

TO ALL KNOWN INVESTORS AND CREDITORS

8 July 2020

Email: investorcollateral@bdo.co.uk

Dear Madams/Sirs

**Collateral (UK) Limited
Collateral Sales Limited
Collateral Security Trustee Limited - All In Creditors' Voluntary Liquidation**

I set out below an annual progress report in accordance with Section 104A of the Insolvency Act 1986 and Rule 18.4 of the Insolvency (England and Wales) Rules 2016 ('the Rules'). This report covers the period 10 May 2019 to 9 May 2020 ('the Period') and should be read in conjunction with my previous reports published in the preceding Administration and the periodic updates published on the dedicated Collateral website that has been set up at <https://www.bdo.co.uk/en-gb/collateral-companies-in-liquidation>.

The following abbreviations are used from time to time throughout this report:

"CUKL"	Collateral (UK) Limited
"CSTL"	Collateral Security Trustee Limited
"CSL"	Collateral Sales Limited
"the Companies"	CUKL, CSTL and CSL, collectively
"the Joint Liquidators"	Shane Crooks and Mark Shaw, of BDO LLP

Given the degree of inter-dependence between the Companies' affairs and for cost-efficiency the reports for the Companies have been consolidated into one document.

1 Statutory information regarding the Joint Liquidators

The Joint Liquidators are Shane Crooks (officeholder number: 15110) and Mark Shaw (officeholder number: 8893) both of BDO LLP, 55 Baker Street, London, W1U 7EP.

The Joint Liquidators were appointed on 10 May 2019, following a move from Administration (where they acted as Joint Administrators) to Creditors' Voluntary Liquidation, and they carry out their functions jointly and severally, meaning any action can be performed by one Liquidator or by both of them.

2 Receipts & Payments

I enclose, for your information, a summary of the receipts and payments for the Period. For the purpose of this report, all receipts and payments have been consolidated and included on the summary of receipts and payments for CUKL, notwithstanding the fact that certain receipts and

payments may relate to the realisation of assets held on trust by one or more of the Companies for investors.

I trust that the receipts and payments are self-explanatory. Realisations during the Period are set out in more detail in section 4 below.

3 Professional costs in the Liquidation

I additionally provide a summary of the professional fees and other expenses which have been paid in the Period, the costs, which have been accrued and not yet paid and, where possible, an estimate of the further costs that are anticipated.

Professional Fees and Expenses	Accrued but not yet paid £	Paid £	Anticipated future costs £
Insolvency Risk Services - Insurance costs	2,200.11	930.11	2,400
White Feather Designs Ltd - IT consultant	nil	1,000.00	nil
Stevens & Bolton LLP - Legal Fees & Disbursements	194,200	134,253.77	Not possible to estimate at this time
Stevens & Bolton LLP - Pre - Appointment Legal Fees & Disbursements	nil	8,180.61	nil
Gordon Brothers - Agents Fees & Disbursements	9,000	1,360.00	Not possible to estimate at this stage
Cushman & Wakefield - Property Agents Fees & Disbursements	nil	7,500.00	nil
Avison Young LLP - Property Agents Fees & Disbursements	26,500	nil	Not possible to estimate at this stage
Total	231,900.11	153,224.49	Not possible to estimate at this stage

The summary of receipts and payments attached to this report also shows that £49,038.61 has been spent on security costs. These were paid out of the Liquidation estate to fund necessary security cover for a property securing one of the loans, and will be repaid to the estate from the sale proceeds, once the property has been realised.

4 Progress of the Liquidation

The Joint Liquidators have continued to deal with the affairs of the Companies, to progress the various work-streams commenced during the preceding Administration period and to perform their statutory duties in the Liquidation.

I set out below a summary of the work undertaken in the Period and the progress achieved. I continue to work closely with the Liquidation Committee, providing detailed updates and seeking its guidance where appropriate.

Electronic data and online platform

Previous reports highlighted the importance of the electronic data of the Companies, the difficulties experienced in obtaining and accessing the electronic information and the focus that was being placed by the Joint Liquidators on recovering that information.



As explained in our update to investors and creditors of 23 December 2019, after locating and retrieving the data held on the Companies' former servers, we managed to rebuild an analysis of investors' exposure to the various loans available on the Collateral platform.

Our work was also assisted by the feedback received from certain investors who had been sent a copy of the initial analysis of their exposure, on the basis that these investors had the most significant discrepancies between the summary figures provided to us at the outset of the administrations and the information initially extracted from the restored electronic data. As a result, we were able to produce updated detailed loan exposure schedules for all investors and, for the vast majority of investors, these reconcile exactly with the summary information that had initially been provided. Any remaining discrepancies are very small.

Some further work was required to finalise these schedules for all investors, and this was completed during the Period. As a first step, the updated schedules were sent to the group of investors with the largest discrepancies. From the feedback received, it appeared that the updated schedules had dealt with the majority of discrepancies previously identified. As a result, on 19 June 2020 we emailed all investors a schedule with their detailed exposure to the various loans on the Collateral platform as at 28 February 2018.

If you are an investor and you did not receive your personal loan exposure schedule, please email us at investorcollateral@bdo.co.uk with your details and request a copy.

Please note that the schedules do not incorporate any balances of cash held on the platform that had not been invested in any of the available loans. Consequently, a small number of investors whose only exposure to the platform was in respect of funds held in the client account will not have received an email.

We have already received a large number of email responses from investors following the circulation of the detailed investment exposure schedules. Whilst most appear to confirm that the updated schedule matches their records or recollection, there are also many emails with more detailed queries. We should be grateful for your patience whilst we deal with and respond to the emails received.

We hope that the schedules will assist the investors in better clarifying their exposure to the Collateral platform, especially for those investors who did not have a detailed record of their investments before the platform was taken offline. As a next step, we will be looking into any queries or objections that investors may have in relation to their exposure. Clarifying and agreeing the exposure position with investors is a necessary step before any distributions can be paid out to investors from proceeds from the loan recoveries.

The loan books

As previously reported, the Companies effectively operated two loan books. A 'property' loan book which included loans secured over property assets and a 'chattel' loan book which was smaller in size and related to 'sale agency agreements' (which were often referred to as 'chattel loans').

Recovery of the loan books remains a major work stream in the Liquidations, and the Joint Liquidators have continued to liaise closely with the Liquidation Committee in respect of the recovery strategy.

The realisation of the loan books has proved particularly challenging. As investors will note from the tables below, it has been necessary to commence enforcement action in relation to the majority of the loans, as a repayment of the respective loans or consensual settlement with the borrower was possible only in a limited number of cases. A number of properties which form the security for the loans have faced significant issues and challenges (including, amongst other things, in respect of planning conditions, health and safety issues, and issues with the security registered over the respective properties), which has required a significant amount of work and effort in order to bring the properties to a position where they can be marketed for sale. The Covid-19 pandemic also appears to have made lenders adopt a more cautious approach to funding property acquisitions



by potential purchasers. This has impacted some transactions where we had, after protracted negotiations, agreed a sale price only to find that the purchaser is no longer able to secure funding.

Our last update had advised that the following loans had been realised:

Property	Enforcement action required?	Principal loan £	Amount recovered £
Old Road, Bromyard, Hereford	No	210,000	212,174.76
Bolton Street, Blackpool, Lancashire	No	105,000	120,419.18
Barnston Road, Liverpool	No	74,900	94,087.46
Miller Street, Blackpool, Lancashire	No	108,500	129,907.20
Mullen Road, Wallsend, Newcastle upon Tyne	No	80,500	85,000
St Albans Crescent, Newcastle upon Tyne	No	133,000	139,000
Park Hall, Huyton Hey Road, Liverpool	No	195,615	180,000
Total		907,515	960,588.60

Since our last update of 23 December 2019, the following loans have been realised, or sales have been agreed in respect of the underlying property security:

Property	Enforcement action	Principal loan £	Amount recovered £
Mullen Gardens, Wallsend, Newcastle upon Tyne	Yes	122,500	180,850
Meadows House, Fulham, London	Yes	595,000	720,000.00
Paddock Way, Doncaster, South Yorkshire	Yes	303,714	212,500.00
10 Oakwell Vale, Pontefract Road, Barnsley	Yes	49,050	64,650.00
39 Oakwell Vale, Pontefract Road, Barnsley	Yes	49,050	52,745.00
67 Oakwell Vale, Pontefract Road, Barnsley	Yes	49,050	56,569.00
Total		1,168,364	1,287,314.00

Please note that not all of the proceeds in relation to the above loans have yet been received into the Liquidation bank accounts, as some proceeds are still held by our agents pending the settlement of realisation costs and expenses, or pending the receipt of completion monies from auctioned properties. These net proceeds will appear in the summary of our receipts and payments in our next report/update.

I set out below a list of properties over which we had previously taken enforcement action by appointing Receivers (having removed any properties that have subsequently been sold, and which are instead shown in the two tables above):

Property	Principal loan Value £
Navigation Building, Station Approach, Hayes, Middlesex	325,300
Pembroke Street, Littleborough	125,000
Great Moor Street, Bolton	5,190,000
Block C, Colne Hall, Manchester Rd, Huddersfield	1,601,000
Development - Waverledge, Rushton Street, Great Harwood	935,906
Development - Belgrave Heights, Blackburn Road, Darwen, Blackburn	1,432,000
Development Site at Sycamore Ave, Burnley, Lancashire	883,146
Development Loan - Eco Village at Nether Kypeside, Lanark	1,195,358

We have accepted offers in relation to five of the above properties and we are liaising with our agents and solicitors in an attempt to conclude the sales as soon as possible. Given that these transactions have not yet concluded, we are unable to provide any further information in relation to the agreed price at the present time.

Since our last report we have taken enforcement action over a further loan, in respect of a parcel of land in Aintree. We understand that this property was a 'pre-platform' loan, in that it had not been offered for investment on the platform. The principal loan value is to be determined, but is in excess of £75,000.

There remains one outstanding loan, secured over various units at a block of student accommodation, over which we have not yet taken enforcement action. The whole building is currently unoccupied following enforcement action taken by the local Fire Authority, and we are currently liaising with the freeholder to clarify the position in relation to these units before committing to a specific course of action.

Chattel loans

As previously reported, the Joint Liquidators have collected all known chattel assets. Investors and creditors will recall that all chattel borrowers had elected to return the assets secured under the loans, rather than make an offer for settlement. Further chattel assets, from previously defaulted loans, are held in a secured storage facility in Manchester.

We had advised in our previous reports that there are significant discrepancies between the value of the chattel assets in the Companies' records and the estimated realisable values provided by the independent valuation obtained by the Joint Liquidators. We have raised this issue with the directors and we are waiting for their substantive response before we take steps to realise the assets.

Our investigations in relation to potential additional chattel loans, which had not been disclosed at the outset of the administrations, continue. We are seeking a substantive response from the directors to clarify the position in this regard.

The Companies' bank accounts

As previously reported the Joint Administrators took steps to secure the Companies' bank accounts immediately upon their appointment, and balances of £383,243.54 and £429,307.30 were held in the CUKL office and client accounts respectively.



As stated in previous reports, there is a discrepancy between the balance held in the client account and the Companies' records. This is one of the issues that we have raised with the directors and we await their substantive response.

Communication with stakeholders

Investors and creditors will recall that the Joint Liquidators have set up a dedicated website that provides information to investors, creditors and borrowers of the Companies. Please note the website below:

<https://www.bdo.co.uk/en-gb/collateral-companies-in-liquidation>

The website is updated periodically and is used to provide updates to stakeholders on the progress of the Liquidations. We have previously uploaded frequently asked questions ("FAQs") to the website and other updates in between the gaps between our statutory reports to investors and creditors.

Investors who have specific queries should continue to use the dedicated email address at investorcollateral@bdo.co.uk or they can write to the Joint Liquidators c/o BDO LLP, 55 Baker Street, London W1U 7EU.

Liquidation Committee ("the Committee")

Throughout the Administrations and the Liquidations, we have physically met with the Committee on five occasions, where we have provided detailed updates on progress. More recently, due to Covid-19 restrictions we were unable to host a physical meeting that was due to take place in March or April this year. We instead provided a written update to the Committee. Numerous ad-hoc updates have also been provided in relation to specific matters and issues, as they arise.

We will continue to regularly liaise with the Committee, especially in relation to the realisation strategy for the remaining property assets.

Assets

I can confirm that there are no assets of a peculiar or special nature which cannot be sold. Consequently there has been no distribution of unsold assets to creditors, as mentioned in Rules 18.10/14.13 of the Insolvency (England & Wales) Rules 2016.

5. Future prospects for investors and creditors

Secured creditors

Based on current information, the Companies have no secured creditors.

Preferential creditors

Certain amounts due to former employees in respect of arrears of wages and accrued holiday pay at the date of Administrations will be classed as preferential claims.

The directors advised that staff were paid up to 28 February 2018. The Joint Liquidators wrote to the former employees in the preceding Administration to establish whether there were any amounts due to them in respect of accrued holiday or notice pay.

To date, former employees of CUKL have claimed c£6.2k in respect of accrued holiday and payment in lieu of notice. The Government's Redundancy Payments Service has paid c£5.9k of that amount and the balance will be a direct claim against CUKL, which will ultimately be dealt with as a preferential claim in the Liquidation of CUKL.



Investors, unsecured creditors and the Prescribed Part

For reasons set out in previous reports and in the Proposals in the Administrations, it is not possible to estimate the likely return to investors and creditors at this stage. As previously advised, distribution levels will depend on the quality of the loan books and the associated costs incurred to secure a settlement or sale of the underlying property.

Based on the legal advice that we have received to date, and without waiving privilege in respect of the same, the platform loans are assets held on trust on behalf of investors. The return to investors will vary significantly between different loans based on the net realisations achieved. Accordingly, each investor will in all likelihood receive a different rate of return from the other investors, depending on their own particular exposure to the loans in their own portfolio.

As noted above, once the Joint Liquidators have resolved all material issues and queries arising from investors' review of their detailed investment exposure schedules, the Joint Liquidators intend to take steps to make interim distributions in respect of some of the loans that have been recovered to date. Given the number of investors involved, there will be a not insignificant cost to making each distribution, therefore we will liaise closely with the Committee in relation to the timing and nature of any interim distribution.

Under Section 176A of the Insolvency Act 1986 where, after 15 September 2003, a company has granted to a creditor a floating charge, a proportion of the net property of that company must be made available purely for the unsecured creditors. The Companies have not granted a floating charge to any creditor after 15 September 2003 and consequently there will be no Prescribed Part in these Liquidations.

6. Investigations

The Joint Liquidators have a duty to investigate the affairs of the Companies and also the conduct of the directors and, in respect of the latter, to submit a confidential statutory report to the Secretary of State. I confirm that a report has been submitted.

We continue to investigate the Companies' affairs and assets to establish whether there are any further actions that can be pursued for the benefit of investors and creditors. As a result of our investigations to date, we have sent a number of detailed questions to the former directors of the Companies and we await their substantive responses. We had been trying to arrange a physical meeting with the directors earlier this year, but this was not possible due to the lockdown restrictions. A provisional date for a meeting has since has been agreed towards the end of summer, subject to the prevailing government advice in place at that time.

Due to the sensitive nature of these investigations, we are unable to disclose any further detail at this stage. However, we continue to liaise closely with the Committee in this regard.

7. Joint Liquidators' Remuneration

Pursuant to the Rules, the Joint Liquidators are obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

- (1) As a percentage of the assets realised and distributed; and/or
- (2) By reference to the time the Joint Liquidators and their staff have spent attending to matters in the Liquidation; and/or
- (3) As a set amount; and/or
- (4) As a combination of the above.



As previously reported, the Joint Administrators' and the Joint Liquidators' remuneration is complicated by the nature of the Companies' assets and the fact the Joint Administrators/Liquidators are dealing with both 'trust' assets and 'company' assets.

The Joint Liquidators continue to use the internal time recording protocol established in the Administrations and split the time charged to this assignment between specific or general trust assets, and non-trust (or company) assets. In relation to non-trust assets and issues, all time in the liquidations has been charged to Collateral (UK) Limited, but it incorporates time spent dealing with all the Companies.

During the Period, the below sums have been drawn in respect of the Joint Administrators' pre-appointment fees and disbursements, the Joint Administrators' remuneration and disbursements and the Joint Liquidators' remuneration and disbursements, as approved by the Committee (no fees had previously been drawn in relation to this matter).

Description	Amount £
Joint Administrators' pre-appointment fees	36,463.23
Joint Administrators' pre-appointment disbursements	1,108.00
Joint Administrators' fees (non-trust)	144,277.72
Joint Administrators' fees (trust)	443,117.58
Joint Administrators' disbursements	2,244.34
Joint Liquidators' fees (trust)	49,952.18

To date, the Committee has approved the Joint Administrators' costs for the period 27 April 2018 to 9 May 2019 (the administration period) and the Joint Liquidators' costs for the period 10 May 2019 to 14 June 2019. In addition to the amounts recorded in the table above, sums of £72,894.90 in respect of the Joint Administrators' non-trust fees, and £3,334.12 in respect of the Joint Liquidators' non-trust fees, have been approved but have not yet been drawn to date.

I attach schedules in relation to the Liquidations detailing the time costs incurred in the Liquidations to date. As previously set out in the Joint Administrators' Proposals, the charge out rates for all BDO partners and staff working on these assignments have been discounted to the rates agreed with the FCA prior to the Joint Administrators' appointment.

In accordance with the time recording protocol outlined above, time has been split between trust and non-trust activities. You will note that total time costs for the Period total £93,707.62 in respect of time spent dealing with non-trust assets, and £314,236.08 in respect of time spent dealing with trust assets, as per the detailed breakdown provided in the schedules at the end of this report. In respect of the non-trust time, the Committee has approved £3,334.12 of these costs, as noted above. These fees have not yet been drawn. In relation to the trust time, £49,952.18 of these costs have been approved by the Committee and drawn from realisation in the estate as noted in the table above. The Joint Liquidators will continue to liaise with the Committee in relation to the approval of these, and all other outstanding fees.

The last administration report dated 24 April 2019 included an amended fee estimate that anticipated total costs in the administrations and the liquidations to reach approximately £986k plus VAT. The fee estimate was based on a number of assumptions and caveats in respect of the different work-streams. As outlined earlier in this report, significant work has been required to be undertaken in dealing with the realisation of the outstanding loan book, where enforcement action has been necessary for a large number of the loans. We have also encountered a number of challenges and issues which have led to difficulties in realising a number of the property assets. Additionally, more extensive work has also been undertaken in relation to our investigations into



the affairs of the Companies and the recreation of the database and investors' detailed loan exposure.

As a result, the total time costs for all work undertaken in the administrations and liquidations up to 9 May 2020 slightly exceeds the amended fee estimate. As the Committee is responsible for periodically approving the Joint Liquidators' fees, we will be discussing an amended fee estimate with the Committee in due course.

For guidance, I provide a link to 'A creditors' guide to Liquidators' fees' in Section 9 below and I enclose, at the end of this report, a document that outlines the policy of BDO LLP in respect of fees and disbursements.

8. Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements.

Some Liquidators recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements.

The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have accrued in the Period.

Total Category 1 disbursements of £12,601.75 have been incurred in the Liquidations in the Period as detailed below:

	Cat. 1 (£)	Cat. 2 (£)	Total (£)
Data hosting	3,632.75	-	3,632.75
Third party IT support	7,500.00	-	7,500.00
Relativity licences	1,140.00	-	1,140.00
Statutory declaration	5.00	-	5.00
Statutory advertising	324.00	-	324.00
Total	12,601.75		12,601.75

Disbursements totalling £2,244.34, which had accrued during the administrations, have been drawn during the Period.

9. Creditors' rights

I provide at the end of this report an extract from the Rules setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation. Creditors may access information setting out creditors' rights in respect of the approval of Liquidator's remuneration at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to me but are not satisfied with my response, you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.



The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at:

<https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>

If you require any further information please contact me or my colleague David Forster at BRCMT@bdo.co.uk.

Yours faithfully
For and on behalf of
the Companies

A handwritten signature in black ink, appearing to read 'Shane Crooks'. The signature is stylized and cursive.

Shane Crooks
Joint Liquidator
Authorised by the Institute of Chartered Accountants in England & Wales in the UK

Enclosures:

Receipts and Payments Account
SIP 9 Time Cost Reports for the Period
BDO LLP Policy in respect of Fees and Disbursements
Statement of Creditors' Rights in respect of Fees and Disbursements



Collateral UK Limited - in Creditors' Voluntary Liquidation
Summary of receipts and payments for the period 10 May 2019 to 9 May
2020

Receipts	Total £
Surplus from the Administrations	1,625,249.99
Redemption of Loans in Period	776,065.11
Bank interest	3,254.53
Refund received from JMW solicitors	40,000.00
	<hr/>
	2,444,569.63
	<hr/>
Payments	
Professional Fees	1,940.34
Committee Expenses	1,714.32
Security Costs	49,038.61
Property Agents	9,188.45
Legal fees pre-appointment	8,180.61
Legal fees (trust)	111,042.43
Legal fees (non-trust)	19,178.00
Legal disbursements	4,033.34
Storage Costs	2,000.01
Insurance of Assets	930.11
Bank Charges	204.00
JAs' pre-appointment fees	36,463.23
JAs' pre-appointment disbursements	1,108.00
Joint Administrators' fees (non-trust)	144,277.72
Joint Administrators' fees (trust)	443,117.58
Joint Administrators' disbursements	2,244.34
Joint Liquidators' fees (trust)	49,952.18
VAT input	178,697.59
	<hr/>
	1,063,310.86
	<hr/>
Balance in hand	1,381,258.77
	<hr/>
	2,444,569.63
	<hr/>

BDO LLP
55 Baker Street
London
W1U 7EU

Shane Crooks
Joint Liquidator
03 July 2020

Notes

1 The directors have not submitted a Statement of Affairs for the Companies.

Collateral UK Limited
 Collateral Sales Limited
 Collateral Security Trustee Limited - All in Creditors' Voluntary Liquidation

Joint Liquidators' time spent dealing with non-trust matters

Summary of Time Charged and Rates Applicable for the Period From 10 May 2019 to 9 May 2020

Description	PARTNER		MANAGER		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£
General Administration, including investigations, liaising with lawyers and the FCA, cashiering, planning and strategy.	19.60	11,581.80	144.50	47,508.20	57.30	8,160.40	69.75	4,368.97	291.15	71,619.37	245.99
Creditor claims and queries	2.00	1,200.00	9.35	3,113.55	8.00	1,160.00			19.35	5,473.55	282.87
Reporting, including statutory reports, maintenance of dedicated webpage and FAQ's.	3.50	2,100.00	6.00	1,998.00			4.00	268.00	13.50	4,366.00	
Liaising with, and reporting to, the Creditors' Committee	10.25	6,150.00	15.90	5,294.70	4.00	804.00			30.15	12,248.70	406.26
	35.35	21,031.80	175.75	57,914.45	69.30	10,124.40	73.75	4,636.97			
							Net Total		354.15	93,707.62	264.60

Collateral UK Limited
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Joint Liquidators' time spent dealing with trust asset matters

Summary of Time Charged and Rates Applicable for the Period From 10 May 2019 to 9 May 2020

Description	PARTNER		DIRECTOR		SENIOR MANAGER / MANAGER		EXECUTIVE		GRAND TOTAL		AV RATE	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£	
IT platform specific work	14.00	8,400.00	7.25	2,283.75	16.45	5,477.85	14.95	2,167.75	52.65	18,329.35	348.14	
General administration, including liaising with lawyers, meetings and correspondence with the Directors					8.00	2,664.00			8.00	2,664.00	333.00	
Assets Realisation/Dealing (i.e dealing with realisation of loan books)	27.40	16,440.00			68.99	22,950.94	16.79	3,259.01	113.18	42,649.95	376.83	
Investor claims and queries	5.50	3,300.00			41.40	13,786.20	6.75	978.75	53.65	18,064.95	336.72	
Liaising with committee on trust asset matters	16.25	9,750.00			25.85	8,608.05	4.00	804.00	46.10	19,162.05	415.66	
Time attributed to specific trust assets.	141.63	84,975.00	4.40	2,167.40	371.62	123,748.63	14.75	2,474.75	532.39	213,365.78	400.77	
	204.78	122,865.00	7.25	2,283.75	532.31	177,235.67	57.24	9,684.26				
									Net Total	805.97	314,236.08	389.88



**Collateral (UK) Limited
Collateral Sales Limited
Collateral Security Trustee Limited - All In Creditors' Voluntary Liquidation**

In accordance with best practice, I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above liquidations.

The charge out rates per hour of staff within my firm, who may be involved in working on the liquidations, follows:

Grade	London
Partner	600
Director	462
Senior manager	392 - 428
Manager	295 - 333
Assistant manager	266
Senior executive	248
Executive	182 - 224
Trainee	92 - 165

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed on a regular basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.



Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories:

Category 1 disbursements

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

Category 2 disbursements

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP
8 July 2020



Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
 - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
 - (d) any unsecured creditor with the permission of the court; or
 - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
 - (b) providing some of the information requested; or
 - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
 - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
 - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
 - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
 - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
 - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
 - (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
 - (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ('the relevant report').

Applications under rules 18.34 and 18.35 where the court has given permission for the application

18.36.—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

- (2) Where the court has given permission, it must fix a venue for the application to be heard.



- (3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or Liquidator or the administrator's or Liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court's permission is not required for the application

18.37.—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

- (2) Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or Liquidator or the administrator's or Liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.