

Interserve Plc (in Compulsory Liquidation) (“the Company”)

Estimate of remuneration to be charged

In accordance with Rule 18.16(4) of the Insolvency (England and Wales) Rules 2016, the Joint Liquidators set out below their estimate of remuneration to be charged.

The estimate of remuneration is £295,992 plus VAT. An explanation of how this sum has been arrived at is set out below and a breakdown of the expected costs is provided in Appendix 1.

Explanation of the work proposed to be undertaken

Further tasks will include, but may not be limited to, the following:

Category of work	Description of work completed / to be completed
Accounting and Administration	<ul style="list-style-type: none"> Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost monitoring and reporting. Monitoring internal systems and records in line with statutory requirements.
Al Binaa	<ul style="list-style-type: none"> Obtaining required consents, clearances and transferring ownership / managing the sale of the Al Binaa Shares.
Bank and Statutory Reporting	<ul style="list-style-type: none"> Preparing the Joint Liquidators’ twelve monthly progress reports and final report. Preparing reports to Interserve Group Limited, in accordance with the terms of the Sale and Purchase Agreement, on the use of funding made available to the Joint Liquidators to cover the costs of the Liquidation.
VAT and Taxation	<ul style="list-style-type: none"> Bringing tax affairs up to date. Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists.
Job Acceptance and Strategy	<ul style="list-style-type: none"> Matters relating to the appointment and initial planning.

Details of expenses incurred and anticipated to be incurred

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. Expenses comprise sums paid or to be paid to third parties and sums payable to the Joint Liquidators’ firm in respect of out-of-pocket expenses and costs which include an element of shared or allocated costs. Expenses expected to be incurred total £64,000 plus VAT, the majority which is expected to be for legal advice. A breakdown is provided in Appendix 1.

Expenses incurred and anticipated to be incurred in the Liquidation relate to:

- Legal fees and expenses
- Advertising
- Bonding
- Copying, postage and printing
- Official Receiver’s general fee and administration fee

Exceeding estimates of remuneration and expenses

If these estimates for remuneration and expenses in the Liquidation are exceeded, an explanation of the reasons why will be provided in the appropriate progress report. The Joint Liquidators will only draw remuneration in excess of the estimate with the prior agreement of the approving body, in accordance with Rule 18.30 the Insolvency (England and Wales) Rules 2016.

Estimate of return for creditors

During the preceding administration of the Company, a distribution of 2.03p in the pound, totalling £549,426.36, was paid to unsecured creditors from the Prescribed Part, less associated costs. No further distributions to the unsecured creditors of the Company are expected.

Robert Hunter Kelly is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland and Alan Michael Hudson is licensed in the United Kingdom to act as an insolvency practitioner by The Insolvency Practitioners Association.

The Joint Liquidators 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 Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1: Estimated remuneration and expenses

Estimate of the Joint Liquidators' remuneration

	Staff Grade							Total Hours	Total Cost (£)	Average Rate (£)
	Partner	Associate Partner	Director	Assistant Director	Manager	Executive	Analyst			
Accounting and Administration	2.1	-	-	7.5	-	54.0	42.0	105.6	36,336.30	344.1
Al Binaa - sale of shares	16.0	35.0	80.0	40.0	15.0	10.0	-	196.0	131,654.25	671.7
Bank & Statutory Reporting	4.5	4.5	6.0	15.0	-	63.0	81.0	174.0	65,149.50	374.4
VAT & Taxation	8.4	-	12.0	6.0	-	60.0	15.0	101.4	57,681.00	568.8
Job Acceptance & Strategy	0.5	0.5	1.0	2.0	-	3.0	5.0	12.0	5,170.75	430.9
Total Hours	31.5	40.0	99.0	70.5	15.0	190.0	143.0	589.0		
Time Costs (£)	28,829	32,760	71,399	42,939	6,679	71,143	42,244		295,992	
Average hourly rate (£)	915.2	819.0	721.2	609.1	445.3	374.4	295.4			

Estimate of the Joint Liquidators' expenses

	£
Payments which are not disbursements (see notes 1 and 2)	
Legal fees and disbursements	50,000
Official receivers general fee and administration fee	11,000
Sub total	61,000
Category 1 disbursements (see notes 2 and 3)	
Specific penalty bond	1,280
Advertising	1,000
Sub total	2,280
Category 2 disbursements (see notes 2 and 3)	
Copying, printing and postage	720
Sub total	720
Total Expenses	64,000

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.