

TO ALL KNOWN CREDITORS

23 April 2026

Ref: TRS/SW/BL

Email: VPAdministration@uk.ey.com

Dear Sir or Madam

Victoria Plum Limited (in Administration) ('the Company')

High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies (CHD), Number CR-2023-005464

As you are aware, on 29 September 2023 the Company entered Administration and T G Vance and S J Woodward were appointed to act as Joint Administrators ('Joint Administrators').

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide the Company's creditors with a report on the progress of the Administration.

This report covers the period from 29 September 2025 to 28 March 2026 and should be read in conjunction with the Joint Administrators' previous progress reports, as well as their statement of proposals dated 5 October 2023 ('the Proposals').

As licenced insolvency practitioners, the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administration.

Statutory information about the Company, the Administration and the office holders is given at Appendix 1.

Summary of progress since last report

Legal claims

As previously reported, prior to the appointment of the Joint Administrators, the Company had taken actions to commence two legal claims, the nature and details of which are confidential and subject to legal privilege ("the Claims").

Throughout the period of the Administration, the Company (via the Joint Administrators) has sought to continue pursuing the Claims with a view to realising value for the benefit of the Company's creditors. In this regard, the Joint Administrators are continuing to work with legal advisors to progress this matter.

The realisation of value from the Claims represents the key matter to resolve in the Administration and further updates will be provided, as appropriate, in the Joint Administrators' future progress reports.

License to Occupy (“LTO”)

Following the Joint Administrators’ appointment, an LTO was granted to AHK Designs Limited (“AHK”) in respect of the five leasehold properties which the Company operated from prior to the Administration.

During the period of this report, a reconciliation exercise has been completed in respect of the amounts that had been received by the Company from AHK and the amounts which were required to be paid in respect of rent and other costs for the LTO properties.

As a result of the reconciliation exercise, it was concluded that the Company had received surplus funds totalling £9,147 which have been refunded to AHK during the period of this report.

Trade debtors

As previously reported, a debt collection agent (‘JP Associates’) was instructed to assist with the recovery of the Company’s debtor book, which comprised a combination of accounts with i) installers (c.£0.3m); and ii) customers (c.£0.3m), many of which were disputed, aged and subject to counterclaims.

During the period of this report, amounts totalling c.£2k have been received by JP Associates and transferred to the Company’s Administration bank account, bringing total collections during the period of their instruction to c.£63k.

Fees totalling £441 have been paid to JP Associates during the period of this report in relation to the work they have conducted.

Extension of Administration

Insolvency legislation currently provides for an Administration to automatically come to an end after an initial period of 12 months i.e. on 28 September 2024 in the case of the Company.

As previously reported, on 5 August 2024 the Administration of the Company was initially extended by a resolution of the Company’s creditors for a period of 12 months until 28 September 2025.

Subsequently, on 8 September 2025 the period of the Administration was further extended by order of the court for an additional period of 12 months until 28 September 2026.

Due to the remaining work required, primarily in respect of the Claims, there remains uncertainty as to whether there will be outstanding matters to resolve beyond 28 September 2026.

Should the Joint Administrators deem it appropriate, they will seek a further extension to the Administration from the Court in due course.

Should any creditors have an objection to this application, they should provide details of their objection to the Administrators by writing to Ernst & Young LLP, FAO Ben Leach 12 Wellington Place, Leeds, LS1 4AP, United Kingdom or VPAdministration@uk.ey.com, by no later than 17:00 on 28 May 2026.

Receipts and payments account

A summary of the Joint Administrators' receipts and payments for the period from 29 September 2023 to 28 March 2026 is provided at Appendix 2. Please note that these accounts do not reflect estimated future realisations or costs.

Joint administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. 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 Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

In accordance with Rule 18.18(4) of the Rules and the Joint Administrators fee estimate dated 5 October 2023 ('the Fee Estimate'), the Joint Administrators remuneration was fixed on a time-cost basis on 22 April 2024 by resolution of the Secured and Preferential Creditors.

During the period covered by this report, we have incurred time costs totalling £32,384, bringing total time costs incurred to £1,159,422. Of this amount, £1,000,000 has been invoiced and paid to date.

A comparison with the fee estimate and an analysis of the time spent is provided at Appendix 3 and 5 respectively. The Joint Administrators' charging policy for remuneration is detailed at Appendix 6.

We note that our remuneration is not expected to exceed the total amount provided for in the Fee Estimate. However, whilst the total time costs to date do not exceed the fee estimate, time costs in certain work categories have exceeded the time costs estimated. The categories where we have exceeded the fee estimate are detailed below:

Administration & Planning

As previously reported, additional work versus that anticipated has been required to progress the Administration and ensure that statutory requirements are met. This additional work has included treasury and accounting functions and the processing of receipts and payments in relation to the LTO and the extension of the deferred consideration and LTO periods.

Creditors

The volume of communications from creditors, including suppliers, installers and former customers has been materially higher than initially anticipated, particularly during the early stages of the Administration. Accordingly, we have been required to conduct additional work versus that originally estimated.

Debtors

Additional work has also been required in relation to the collection of the cash in transit and trade debtors. This process has raised a significantly greater level of disputes than initially anticipated.

Reporting

The Joint Administrators have extended the Administration period to, amongst other matters, facilitate maximising recoveries for creditors, which has resulted in the period of the Administration being longer than that which was considered at the time of preparing the fee estimate. Consequently, further work has been required, versus that which was anticipated, in respect of ongoing reporting to creditors and other stakeholders.

Joint Administrators' expenses

During the period covered by this report, we have incurred expenses totalling £29,788 plus VAT. There is a breakdown of expenses incurred in this period and to date at Appendix 4 of this report.

It is noted that expenses in certain categories have exceeded estimates. Expenses have been incurred during the period of this report which have resulted in costs exceeding those detailed in the fee estimate in relation to:

Property costs

As previously noted, the period of the LTO has been extended twice by a total of 9 months, which has meant that additional rent and related property cost payments have been received from AHK and paid to the landlords at the relevant properties.

As stated in this report, the additional £9,147 of property costs paid during the period of this report reflects a refund of surplus funds which had been paid to the Company by AHK during the period of the Administration.

All property costs paid during the Administration reflect amounts which have been funded in full by AHK.

Pre-Administration costs

As reported in the Proposals, there were unpaid pre-administration costs totalling £70,184 (plus VAT), which had not been paid at the date of Administration.

These pre-administrations costs were approved by a resolution of the Secured and Preferential Creditors on 22 April 2024 under Rule 3.52.

£36,423 of these costs were settled in the period prior to this report, with the balance of £33,761 remaining to be paid. A breakdown of the total pre administration costs incurred and paid to date is detailed at Appendix 4.

Distributions to creditors

Secured Creditors

STB, the Company's principal secured lender, had total indebtedness of c.£4.6m due as at the date of Administration in respect of their stock and cash flow facilities, which was subject to accruing interest and charges.

During the period of the Administration, the Joint Administrators have made distributions to STB totalling £4.38m from fixed charge asset realisations which has provided STB with repayment of their debt in full.

Additionally, Endless, the Company's second ranking secured lender had an indebtedness of c.£2.2m as at the date of Administration in respect of their revolving credit facility, which is also subject to accruing interest and charges.

During the period of the Administration, the Joint Administrators have made distributions to Endless totalling £1.69m from fixed charged asset realisations. As no further fixed charge realisations are anticipated, the Joint Administrators do not expect that any further distributions to Endless will be made. Accordingly, it is anticipated that Endless will suffer a shortfall against their indebtedness.

Preferential Creditors

STB had a subrogated wages claim in the Administration totalling £0.3m, which attracted ordinary preferential status.

This claim related to STB's support of the Company during the pre-appointment accelerated sales process, whereby STB agreed to advance funding specifically to meet the Company's wages and salaries for September 2023.

The Joint Administrators made a first and final distribution to STB as an ordinary preferential creditor totalling £0.3m during the period prior to this report, which resulted in the settlement of their preferential claim and debt in full.

As previously reported, we estimate there are secondary preferential creditor claims totalling c.£3.1m from HMRC, in respect of PAYE (£0.3m) and VAT (£2.8m). We continue to anticipate that there will be sufficient funds available to make a payment to HMRC as the Company's secondary preferential creditor, albeit insufficient funds to repay HMRC's debt in full.

Non-Preferential Creditors

The Director's Statement of Affairs estimated that non-preferential claims in the Company totalled approximately £19.2m.

It is not anticipated that there will be sufficient floating charge asset realisations to enable a distribution to non-preferential creditors.

The Joint Administrators continue to estimate, to the best of their current knowledge and belief, that the value of the Company's net property will be £nil and therefore the value of the Prescribed Part will be £nil.

Accordingly, no work in relation to the adjudication of non-preferential claims has taken place.

The Joint Administrators do not intend to make an application to the court under section 176A(5) of the Act for an order not to distribute the Prescribed Part as we estimate the value of this to be £nil.

Remaining work

We will continue to deal with the Administration in line with the stated objectives outlined in the proposals. Future tasks will include, but may not be limited to, the following:

- Continuing to deal with the Claims as appropriate;

- Agreeing the secondary preferential creditor claim and making a distribution to the secondary preferential creditor;
- Dealing with unsecured creditor queries;
- Dealing with corporation tax and VAT matters, including filing statutory returns;
- Dealing with statutory reporting and compliance obligations;
- Seeking further extensions to the period of the Administration (if relevant); and
- Finalising the Administration, including payments of all Administration period liabilities.
- Any other actions required to be undertaken by the Administrators in order to fulfil the purpose of the Administration and bring this matter to a conclusion.

Next report

We will report to you again at the sooner of the conclusion of the Administration or in six months' time.

In the meantime, if you have any queries regarding the content of this report, please do not hesitate to contact us by email VPAdministration@uk.ey.com.

Yours faithfully
for the Company



S J Woodward
Joint Administrator

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 and T G Vance is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland. As Insolvency Practitioners, they are bound by the Insolvency Code of Ethics in carrying out all professional work relating to the appointment.

The affairs, business and property of the Company are being managed by the Joint Administrators, S J Woodward and T G Vance, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data 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. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies (CHD)
Court reference:	CR-2023-005464
Registered name of the Company	Victoria Plum Limited (in Administration)
Registered office address of the Company:	12 Wellington Place, Leeds LS1 4AP
Registered number:	04177694
Country of incorporation (for a Company incorporated outside the United Kingdom):	N/A
Date of appointment of the Joint Administrators:	29 September 2023
Details of any changes of Administrator:	N/A
Full names of the Administrators:	Samuel James Woodward and Timothy Graham Vance
Office holder number(s):	12030 / 26710
Administrators' address(es):	Samuel James Woodward Ernst & Young LLP 2 St. Peter's Square Manchester M2 3EY Timothy Graham Vance Ernst & Young LLP 12 Wellington Place Leeds LS1 4AP
Email:	VPAdministration@uk.ey.com
Name of alternative person to contact with enquiries about the case:	Catriona Lynch

Appendix 2

Victoria Plum Limited (in Administration)

Summary of Receipts and Payments - 29 September 2025 to 28 March 2026

Estimated to Realise per Directors' Statement of Affairs £	Notes	Period from 29 September 2023 to 28 September 2025 (£)	Period from 29 September 2025 to 28 March 2026 (£)	Period from 29 September 2023 to 28 March 2026 (£)
Fixed charge realisations				
6,300,000	Intellectual Property	6,300,000	-	6,300,000
	Deferred consideration interest	32,678	-	32,678
	Bank interest	28,714	-	28,714
6,300,000		6,361,392	-	6,361,392
Fixed charge expenses				
	Administrators' fees	250,000	-	250,000
	Pre appointment agent fees	8,077	-	8,077
	Legal fees	4,919	-	4,919
	Pre appointment legal fees	26,423	-	26,423
	Bank charges and interest	-	6	6
		289,419	6	289,424
Fixed charge distributions to creditors				
	Secured creditor distribution - Secure Trust Bank	4,384,424	-	4,384,424
	Secured creditor distribution - Endless	1,687,543	-	1,687,543
		6,071,967	-	6,071,967
	Net fixed charge receipts	6	(6)	-
Floating charge realisations				
1,449,997	Stock and Work in Progress	1,449,997	-	1,449,997
50,000	Equipment	50,000	-	50,000
1	Contracts	1	-	1
1	Customer Lists	1	-	1
1	Seller's records	1	-	1
19,477	Debtors not subject to Fixed Charge	344,433	1,762	346,196
	Licence to Occupy Receipts	1,650,201	-	1,650,201
47,371	FX hedging gains	47,371	-	47,371
35,510	Prepayments	4,639	-	4,639
	Sundry income	8,003	17	8,019
	Cost coverage provided by Purchaser	16,585	-	16,585
	Amounts to be provided back to customers	25	-	25
	Bank Interest	41,093	3,687	44,780
1,602,358	Total Receipts	3,612,350	5,466	3,617,816
Floating charge expenses				
	Licence to occupy payments	1,641,054	9,147	1,650,201
	Legal fees	48,397	20,194	68,591
	Administrators' fees	750,000	-	750,000
	Pre appointment agent fees	1,923	-	1,923
	Debtor collection fees	27,518	441	27,959
	Corporation tax	7,751	-	7,751
	Insurance	2,955	-	2,955
	Public notices	94	-	94
	Gross wages	854	-	854
	Employers NIC	11	-	11
	Bank charges and interest	266	1	267
	Total Payments	2,480,823	29,782	2,510,605
	Net floating charge receipts	1,131,526	(24,316)	1,107,210
	Preferential creditor distribution	277,674	-	277,674
	Net fixed and floating charge realisations	853,858	(24,322)	829,537
Represented by:				
	Fixed charge bank account	6	(6)	-
	Floating charge bank account	850,036	(27,148)	822,888
	VAT receivable	3,816	2,832	6,648
	Total	853,858	(24,322)	829,537

Notes

- Receipts and payments are stated net of VAT.
- The receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments
- All funds are held in interest bearing accounts.

Victoria Plum Limited (in Administration)

Joint Administrators' Time-Costs from 29 September 2025 to 28 March 2026 and a comparison with the fee estimate dated 5 October 2023

	Per Fee Estimate			Actual in this report period			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Administration & Planning	183.0	128,270.0	701	22.1	13,334	603	355.7	213,295	600
Creditors	325.0	186,550.0	574	2.4	1,034	431	440.9	287,459	652
Debtors	75.0	56,400.0	752	0.5	499	998	70.2	59,943	854
Employees	61.0	53,380.0	875	-	-	-	49.5	37,655	761
Immediate Tasks	98.0	73,920.0	754	-	-	-	21.2	24,526	1,157
Investigation & CDDA	87.5	61,865.0	707	-	-	-	82.7	46,546	563
Job Acceptance & Strategy	27.0	26,330.0	975	-	-	-	10.8	10,414	964
Legal Issues	23.5	22,160.0	943	-	-	-	3.0	4,230	1,410
Other Assets	163.0	122,870.0	754	8.4	8,383	998	68.9	68,554	995
Other Matters	68.5	58,115.0	848	1.0	998	998	34.1	33,241	975
Property	92.0	63,520.0	690	-	-	-	35.7	32,060	898
Public Relations Issues	21.0	18,555.0	884	-	-	-	3.0	4,230	1,410
Reporting	187.5	148,950.0	794	6.0	6,400	1,067	185.0	161,236	872
Retention of Title	60.0	50,040.0	834	-	-	-	4.9	4,655	950
Statutory Duties	129.0	100,540.0	779	2.0	1,080	540	162.3	100,457	619
VAT & Taxation	136.0	98,590.0	725	1.0	656	656	120.1	70,922	591
Total	1,737.0	1,270,055.0	731	43.4	32,384	746	1,648.0	1,159,422	704

Victoria Plum Limited (in Administration)

Summary of Joint Administrators' expenses incurred

Type of expense	Per fee estimate dated 5 October 2023	Paid in previous period	Paid in Period	Total
Payments made from the estate which are not disbursements – (note 1)				
Property costs	755,958	1,641,054	9,147	1,650,201
Legal fees	75,000	53,316	20,194	73,509
Agent fees	40,000	27,518	441	27,959
Insurance	10,000	2,955	-	2,955
Statutory costs	5,000	94	-	94
Bank charges and fees	500	266	7	273
Corporation tax	-	7,751	-	7,751
Gross wages and Employers NIC	-	865	-	865
	886,458	1,733,819	29,788	1,763,607
Category 1 disbursements (notes 2 and 3)				
Copying, printing and postage	7,500	-	-	-
Travel costs	1,000	-	-	-
Specific penalty bond	20	-	-	-
	8,520	-	-	-
Category 2 disbursements (notes 2 and 3)				
Mileage	500	-	-	-
	500	-	-	-
Pre-administration costs unpaid as at date of administration				
EY costs	33,761	-	-	-
Legal costs	26,423	26,423	-	26,423
Valuation agent costs	10,000	10,000	-	10,000
	70,184	36,423	-	36,423
Total	965,662	1,770,242	29,788	1,800,030

Notes

- 1 Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- 2 Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 3 Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2.

Appendix 5

Victoria Plum Limited (In Administration) ('the Company')

Joint Administrators' time costs – explanation of the work done for the period from 29 September 2023 to 28 March 2026

Basis of work	Category of work	Description of work to be completed	Work done / in progress / to be performed
Statutory	Accounting & Administration	<ul style="list-style-type: none"> Overall management of the case, statutory compliance diaries and time cost reporting. Cashiering, Treasury and accounting functions. 	<ul style="list-style-type: none"> In progress
Statutory	Creditors	<ul style="list-style-type: none"> Receiving and recording creditor claims. Correspondence with creditors. Processing distributions to preferential and unsecured creditors (as applicable). 	<ul style="list-style-type: none"> In progress In progress In progress
Asset realisation	Debtors	<ul style="list-style-type: none"> Dealing with former customers regarding the realisation of book debts. Liaising with JP Associates and the purchaser regarding the collection of the Company's book debts. 	<ul style="list-style-type: none"> Work done Work done
Statutory	Employees	<ul style="list-style-type: none"> Making statutory submissions to the relevant government departments. Dealing with ad hoc queries in relation to TUPE transfer. Dealing with former employee enquiries. 	<ul style="list-style-type: none"> Work done Work done Work done
Statutory	Immediate Tasks	<ul style="list-style-type: none"> Completing on appointment statutory duties; notification of the appointment of administrators; and practical tasks such as, collating information (financial and non financial), putting insurance in place, securing assets, speaking with the Company's directors and liaising with the Purchaser. 	<ul style="list-style-type: none"> Work done
Statutory	Investigations & CDDA	<ul style="list-style-type: none"> Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders". Preparing the Joint Administrators' report on the conduct of the directors under the Company Directors Disqualification Act 1986. 	<ul style="list-style-type: none"> Work done Work done
Asset realisation	Job Acceptance & Strategy	<ul style="list-style-type: none"> Planning of the strategy to be taken during the Administration based on the best outcome for creditors. Considering exit routes from Administration and implementing the most appropriate route. 	<ul style="list-style-type: none"> In progress In progress
Statutory	Legal Issues	<ul style="list-style-type: none"> Dealing with any ad hoc legal issues. 	<ul style="list-style-type: none"> In progress
Asset realisations	Other Assets	<ul style="list-style-type: none"> Realising value from the Company's other assets including the Claims. 	<ul style="list-style-type: none"> In progress

Statutory	Other Matters	<ul style="list-style-type: none"> • Dealing with assets owned by third parties. • Dealing with transitional arrangements between the Purchaser and former suppliers. • Recovery of the Company's physical books and records, and electronic records. • Dealing with pre and post appointment insurance matters 	<ul style="list-style-type: none"> • Work done • Work done • Work done • In progress
Asset realisation	Property	<ul style="list-style-type: none"> • LTO management; invoicing rent, paying rent to landlord and reconciling the LTO account. • Correspondence with landlord/agents regarding the LTO. • Dealing with LTO termination on various Properties and liaising with the landlord/agents/Purchaser in this regard. 	<ul style="list-style-type: none"> • Work done • Work done • Work done
Statutory	Public relations	<ul style="list-style-type: none"> • Agreeing and issuing statements to the press as required in pursuit of the Administration strategy. 	<ul style="list-style-type: none"> • Work done
Statutory	Reporting	<ul style="list-style-type: none"> • SIP16 notice to all known creditors. • Preparation and circulation of Proposals to all known creditors and filing at Companies House. • Filing the Statement of Affairs from the Directors at Companies House. • Preparation and filing of notice of deemed approval of Proposals. • Documenting the statutory objective of the Administration and Proposals. • Ongoing reporting as required to creditors and other stakeholders. • Reporting to the secured creditors. 	<ul style="list-style-type: none"> • Work done • Work done • Work done • Work done • Work done • In progress • Work done
Asset realisation	Retention of title	<ul style="list-style-type: none"> • Assessment and settlement of claims for retention of title from the Company's suppliers (as applicable). 	<ul style="list-style-type: none"> • Work done
Statutory	Statutory Duties	<ul style="list-style-type: none"> • On appointment and ongoing statutory duties; ensuring that all documents are appropriately filed in line with the statutory requirements. • Issuing the Director's Questionnaire to all Directors of the Company (current and 3 years preceding). • Issuing a notice to directors requesting the submission of a Statement of Affairs. • Preparation of documentation for the approval of the Joint Administrators' remuneration. 	<ul style="list-style-type: none"> • In progress • Work done • Work done • Work done
Statutory	VAT & Taxation	<ul style="list-style-type: none"> • Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists. • Submitting relevant notifications to HMRC. • Preparing claims for VAT bad debt relief (if applicable). • Assessment of the VAT and tax treatments of transactions and agreements entered into during the Administration. 	<ul style="list-style-type: none"> • In progress • In progress • In progress • In progress

Victoria Plum Limited (In Administration) ('the Company') **Statement of Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No.9**

Joint Administrators' charging policy for remuneration

The Joint Administrators have engaged managers and other staff to work on the Administration. 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 Company's 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 time code established specifically for this engagement. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time.

Administrators' charging policy for expenses

Statement of Insolvency Practice No. 9 divides expenses into two categories.

- ▶ Category 1 expenses are defined as specific expenditure relating to the Administration of the insolvent's affairs and referable to payment to an independent third party. Such expenses can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 expenses drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the expenses drawn.
- ▶ Category 2 expenses are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such expenses are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 expenses before they are drawn.