 This receipts and payments account has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid.

3 All funds are held in interest bearing accounts.

**Summary of the Joint Administrators' time costs and expenses for the period
from 22 November 2016 to 21 November 2017**

HS Realisations Limited

	Staff Grade					Total Hours	Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Assistant Director	Senior Executive	Executive	Analyst / Intern			
Accounting & Administration	127.7	290.9	28.4	993.2	88.9	1,529.1	538,885	352
Bank & Statutory Reporting	280.3	285.7	5.8	137.6	27.5	736.9	386,034	524
Creditors	18.4	16.1	111.5	96.0	576.5	818.5	176,929	216
Prescribed Part Distribution	2.8	0.1	-	29.9	16.5	49.3	13,509	274
Debtors	212.8	728.1	71.6	1,168.3	118.0	2,298.8	882,949	384
Depot Visits	42.0	115.5	119.3	127.0	15.4	419.2	194,559	464
Employee Matters	175.6	307.5	0.5	849.5	45.5	1,378.6	519,665	377
Health & Safety	4.0	202.0	-	13.3	-	219.3	107,954	492
Immediate Tasks	3.0	30.0	-	76.5	-	109.5	38,115	348
Investigations	5.7	7.0	13.0	53.2	-	78.9	27,611	350
Job Acceptance & Strategy	15.5	-	-	15.5	-	31.0	15,128	488
Legal Issues	10.0	12.7	-	4.0	1.5	28.2	14,012	497
Members	-	2.0	-	-	-	2.0	1,050	525
Other Assets	151.5	760.8	60.0	74.0	24.5	1,070.8	535,543	500
Other Matters	161.1	365.8	7.0	31.5	50.1	615.5	308,782	502
Property	12.5	153.4	11.0	839.2	21.5	1,037.6	330,847	319
Public Relations issues	4.0	-	-	6.0	-	10.0	4,543	454
Retention of Title	12.0	112.8	91.0	126.1	8.0	349.9	135,882	388
Statutory Duties	17.0	52.0	32.5	129.8	3.0	234.3	87,769	375
Trading	163.3	1,059.6	234.5	1,074.0	1,203.0	3,734.4	1,270,858	340
VAT & Taxation	15.8	79.3	29.4	27.9	235.1	387.5	135,462	350
Sale of Business	201.5	177.1	369.4	78.5	216.5	1,043.0	446,759	428
Total Hours	1,636.5	4,758.4	1,184.9	5,951.5	2,651.5	16,182.8		
Time Costs (£)	1,056,536	2,462,976	506,867	1,687,520	459,009		6,172,907	
Average Hourly Rate (£)	646	518	428	284	173		381	
Category 1 Disbursements (£)	74,490.21							
Category 2 Disbursements (£)	8,191.01							
	82,681.22							

Time is recorded in units of six minutes.

Category 2 disbursements

Category 2 disbursements incurred during the Period are summarised below:

Nature of disbursement	Amount incurred in Period (£)	Basis of charge
Mileage	1,356	Mileage is charged at 45p per mile
Total	1,356	

**Summary of the Joint Administrators' time costs and expenses for the period
from 22 November 2016 to 21 November 2017**

Hewden Properties Limited

	Staff Grade					Total Hours	Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Assistant Director	Senior Executive	Executive	Analyst / Intern			
Accounting & Administration	2.0	0.3	-	89.4	2.7	94.4	27,562	292
Bank & Statutory Reporting	21.5	1.0	1.8	30.3	1.0	55.6	23,342	420
Creditors	-	-	2.0	-	0.5	2.5	860	344
Employee Matters	-	-	-	-	2.0	2.0	260	130
Immediate Tasks	1.0	-	-	-	-	1.0	710	710
Investigations	2.5	-	-	22.2	-	24.7	7,991	324
Job Acceptance & Strategy	1.0	2.0	-	-	-	3.0	1,710	570
Legal Issues	11.0	-	-	-	-	11.0	7,880	716
Other Matters	2.0	-	-	-	-	2.0	1,490	745
Property	106.0	60.1	15.0	521.3	-	702.4	251,971	359
Statutory Duties	2.5	1.0	4.0	24.3	0.8	32.6	10,835	332
VAT & Taxation	3.1	2.9	3.8	8.4	14.2	32.4	14,406	445
Sale of Business	42.5	-	6.5	-	9.0	58.0	34,735	599
Total Hours	195.1	67.3	33.1	695.9	30.2	1,021.6		
Time Costs (£)	120,973	43,574	14,066	199,004	6,135		383,751	
Average Hourly Rate (£)	620	647	425	286	203		376	
Category 1 Disbursements (£)	1,293.00							
Category 2 Disbursements (£)	-							
	1,293.00							

Time is recorded in units of six minutes.

No Category 2 disbursements were incurred during the Period.

**Summary of the Joint Administrators' time costs and expenses for the period
from 22 November 2016 to 21 November 2017**

Charge out Rates

Charge out rates	Grade	Previous Rates 1 July 2016 to 30 June 2017 (£)	Current Rates from 1 July 2017 (£)
Restructuring	Partner	710	745
	Director	565-660	595-695
	Assistant Director	500-670	525-705
	Senior Executive	390-510	410-535
	Executive	280-375	295-395
	Analyst / intern	150-340	160-355
Forensic Technology & Discovery Services	Assistant Director	595	n/a
	Senior Executive	380	n/a
	Executive	305	n/a
	Analyst	170	n/a
People Advisory Services	Assistant Director	760	n/a
	Senior	450	n/a
Transaction Tax	Partner	1180-1425	1240-1495
	Director	1000-1175	1050-1235
	Assistant Director	810-1150	850-1210
	Senior Executive	685-855	720-900
	Executive	410-530	430-660
	Analyst	130-390	135-410
Indirect Tax	Partner	1175	1235-1495
	Director	1230	1010-1290
	Assistant Director	1095	725-1150
	Senior Executive	690	560-800
	Executive	435	455-555
	Analyst	180	135-355

Creditors request for further information

Office holders' charging policy for fees

As detailed earlier in this report, the basis of the Joint Administrators' remuneration (including the recovery of pre-administration costs) was approved by the secured and preferential creditors by resolution on 27 March 2017.

The Joint Administrators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Companies' bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Administrators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown in Appendix 3, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report. Time is recorded in units of six minutes.

Office holders' charging policy for disbursements

Statement of Insolvency Practice No. 9 ('SIP 9') published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories.

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without subsequent approval. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment.

Category 2 disbursements comprise payments made by the office holders' firm which include elements of shared or overhead costs. Such disbursements are subject to approval from secured and preferential creditors as if they were remuneration. It was proposed by the secured and preferential creditors by way of resolution on 27 March 2017 that all Category 2 disbursements as incurred are permitted to be drawn by the Joint Administrators from time to time.