

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

01315795

Name of Company

AudioGO Limited

At We

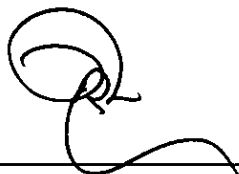
Mark Shaw, 55 Baker Street, London, W1U 7EU

Antony David Nygate, 55 Baker Street, London, W1U 7EU

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 25/11/2014 to 24/11/2015

Signed



Date 18 January 2016.

BDO LLP
55 Baker Street
London
W1U 7EU

Ref LONAUDGO/MAS/ADN/KLH/RAF/BE/KB

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COMPANIES HOUSE

**AudioGO Limited
(In Liquidation)
Joint Liquidators' Trading Account**

Statement of Affairs	From 25/11/2014 To 24/11/2015
POST APPOINTMENT SALES	
Sales Income	286 51
	<u>286 51</u>
COST OF SALES	
Post Appointment Royalties	9,388 43
	<u>(9,388 43)</u>
TRADING EXPENSES	
Oil & Gas	1,399 64
Employee Benefits	(52 54)
Trading PAYE & NI	(19,971 54)
	<u>18,624 44</u>
 TRADING SURPLUS/(DEFICIT)	 <u><u>9,522 52</u></u>

AudioGO Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

**Statement
of Affairs**

**From 25/11/2014
To 24/11/2015**

ASSET REALISATIONS

Insurance Refund	8,514 60
Bank Interest Net of Tax	1,379 57
Trading Surplus/(Deficit)	9,522 52
Transfer from Administration	1,521,915 82
	<u>1,541,332 51</u>

COST OF REALISATIONS

IT & Website Costs	617 50
Warrant Exercise Cost	1,575 91
Irrecoverable VAT	3,037 30
Legal Fees paid on behalf of ABL & AL	15,335 51
Sundry Expenses	35 00
	<u>(20,601 22)</u>

FLOATING CHARGE CREDITS

Secured Creditor	500,000 00
	<u>(500,000 00)</u>

1,020,731 29

REPRESENTED BY

Input VAT	410 12
Floating Current Account	1,022,988 35
Vat Control Account	(2,667 18)

1,020,731 29



Mark Shaw
Joint Liquidator

18 January 2016

Please ask for Robert Ferne
Telephone 020 7893 3562

Dear Sirs

AudioGO Limited ('the Company') - In Creditors' Voluntary Liquidation
Registered Address: 55 Baker Street, London, W1U 7EU
Registered number: 01315795
Joint Liquidator: Mark Shaw and Antony David Nygate
Joint Liquidator Address: c/o BDO LLP, 55 Baker Street, London, W1U 7EU
Date of Appointment: 25 November 2014

I enclose for your information an annual progress report in accordance with Section 104A of the Insolvency Act 1986 and Rule 4 49C of the Insolvency Rules 1986. This report should be read in conjunction with the former Joint Administrators/Joint Liquidators final Administration progress report dated 1 December 2014, copies of which are available upon request

I also enclose a Receipts and Payments account showing a balance in hand of £983,044 for your information

1 Receipts

The sum of £1,521,916 was transferred from the Administration estate to the Liquidation estate shortly after the appointment of the Joint Liquidators on 25 November 2014.

Sundry refunds including an insurance premium overpayment of £8,515 and an employee related insurance policy overpayment of £53 have been received during the reporting period.

2 Payments

A distribution of £500,000 was made to National Westminster Bank Plc under their fixed and floating charge security, further details of which are given below

Utility costs associated with the Company's formerly owned warehouse in Hengoed totalling £2,018 have been paid to settle the Administration period liabilities

3 Progress of the Liquidation

Creditors will already be aware that a royalty reconciliation process has been on-going in respect of 1 November 2013 to 14 February 2014 (post Administration appointment) period and the pre appointment royalty position (pre 31 October 2013).

I can advise that the royalty reconciliation process has been completed, we will be issuing cheques and sending the respective royalty statement in the coming months.

4 Assets

It is anticipated that no substantial asset realisations are to be received into the Liquidation estate.

5 Prescribed Part

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 a company, after the payment of preferential creditors, must be made available for the unsecured creditors.

Based on present information, the Joint Liquidators estimate that after allowing for costs the value of the Company's net property will be in the region of £1 5million. This means that the prescribed part may be £308,000.

6 Future Prospects

6.1 Secured Creditor

As stated in my proposal document, the Company's main bankers, National Westminster Bank plc ('NatWest'), hold fixed and floating charges over the assets of the Company dated 13 July 2010. As at the date of the preceding Administration, NatWest was due c. £9million in respect of its secured debt. It is anticipated that NatWest will suffer a substantial shortfall in respect of its lending. NatWest has received £500,000 during the reporting period under their fixed and floating charge security.

In addition, Quintus European Mezzanine Fund Sarl ("Quintus") also holds fixed and floating charges dated 27 December 2012. Quintus has advised that US\$8,548,682 is due from the Company. As Quintus may not receive any payment from the Company's assets under their security, they will be able to submit an unsecured claim and participate in the dividend paid from Prescribed Part monies, should they elect to surrender their security.

6.2 Preferential Creditors

No preferential creditors are anticipated in the Liquidation as all known preferential claims had been defrayed in the prior Administration of the Company.

6.3 Unsecured Creditors

To date, unsecured creditor claims totalling £2,181,389 have been lodged against the Company in the Liquidation.

As mentioned above, it is anticipated that there should be a distribution to the unsecured creditors by way of the prescribed part. Once the outstanding royalties have been dealt with.

6 Joint Liquidators' Remuneration

Pursuant to the Insolvency Rules 1986, the Joint Liquidators are obliged to fix their remuneration in accordance with Rule 4.127(2) of the Insolvency Rules 1986. 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 the 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.

The Joint Liquidators remuneration has been approved on the basis of time properly spent in dealing with issues in the liquidation. To date, the Joint Liquidators have drawn no remuneration and are currently in discussions with the secured creditors in this regard. Since the commencement of the Liquidation, time costs of £43,005 have accrued

For guidance, I enclose "A creditors' guide to liquidators' fees", together with a document that outlines the policy of BDO LLP in respect of fees and disbursements

7 Creditors' Rights

I provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation.

8 Other Matters

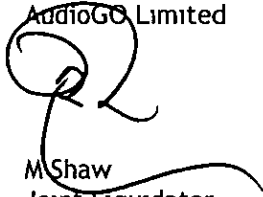
The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where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

An additional guide for creditors can be accessed using the below website:
<http://www.icaew.com/en/technical/insolvency/creditors-guides>



If you require any further information regarding this matter, please do not hesitate to contact Robert Ferne on the above number.

Yours faithfully
For and on behalf of
AudioGO Limited



M Shaw
Joint Liquidator

Enc

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses:

Rule 4.49E Creditors' and members' request for further information

(1) If-

- (a) within the period mentioned in paragraph (2)-
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) 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, or
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)-
 - (i) any unsecured creditor, or
 - (ii) any member of the Company in a members' voluntary winding up,
- makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter[s] in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108

(2) The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case.

(3) The liquidator complies with this paragraph by either-

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers that-
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

Rule 4.131 Creditors' claim that remuneration is or other expenses are excessive

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that-
 - (a) the remuneration charged by the liquidator,

- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (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 liquidator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced 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 liquidation,
 - (e) an order that the liquidator or the liquidator's personal representative pay to the Company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation

AudioGO Limited - In Creditors' Voluntary Liquidation

**Summary of Joint Liquidators' Receipts And Payments from 25 November 2014
(date of appointment) to 24 November 2015**

RECEIPTS	Total (£)
Sales Income	287
Employee Benefits	53
Insurance Refund	8,515
Bank interest	1,380
Transfer from Administration	1,521,916
VAT Control Account	2,257
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	1,534,406

PAYMENTS	
Post Appointment Royalties	9,388
Utilities	2,018
Warrant Exercise	1,576
Irrecoverable VAT	3,037
Legal Fees paid on behalf of group companies in Administration	15,336
Sundry Expenses	35
PAYE & NI (Paid in Administration)	19,972
	<hr/>
	51,362

DISTRIBUTIONS	
The Royal Bank of Scotland Plc	500,000
Balance in Hand	983,044
	<hr/>
	1,534,406

N.B - no statement of affairs has been submitted in the Liquidation as a previous statement of affairs was submitted in the Administration of the Company

BDO LLP
55 Baker Street
London
W1U 7EU

M Shaw & A D Nygate
Joint Liquidators
18 January 2016

AudioGO Limited - In Creditors' Voluntary Liquidation

Summary of Time Charged at Standard Rates for the Period From 25 November 2014 (date of appointment) to 24 November 2015

Description	PARTNER		MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£
General Administration	1 60	1,066 10	5 85	2,305 05	0 35	85 75	8 50	971 30	8 00	1,316 80	24 30	5,745 00	236 42
Trading Related Matters					38 00	9,310 00			0 10	10 40	38 10	9,320 40	244 63
Employee Matters			0 80	164 90			1 50	153 30			2 30	318 20	138 35
Creditor Claims			3 65	1,338 95	11 00	2,695 00	14 95	2,397 75			29 60	6,431 70	217 29
Reporting	4 50	3,109 50	43 50	17,072 00			9 50	1,008 00			57 50	21,189 50	368 51
	6 10	4,175 60	53 80	20,880 90	49 35	12,090 75	34 45	4,530 35	8 10	1,327 20			

151 80 43,004 80 283 30

Net total
Disbursements
Billed
Grand Total

0 00
0 00
43,004 80