

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 25/11/2015 to 24/11/2016

Signed



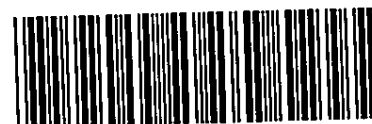
Date

5 January 2017.

BDO LLP
55 Baker Street
London
W1U 7EU

Ref 00261433/MAS/ADN/KLH/RAF/BE/MXF/KB

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COMPANIES HOUSE

AudioGO Limited
(In Liquidation)
Joint Liquidators' Trading Account

Statement of Affairs	From 25/11/2015 To 24/11/2016	From 25/11/2014 To 24/11/2016
POST APPOINTMENT SALES		
Sales Income	NIL	286 51
	<u>NIL</u>	<u>286 51</u>
COST OF SALES		
Post Appointment Royalties	880 35	10,268 78
	<u>(880 35)</u>	<u>(10,268 78)</u>
TRADING EXPENSES		
Oil & Gas	NIL	1,399 64
Employee Benefits	NIL	(52 54)
Trading PAYE & NI	NIL	(19,971 54)
	<u>NIL</u>	<u>18,624 44</u>
TRADING SURPLUS/(DEFICIT)	<u><u>(880 35)</u></u>	<u><u>8,642 17</u></u>

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

Statement of Affairs	From 25/11/2015 To 24/11/2016	From 25/11/2014 To 24/11/2016
ASSET REALISATIONS		
Insurance Refund	NIL	8,514 60
Interest Gross	672 60	672 60
Bank Interest Net of Tax	636 76	2,016 33
Trading Surplus/(Deficit)	(880 35)	8,642 17
Transfer from Administration	NIL	1,521,915 82
Sale of Audioboom Shares	2,577 86	2,577 86
	<u>3,006 87</u>	<u>1,544,339 38</u>
COST OF REALISATIONS		
IT & Website Costs	NIL	617 50
Warrant Exercise Cost	NIL	1,575 91
Liquidators' Fees	150,000 00	150,000 00
Liquidators' Disbursements	20,986 12	20,986 12
Irrecoverable VAT	NIL	3,037 30
Legal Fees paid on behalf of ABL & AL	NIL	15,335 51
Storage Costs	3,468 19	3,468 19
Rents Payable	(66,431 86)	(66,431 86)
Sundry Expenses	35 00	70 00
Bank Charges	37 40	37 40
	<u>(108,094 85)</u>	<u>(128,696 07)</u>
FLOATING CHARGE CREDITS		
Secured Creditor	NIL	500,000 00
	<u>NIL</u>	<u>(500,000 00)</u>
	<u>(105,087.98)</u>	<u>915,643 31</u>
REPRESENTED BY		
Input VAT		34,890 86
Floating Current Account		883,009 51
Vat Control Account		(2,257 06)
		<u>915,643 31</u>



Mark Shaw
Joint Liquidator



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www.bdo.co.uk

55 Baker Street
London W1U 7EU

18 January 2017

Please ask for: Robert Ferne
Telephone 020 7893 3562

TO ALL KNOWN MEMBERS & CREDITORS

Dear Sir(s)

AudioGO Limited ('the Company') - In Creditors' Voluntary Liquidation

Registered Address: c/o BDO LLP, 55 Baker Street, London, W1U 7EU

Registered number: 01315795

Joint Liquidators: Mark Shaw and Antony David Nygate

Joint Liquidators' Address: 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 Joint Liquidators' previous annual report dated 18 January 2016, copies of which are available upon request.

I also enclose a Receipts and Payments account showing a balance in hand of £875,700 for your information.

1 Receipts & Payments

1.1 Receipts

During the annual reporting period, shares in a stock market listed company were sold for £2,578.

1.2 Payments

The sum of £170,986 was paid in respect of the former Joint Administrators' Fees and disbursements, as mentioned below.

Other notable expenses incurred during the reporting period include storage costs of £3,468 and bank charges totalling £38



2 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 and a small number of post appointment royalties have been defrayed. Those other creditors owed royalty amounts will be contacted under separate cover in due course.

3 Assets

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

4 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 £1.3million. This means that the prescribed part may be £279,451.

5 Future Prospects

5.1 Secured Creditor

The Company's main bankers, National Westminster Bank plc ('NatWest' or 'the Secured Creditor'), 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.

Since the commencement of the Liquidation, NatWest has received £500,000 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.

5.2 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.



5.3 Unsecured Creditors

To date, unsecured creditor claims totalling £1,922,234 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

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 will be approved with the consent of the Company's secured creditors

Since the commencement of the Liquidation, time costs of £54,144 have accrued of which £12,986 has been incurred during the reporting period. To date, the Joint Liquidators' have not drawn any fees from the Liquidation estate.

The Former Joint Administrators' drew remuneration of £150,000 in respect of time costs accrued in the preceding Administration, with the consent of the Secured Creditors.

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 Joint Liquidators' 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. I can advise that the sum of £20,986 has been drawn in respect of the former Joint Administrators' category 1 disbursements. Since the commencement of the Liquidation, category 1 disbursements totalling £183 have accrued but not yet been drawn.

Liquidators often charge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a specific case. BDO LLP operates a policy of raising an annual charge of £6.50 per creditor to recover the foregoing costs, which is paid from the liquidation estate. 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. No category 2 disbursements will be charged in the Liquidation.



8 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

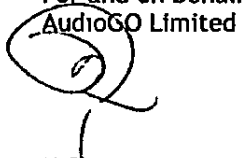
9 Other Matters

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 2016

	Movement in reporting period (£)	Total (£)
RECEIPTS		
Sales Income	-	287
Employee Benefits	-	53
Insurance Refund	-	8,515
Bank Interest	1,309	2,689
Transfer from Administration	-	1,521,916
Sale of Audioboom Shares	2,578	2,578
Rent Paid from Administration Account	-	66,432
	<u>3,887</u>	<u>1,602,468</u>
PAYMENTS		
Post Appointment Royalties	880	10,269
Utilities	-	2,017
Warrant Exercise	-	1,576
Former Administrators' Fees	150,000	150,000
Former Joint Administrators' Disbursements	20,986	20,986
Irrecoverable VAT	-	3,037
Legal Fees paid on behalf of group companies in Administration	-	15,336
Storage Costs	3,468	3,468
Sundry Expenses	35	70
Bank Charges	37	37
PAYE & NI (Incurred During Wind-down period of Administration)	-	19,972
	<u>175,407</u>	<u>226,768</u>
DISTRIBUTIONS		
Distribution to the Secured Creditor		500,000
Balance in Hand		875,700
		<u><u>1,602,468</u></u>

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

M Shaw & A D Nygate
Joint Liquidators
05 January 2017

AudioGO Limited - In Creditors Voluntary Liquidation

Detailed Time Charged and Rates Applicable for the Period From 25 November 2014 (date of appointment) to 24 November 2016

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	£
D. General Administration															
01. Taxation															
07. Receipts/Payments Accounts															
08. Remuneration Issues															
10. Commercial Matters															
13. General Meetings															
15. Gen. Admin Correspondence															
99. Other Matters	3.30	2,340.70													
D. Sub Total	0.10	46.10													
E. Assets Realisation / Dealing															
09. Dealing with Other Assets															
99. Other Matters	3.40	1,354.50													
E. Sub Total	3.40	1,354.50													
F. Trading Related Matters															
02. Trading /other Projections															
08. Trading Accounts															
F. Sub Total															
G. Employee Matters															
02. EPA Matters															
04. Pension Issues															
G. Sub Total															
H. Creditor Claims															
02. Secured Creditors															
04. Non-preferential Creditors															
06. Other Creditors															
H. Sub Total															
I. Reporting															
01. Statutory Reporting															
02. Reporting to Appointor															
04. Reporting to Creditors															
06. Reporting to other bodies															
99. Other Matters															
I. Sub Total															
J. Distribution and Closure															
01. Closure Planning															
J. Sub Total															
	7.90	5,514.30	6.90	24,515.65	0.10	19.20	1.10	206.25	177.35	21,672.03	2.85	214.03			

Net Total	198.80	54,143.50	277.35
Other Disbursements:			
Billed		182.69	
Grand Total		54,326.19	

Summary of Time Charged at Standard Rates for the Period From 25 November 2015 to 24 November 2016 (reporting period)

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