

2.17B

The Insolvency Act 1986

Statement of Joint Administrators' proposals

Name of Company

Conexion Music Limited

Company number

01356293

In the
High Court of Justice, Chancery Division, Leeds
District Registry

(full name of court)

Court case number
59 of 2016(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Peter Hart
Geoffrey Martin & Co
1 Westferry Circus
Canary Wharf
London
E14 4HDStephen Goderski
Geoffrey Martin & Co
1 Westferry Circus
Canary Wharf
London
E14 4HD*Delete as
applicable

attach a copy of *my/our proposals in respect of the Administration of the above Company

A copy of these proposals was sent to all known creditors on

(b) 24 March 2016

Signed


Joint Administrators

Dated

23/03/2016

Contact Details.You do not have to give any contact
information in the box opposite but if
you do, it will help Companies House to
contact you if there is a query on the
formThe contact information that you give
will be visible to researchers of thePeter Hart
Geoffrey Martin & Co
1 Westferry Circus
Canary Wharf
London
E14 4HD

DX Number

020 7495 1100
DX ExchangeWhen you have completed and signed this form, please send it to the
Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

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30/03/2016

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COMPANIES HOUSE

WEDNESDAY

**Conexion Music Limited
In Administration**

**Report and Statement of Proposals prepared for all known
creditors of the Company pursuant to Paragraph 49 of
Schedule B1 of the Insolvency Act 1986**

**Strictly private and confidential
not for publication**

Conexion Music Limited - In Administration ("the Company")

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Conexion Music Limited - In Administration ("the Company")

1. Introduction

- 1 1 I refer to my appointment as Joint Administrator of the Company, together with my colleague Stephen Goderski, on 1 February 2016. The appointment was made by the directors of the Company in accordance with Paragraph 22 of Schedule B1 to the Insolvency Act 1986 ("the Act").
- 1 2 I now submit my report and statement of proposals for achieving the purpose of the Administration pursuant to Paragraph 49 of Schedule B1 of the Act.
- 1 3 This report also contains the information required by Rule 2.33 of The Insolvency Rules 1986 as amended ("The Rules").
- 1 4 The EC Regulations on Insolvency Proceedings 2000 ("the EC Regulations") are applicable and the Company's centre of main interest is in the United Kingdom. The Administration represents "main proceedings" in accordance with the EC Regulations.

2. Statutory and historic trading information

- 2 1 The information provided in this section of the report has been obtained from the Company's records and through information provided by the Company's management, the accuracy of which the Joint Administrators are not in a position to verify. Neither the Joint Administrators nor their respective firms can be held liable for errors or misstatements of fact contained therein.
- 2 2 A schedule of statutory information relating to the Company is provided at Appendix B.
- 2 3 The Company traded as part of a group of Companies, comprising three UK trading companies, three US trading Subsidiaries and one dormant Hong Kong subsidiary. The Company acted as one of the Group's UK trading entities.
- 2 4 The Group was formed in 2000 by Brian Schofield, Guy Fletcher and Tim Hollier. The Group operated as a music rights management business, which dealt with the administration of both owned and third party copyright portfolios. Prior to the formation of the Group, the Company had been traded as a stand-alone business under the Leosong brand. The Company merged into the Group when it formed in 2000.
- 2 5 The Group operated from leasehold premises at 10 Heathfield Terrace, London W4 4JE. The Company did not retain any staff, but utilised the seven full time members of staff retained by Conexion Media Group Plc, in addition to its director.
- 2 6 The Group was initially funded through equity investments by its founders. In 2004, the Company's parent, Conexion Media Group Plc, was listed on the Alternative Investment Market ("AIM") of the London Stock Exchange. Debt funding was obtained in 2008 from Polymer Holdings Limited ("Polymer") which provided the Group with a loan of £975,000 secured against the assets of Conexion Media Group Plc.
- 2 7 Conexion Media Group Plc was suspended from AIM in June 2014. The reason for this suspension appears to have been non-filing of accounts for the year ended 31 December 2013, which resulted from a dispute with the Company's auditors. These accounts were subsequently filed in December 2014. The directors initially intended to apply for re-instatement to AIM, however the Group's Nomad, FinCapp, was unwilling to support the Company's application for re-admission.
- 2 8 The Group's consolidated accounts show that the business has been loss making since its inception in 2000. These losses have historically been funded through equity investment, the Polymer loan in 2008 and management of the Group's cashflow.
- 2 9 The Group had been experiencing financial difficulties for a number of years as a consequence of diminishing revenues from the collection of music royalties. The Company's management have attributed this reduction in revenues to

- An increase in digitisation and the availability of free downloads, which has caused a general downturn in the profitability of the collection of royalties
- A change in the nature of revenue streams from television and radio, which are now composed of a significantly higher volume of low value collections, making administration increasingly unprofitable

3. Circumstances giving rise to the appointment of Joint Administrators

- 3 1 Appendix C shows the Company's financial statements for the years ended 31 December 2014, 31 December 2013 and 31 December 2012
- 3 2 In the months leading up to the Administration the Groups financial position become untenable and cashflow difficulties were preventing payments to key creditors. The secured creditor of the Group's holding company, Polymer, was becoming concerned with the Group's financial performance and the management team were attempting to negotiate repayment plans with numerous customers in order to prevent recovery action being taken against the Group. The failure of the remaining group companies would be inevitable as they were reliant on support from Conexion Media Group Plc
- 3 3 In order to generate working capital the Board began to explore the prospect of disposing of certain of the Group's owned music right portfolios. Through discussions with industry contacts, the directors managed to obtain a number of indicative offers for certain of the Group's owned music rights, none of which were owned directly by the Company
- 3 4 Having consulted with the secured creditor of the Group's holding company, it was agreed that given the financial position of the Group, that a formal review of the offers should be undertaken by an independent professional to ensure that the proposed disposals represented fair value and that any proposed sale could be justified given the distressed nature of the Group's finances
- 3 5 Geoffrey Martin & Co were instructed to carry out a review of the business in general, and more specifically the offers received to date
- 3 6 Following their introduction, representatives of Geoffrey Martin & Co carried out the review of the Group's financial position which showed that the UK trading Companies were heavily insolvent. Geoffrey Martin & Co recommended that immediate action be taken to place the Companies into insolvency processes in order to safeguard assets for the benefit of creditors and to ensure an orderly wind down of the Company's affairs
- 3 7 Various options available to the Companies were subsequently discussed and, based on this advice, the Board unanimously agreed immediately place the Company, Conexion Media Limited and Conexion Music Limited into Administration, as this was considered to be in the best interest of the Company's creditors and would maximise the potential realisations from the assets of the Group

4 The purpose of the Administration

- 4 1 The objectives of Administration, as defined pursuant to Paragraph 3 of Schedule B1 of the Act, are summarised as follows
- Rescuing the Company as a going concern
 - Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)
 - Realising property in order to make a distribution to one or more secured or preferential creditors
- 4 2 Following a review of the Company's financial position, it was clear that the first objective was not achievable. Neither the option of a Company Voluntary Arrangement

nor an Arrangement under Section 895 of the Companies Act 2006 (formerly Section 425 of the Companies Act 1985), were considered as feasible options for the following reasons

- The Company could not function independently of the other Group entities, and specifically Conexion Media Group Plc. A CVA would therefore only be viable if this could be conducted together with similar procedures for the other Group companies. A significant element of the Group's financial difficulties stemmed from its inability to repay the liability due to Polymer by Conexion Media Group Plc. A CVA in this entity would require exclusion of any secured liabilities and would not, therefore, address the overriding issue affecting the group.
- The Company required a significant cash injection to fund working capital requirements in the short term. The CVA would not, in isolation, address this issue.
- The Company's business model had been loss making for some time, and it could not be guaranteed that structural changes could be made to the Company to return it to profitability in the short term.
- It was also considered that advising the market of the Company's financial difficulties in advance of any rescue plan being agreed by creditors carried a significant risk that certain customers would seek an alternative provider to minimise their own risk in the event that the CVA proposal was rejected.

4.3 The Joint Administrators are therefore working to achieve the secondary purpose of an Administration, namely a better result for creditors than would be likely if the Company were to be wound up without first being in Administration. My actions to date to achieve this objective are set out in Section 6 below.

4.4 The key factors underpinning the improved return for creditors in the Administration, when compared to a potential Liquidation, are as follows -

- An enhanced sale price of the Group's assets as a whole was achieved. If the business had ceased to trade without the immediate appointment of an Administrator to manage the affairs and conduct an orderly wind down of the Group's operations, such as would have occurred if the individual entities had been placed into Liquidation, any value held in the Company's administered contracts, and the wider assets of the Group, would have rapidly diminished.
- The ability to maintain limited operations and access to the Company's premises and records has enabled a more thorough marketing campaign to be conducted and for potential purchasers to carry out due diligence, further enhancing the value of offers received for the Company's assets, and those of the wider Group.

5 Estimated financial position

5.1 The director of the Company has been requested to submit a Statement of Affairs for the Company as at 1 February 2016, however to date this has not yet been received. The Joint Administrators have compiled a summary of the Company's financial position as at 1 February 2016, based on available information, which can be found at Appendix D.

5.2 The Joint Administrators have also prepared an Estimated Outcome Statement as at 22 March 2016 which is attached at Appendix E. This Estimated Outcome Statement is based on discussions with the directors, Company documentation available to the Joint Administrators and professional valuations. Charterfields Limited has provided professional valuations in respect of the Company's assets where appropriate.

5.3 The Company has no outstanding charges registered at Companies House.

6 Actions since appointment

6 1 1 The Company traded as part of a group of Companies, together with Conexion Media Group Plc – In Administration, Conexion Media Limited – In Administration, MCS Italia Limited and a small number of overseas subsidiaries. The business and assets of the three main entities, which have all entered Administration, were intrinsically linked and essentially operated as a “single business”. The realisation of the group assets was therefore conducted simultaneously, and in many cases under the same sale agreement.

6 1 2 Were asset disposals have been conducted in this manner an overview of the transaction has been provided, together with confirmation of the element of that sale which relates to the specific group company in question.

6 2 Owned Music Rights

6 2 1 The Conexion Group accounts show that it retains a number of owned music catalogues. The rights arising from the catalogues generate royalty income for the Group based on usage of the songs and other music titles contained within the portfolios.

6 2 2 Following the Administration, a review of the owned music rights was conducted by both Charterfields to determine whether they held any value that could be realised for the benefit of creditors. This review concluded that the owned rights held value as they had an ongoing commercial benefit to their owner, were not adversely impacted by the Administration and were transferrable.

6 2 3 The owned music rights were marketed by the Joint Administrators through a number of channels, including

- 1 An advertisement placed on the www.charterfields.com website
- 2 A mailshot sent to the Company's shareholders and other stakeholders who may have had an interest in acquiring the assets
- 3 Direct contact with parties who had previously expressed an interest in acquiring certain assets of the Company (the Company had previously attempted to dispose of certain of its own music rights in an effort to raise additional capital)

6 2 4 The owned music rights were marketed for three weeks following the Administration, with a closing date for offers of 12 00pm on 22 February 2016. A total of four parties made offers for either the whole or part of the Company's portfolio of owned music rights. One of these offers was significantly higher than the others received, although this offer was conditional on further due diligence. Given the significant uplift in the value of this offer over the other interest received, it was decided that this offer should be accepted.

6 2 5 This party undertook additional due diligence and their offer was subsequently confirmed on 29 February 2016, subject to contract and commercial confidentiality.

6 2 6 The Joint Administrators are currently in the final stages of negotiating the contract for the sale of the owned music rights and anticipate that this sale will be concluded at some point during the week ending 25 March 2016. A considerable element of the Group's owned music rights were held by the Company.

6 3 Administration Contracts

6 3 1 In addition to the owned music rights, the Group companies also held administration contracts to collect royalties on behalf of a number of third parties, where the Company charged a commission for the collection.

- 6 3 2 The Group had ceased trading prior to the Administration and as such a solution was required to deal with the Company's Administration contracts going forward
- 6 3 3 The Administration contracts contain insolvency clauses enabling the client to potentially terminate them in the event of insolvency, however it was established that there was potential value in these contracts in the event that another collection agency contacted the administration clients and offer them a continuity service
- 6 3 4 A brief marketing exercise was conducted between the date of appointment and 29 February 2016 to establish whether there were any parties interested in making an offer to acquire such right and title the Company held in its administration contracts These marketing activities mirrored those conducted for the owned music rights
- 6 3 5 A single interested party, Atlantic Screen Group ("ASG"), made an offer to acquire the Company's interest in its administered contracts The terms of this offer are set out below
- An initial payment of £87,500 due on completion
 - A deferred payment, due after 3 months, which is calculated at £87,500 less a provision for those administration clients with annual royalty income of over £500 who do not choose to transfer the administration of their music rights to ASG
- 6 3 6 The above offer was subsequently accepted by the Joint Administration and the sale completed on 16 March 2016 Charterfields Limited has confirmed that, given the circumstances and the lack of further interest, this sale represents the best outcome for creditors in respect of the Administration contracts
- 6 3 7 The initial consideration of £87,500 has been received by Schofield Sweeney and is currently being held in their client account pending remittance to the Administration estate account Of this balance, a total of £60,500 relates to asset relations in respect of the Company
- 6 3 8 The balance due under the deferred payment is dependent on the number of Administration clients who do not elect to transfer their contracts to Atlantic Screen Group and therefore remains uncertain as this time
- 6 4 Society Memberships
- 6 4 1 The Company held memberships to a number of societies, who recovered royalty payments from end users and passed them to the Group companies for onward distribution to their respective Administration clients
- 6 4 2 Shortly following the commencement of the Administration an interested party come forward to enquire as to whether we would be looking to dispose of the Company's society memberships
- 6 4 3 The memberships were marketed for sale together with the Administration Contracts As with the Administration contracts, a single interested party made an offer for these assets
- 6 4 4 An offer was subsequently accepted from ASG to acquire the Company's UK based memberships for £25,000 This sale was concluded on 11 March 2016 and the consideration of £25,000 plus VAT has been received and is currently being held in Schofield Sweeney's client account Of this consideration, a total of £22,727 relates to memberships held by the Company
- 6 4 5 There is a prospect of further realisations from the memberships relating to overseas territories, however none of these memberships currently appear to be held in the Company's name

6 5 Intercompany Receivables

6 5 1 The Company's statutory accounts as at 31 December 2014 show an intercompany receivable balance of £1,146,655, of which £821,559 is due from Conexion Media Group Inc and £325,096 is due from MCS Italia Limited

6 5 2 As detailed above, previous reviews of the group as a whole have been unable to confirm the financial positions of the subsidiaries. In this regard, realisations under the intercompany receivable balances remain uncertain

6 6 Cash at Bank

6 6 1 The Company held cash at bank of £28,584 at the date of Administration. This balance has been recovered into the Administration estate account

7 Outcome for Secured Creditors

7 1 There are no outstanding securities registered against the Company at Companies House

8 Outcome for Preferential Creditors

8 1 The Company did not retain any employees and as such no preferential claims are anticipated in the Administration

9. Unsecured creditors and the 'Prescribed Part'

9 1 The provisions of Section 176A(2) of the Act, concerning the setting aside of a 'Prescribed Part' of funds available to floating charge creditors for the benefit of unsecured creditors, do not apply in respect of the Company as there are no outstanding qualifying floating charges

9 2 I attach at Appendix G a schedule of the names and addresses of all known potential creditors. This list is constructed from available records and as such may not be entirely complete or accurate. It is therefore important that creditors complete and submit the enclosed proof of debt form to me so that the reliability of the Company's records can be assessed

9 3 It is proposed that for so long as it appears that the Company may be in a position to make a distribution to unsecured creditors, I may take such steps as appropriate to establish the claims of the unsecured creditors against the Company for formal adjudication by any Liquidators appointed in due course and that the costs of doing so may be defrayed out of the assets of the Company as an expense of the Administration

9 4 It is also proposed that I be authorised to apply to Court under Paragraph 65(3) of Schedule B1 of the Act to request permission to make distributions to unsecured creditors of the Company during the Administration, if, at my sole discretion, I consider it expedient to do so

10. Distributions

10 1 It is proposed that I be authorised to make a distribution to any secured creditor or preferential creditors as appropriate (although it is not anticipated that any such claims will be received). Any surplus funds held in the Administration will be distributed to unsecured creditors, although the Company will have to first be moved to Creditors' Voluntary Liquidation to achieve this

11. Joint Administrators' receipts and payments

11 1 I attach at Appendix H an abstract of my Receipts and Payments account for the period 1 February 2016 to 22 March 2016, in accordance with Rule 2.47(2) of the Rules. Funds will be held on an interest-bearing account where appropriate

12. Investigations

- 12 1 I have a duty to investigate the extent of the Company's assets, including potential claims against third parties and the directors, and to report my findings to creditors. Accordingly, if any creditor has any concerns regarding the way that the Company's business has been conducted prior to my appointment, or any information on potential recoveries for the estate, I should be grateful to receive written details. All such correspondence will be treated in strict confidence. This request for information is standard practice and does not imply any criticism or course of action against any person concerned in the management of the Company's affairs.
- 12 2 The Joint Administrators have taken steps to obtain the Company's books and records. I attach at Appendix I a Questionnaire for creditors to complete and return in the event that you wish to highlight any concerns over your dealings with the Company.
- 12 3 I have also made enquires of the directors of the Company and the Company secretary and have commenced analysis of the Company's books and records to identify any areas for further enquiry.
- 12 4 It is proposed that I be at liberty to investigate, and if appropriate pursue, any claims that the Company may have against any person under the provisions of the Companies Act 2006, the Act and such other relevant legislation as may apply to the Company.
- 12 5 My investigations and enquires into the affairs of the Company are at an early stage and are continuing. I will detail all areas of investigation and any areas of concern in my next report to creditors which will be due for circulation six months following my appointment.

13. Administration extension / exit

- 13 1 It is proposed that I may seek an extension of the Administration if deemed necessary.
- 13 2 The Joint Administrators propose to complete the asset realisations and investigations and then address the most appropriate method of exiting the Administration. The key issue in determining the exit will be what funds ultimately are available for unsecured creditors.
- 13 3 In the event that the Joint Administrators believe that there will be funds available for distribution to unsecured creditors, the Joint Administrators propose that the Company moves from Administration into Creditors' Voluntary Liquidation, in accordance with Paragraph 83 of Schedule B1 of the Act to make this distribution. It is also proposed that if this route is followed the Joint Administrators, Peter Hart and Stephen Goderski, be appointed as Joint Liquidators in accordance with Paragraph 83 (7) of Schedule B1 to the Act and that they act jointly and severally.
- 13 4 Alternatively, if I conclude that the Company has no property to permit any distribution to unsecured creditors I shall (at my discretion)
- Issue a notice in accordance with Paragraph 84 of the Act,
 - Await the automatic termination of the Administration in accordance with Paragraph 76 of the Act,

whereupon the Joint Administrators' appointment shall cease to have effect and the Joint Administrators will seek approval for their release as office holders and will be discharged from any liability at that time. The effect of this is that the Company would eventually be dissolved without any formal Liquidation.

- 13 5 Based on current information and potential realisations as a result of the sale of the Company's assets, there is a prospect of a return to unsecured creditors. If this is the case, then I anticipate that the most appropriate exit route from Administration will be via Creditors' Voluntary Liquidation in accordance with Paragraph 83 of the Act.

- 13 6 With the acceptance of these proposals, when and if appropriate, it is confirmed that upon discharge of the Administration by way of whichever route applicable, as set out between Paragraph 76 to 84 of Schedule B1 to the Act, that the Joint Administrators are discharged from all liability incurred in respect of the Administration

14. Pre-Administration costs

- 14 1 The Joint Administrators have incurred pre-Administration costs totalling £2,752 plus VAT. These costs relate to fees charged and expenses incurred by the Joint Administrators, and other professionals instructed, before the Company entered Administration but with a view to the Administration. I propose, subject to the approval of the secured creditors and availability of funds in the Administration, to discharge these costs as an expense of the Administration. A detailed schedule of these costs is provided at Appendix J.

- 14 2 The work done by GM&Co prior to the Administration, and by professional advisors instructed in the period leading up to Administration, was in my view in the interests of creditors as a whole and in furtherance of the objective of the Administration. These costs mainly relate to

- An initial assessment of the Company's asset position in the lead up to the Administration
- Advising the directors on the process to place the Company into Administration
- Dealing with the filing of legal notification, on behalf of the directors, to place the Company into Administration

An element of my pre-Administration time also related to the process of placing the Company into Administration and advising the Company's directors on their obligations during this period.

- 14 3 All pre-Administration costs remain unpaid and I am seeking the consent of the secured creditors to the drawing of these costs out of the assets of the Company as an expense of the Administration. Please note that this request is separate to, and does not form part of, the Joint Administrators' proposals.

15. Joint Administrators' costs

- 15 1 The Joint Administrators propose that their remuneration be determined as follows

- 1 In connection with asset realisations conducted in the Administration, their fees be fixed at 20% of the value of any realisations
- 2 In connection with all other matters, the Joint Administrators propose that their remuneration be fixed by reference to time properly incurred by them and their staff in attending to all matters arising in respect of the Administration and, in accordance with Rule 2.106(5)A of the Rules, the Joint Administrators be authorised to draw their remuneration from time to time during the period of the Administration

- 15 2 The Joint Administrators propose that they will incur and shall pay such costs and expenses, including professional fees, that they consider to be relevant to the achievement of the proposals outlined above or their statutory duties as and when funds allow.

- 15 3 Details of the Joint Administrators' time costs from the date of appointment to 22 March 2016 are shown at Appendix K. The Joint Administrators provide the information in this format as recommended by the provisions of Statement of Insolvency Practice 9. Time costs currently outstanding amount to £16,334. Any time costs incurred in connection with asset realisations have been disregarded as the Joint Administrators are seeking to fix their fees in connection with asset realisations as a percentage of realisations. No fees have been drawn to date and will only be drawn in accordance with the resolution agreed by the secured creditor.

- 15.4 In accordance with Rule 2.106 of the Rules, as modified by the Insolvency (Amendment) Rules 2015, insolvency practitioners are required to provide creditors with an estimate of their fees and expenses when seeking a resolution to fix an element of the basis of their remuneration based on time costs. I have provided, at Appendix J, my formal fee estimate for the Administration. Creditors will note that I estimate my total time costs incurred in connection with the Administration to equate to £45,920.
- 15.5 An estimate of the total costs and expenses of the Administration can be found within the estimated outcome statement provided at Appendix E.
- 15.6 The Joint Administrators propose that they be authorised to draw a disbursements charge relating to the recovery of overhead costs in accordance with their firm's current disbursements policy attached at Appendix L. No Category 1 or Category 2 disbursements have been drawn to date.
- 15.7 Please find attached at Appendix M a copy of 'a creditors guide to Administrators' fees', which includes a statement of creditors' rights.
- 16. Meeting of creditors**
- 16.1 The Joint Administrators anticipate that the Company will have sufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176A(2)(a) of the Act (i.e. under the prescribed part). Therefore a meeting of creditors will be convened in accordance with Paragraph 51 of Schedule B1 to the Act.
- 16.2 The Joint Administrators will be seeking approval to their statement of pre-Administration costs, as well as the basis of their remuneration and their proposed fee estimate in respect of the Administration.
- 16.3 A formal notice of the creditors' meeting, together with a form of proxy allowing creditors to vote at the meeting, is provided at Appendix M. Proxies and proof of debt forms should be completed and returned to the Joint Administrators by 12 noon on the business day before the meeting.
- 17. Joint Administrators' Proposals**
- 17.1 An executive summary of the Joint Administrators' Key Proposals is provided at Appendix A to this report.
- 17.2 Should you have any queries regarding these proposals or any aspect of this report please do not hesitate to contact Dane O'Hara at this office.

Yours faithfully
For and on behalf of Conexio Music Limited



Peter Hart
Joint Administrator
Acting as agent of the Company
and contracting without personal liability

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX A

SUMMARY OF JOINT ADMINISTRATORS' PROPOSALS

Conexion Music Limited - In Administration ("the Company")

Summary of the Joint Administrators' Proposals

In accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 ("the Act") and Rule 2.33(1) of the Insolvency Rules 1986 ("the Rules"), Peter Hart and Stephen Goderski, the Joint Administrators of the Company ("the Joint Administrators"), make the following proposals for achieving the purposes of the Administration, following their appointment on 1 February 2016, to the creditors of the Company for consideration at a meeting of creditor and, if thought fit, approval

The Joint Administrators propose

- (1) That they continue to manage the business, affairs and property of the Company
- (2) That they continue to take any action considered expedient and in particular that
 - (i) they continue to wind down the Company's remaining affairs following the sale of the Company's assets to numerous independent third parties,
 - (ii) that they do all such things they may consider expedient with a view to enhancing or preserving the value of the Company assets prior to realisation
- (3) That they be authorised to make a distribution to preferential creditors and secured creditors as appropriate
- (4) That they be at liberty to investigate and if appropriate pursue, any claims that the Company may have against any person
- (5) That they be authorised to extend and / or apply to Court for an extension of the Administration period if deemed necessary
- (6) That, if requested to do so by creditors, they will seek to establish a creditor committee, and propose that they be authorised to so establish a committee in such terms and on such basis as they deem fit without having to obtain any further sanction from the Company's creditors at a further creditors meeting
- (7) In the absence of a creditors' committee
 - a) That their remuneration in respect of the realisation of assets be fixed at 20% realisations conducted in the Administration
 - b) That their remuneration for all other matters, excluding asset realisations, be fixed by reference time properly incurred by them and their staff
 - c) That they be authorised to charge disbursements in accordance with their firms' current disbursement policies
 - d) That upon discharge of the Administration, by whichever route applicable as set out in the proposals, that the Joint Administrators are discharged from all liability incurred in respect of the Administration
 - e) That the Joint Administrators be authorised to draw their remuneration from time to time, and as funds permit
- (8) That they will incur and shall pay such costs and expenses, including professional fees, which they consider to be incidental to the achievement of the proposals
- (9) That they complete the asset realisations and investigations and then address the most appropriate method of exiting the Administration

(10) That, if they believe that there will be funds available for distribution to unsecured creditors, the Company moves to Creditors' Voluntary Liquidation, in accordance with Paragraph 83 of Schedule B1 of the Act and that they be appointed as Joint Liquidators in accordance with Paragraph 83 (7) of Schedule B1 to the Act. The Joint Liquidators will act jointly and severally.

(11) Alternatively, if they conclude that the Company has no property to permit any or a further distribution to unsecured creditors, they shall (at their discretion)

- Issue a notice in accordance with Paragraph 84 of the Act,
- Await the automatic termination of the Administration in accordance with Paragraph 76 of the Act,

whereupon their appointment shall cease to have effect and they will seek approval for their release as office holders.

(12) That they do all such other things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve a purpose of the Administration or protect and preserve the assets of the Company or maximise realisations of those assets, or for any other purpose incidental to these proposals. Without limitation to the general powers of the Joint Administrators, they shall have the power and discretion to compromise claims if, in their opinion, it is beneficial to the achievement of the proposals outlined above to do so.

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX B

**APPOINTMENT AND STATUTORY
INFORMATION**

Conexion Music Limited – In Administration (“the Company”)

Statutory Information

Details relating to the appointment of Joint Administrators of the Company is provided below

Court Details	In the High Court of Justice, Chancery Division, Leeds District Registry	
Court Number	59 of 2016	
Date of Appointment	1 February 2016	
Administrators’ Details.	Peter Hart Geoffrey Martin & Co 1 Westferry Circus Canary Wharf London E14 4HD	Stephen Goderski Geoffrey Martin & Co 1 Westferry Circus Canary Wharf London E14 4HD
Appointment By	the directors of the Company in accordance with Paragraph 22 of Schedule B1 to the Insolvency Act 1986	

In accordance with paragraph 100(2) to Schedule B1 of the Insolvency Act 1986 the Joint Administrators confirm that any act required or authorised under any enactment to be done by an Administrator may be done by either of us individually or jointly

No extensions to the Administration period have yet been sought by the Joint Administrators

The statutory information of the Company as extracted from the Company’s file at Companies House is as follows

Company Number	01356293	
Registered Office.	c/o Geoffrey Martin & Co 1 Westferry Circus Canary Wharf London E14 4HD	
Trading Premises	10 Heathfield Terrace London W4 4JE	
Share Capital.	The Company’s authorised and issued share capital consists of 150,000 ordinary £1 shares All shares are paid up at the date of Administration	
Shareholder:		
	Conexion Media Group Plc	Ordinary £1 Shares
		150,000
		<u>150,000</u>

	Appointed	Resigned
Justin Sherry	15/07/2008	N/a
Rolf Baierle	30/04/1997	23/01/2001
Peter Bennett	06/10/1994	30/04/1997
Raymond Ellis	31/01/2001	07/09/1999
Mervyn Fletcher	18/01/2002	15/07/2008
Timothy Hollier	09/01/1992	01/03/1998
Mark Levinson	08/09/1994	30/04/1997
Ellis Rich	30/04/1997	23/01/2001
Susan Rich	30/04/1997	23/01/2001
Brian Schofield	23/01/2001	15/07/2008
Helen Schofield	23/01/2001	18/01/2002

Company Secretary		Appointed	Resigned
	Frank McAweeney	02/07/2002	N/a
	Raymond Ellis	06/09/1994	15/09/1999
	David Nicholson	01/07/1999	23/01/2001
	PHS Secretarial Services Ltd	31/01/1991	31/01/1994
	Helen Schofield	23/01/2001	18/01/2002
	VTR Media Investment Ltd	18/01/2002	02/07/2002
	Fiona West	31/01/1994	06/09/1994

Previous Names*	
	MCS Music Limited
	Leosong Copyright Service Limited
	Leosong Holdings Limited

Registered Charges	
	There are no unsatisfied charges registered against the Company at Companies House

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX C

FINANCIAL INFORMATION

Conexion Music Limited - In Administration

Balance Sheet Summary

	31 December 2014 £	31 December 2013 £	31 December 2012 £
Non Current Assets			
Intangible assets	1,581,152	1,608,635	1675461
	<u>1,581,152</u>	<u>1,608,635</u>	<u>1,675,461</u>
Current Assets			
Trade and other receivables	330,235	727,975	849,310
Cash and cash equivalents	21,098	34,209	47,565
	<u>351,333</u>	<u>762,184</u>	<u>896,875</u>
Creditors Amount falling due within one year	(7,574,294)	(7,696,347)	(7,604,273)
Net current assets / (liabilities)	<u>(7,222,961)</u>	<u>(6,934,163)</u>	<u>(6,707,398)</u>
Total assets less current liabilities	<u>(5,641,809)</u>	<u>(5,325,528)</u>	<u>(5,031,937)</u>
Creditors amounts falling due after more than one year	-	-	-
Total net assets / (liabilities)	<u>(5,641,809)</u>	<u>(5,325,528)</u>	<u>(5,031,937)</u>
Capital and reserves			
Called up share capital	150,000	150,000	150,000
Share premium account	250,000	250,000	250,000
Profit and loss account	(6,041,810)	(5,725,528)	(5,431,937)
Shareholders funds	<u>(5,641,810)</u>	<u>(5,325,528)</u>	<u>(5,031,937)</u>

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX D

**SCHEDULE OUTLINGING ESTIMATED FINANCIAL POSITION OF THE
COMPANY**

Conexion Music Limited - In Administration

Schedule Outlining Estimated Financial Position of the Company as at 1 February 2016

	Book Value	ETR
	£	£
Assets		
Investment in music rights	1,560,540	Uncertain
Administration Contracts	Nil	60,500
Society Memberships	Nil	22,727
Intercompany receivables	1,146,655	Uncertain
Debtors	6,511	Nil
Royalty advances paid	4,718	Nil
Cash at bank and in hand	28,584	28,584
Assets available to unsecured creditors	2,747,008	111,811
Unsecured creditors		
Trade creditors		(21,826)
HMRC		(16,144)
Intercompany payable		(4,553,127)
Royalties Due		(2,420,825)
Shortfall to unsecured creditors		(6,900,111)
Share Capital		(150,000)
Shortfall to Shareholders		(7,050,111)

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX E

ESTIMATED OUTCOME STATEMENT

Conexion Music Limited
Estimated Outcome Statement as at 22 March 2016

Receipts & Payments

	To Date	Future	Total
Assets Not Specifically Pledged			
Investment in Music Rights	Nil	Uncertain	Uncertain
Administration Contracts	Nil	60,500	60,500
Administration Contracts - Deferred Consideration	Nil	Uncertain	Uncertain
Society Memberships - UK	Nil	22,727	22,727
Society Memberships - Foreign Territories	Nil	Uncertain	Uncertain
Intercompany Receivable Balances	Nil	Uncertain	Uncertain
Cash at Bank and In Hand	28,584	Nil	28,584
	28,584	83,227	111,811
Less Pre Administration Costs			
Geoffrey Martin & Co Fees (Pre Appointment)	Nil	(1,336)	(1,336)
Legal Fees (Pre Appointment)	Nil	(1,066)	(1,066)
Legal Disbursements (Pre Appointment)	Nil	(200)	(200)
Agent's Fees (Pre Appointment)	Nil	(350)	(350)
Agent's Disbursements (Pre Appointment)	Nil	(2)	(2)
	Nil	(2,954)	(2,954)
Less Administration Costs			
Joint Administrators' Remuneration - Time Costs	Nil	(45,950)	(45,950)
Joint Administrators' Remuneration - Percentage of Asset Realisations	Nil	Uncertain	Uncertain
Category 1 Disbursements	Nil	(2,000)	(2,000)
Category 2 Disbursements (Inc Statutory Advertising)	Nil	(500)	(500)
Legal Fees	Nil	(30,000)	(30,000)
Legal Disbursements	Nil	(200)	(200)
Agents' Fees	Nil	(20,000)	(20,000)
Agents' Disbursements	Nil	(500)	(500)
Premises Costs	Nil	(7,000)	(7,000)
Tax Advice	Nil	(1,000)	(1,000)
	Nil	(107,150)	(107,150)
Surplus Available to Unsecured Creditors			1,707
Unsecured Creditors			
Trade Creditors			(21,826)
HM Revenue & Customs			(16,144)
Intercompany Payables			(4,553,127)
Royalties Due			(2,420,825)
			(7,011,922)
Estimated Shortfall to Unsecured Creditors			(7,010,215)

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX F

COMPANY CREDITORS

Geoffrey Martin & Co
Conexion Music Limited
B - Company Creditors

Key	Name	Address	£
CA00	A Tale of Two Ditties	, 80 Derwent Road, Palmers Green, London, N13 4PX	
CA01	Adham, Kashif Hakim AKA Mc Duke	, 8 Sparrow Way, Woodland Gardens, Oxford, OX4 7GE	
CA02	Albani, Odette	, 13 Kempson Road, London, SW6 4PX	
CA03	Alfred Ellis - BMI And WCU Payable	, PO BOX 3730, Frome, Somerset, BA11 3ZY	
CA04	Anton Mullan Music	, 11 Seymour Road, Bishopston, Bristol, BS7 9HR	
CA05	Apace Rights Limited	, Cawdor House, Knowle Park, Mayfield, East Sussex, TN20 6DY	
CA06	At The Sea Limited	, Al Lethbridge, 6 Sidney Row, Bristol, BS1 6UU	
CB00	Barrett, Roger John	, Moochers Landing, Ship Lane, Tring, Herts, HP23 4NA	
CB01	Barry, John	, c/o J H Cohn LLP, 1212 Sixth Avenue, 14th Floor, New York, USA, NY10036	
CB02	Bashiri, Ossi (Palan Account)	, 131 Dorset Road, Merton Park, London, SW19 3EQ	
CB03	Beal Stutard & Co	, Villas Tarifa 17, 11380 Tarifa, Cadiz, Spain	
CB04	Beat Productions	, 167 Newcombe Road, Handsworth, Birmingham, B21 8DB	
CB05	Bellchant And Bellvox Music	, 332 S Anita Avenue, Los Angeles, USA, CA 90049	
CB06	Big Plastic Things	, c/o Peter Stahl, 1468 Holbrook Street, Los Angeles, USA, CA 90041	
CB07	Black Hand Music	, 3 Lancaster Way, Waterlooville, Hants, PO7 7NG	
CB08	Blaze (UK) Music Limited	, 2nd Floor Hammer House, 117 Wardour Street, London, W1F 0UN	
CB09	Bleiberg Entertainment	, 225s Clark Drive, Beverly Hills, USA, CA 900211	
CB0A	Bomber Music (Payee)	, 3c Dudley Road, Tunbridge Wells, Kent, TN1 1LE	
CB0B	Bright Music Limited	, Flat 51 Riverside One, Hester Road, London, SW11 4AN	
CB0C	Buchwald, Martyn J	, 811 31st Avenue, San Francisco, USA, CA 94121	
CB0D	BDI Music Ltd	, Roundhouse, 212 Regents Park Road, London, NW1 8AW	
CC00	Cake Music	, 5th Floor, 76 Charlotte Street, London, W1T 4QS	
CC01	Charly Publishing	, Unit 1-2 Evelyn Court, Deftford Business Centre, Grinstead Road, London, SE8 5AD	
CC02	Chevalier Music	, No 9 Hawarden Road, London, E17 6NS	
CC03	Chillie Publishing	, 30b Midway Grove South, London, N1 4RL	
CC04	Chuzzlewit Ditties/Urrah Heep	, c/o Mick Box, 80 Derwent Road, Palmers Green, London, N13 4PX	
CC05	Class 52 Music	, Ridge House, Shankin, Upper Hyde, Farm Lane, Isle of Wight, PO37 7PS	
CC06	Cleveland Watkiss Music	, 85 Cicada Road, Wandsworth, London, SW18 9PA	
CC07	Clubscene Records	, 1/1 85 Dunlop Street, Glasgow, G1 4ET	
CC08	Collins Music	, First Floor, Battle House, 1 East Barnet Road, New Barnet, Herts, EN4 8RR	

Signature _____

Geoffrey Martin & Co
Conexion Music Limited
B - Company Creditors

Key	Name	Address	£
CC09	Concorde Int (Looking Glass Acc)	c/o Looking Glass Music Ltd, 27 Ossulton Way, London, N2 0DT	
CC0A	Concorde Int (Chartstar Music Acc)	c/o Looking Glass Music Ltd, 27 Ossulton Way, London, N2 0DT	
CC0B	Concrete Music	, 4 Onslow Court, Birington Road, Worthing, West Sussex, BN11 2PL	
CC0C	Copi Music	Attn Professor Courtney Pine C B E , 68 Cunningham Park, Harrow, Middlesex, HA1 4QJ	
CC0D	Cosmas Music Publishing	NOT AT THIS ADDRESS	
CC0E	Crib Music Publishing	, 10 Beamish Close, Walsgrave, Coventry, CV2 2BW	
CC0F	Cruz Music	, 63a Wolsey Road, East Molesey, Surrey, KT8 9EW	
CC0G	Curd John	, 2 Munro Terrace, London, SW10 0DL	
CD00	Dancing Girl Productions	, 70 Sir John Rogerson's Quay, Dublin, Ireland	
CD01	Daves, Mark	, 198 Hersham Road, Hersham, Surrey, KT12 5QB	
CD02	Dazsong Music	, Orleans Studio, Richmond Road, Twickenham, TW1 3BB	
CD03	DCD Music	, 22 Glenithorne Road, London, W6 0NG	
CD04	Denne Songs	, 1 Rustic Close, Cranham, Upminster, Essex, RM14 1JP	
CD05	Desert Song (Jon Jeary)	, 28 Grange Place, Staines, Middlesex, TW18 1RY	
CD06	Desert Song (Karl Groom)	, 102 Hythe Close, Forest Park, Bracknell, Berkshire, RG12 0UZ	
CD07	Desert Song (Nick Midson)	, 102 Hythe Close, Forest Park, Bracknell, Berkshire, RG12 0UZ	
CD08	Dizzy Notes Publishing	, 62 Fernhead Road, London, W9 3EW	
CD09	Dogtoys Music	Attention Of Jerry Scheff, The Geans, Duns Castle, Duns, Berwickshire, TD11 3NP	
CE00	Edition Mawi	Attention Of Roswitha Klinger, 15 Frundsbergstr, Germany, 80634 Munich	
CE01	Edition Tutu	Nadja Weber, 2 Schlorstr, Germany, 80634 Munich	
CE02	Editions Murray Head Music	c/o Upton Park Publishing, 4 Rue Emile Blemont, Hall 14, France, 75018 Paris	
CE03	Editions Upton Park Publishing	c/o Upton Park Publishing, 4 Rue Emile Blemont, Hall 14, France, 75018 Paris	
CE04	Ekostar Music	, 283 Holmedale Road, London, SE25 6PR	
CE05	Enja	Attention Of Roswitha Klinger, 15 Frundsbergstr, Germany, 80634 Munich	
CE06	Enja European New Jazz Musik GMBH	Attention Of Roswitha Klinger, 15 Frundsbergstr, Germany, 80634 Munich	
CE07	Equestrian Music (ASCAP)	Attention Of Wayne Rooks, 119 Fifth Avenue, Third Floor, New York, USA, NY 10003	
CE08	Eyers, Tony	, 10 Beech Close, Walton On Thames, Surrey, KT12 5RG	
CF00	Fab IQ Music	, 100 Ocean Wharf, 60 Westerry Road, London, E14 8JS	
CF01	Ferns Productions INC	, #101-639 Foul Bay Road, Victoria, Canada, BC V8S 4H4	
CF02	Fitzpatrick, Luke	, 2 Pebworth Road, Greenways, Sudbury, Harlow, Middlesex, HA1 3UB	

Signature _____

Geoffrey Martin & Co
Conexion Music Limited
B - Company Creditors

Key	Name	Address	£
CF03	Free Art Design Ltd	c/o Looking Glass Music Ltd, 27 Ossulton Way, London, N2 0DT	
CF04	Free Reed Music Limited	, The Cedars, Field Lane, Belper, Derbyshire, DE56 1DD	
CF05	French, Paul	, Wedge Cottage, Oak Lane, Windsor, Berkshire, SL4 5EU	
CG00	Gaberlunzie Music	, Croit Oran, Cambo, Kinross, KY13 0NX	
CG01	Godfrey-Cass, Nick	, 2 High Beeches Close, Marlow Bottom, Marlow, Bucks, SL7 3PX	
CG02	Gold Screen INC	Attention Of Joanne Hoffman VP BU, 7655 Sunset Boulevard, Los Angeles, California, USA, CA 90046	
CG03	Gonzalez Music Limited	, 6 Credition Road, London, NW10	
CH00	Hamlin's LLP	, 273-287 Regent Street, London, W1B 2AD	
CH01	Harmony Gold Music INC	, 7655 Sunset Boulevard, Los Angeles, California, USA, CA 90046	
CH02	Hearst Entertainment INC	Attention Of Stacey Valenza, 300 West 57th Street, 15th Floor, New York, USA, NY10019-5238	
CH03	Hedjaz Publishing	, Brazenhall, 14 Horn Street, Nunney, Somerset, BA11 4NP	
CH04	Heruxult Productions Ltd	c/o Riddle Records, Pencraig, Uchaf, Cwmbach, Whitland, Dyfed, CA34 0DT	
CH05	Hewlett, Chris	PR & Artist Management, 5 Park Avenue, Whistable, Kent, CT5 2DA	
CH06	Hiller, Mitch	, 12 Emmaus Way, Chigwell, Essex, IG7 5BY	
CH07	Hirsh, Paul	, 22 Ivinghoe Road, Bushey, Herts, WD23 4SW	
CH08	House 'N' Effect	c/o Gary Wallace, 623 Woodlawn Road, High Point, USA, NC 27265	
CH09	Howard Tloosty T/A Atch Tee	Attention Of H A T'Loosty, 17 Riverside Gardens, London, N3 3GR	
CH0A	Ujaama Publishing	David Wynn, 161 Crescent Ct., Englewood, USA, NJ 07631	
CI00	Indie Kids International Ltd	c/o Coolabi Productions Ltd, Attention Of David Glennon, 1st Floor Watergate House, 13/15 York Buildings, London, WC2N 6JU	
CJ00	Jade-Eye Knight Publishing	, 13 Wakefield Gardens, London, SE19 2NR	
CJ01	Johanne James	, 51 St Andrews Avenue, Wembley, Middlesex, HA0 2QB	
CJ02	Julian Joseph Music	, 85 Cicada Road, Wandsworth, London, SW18 9PA	
CJ03	Jumpstart Music (Ramnote Ltd)	, 44 Stortford Road, Gt Dunnmow, Essex, CM6 1DL	
CK00	King Custard Music	, 14 Chertsey Road, Twickenham, Middlesex, TW1 1JQ	
CK01	KLS Music	, 35 Meteor Street, Battersea, SW11 5NZ	
CK02	Kyle Music	c/o Angel & co, Peppermint Music Limited, 1 Green Street, London, W1K 6RG	
CL00	Lansdowne West Music	, 31 Western Drive, Shepperton, Middlesex, TW17 8HP	

Signature _____

Geoffrey Martin & Co
Conexion Music Limited
B - Company Creditors

Key	Name	Address	£
CL01	Last Minute Productions	c/o Najma Akhtar, 26 Berkeley Court, Glentworth Street, London, NW1 5WA	
CL02	Lauran Music	, Elgin, Fishery Road, Bray, Berkshire, SL6 1UP	
CL03	Lew-Bob Songs	, 5217 Lankershim Boulevard, North Hollywood, USA, CA 91601	
CL04	Lightyear Entertainment L P	, 13739 N Chandler Boulevard, Sherman Oaks, California, USA, CA 91401	
CL05	Limerick, Alison Therese	, 22, Veron Road, Hemma, London, N8 0QD	
CL06	Lindy Music	, 32 Storksmead Road, Burnt Oak, Edgware, Middlesex, HA8 0JN	
CL07	Linsongs Ltd	, 67 Sidney Road, Bedford, MK40 2BQ	
CL08	Littlehampton Music	, 7 Riverbank, East Molesey, Surrey, KT8 9BH	
CL09	Louis Yoelin	, 118 S Crescent Heights, Los Angeles, USA, CA 90048	
CL0A	Lucid (Band)	, Pomona House, Old Village, Shanklin, Isle of Wight, PO37 6PF	
CM00	Malachite Music	, Attention Of Steve Thorne, 30 Havenstone Way, Southampton, Hampshire, SO18 2RA	
CM01	Marche Militaire Publications	, 124 Fordel Road, London, SE6 1XR	
CM02	Marge Music	c/o Mike Hurst, Hollyhock House, Park Corner, Nettlebed, Henley-on-Thames, RG9 6DR	
CM03	Margit Semal	, 11 Winchelsea Road, Rye, East Sussex, TN31 7EJ	
CM04	Martin Gates Publishing Limited	, Attn: Martin Gates, Callowhill Farm House, Redmarley, Gloucestershire, GL19 3JE	
CM05	Matchroom TV Productions Ltd T/A Allied	, Matchroom Music, Attention Of Kasia Purton-Dmowski, Mascalls Lane, Mascalls, Brentwood, Essex, CM14 5LJ	
CM06	Matthews, John	, 8 Thorpeside Close, Staines, Middlesex, TW18 3NZ	
CM07	Mayred Music	, 1692 Duncan Road, Waterford, St Catherine, Jamaica	
CM08	Metal Nation Ltd (Formerly Edgy Records)	, 2 Whitehouse Mews, The Green, WallSEND, Tyne & Wear, NE28 7EP	
CM09	Michael Palmer Music	, Attention Of Michael Palmer, 11a Alexandra Road, London, N8 0PJ	
CM0A	Modern Accordian Pub Editions	, 2 Bence Close, Darton, Near Barnsley, Yorkshire, S75 5PB	
CM0B	Mondo Music Publishing Ltd	, Atten Darren Tate, 54 Windill Hill, Alton, Hants, GU34 2SL	
CM0C	Money Music	, 65 Rannoch Road, London, W6	
CM0D	Monster Distributes Ltd - Planet Rock PU	, Atten Ania Rozensprung-Clinton, The Monster Mews Rear 51 Merron Square, Dublin 2, Eire	
CM0E	Motive Music (INTL) Limited	, c/o Adrian Kerridge, Flat 1 Lansdowne House, Lansdowne Road, London, W11 3LP	
CM0F	Music Dubois	, Box 278, Delaware Water Gap, USA, Pennsylvania 18327	
CN00	Norm Kerner	, #456 L A, USA, 90028	
CO00	Okou Music	, 133 Treillick Tower, 5 Golborne Road, London, W10 5UR	

Signature _____

Geoffrey Martin & Co
Conexion Music Limited
B - Company Creditors

Key	Name	Address	
CO01	One Note Music	, 19 Seymour Road, London, SW18 5JB	
CO02	Osborne, Gary	, Runnymede, Costal Road, East Preston, West Sussex, BN16 1SJ	
CO03	Otway, John	, 47 Granville Road, Southfields, London, SW18	
CO04	Oval International GBR	Attention Of Robert Cbis, Christburger Str 47, Berlin, Germany, D-10405	
CP00	Park, Matt	, 41 Holden Road, London, N12 8HS	
CP01	Pato Banton - Main Payee	c/o Steve Hughes, BHX Leisure, 153 Rough Road, Birmingham, B44 0US	
CP02	Pendragon Toff Records	, The Old Forge, New Road, Widham, Purton, Wilts, SN5 4HP	
CP03	Pollytone Records	, PO BOX 124, Ruslip, Middlesex, HA4 9BB	
CP04	Powergroove Music	c/o Glynn Morgan, 17 Ormonds Close, Lichfield, Staffordshire, WS13 8EG	
CP05	PVB Music	, PO BOX 839, Cape Town, South Africa, Green Point 839	
CR00	Rare Artist Music	Attention Of Pete Morten, 7 Priory Road, Stamford, Lincolnshire, PE9 2ES	
CR01	Rasi Music	, 45 Maple House, Idonia Street, Deptford, London, SE8 4LT	
CR02	Revera Entertainment	, 1928 Cotner Avenue, Los Angeles, USA, CA 90025	
CR03	Rober Garner - EMI Royalties	, 12 Ffordd Tarmait, Meliden, Prestatyn, Denbysire, N Wales, LL19 89R	
CR04	Romar Music	, 61 Holloway Gardens, Staddiscombe, Plymouth, PL9 9TS	
CR05	Roy, David	, 126 Pine Avenue, Hudson, Quebec, Canada, JOP 1HO	
CR06	Ryder, Keith (Non-Exc Gen Agt)	, 48 Town End Street, Godalming, Surrey, GU7 1BH	
CS00	Satum Music	, 23 Ellen Way, Great Notley, Braintree, Essex, CM77 7UU	
CS01	SCCS Publishing	c/o Elite Music, PO BOX 962, Camberley, Surrey, GU15 9FQ	
CS02	Schogger Songs Ltd T/A Sheriff Music	Statements F A O Danny Schogger, Hendon Wood Lane, Oakhamppden, London, NW7 4HS	
CS03	Screensong PTY Ltd	, PO BOX 7151, Kariong, Australia, NSW 2250	
CS04	Shirley, Jerry (70%)	, Flat 2 Molesworth Street, Regency Arcade, Wadesbridge, Cornwall, PL27 7DH	
CS05	Silk, Oliver	, 15 Ship Lane, Albany Cottages, Farnborough, Hants, GU14 8BX	
CS06	Silverscales Music	, 48 Broadley Terrace, London, NW1 6LG	
CS07	Simon Harris	, 16 Brandesbury Square, Repton Park, Woodford Green, Essex, IG8 8GU	
CS08	Singular Music	, 18a Linacre Road, Willesden Green, London, NW2 5BB	
CS09	Smith Douglas	Doug Smith Associates, PO BOX 1151, London, W3 8ZX	
CS0A	Soul Candi Publishing	, 160 Eloff Street Extension, Village Deep, Johannesburg, South Africa	
CS0B	Sound Judgement Ltd	, Woods House, Stoke Gabriel, Devon, TQ 6RE	

Signature _____

Geoffrey Martin & Co
Conexion Music Limited
B - Company Creditors

Key	Name	Address	E
CS0C	Squirky Music Ltd	, Squirky Studios, 13 Borough Road, Kingston Upon Thames, Surrey, KT2 6BD	
CS0D	Steeplechase Music	, Slotsalleen 16, Klampenborg, Denmark, DK-2930	
CS0E	Stone Room Music	, Fairlight Mews, 15 St Johns Road, Kingston Upon Thames, Surrey, KT1 4AN	
CS0F	Stuzly Music	, 65 Larchwood Drive, Englefield Green, Egham, Surrey, TW20 0SL	
CT00	Tempus Fugit Music	, 34 Eisenhower Drive, St Leonards On Sea, East Sussex, TN37 7TQ	
CT01	Ten-Roy Music & Productions	, 6909 Plum Lake Lane, East Jacksonville, USA, Florida 32222	
CT02	Tomney, Ed	, 474 Broadway, 3rd Floor, New York, USA, New York 10013	
CT03	Toonbox Entertainment	, Attention of Nahleena Tye, 26 Richardson Street, Toronto, Ontario, Canada, M5A 4J9	
CT04	Top TV Productions Ltd	, Attention of Ms T Mulcrone, Woodland View Farm, Brokerswood, Westbury, Wiltshire, BA13 4EY	
CT05	Torque Music	, 34-26 Calhoun Street, New Orleans, Louisiana, USA, 70125	
CT06	Travers, Brian	, c/o Reflex Music Ltd, 48-52 Alcock Street, Digbeth, Birmingham, B9 4EA	
CT07	Treasure Island Music	, Rivergate, Lower Ash Estate, Felix Lane, Shipperton, Middlesex, TW17 8NW	
CT08	Tree Roots Publishing Co	, Christiansa PO, Bontle District, Manchester, Jamaica	
CT09	Twist And Shout Limited	, 21a Maury Road, Stoke Newington, London, N16 7BP	
CU00	Ugly Duckling Films Ltd	, c/o The Chocolate Studios, 7 Shepherdess Place, Unit 18, London, N1 7LJ	
CV00	Vallance, Mark	, No 3 Stonebrook Way, Weoley Castle, Birmingham, B29 5XA	
CV01	Vargas, James	, 11 Meadow Road, London, SW19 2ND	
CV02	Venekular Music Inc	, 10309 Wescott Avenue, Sunland, USA, CA 91041	
CV03	Virtual Media Enterprises Ltd	, Attention of Wayne Brown, 27 Arden Place, Luton, Beds, LU2 7YE	
CV04	VQ Music	, 27 Rivercourt Road, London, W6 9TF	
CW00	Wah-tup Music Ltd	, Hilltop Farm, Bedlam, Harrowgate, N Yorks, HG3 3HN	
CW01	Waldren, Chaz	, Flat 1, Lea House, Barton Road, North Bertshead, Bognor Regis, West Sussex, PO22 9AL	
CW02	Walsh, Father James	, Cathedral House, Unthank Road, Norwich, Norfolk, NR2 2PA	
CW03	Waterloo Music Company Ltd	, 3 Regina St North, Waterloo, Ontario, Canada, N2J 4A5	
CW04	Weston Music	, 1 The Old Post Office, Ducklington, Witney, Oxon, OX21 7UB	
CW05	Wildheart, Ginger	, 26 Oak Tree Road, Eccleston, St Helens, Merseyside, WA10 5 LH	
CW06	Winter & Winter GMBH (GEMA)	, Winter & Winter, Viktoriast 28, Germany, D-80803 Muenchen	

Signature _____

**Geoffrey Martin & Co
Conexion Music Limited
B - Company Creditors**

Key		Name	Address	£
171		Entres Totalling		

Signature _____

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX G

JOINT ADMINISTRATORS' ABSTRACT OF RECEIPTS AND PAYMENTS

**Conexion Music Limited
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments
To 22 March 2016**

RECEIPTS	Total (£)
Cash at Bank	28,584 36
	<u>28,584.36</u>
PAYMENTS	
Case Specific Bond	375 00
Statutory Advertising	79 00
	<u>454.00</u>
Balance	<u><u>28,130 36</u></u>
MADE UP AS FOLLOWS	
Floating Current A/c	28,114 56
VAT Receivable	15 80
	<u><u>28,130 36</u></u>

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX H

CREDITOR QUESTIONNAIRE

QUESTIONNAIRE FOR CREDITORS

Conexion Music Limited - In Administration ("the Company")

1. Creditor's Name and Address	
2. Estimated Claim	
3. Does the estimated claim exceed the credit limit?	Yes/No
4. If yes, on what basis or terms was the additional credit allowed?	
5. What was the date and value of the Company's last order with you?	
6. What was the date and value of the Company's last payment to you?	
7. Please provide brief details of any, security or assurance given by the Company to allow continuance of credit, including the date thereof	
8. Which individuals did you deal with at the Company and what position did you believe them to hold?	
9. When did you first become aware of any difficulties in extracting payment from the Company and what evidence do you have of this? E.g. extended credit requests, lump sum payments, dishonoured cheques.	
10. Please provide details of any cheques which were dishonoured, including dates and amounts.	
11. Please provide details, including dates, of any writ, summons or any other legal action taken by you to recover the debt claimed by you.	
12. Are there any specific matters which you feel should be reviewed? If so, please provide brief details and provide any available documentary evidence to support your view	

Additional pages should be used if required

Date _____

Signature _____

Name _____ (Block Capitals)

Position with Creditor _____

Please return the completed form to Geoffrey Martin & Co, 1 Westferry Circus, Canary Wharf, London E14 4HD

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX I

**JOINT ADMINISTRATORS' STATEMENT OF PRE-ADMINISTRATION
COSTS**

Conexion Music Limited - In Administration ("the Company")

Statement of the Joint Administrators' Pre-Administration costs

The Joint Administrators make the following statement in accordance with Rule 2.33 (2B) of the Insolvency Rules 1986 as amended ("the Rules") in relation to their pre-Administration costs

Pre-Administration costs are fees charged and expenses incurred by the Joint Administrators, or another person qualified to act as an Insolvency Practitioner, before the Company entered Administration but with a view to its doing so. The Joint Administrators will ask the creditors of the Company to consider and, if thought fit, approve the following resolution in accordance with Rule 2.67A(3)(a) of the Rules

"That the Joint Administrators be authorised to draw pre-Administration costs and expenses with a combined total of £2,751.50 plus VAT and disbursements of £201.60 plus VAT, including fees charged and expenses incurred by them, out of the assets of the Company as an expense of the Administration, and to be drawn as and when funds permit"

All figures below are given net of VAT

Pre-Administration time costs of the Joint Administrators

The Joint Administrators' unpaid pre-Administration costs total £1,335.50. All of the above balances relate to costs incurred specifically with a view to Administration. These costs were all incurred on or after the date of our instruction and relate to the following issues

- Assessing the immediate financial position of the Company and the reasonable estimated outcome of the Administration
- Liaising with the secured creditors, key stakeholders, employees and creditors
- Carrying out all necessary steps in order to place the Company into Administration

An analysis of these costs is as follows

Geoffrey Martin & Co

Classification of work function	Hours					Time Costs (£)	Average Hourly rate (£)
	Partner	Manager	Other senior professionals	Assistants & Support Staff	Total Hours		
Administration Order Procedure	2.50	0.00	1.40	0.50	4.40	1,335.50	303.52
Total Hours	2.50	0.00	1.40	0.50	4.40	1,335.50	303.52

The agreement under which we incurred our pre-Administration costs was our Letter of Engagement signed by the director of the Company on 8 December 2015

Pre-Administration expenses

Details of pre-Administration expenses, which have been incurred by professional advisors engaged by me with a view to the Company's Administration, are set out below

Contracts of Retainer	Date of agreement	Fees (£)
Schofield Sweeney (1)	14 January 2015	1,066.00
Charterfields Limited (2)	29 January 2015	350.00
		<u>1,416.00</u>

1) I commissioned Schofield Sweeney to draft all necessary documents to place the Company into Administration, file the necessary documentation with the Court and provide advice to the proposed Joint Administrators and the Company's board of directors. Schofield Sweeney has confirmed that their pre-Administration time costs equate to £1,066 00

2) I instructed Charterfields Limited to conduct a valuation of the Company's assets and generally advise on potential disposal strategies for the assets. Charterfields Limited has confirmed that their pre-Administration time costs equate to £350 00

I propose to recover the pre-Administration expenses of £1,416 00 out of the assets of the Company and will be seeking formal approval from the creditors of the Company, to do so

Pre-Administration disbursements of the Joint Administrators

Category 1 disbursements are in respect of expenses that are directly attributable to the case. No category 1 Disbursements were incurred by Geoffrey Martin & Co in the Pre-Administration period

Category 2 disbursements require specific authorisation and consist of disbursements that are not specifically identifiable to the case. These are charged in accordance with the firm's disbursement policy. No category 2 disbursements were incurred in the pre-Administration period

Pre-Administration disbursements of professional advisors

Disbursements totalling £201 60 have been incurred by my professional advisors engaged by us with a view to the Company's Administration. Details are set out below

Professional Advisors	Description	£
Schofield Sweeney	Court filing fees and CH registration fees	200 00
Charterfields Limited	Travelling and Sustenance	1 60
		<u>201.60</u>

I propose to reimburse my professional advisors' pre-Administration disbursements of £201 60 from the assets of the Company

Other persons entitled to claim

I am unaware of any additional costs incurred by other professionals qualified to act as an Insolvency Practitioner in respect of the Company

Not part of the Joint Administrators' Proposals

Please note that my request for payment of pre-Administration costs is separate to and does not form part of the Joint Administrators' Proposals to creditors for the conduct of the Administration

Right to apply to Court

If the creditors fails to approve my request for payment of the pre-Administration costs, then the Joint Administrators, in accordance with Rule 2 67A(5) of the Rules, have the right to apply to Court for an order approving payment of the pre-Administration costs

The costs associated with any application made to Court will be paid as an expense of the Administration


Peter Hart
Joint Administrator

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX J

JOINT ADMINISTRATORS' POST APPOINTMENT TIME COST ESTIMATE

FEES ESTIMATE SUMMARY			
Case name	Conexion Music Limited		
<p>The office holder is seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. This document provides an estimate as to how much time the office holder and his staff will spend undertaking specific tasks within broad categories of work, and the time costs of undertaking such work, which will depend upon the grade, or grades, of staff undertaking the work and the number of hours spent undertaking the work by each grade of staff. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at what is known as a blended hourly charge out rate for that category of work. The sum of all the estimates for the different categories of work is the total estimated time costs to undertake all the necessary work on the case. Again, we have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for the case as a whole.</p>			
The hourly charge out rates that will be used on this case are	£		
Partner – appointment taker	450 00		
Senior Manager	-		
Manager	-		
Supervisor/Senior Administrator	195 00		
Case Administrator	125 00		
Cashier	110 00		
Support staff	110 00		
ADMINISTRATION AND PLANNING (Note 2)			
Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case	5 00	2,250 00	
Setting up physical/electronic case files (as applicable)	2 00	250 00	
Setting up the case on the practice's electronic case management system and entering data	2 00	250 00	
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable)	3 00	375 00	
Obtaining a specific penalty bond	2 00	235 00	
Convening and holding general meetings of creditors and members (as applicable)	-	-	
Dealing with all routine correspondence and emails relating to the case	15 00	3,500 00	
Opening, maintaining and managing the office holder's estate bank account (delete if not applicable)	-	-	
Creating, maintaining and managing the office holder's cashbook	5 00	550 00	
Undertaking regular bank reconciliations of the bank account containing estate funds	4 00	440 00	
Reviewing the adequacy of the specific penalty bond on a quarterly basis	-	-	
Undertaking periodic reviews of the progress of the case	4 00	500 00	
Overseeing and controlling the work done on the case by case administrators	17 00	7,140 00	
Preparing, reviewing and issuing annual progress reports to creditors and members (as applicable)	9 00	2,100 00	
Filing returns at Companies House and/or Court (as applicable)	2 00	250 00	
Preparing and filing VAT returns (delete if not applicable)	4 00	440 00	
Preparing and filing Corporation Tax returns (delete if not applicable)	4 00	440 00	
Seeking closure clearance from HMRC and other relevant parties	-	-	
Preparing, reviewing and issuing final reports to creditors and members (as applicable)	-	-	
Convening and holding final meetings of creditors and members (as applicable) (delete in Administrations)	-	-	
Filing final returns at Companies House and/or Court (as applicable)	-	-	
Total	78 00	£18,720 00	£240 00

INVESTIGATIONS (Note 3)			
Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Recovering the books and records for the case	2 00	575 00	
Listing the books and records recovered	1 00	125 00	
Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act (delete if not applicable)	8 00	1,650 00	
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc	19 00	4,650 00	
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors	12 00	3,450 00	
Total	42 00	£10,450 00	£248 81
REALISATION OF ASSETS (Note 4)			
Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Arranging suitable insurance over assets			
Regularly monitoring the suitability and appropriateness of the insurance cover in place			
Corresponding with debtors and attempting to collect outstanding book debts			
Liaising with the bank regarding the closure of the account			
Instructing agents to value known assets			
Liaising with agents to realise known assets			
Instructing solicitors to assist in the realisation of assets			
Registering a caution in respect of freehold property owned by the debtor/company (where applicable)			
Obtaining details from mortgagees about debts secured over the debtor's/company's freehold/leasehold property (where applicable)			
Determining the joint owner's/spouse's interest in the freehold/leasehold matrimonial home (delete if not applicable)			
Instructing solicitors to assist in the realisation of the freehold/leasehold property (where applicable)			
Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge			
Total			
CREDITORS (Note 6)			
Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Obtaining information from the case records about employee claims	-	-	
Completing documentation for submission to the Redundancy Payments Office	-	-	
Corresponding with employees regarding their claims	-	-	
Liaising with the Redundancy Payments Office regarding employee claims	-	-	
Dealing with creditor correspondence emails and telephone conversations regarding their claims	35 00	8,750 00	
Maintaining up to date creditor information on the case management system	10 00	2,000 00	
Issuing a notice of intended dividend and placing an appropriate gazette notice	-	-	
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend	25 00	6,000 00	
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims	-	-	
Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend	-	-	
Paying tax deducted from the dividends paid to employees	-	-	
Total	70 00	£16,750 00	£239 29

CASE SPECIFIC MATTERS (note 7)			
Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
	-	-	
	-	-	
	-	-	
-	-	-	
-	-	-	
-	-	-	
Total	0 00	£0 00	£0 00
GRAND TOTAL FOR ALL CATEGORIES OF WORK	190 00	£45,920 00	£145 62

Explanatory Note This estimate has been provided to creditors at an early stage in the administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holder's current knowledge of the case and their knowledge and experience of acting as office holder in respect of cases of a similar size and apparent complexity. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case. If the time costs incurred on the case by the office holder exceed the estimate, or is likely to exceed the estimate, the office holder will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holder cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where the office holder considers it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.

Note 2 Administration and planning - This represents the work that is involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

Note 3 Investigations - The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure (and also in respect of matters such as misfeasance and wrongful trading). The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holder will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary. The office holder is aware that the following specific matters require to be investigated:

1) Investigations into potential claims against the Company director and connected companies

The estimated time required to be spent to do so and the time costs of doing so are included in the estimate. The office holder is unable to quantify the benefit to creditors of these investigations at present but will include such information in their statutory report to creditors once the position is clear. The office holder is also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors and the work to enable them to comply with this statutory obligations is of no direct benefit to the creditors, although it may identify potential recovery actions.)

Note 4 Realisation of Assets - This is the work that needs to be undertaken to realise the known assets in the case. I am proposing a fee of 20% of total realisations in this regard.

Note 5 Creditors Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions. Dividends - it is not anticipated that a dividend will be paid to unsecured creditors however if circumstances change I will update creditors in my progress report and seek approval to my fees (where funds permit).

Note 7 Case specific matters - These matters relate to the investigations into the director's conduct and potential claims against the director and associated companies. It is anticipated that successful claims against the relevant parties could result in funds being realised in the Administration which may change the prospect of a dividend to unsecured creditors.

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX K

**JOINT ADMINISTRATORS' POST APPOINTMENT
TIME COSTS ANALYSIS**

SIP 9 - Time & Cost Summary

Period 01/02/16 22/03/16

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Appointment Taker	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	1 30	0 00	10 10	6 60	18 00	3,294 50	183 03
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisations of assets	12 00	0 00	28 90	0 00	40 90	10,435 50	255 15
Trading	0 00	0 00	0 00	0 40	0 40	50 00	125 00
Creditors	0 00	0 00	8 60	7 10	15 70	2,554 00	162 68
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	13 30	0 00	47 60	14 10	75 00	16,334 00	217 79
Total Fees Claimed						0 00	

Conexion Music Limited – In Administration (“the Company”)

Overview of Joint Administrators’ Time Spent

I detail below the key areas of work undertaken by the Joint Administrators and their staff in respect of the Administration from the onset of the Administration to the date of this report, being 22 March 2016

Administration and planning

- Liaising with the directors
- Statutory requirements imposed by the Insolvency Act and Rules 1986 and Insolvency bodies
- Administrative setup and filing of all statutory paperwork
- Accounting for receipts and payments in the Administration
- Monitoring the progress of the Administration
- Obtaining open cover insurance
- Collection of Company records

Realisation of assets

- Recovering the Company's cash at bank balance
- Securing the assets of the Company at the Company's premises and external storage facilities
- Arranging insurance cover over the assets of the Company
- Dealing with undertakings to maintain the Company's premises pending realisation of the Company's assets
- Liaising with agents regarding the realisation of the Company's assets portfolio of owned music rights
- Liaising with agents regarding the realisation of the Company's tangible assets
- Liaising with agents regarding the realisation of value held in the company's portfolio of administered music rights
- Liaising with solicitors regarding the realisation of the Company's assets
- Liaising with solicitors regarding the realisation of the Company's tangible assets
- Liaising with solicitors regarding the realisation of value held in the company's portfolio of administered music rights
- Liaising with interested parties regarding the realisation of the Company's assets
- Liaising with interested parties regarding the realisation of the Company's tangible assets
- Liaising with interested parties regarding the realisation of value held in the company's portfolio of administered music rights

Creditors

- Dealing with creditor queries and claims, both verbal and written
- Statutory reporting to creditors
- Liaising with former employees and dealing with employee claims in the Administration
- Pension issues
- Liaising with the secured creditors

Other professional costs of the Administration

Details of professional advisers who have been engaged by the Joint Administrators, and their respective charges, are detailed below

- 1 Schofield Sweeney were instructed to advise on all legal aspects arising during the Administration. Wedlake Bell were chosen due to their experienced knowledge of insolvency matters and company legislation. Their charges are incurred on the basis of time properly spent advising on the various issues in this case.
- 2 Charterfields Limited were instructed to advise the Joint Administrators in connection with the sale of the Company's assets. Charterfields Limited were chosen due to their experience in dealing with asset realisations for insolvent companies. Their charges are based on time costs properly incurred in dealing with the disposal of the Company's assets.

The level of costs and disbursements incurred by my professional advisors between the onset of the Administration and the date of this report, together with details of any payments made to them in respect of these costs, is given below

Professional Costs

Name	Description	Costs Incurred 01/02/2016 – 22/03/2016 £	Costs Paid 01/02/2016 – 22/03/2016 £	Costs Written Off 01/02/2016 – 22/03/2016 £	Costs outstanding as at 22/03/2016 £
Schofield Sweeney	Solicitors	10,000	Nil	Nil	10,000
Charterfields Limited	Agents	7,000	Nil	Nil	7,000
		<u>17,000</u>	<u>Nil</u>	<u>Nil</u>	<u>17,000</u>

Disbursements

No disbursements have been incurred or discharged in respect of my professional advisors in the Administration at the date of this report

There are no other professional advisors who have been engaged to assist the Joint Administrators in respect of the Administration of the Company to date

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX L

CHARGING & DISBURSEMENT POLICIES

Case Name	Conexion Music Limited	
Court and Number	High Leeds District Registry, Chancery Division No 59 of 2016	
Office Holders	Peter Hart	Stephen Goderski
Firm	Geoffrey Martin & Co	Geoffrey Martin & Co
Address	1 Westferry Circus Canary Wharf London E14 4HD	1 Westferry Circus Canary Wharf London E14 4HD
Telephone	020 7495 1100	
Reference	PH/SG/DO/JM/CONE404/RB4	
Type of Appointment	Administration	
Date of Appointment	1 February 2016	

GEOFFREY MARTIN & CO
CHARGING AND DISBURSEMENTS POLICY (Combined London & Leeds Offices)

Time Costs

The firm's hourly charge out rates are revised annually from 1 May. The rates currently in use are within the following bands

	£
Appointment Taker	325 – 450
Manager	265
Senior Administrator	150 – 195
Junior Administrator and Support Staff	65 – 125

Secretarial and cashiers time is charged to the case and their rates are included within the above hourly rates identified above as appropriate. Time is charged in units of 6 minutes.

Disbursements

A disbursement charge relating to the recovery of overhead costs is levied at the rate of £6.75 per creditor. This sum is drawn at the outset of the case and on each anniversary thereafter and covers printing, postage, stationery, photocopying, telephone and fax usage.

Company Searches and Identity Verifications are charged at cost.

Outsourced printing and/or photocopying will be charged at cost in addition to the above.

Travelling expenses are charged at the rate of 45p per mile.

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX M

NOTICE OF MEETING OF CREDITORS

Rule 2.35

Notice of a meeting of Creditors

Name of Company Conexion Music Limited	Company number 01356293
In the High Court of Justice, Chancery Division, Leeds District Registry (full name of court)	Court case number 59 of 2016

(a) Insert full name(s)
and address(es) of

Notice is hereby given by (a)

Peter Hart
Geoffrey Martin & Co
1 Westferry Circus
Canary Wharf
London
E14 4HD

Stephen Goderski
Geoffrey Martin & Co
1 Westferry Circus
Canary Wharf
London
E14 4HD

administrator(s)

(b) Insert full name and
address of registered
office of the company

that a meeting of creditors of (b)

Conexion Music Limited
C/o Geoffrey Martin & Co
1 Westferry Circus
Canary Wharf
London
E14 4HD

(c) Insert details of place
of meeting

is to be held at (c)

(c) the offices of Geoffrey Martin & Co, 1 Westferry Circus, Canary Wharf, London E14 4HD

(d) Insert date and time
of meeting

on (d) 8 April 2016

at 2 00pm

The meeting is

*Delete as applicable

~~*(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ('the schedule')~~
~~*(2) an initial creditors' meeting requested under paragraph 52(2) of the Schedule~~
~~*(3) to consider revisions to my proposals under paragraph 54(2) of the Schedule~~
~~*(4) a further creditors' meeting under paragraph 56 of the Schedule~~
~~*(5) a creditors' meeting under paragraph 62 of the Schedule~~

I invite you to attend the above meeting

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of your claim

Signed



Joint / Administrator(s)

Dated

*Delete as applicable

A copy of the *proposals/ revised proposals is attached

Proxy (Administration)

Conexion Music Limited (In Administration)

Name of Creditor _____

Address _____

Name of Proxy Holder

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

1 _____

2 _____

3 _____

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 8 April 2016, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)

Voting Instructions for resolutions

*please delete as appropriate

- 1 For the acceptance /rejection* of the Joint Administrators' Proposals as circulated
- 2 For the acceptance of the Joint Administrators' Proposals with the following modifications - *(please detail)*

- 3 For the appointment of _____

representing _____

as a member of the creditors' committee

- 4 In the event that a creditors' committee is not formed -

- a) That the Joint Administrators' remuneration be fixed by reference to time properly incurred by them and their staff based on their firm's charging policy (as circulated to creditors with their Proposals) in attending to matters arising in the Administration (with the exception of work carried out in respect of the realisation of assets) and that they be authorised to draw their remuneration from time to time without further recourse to creditors, as and when funds allow

FOR / AGAINST*

- b) That the Joint Administrators' remuneration in respect of asset realisations be fixed at 20% of gross asset realisations recovered in the Administration and that they be authorised to draw their remuneration from time to time without further recourse to creditors, as and when funds allow

FOR / AGAINST*

c) That the Joint Administrators' time cost estimate is approved

FOR / AGAINST*

d) That the Joint Administrators be authorised to recover disbursements from Administration funds, incurred in accordance with their charging and disbursement policy (as circulated to creditors with their Proposals)

FOR / AGAINST*

e) That upon discharge of the Administration by way of whichever route applicable, as set out in the Proposals, that the Joint Administrators are discharged from all liability incurred in respect of the Administration

FOR / AGAINST*

f) That the Joint Administrators be authorised to draw their pre-Administration costs and disbursements of £2,751 50 plus VAT, including fees charged and expenses incurred by them, out of the assets of the Company as an expense of the Administration, as and when funds permit

FOR / AGAINST*

Note *please delete as appropriate

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature

PROOF OF DEBT - GENERAL FORM

In the matter of Conexio Music Limited - In Administration

and in the matter of the Insolvency Act 1986

Date of Administration 1 February 2016

1	Name of Creditor	
2	If a company please give registered number	
3	Address of Creditor	
4	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration, or if it was already in liquidation, on the date it went into liquidation (see note)	£
5	Details of any document by reference to which the debt can be substantiated [Note the administrator may call for any document or evidence to substantiate the claim at his discretion]	
6	If total amount above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
7	If total amount above includes outstanding uncapitalised interest please state amount	£
8	If you have filled in both box 4 and box 6, please state whether you are claiming the amount shown in box 4 or the amount shown in box 6(b)	
9	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
10	Particulars of how and when debt incurred	
11	Particulars of any security held, the value of the security, and the date it was given	£
12	Details of any reservation of title in respect of goods to which the debt refers	
13	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Address (if different from 3 above)	
	Position with or relation to creditor	

NOTE

A company goes into administration on the date an administration order is made (see top of page) The total claim to be inserted in Section 4 should be net of any payments made after that date in respect of the claim and any adjustment by way of set off in accordance with Rule 2 85 and/or any discounts which would have been available to the Company but for its administration, except any discounts for immediate, early or cash settlement (see Rule 2 84)

**CONEXION MUSIC LIMITED
IN ADMINISTRATION**

APPENDIX O

CREDITORS' GUIDE TO ADMINISTRATORS' FEES

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

ENGLAND AND WALES

1 Introduction

- 1 1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explain the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

2 The nature of administration

- 2 1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:
- rescuing the company as a going concern, or
 - achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,
- or, if the administrator thinks neither of these objectives is reasonably practicable:
- realising property in order to make a distribution to secured or preferential creditors

3 The creditors' committee

- 3 1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's remuneration

- 4 1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed:

- as a percentage of the value of the property which the administrator has to deal with,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the administrator,
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the property which the administrator has to deal with

- 4 2 If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4 3 do not apply), the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

- 4 3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of-

- each secured creditor of the company, or
- if the administrator has made or intends to make a distribution to preferential creditors -
 - each secured creditor of the company, and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

- 4 4 A resolution of creditors may be obtained by correspondence.

5 Review of remuneration

- 5 1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request

that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6 Approval of pre-administration costs

- 6 1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Disclosure of such costs must be included in the administrator's proposals and should follow the principles and standards set out in section 7.

- 6 2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4 3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.

- 6 3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

7 What information should be provided by the administrator?

- 7 1 When fixing bases of remuneration

- 7.1.1 When seeking agreement for the basis or bases of remuneration, the administrator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.
- 7.1.2 If any part of the remuneration is sought on a time costs basis, the administrator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case.
- 7.1.3 The administrator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the administrator or his or her staff.
- 7.1.4 If work has already been carried out, the administrator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the administrator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The administrator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7.2 After the bases of remuneration have been fixed

The administrator is required to send progress reports to creditors at specified intervals (see paragraph 8.1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 8.1, the administrator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the administrator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the administrator should disclose the charge in respect of the period, the time spent and the average Charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The administrator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the administrator or his or her staff.

7.3 Disbursements and other expenses

- 7.3 Costs met by and reimbursed to the administrator in connection with the administration should be appropriate and reasonable. Such costs will fall into two categories:

- Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the administration and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the administrator or his or her staff.
- Category 2 disbursements. These are costs that are directly referable to the administration but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the administration on a proper and reasonable basis, for example, business mileage.

Category 1 disbursements can be drawn without prior approval, although the administrator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the administrator's remuneration. When seeking approval, the administrator should explain, for each category of expense, the basis on which the charge is being made.

- 7.3.2 The following are not permissible:

- a charge calculated as a percentage of remuneration,
- an administration fee or charge additional to the administrator's remuneration,
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges.

8 Progress reports and requests for further information

8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report,
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period,
- the date of approval of any pre-administration costs and the amount approved,
- a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses

8.2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5 in value of unsecured creditors (including himself) or the permission of the court

8.3 The administrator must provide the requested information within 14 days, unless he considers that

- the time and cost involved in preparing the information would be excessive, or disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information

9 Provision of information - additional requirements

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company

The information which must be provided is -

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office

10 What if a creditor is dissatisfied?

10.1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court

10.2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.

10.3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

11 What if the administrator is dissatisfied?

11.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

12 Other matters relating to remuneration

12.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.

12.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

12.3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.

12.4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

13 Effective date

This guide applies where a company enters administration on or after 1 November 2011.

Appendix

Suggested format for the provision of information

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.

Narrative overview of the case

In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are:

- the complexity of the case,
- any exceptional responsibility falling on the administrator,
- the administrator's effectiveness,
- the value and nature of the property in question.

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include:

- an explanation of the nature, and the administrator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known),
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers,
- any significant aspects of the case, particularly those that affect the remuneration and cost expended,
- the reasons for subsequent changes in strategy,
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing,
- any existing agreement about remuneration,
- details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees,
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed,
- details of work undertaken during the period,
- any additional value brought to the estate during the period, for which the administrator wishes to claim increased remuneration.

Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide:

- An explanation of the administrator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes.
- A description of work carried out, which might include:
 - details of work undertaken during the period, related to the table of time spent for the period,
 - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used,
 - any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- Time spent and charge-out summaries, in an appropriate format.

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case.

The following areas of activity are suggested as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors

- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply

- where cumulative time costs are, and are expected to be, less than £10,000 the administrator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case,
- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features),
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted