



██████████ To All Known Creditors

The Collective (Living) Group Limited
The Collective (Living) Limited
Harewood Properties Limited
(in Administration)

Second Remuneration Report: Information to
Creditors

Glossary

Abbreviation	Definition	Term	Meaning
BEIS	Department for Business, Energy and Industrial Strategy	Administration	The Administrations of The Collective (Living) Group Limited, Harewood Properties Limited and The Collective (Living) Limited
c.	Approximately	Appointment date	15 September 2021 - The Collective (Living) Group Limited (“TCLGL”) 15 September 2021 - The Collective (Living) Limited (“TCLL”) 16 September 2021 - Harewood Properties Limited (“HPL”)
CDDA	Company Directors Disqualification Act 1986	Joint Administrators / we / our / us /	Matthew Boyd Callaghan, Andrew James Johnson and Lisa Jane Rickelton
CT	Corporation Tax	the Companies	TCLGL, HPL and TCLL collectively
EBITDAP	Earnings Before Interest, Taxes, Depreciation, Amortization and Pension Income	Secured Creditors	Deutsche Bank AG, London Branch; GCP Asset Backed Income (UK) Limited; and AC Advantage – Credit Strategies. Creditors with security in respect of their debt in accordance with Section 248 IA86.
FTI / FTI UK	FTI Consulting LLP and/or FTI Financial Services Limited	the Group / The Collective Group	TCLGL and all its subsidiaries
GLAS	GLAS Trust Corporation Limited, security agent for the Secured Creditors	The Proposals	Our Statement of Proposals including its appendices, dated 5 November 2021
HMRC	HM Revenue & Customs	Preferential creditors	First ranking: Principally employee claims for unpaid wages (max £800 per employee), holiday pay, and certain unpaid pension contributions Second ranking: HMRC in respect to certain specified debts.
HPL	Harewood Properties Limited – In Administration	Prescribed Part	Amount set aside for unsecured creditors from floating charge net realisations in accordance with Section 176A IA86.
IA86	Insolvency Act 1986 (as amended)	Scape	Windmill Opportunities Limited (formerly Scape Student Living Limited) trading as Scape (Company Number: 07120364) and TC Services Limited (Company Number: 13608402)
ICAEW	Institute of Chartered Accountants in England & Wales	Unsecured creditors	Creditors who are neither secured nor preferential. Principally trade creditors, landlords, intercompany debts and utility providers. HMRC and employee-related claims that do not rank preferentially are also included here.
IR16	Insolvency (England and Wales) Rules 2016 (as amended)		
LTO	Licence to occupy leasehold premises		
NDA	Non-Disclosure Agreement		
PAYE	Pay-as-you-earn tax		
RPS	Redundancy Payments Service		
Schedule B1	Schedule B1 to the Insolvency Act 1986		
SIP	Statement of Insolvency Practice		
SIP 2	Investigations by office holders in administration and insolvent liquidations		
SIP 7	Presentation of financial information in insolvency proceedings		
SIP 9	Payments to insolvency office holders and their associates from an estate		
TCLGL	The Collective (Living) Group Limited – In Administration		
TCLL	The Collective (Living) Limited – In Administration		
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006		

Important notice

This Second Remuneration Report (Information to Creditors) replaces and supersedes a previous version made available to creditors on our website from 16 June 2022.

- We delivered to creditors (via our website) our second remuneration report dated 16 June 2022, which provided details of:
 - a review of our remuneration in respect of these Administrations; and
 - extensions to the periods of the Administration that are being proposed.
- Since delivering that document to creditors, further discussions have taken place with the Secured Creditors regarding the duration of the extensions. As a result, it has been agreed that the extensions should be for a period of 12 months in the case of HPL and TCLGL, instead of the six months previously proposed. As before, no extension is being sought in relation to TCLL.
- A consequence of the extended duration of the Administrations is the additional work we expect to have to perform. We therefore agreed in principle with the Secured Creditors a revised amount for our remuneration.
- Our second remuneration report dated 16 June 2022 has therefore been superseded and replaced with this report. The key version changes are as follows:
 - 12 month extensions are now proposed for HPL and TCLGL.
 - If the Administrations of HPL and TCLGL continue beyond 14 March 2023 and 15 March 2023 respectively (i.e. beyond the first six-month period of the extension), our remuneration will be increased by £5k (TCGLGL) and £45k (HPL). This proposed increase to our fees is in addition to the further fees detailed in the previous version of this report, in the sum of £450k.
 - Details are included in respect of the additional work required due to further increasing the duration of the Administrations.
 - Updated Receipts and Payments accounts to 28 June 2022 are provided for the Companies, at the end of this report.
- **As before, this report is for information purposes only and no action is required. It is for the Secured Creditors to provide the formal approval required.**

Purpose of This Remuneration Report

We are seeking an increase in our remuneration for acting as joint administrators of the Companies and insolvency legislation requires that we provide certain information to creditors before a determination can be made.

Fee Basis Approved

- In our Statement of Proposals dated 5 November 2021, we explained that in relation to acting as joint administrators of the Companies, we would be seeking approval for our fees to be determined as a set amount (a fixed fee). We also explained that, in the circumstances of these Administrations and in the absence of a creditors' committee, it would be a matter for the Secured Creditors to decide, as they are the only class of creditor with a financial interest in the Administrations.
- In our progress report dated 19 April 2022, we confirmed that the Secured Creditors gave their consent on 19 November 2021. Details of what was approved was provided in our progress report and is set out again later in this document.

Review of Remuneration

- A number of factors have changed since we issued our Proposals (and the initial Remuneration Report contained therein) and the Administrations are expected to take longer and be more complex than originally forecast. We are therefore seeking an increase to the quantum of the fixed fees in respect of each of the Administrations.
- In accordance with insolvency legislation, the increase is again for the Secured Creditors to approve. Agreement in principle has been received and formal approval is being sought in conjunction with issuing this second Remuneration Report.
- Further details of what is proposed and the reasons giving rise to the request, are provided later in this document.

Actions Required by Creditors

- **No actions are required by creditors. This document is for information purposes only.** We will be contacting the Secured Creditors separately with regards to obtaining their formal approval.

Further Information

- You may wish to read this document in conjunction with our Proposals (containing our initial Remuneration Report) and first progress report, both of which can continue to be found online (see 'How to Contact Us'). You may request a hard copy of this document or those reports, by contacting us using the details provided.
- Our Proposals and progress report provided details of the purpose of the Administrations, how we believe those purposes will be achieved and the progress of the Administrations in the six-months since our appointment. The reports also provided background information on how administrators' fees may be determined and approved; and details of the expenses likely to be incurred.

How to Contact Us

- Creditors can contact us using the preferred methods below:

Email: CollectiveLiving@fticonsulting.com

Post: TCLL, TCLGL, HPL (all in Administration)
c/o FTI Consulting LLP
200 Aldersgate
Aldersgate Street
London
EC1A 4HD
United Kingdom

Tel: +44 (0)20 3077 0468

- Further information can be found online at:
<https://www.fticonsulting.com/emea/cip/the-collective-living-group-limited>



Matthew Boyd Callaghan
Joint Administrator

Legal Notices

These important notices relate to the provision of information in this document and our appointment as joint administrators.

Agents of the Companies

- The affairs, business and property of the Companies are being managed by the Joint Administrators, who act as agents of the Companies and without personal liability. The Joint Administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under Section 390A(2)(a) of the Insolvency Act 1986.

Information on Creditors' Rights

- Information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at www.creditorinsolvencyguide.co.uk/.
- Details about how an office-holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at www.fticonsulting.com/emea/cip/forms-and-information. Please refer to the version "Guide to Administrators Fees April 2021 England Wales".

Data Protection

- FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of its insolvency practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings.
- You can find more information on how FTI uses your personal information on our website at www.fticonsulting-emea.com/~/_media/Files/emea-files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf

Insolvency Code of Ethics

- The Joint Administrators are bound by the Insolvency Code of Ethics which can be found online at www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics.

About this Report

- This report has been prepared by the Joint Administrators solely to comply with their statutory duties under insolvency law and regulation. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of (or any financial interest in) the Companies.
- Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Act 1986 and Insolvency (England and Wales) Rules 2016, does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.
- Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Provision of Services Regulations

- To comply with the Provision of Services Regulations, some general information about FTI Consulting LLP, including about our complaints policy and Professional Indemnity Insurance, can be found online at: www.fticonsulting.com/emea/cip.

Estimated Outcome for Creditors

The Administrations are being separately funded as the Companies have insufficient realisable assets to discharge costs of the processes. Consequently, no dividends are expected to any class of creditor.

Key Message

- We do not expect to pay a dividend to any class of creditors, since the Administrations are being separately funded by TCS. There will be insufficient assets to repay the non-recourse funding in full. Our Proposals and progress report provide further information on the outcome for creditors, which is summarised below for the purposes of this document.

Secured Creditors

- The Group Facility Agreement is secured by way of a debenture creating fixed and floating charges over the assets of the Companies as well as other Group entities. It also benefits from a comprehensive net of guarantors across the Group.
- Since our appointment, accrued interest and default interest has been charged to the facilities increasing the total amount owed to £114m (as agreed with the Security Agent).
- It is not expected that Secured Creditors will make recoveries from the realisation of assets in the Companies, however the continuation of the central services function in TCLL and director appointments at holding company levels, has provided a platform for the Secured Creditors to recover value under their security entitlements elsewhere in the Group.

Preferential Creditors

- TCLL was the only company of the three that had employees at the time of our appointment. Similarly, it is the only one with debts payable to HMRC that could rank preferentially.
- Whilst preferential claims are expected, there will be insufficient floating charge funds to enable a dividend to be made.

Unsecured Creditors

- Given the insufficient level of assets, costs of the Administrations and (in TCLL) prior-ranking preferential claims, there will be no dividend to the unsecured creditors in any of the Companies, via the Prescribed Part or otherwise.
- Similarly, there will be no return to any of the Companies' shareholders.

TCLGL Creditor Class	Amount Owed	Estimated Recovery	Timing of Payment
■ Secured Creditors	£107.5m	0 %	n/a
■ Preferential Creditors	£nil	0 %	n/a
■ Unsecured Creditors	£47.7m	0 %	n/a

HPL Creditor Class	Amount Owed	Estimated Recovery	Timing of Payment
■ Secured Creditors	£107.5m	0 %	n/a
■ Preferential Creditors	£nil	0 %	n/a
■ Unsecured Creditors	£40.5m	0 %	n/a

TCLL Creditor Class	Amount Owed	Estimated Recovery	Timing of Payment
■ Secured Creditors	£107.5m	0 %	n/a
■ Preferential Creditors	£2.3m	0 %	n/a
■ Unsecured Creditors	£66.2m	0 %	n/a

Please note that this guidance is only an indication and should not be used as the main basis of any bad debt provision. The amounts indicated as owing to the secured creditors are calculated exclusive of make-whole costs.

Proposed Revision to our Remuneration

We are proposing that the quantum of the fixed fees are increased (funded by the Secured Creditors) as a result of the change in circumstances in the Administrations and the additional work required.

Approved Basis of our Remuneration

- The table opposite shows the approval previously given by the Secured Creditors for each of the entities. Funding has been provided by TCS to meet these costs, although such funding must also be used to discharge certain other expenses of the Administrations, including legal fees. Therefore, the amount of our remuneration drawn from each Administration may be lower and the allocations may change, as this is subject to where such costs arise.
- After our Proposals (and initial Remuneration Report) were issued and before the Secured Creditors gave the approval above, we received an information request from a third party. As our assistance to that party would be unconnected to achieving the purpose of the Administrations and of no benefit to any class of creditor, we agreed with the Secured Creditors (as the fee approving body) that we could draw remuneration in respect of this work.
- Specifically, we proposed (and the Secured Creditors agreed) that we could draw 100% of the VAT-exclusive amount invoiced by any of the Companies and received from third parties (i.e., a 'percentage of realisations' basis). However, our assistance was ultimately negligible and we do not propose to invoice the third party or draw any remuneration for the small amount of work done.

Proposed Revision to our Remuneration

- The table also shows the proposed increase in remuneration and the total position. All amounts are on a fixed fee (set amount) basis. We are proposing the increase due to a material and substantial change in the circumstances, which were not taken into account when the original basis and quantum were determined.
- As before, a fixed fee basis provides the Secured Creditors with a degree of certainty and control over the costs of the Administrations and we agreed this would be appropriate in the circumstances and subject to certain assumptions regarding the extent of work involved. We believe the basis and quantum are a fair and reasonable reflection of the additional work required.
- We have not repeated all the detail provided in our Proposals and first progress report regarding all the work we have done and expect to do in these cases. Instead we have focussed on the key areas giving rise to the request to revise our remuneration.

Company	Approved	First Increase	Second Increase	Revised Total
TCLL	£3,078,000	£300,000	-	£3,378,000
TCLGL	£10,000	£10,000	£5,000	£25,000
HPL	£50,000	£140,000	£45,000	£235,000
Total (exc. VAT)	£3,138,000	£450,000	£50,000	£3,638,000

- We currently expect that the proposed Increases to our fees will be drawn from the Administrations as shown above. However for the same reasons as explained earlier, these allocations are subject to change. VAT is added at the time the remuneration is invoiced and paid by the Companies, but is not recoverable by HPL and TCLGL as they are not VAT-registered.
- The Secured Creditors continue to be the only class of creditor with a financial interest in the conduct of the Administrations and the revision set out above will again be determined only by the Secured Creditors, in the absence of a creditors' committee.
- The Secured Creditors have agreed the increases in principle and formal approval in accordance with insolvency legislation is being sought in conjunction with issuing this second Remuneration Report.
- In the following section, we have provided details of the additional work required in the Administrations, in order for the fee approving body to make an informed judgement about the reasonableness of our request.
- In relation to the 'First Increase' to our remuneration for TCLGL and HPL, this covers only the work required in the first six-month period of the extensions. If the Administrations are not able to be concluded by 14/15 March 2023, the 'Second Increase' will apply, covering anticipated further statutory and administrative work. If any material unforeseen work arises during the second six-month period of the extension, it is likely that we will seek a further review of our fees.
- To conclude the Administrations by 14/15 March 2023, all remaining work will need to have been substantially completed no later than two months before this date, to give sufficient time to comply with our statutory duties. If this is not the case, funding for the Second Increase will be provided by the Secured Creditors at that time.

Extensions and Expenses

The revision to our remuneration in respect of HPL and TCLGL relates to the proposed extension of the Administrations. For all Administrations, our previous estimates of expenses are largely unchanged.

Extension to the Period of the Administrations

- Our request seeking approval to the revision of our remuneration will also ask the Secured Creditors to consent to extend our term of office (the period of the Administration) in relation to HPL and TCLGL only.
- These extensions are required as we expect there will be a benefit for the Secured Creditors in continuing to facilitate payments across the Group on their behalf. Such payments are made for the purpose of preserving and maximising value from assets elsewhere in the Group over which the Secured Creditors have a financial interest. Continuing the Administration allows the present funding agreements in HPL to remain in place. In order for HPL to continue to facilitate payments, TCLGL is also required to be extended. Further, (as shareholder) TCLGL will need to call a meeting of the creditors of HPL to move HPL into liquidation once the Administration is capable of being ended. TCLGL is also the entity responsible for discharging the ongoing costs relating to the directorship appointments around the Group. The additional work is described later in this document and the incremental costs are included in the revised remuneration set out earlier.
- Based on discussions with the Secured Creditors, we will be seeking an extension of 12 months to 14/15 September 2023 (for TCLGL and HPL respectively), which is the maximum extension period that can be approved by the Secured Creditors. However, it is considered likely that all remaining matters will be concluded within the first six months of the extension. If this is not the case, funding for the Second Increase will be provided by the Secured Creditors at the relevant time.
- Notice of the extensions will be made available for viewing and downloading on our website and no other notice will be delivered to creditors. The website address can be found under 'How to Contact Us' earlier in this document. Creditors may request a hard copy of the extension notices, by contacting us using the details provided.
- No extension is being sought for TCLL as all outstanding matters should be resolved before the anniversary of our appointment in September 2022.

Expenses Estimates

- In our initial Remuneration Report (within our Proposals), we set out an estimate of the expenses likely to be incurred in each of the Administrations. In our first progress report, we provided an update on those expenses, including the amount incurred in the period and an explanation of the key differences compared to our original estimates.
- We do not believe those recent estimates have materially changed and therefore no further analysis has been performed for the purpose of this document. As mentioned earlier, the progress report continues to be available online should any creditor wish to refer to it.
- We have included up to date receipts and payments accounts for the Companies at the end of this report.
- Whilst the Administrations of HPL and TCLGL are expected to be extended, the only additional payments we expect to make as a consequence, are payments by HPL (as borrower in the funding agreement), funded by TCS and in respect of Group companies; that we do not consider to be expenses of the Administration.

Additional Work (HPL and TCLGL)

The additional work in HPL and TCLGL principally relates to the unforeseen work required to extend the Administrations, additional periodic statutory duties as a consequence and continued payment facilitation in HPL.

Area of Work	Description of Work	Reason and Benefit for Creditors
Controlling our Appointment	<ul style="list-style-type: none"> ■ Case reviews: periodic reviews of the Administrations, typically every six-months. Due to the proposed extensions of HPL and TCLGL, at least one additional case review will be required. Should the Administrations not be concluded within the first six-month period of the proposed extension, a further case review will be required. ■ Financial Management: preparing and maintaining cost budgets, estimated outcome statements etc., as appropriate for the case and throughout the period of the extension. Reconciliations to the bank statements are also undertaken on a monthly basis. ■ Remuneration: giving further information to creditors, seeking a revision to our fee approval in accordance with insolvency legislation requirements, maintaining budgets and drawing fees when approved. 	<ul style="list-style-type: none"> ■ We have a duty to perform our functions as quickly and efficiently as reasonably practicable, in the best interests of the creditors as a whole. ■ Whilst not necessarily generating a direct financial benefit for creditors, these areas of our work ensure that our strategies to maximise realisations and minimise costs (and liabilities where possible), are kept under review and amended as appropriate.
Dealing with Creditors	<ul style="list-style-type: none"> ■ Secured creditors: liaising with / periodic reporting to the Secured Creditors (as required), and continuing to facilitate payments for the Lenders through HPL across the Group. 	<ul style="list-style-type: none"> ■ We will be continuing to facilitate payments for the Secured Creditors through HPL across the Group. In respect of HPL and TCLGL, the Secured Creditors have requested a 12-month extension to the Administrations, which will allow for the funding agreements in HPL to remain in place, which will ultimately benefit the Secured Creditors when assets within the wider Group are disposed of.
Fulfilling Our Statutory Duties	<ul style="list-style-type: none"> ■ Progress reports: preparing and issuing an additional six-monthly progress report to creditors, including receipts and payments accounts. Should the HPL and TCLGL Administrations not be concluded within the first six-month period of the proposed extensions, a further progress report will be required. ■ Extensions to the Administration: additional work required in respect of the proposed extensions will include facilitating the extension, including statutory filing of documents and assisting the Secured Creditors with the assistance of legal advisers in completing the steps necessary to allow for the closure of the Administrations. 	<ul style="list-style-type: none"> ■ There are statutory requirements to give notice of the extensions to the Administrations to affected parties. There is no direct financial benefit to creditors other than the principal benefit to the Secured Creditors outlined above. ■ Many requirements are for the purpose of keeping creditors informed about the Administrations and to protect their interests generally.

Additional Work (TCLL)

TCLL provides central services and the period of trading has exceeded initial expectations and is more complex in terms of supporting the affairs of the wider Group, for the benefit of the Secured Creditors.

Area of Work	Description of Work	Reason and Benefit for Creditors
Managing the Affairs of the Wider Group	<ul style="list-style-type: none"> ■ It has taken the Secured Creditors longer than envisaged to realise their security interests around the Group. ■ This has resulted in a significant amount of additional and continuing work in supporting that process. For example, we have spent considerable amounts of time managing the audit process for the various Group subsidiaries and liaising with their advisers. For the avoidance of doubt, we were not involved in the performance of the audit work itself. 	<ul style="list-style-type: none"> ■ The trading of TCLL and continuation of the central services function provides a platform for the Secured Creditors to maximise and recover value under their security entitlements elsewhere in the wider Group.
Realisation of Assets	<ul style="list-style-type: none"> ■ There have been significant costs incurred in relation to the ongoing efforts to sell the intellectual property held by TCLL and other assets throughout the Group (where the property management agreements are held by TCLL). 	<ul style="list-style-type: none"> ■ Assets will be realised for the benefit of the Secured Creditors.

Receipts and Payments Account (TCLL)

For the period 15 September 2021 to 28 June 2022

	Notes	Statement of Affairs (Estimated to Realise)	15th September 2021 to 28th June 2022
		£	£
Funding Receipts			
Funding for Trading Expenses	3	-	803,201
Funding for Administration Expenses		-	3,075,490
Secured Creditor Commitments	4	-	(179,789)
Trading Surplus/(Deficit) - see opposite			(553,094)
Pre-appointment Commitments		-	(5,166)
Net Funding Balance		-	3,140,642
Floating Charge Receipts			
Bank Interest Gross		-	329
Cash at Bank	5	-	609,803
Intercompany Receivables	6	-	27,081
Other Sundry Refunds		-	891
Office and Computer Equipment	7	1,000	-
Subtotal		1,000	638,104
Floating Charge Payments			
Bank Charges			(94)
IT Expenses			(10,475)
Legal Fees			(166,070)
Pre-Administration Costs (floating)			(90,665)
Professional Fees			(4,283)
Re-Direction of Mail			(385)
Office holders' Fees			(2,249,815)
Office holders' Expenses			(185)
Irrecoverable VAT			(1,859)
Statutory Advertising			(184)
Subtotal			(2,524,014)
Floating Charge Surplus/(Deficit)		1,000	(1,885,910)
Net Receipts and Payments		1,000	1,254,732

Trading Statement	15th September 2021 to 28th June 2022
	£
Income	-
Direct Costs	
Direct Labour	418,811
Direct Expenses	817
Subtotal	419,628
Trading Expenditure	
Rents	19,324
Heat and Light	522
Bank Charges	114
Ransom Payments	106,080
Employee Expenses	200
Agent's Fees	7,225
Subtotal	133,466
Trading Deficit	553,094
Made Up As Follows	
VAT Receivable	471,679
Floating Charge Account	783,053
Total	1,254,732

Notes to the Receipts and Payments Account (TCLL)

For the period 15 September 2021 to 28 June 2022

Notes to the Account

1. All amounts are shown net of VAT, unless otherwise stated. Duress (ransom) payments include VAT.
2. The trading statement is prepared on a cash basis and therefore does not necessarily represent the actual trading position for the period shown.
3. Funding for OpCo (trading) expenses is comprised of:
 - the initial funding (£785,700, being the estimate of costs and expenses anticipated to be incurred by the borrower for providing the initial transitional services); and
 - employee costs recharged to other Group entities (payroll in the amount of £98,635) less a partial refund payment to Lenders pursuant to the funding agreement (£81,134).
4. Secured Creditor Commitments includes an August 2021 pension contribution payment to Scottish Widows funded by the Secured Creditors. Subsequent payments for September and October 2021 pension amounts are also included in this category for consistency, although an element of these relates to the post-appointment period and could alternatively be shown as a trading expense. In any event, all pension amounts were funded by the Secured Creditors.
5. Cash at Bank represents swept cash from NatWest accounts, which at the appointment date was holding the remainder of the Facility C funding provided by the Secured Creditors during the attempted (pre-Administration) sale process that ensured continuity of the business.
6. Full and final settlement of intercompany debt owed by TC Revalerstrasse LLP to TCLL (converted from €33k).
7. Office and Computer Equipment is categorised as a fixed charge asset in the directors' Statement of Affairs, though given the nature of the asset we have recognised the asset as floating charge in this account. In any event, we do not expect to make any realisations from this asset for the reasons explained earlier.

Receipts and Payments Account (TCLGL)

For the period 15 September 2021 to 28 June 2022

	Notes	Statement of Affairs (Estimated to Realise)	15th September 2021 to 28th June 2022
		£	£
Funding Receipts			
Funding for Administration Expenses	2	-	14,510
Funding Received (Other)	3	-	184,965
Secured Creditor Commitments		-	(184,995)
Net Funding Balance			14,480
Floating Charge Receipts			
Bank Interest Gross		-	16
Cash at Bank		-	5,000
Subtotal			5,016
Floating Charge Payments			
Irrecoverable VAT	4		(437)
Bank charges			(15)
Statutory Advertising			(184)
Re-Directon of Mail			(385)
Insurance			(2,000)
Subtotal			(3,021)
Floating Charge Surplus/(Deficit)			1,995
Net Receipts and Payments			16,476
Made Up As Follows			
Floating Charge Account			16,476
Total			16,476

Notes to the Account

1. All amounts are shown net of VAT, unless otherwise stated. The Company is not VAT registered and therefore VAT is not recoverable.
2. Includes initial funding amounts plus additional intragroup funding from TCLL for insurance and statutory advertising costs.
3. Comprised of funding from HPL for professional fees.
4. Irrecoverable VAT is comprised of £400 in relation to Insurance (broker advice), with the remaining £37 relating to Statutory Advertising payments.

Receipts and Payments Account (HPL)

For the period 16 September 2021 to 28 June 2022

	Notes	Statement of Affairs (Estimated to Realise)	15th September 2021 to 28th June 2022
		£	£
Funding Receipts			
Funding for Administration Expenses	2	-	60,000
Funding Received (Other)	2	-	10,795,177
Funding transfer to TCLGL			(184,965)
Secured Creditor Commitments	3	-	(10,365,623)
Net Funding Balance			304,590
Floating Charge Receipts			
Bank Interest Gross		-	40
Cash at Bank		-	12,785
Subtotal			12,825
Floating Charge Payments			
Bank Charges			(47)
Irrecoverable VAT			(5,471)
Statutory Advertising			(184)
Subtotal			(5,702)
Floating Charge Surplus/(Deficit)			7,123
Net Receipts and Payments			311,712
Made Up As Follows			
Floating Charge Account			311,712
Total			311,712

Notes to the Account

1. All amounts are shown net of VAT, unless otherwise stated. The Company is not VAT registered and therefore VAT is not recoverable.
2. Amount received from TCS and the Secured Creditors to fund costs of the Administration, payments on behalf of Group companies and related commitments made by the Secured Creditors.
3. Includes payments made on behalf of Group companies, TCS or the Secured Creditors which are not expenses of the Administration. Payments to date include £2.5m of funding to facilitate the acquisition of a partner's 50% interest in a joint venture known as Hackney Wick. This was part of a deferred consideration arrangement that was entered into by a Group company before the administration date. This meant that the Group company would own 100% of the Hackney Wick development and the Secured Creditors believed the purchase would improve their overall outcome. Also included is funding provided to other Group entities including Paper Factory, Old Oak and Domes to meet operational expenditure funding needs and third party lender interest costs.