

The Insolvency Act 1986**Liquidator's Progress
Report****S. 192****Pursuant to section 192 of the
Insolvency Act 1986****To the Registrar of Companies**

For official use

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Company Number

02658750

Name of Company

(a) Insert full
name of company

(a) CARBON MUSIC LIMITED

(b) Insert full
name(s) and
address(es)

We (b)
Andrew Andronikou and Peter Kubik
of UHY Hacker Young LLP, Quadrant House
4 Thomas More Square
London
E1W 1YW

The Joint Liquidators of the company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986

Signed

Date 23/03/2012

Presenter's name,
address and
reference
(if any)

Peter Kubik
UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW

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COMPANIES HOUSE

**CARBON MUSIC LIMITED
IN CREDITORS' VOLUNTARY LIQUIDATION**

ANNUAL REPORT

23 March 2012

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-

1. INTRODUCTION

The purpose of this report is to detail my acts and dealings as Joint Liquidator of Carbon Music Limited ('the Company') and it should be read in conjunction with my previous correspondence to creditors.

2. BACKGROUND

The Company's registered office is Quadrant House, 4 Thomas More Square, London, E1W 1YW and its registered number is 02658750

The Company entered into a Company Voluntary Arrangement ('CVA') on 14 September 2009. The directors' proposals envisaged that the Company would continue to trade and make a minimum contribution of £210,900 over five years.

Unfortunately, due to financial difficulties, the Company was unable to maintain its monthly contributions and in June 2010 fell into arrears. The directors and shareholders, therefore, decided the best course of action would be to wind up the Company.

Andrew Andronikou and I, of UHY Hacker Young LLP, were subsequently appointed Joint Liquidators of the Company on 26 January 2011.

3. ASSET REALISATIONS

The Joint Liquidators' receipts and payments account for the period from 26 January 2011 to 25 January 2012 is attached at **appendix 1**.

According to the Statement of Affairs lodged in these proceedings, the assets of the Company had a book value of £44,982 and an estimated to realise value of £150, which comprised solely of cash at bank.

The following assets have been realised -

Cash at bank

Upon my appointment, the Company's bank account had a credit balance of £376.92 which was transferred into the Liquidation account.

Book debts

The sum of £1,990 has been collected in respect of outstanding book debts.

Bank interest

Bank interest in the sum of £1 93 had been earned during the Liquidation period.

4. COSTS AND EXPENSES

Advertising

The sum of £67 50 was paid to the Legal and Public Notices Advertising Agency in respect of an advert placed in the London Gazette.

Creditor Gateway

A fee of £5 00 was paid to the Creditor Gateway in order to make the Joint Liquidators' reports available to creditors online

Storage costs

My agents, JG Collection Services, were paid the sum of £168.90 in respect of collecting and storing the books and records of the Company.

Statement of Affairs fee

At meetings of members and creditors, on 26 January 2011, the Joint Liquidators' pre-appointment fee of £6,000 00 plus VAT was approved. This was in respect of assisting the directors with preparing the Statement of Affairs and producing and circulating the notices for the meetings of members and creditors. The full sum of £7,200.00 was paid prior to my appointment from funds held by the Joint Supervisors.

Joint Liquidators' remuneration

The Joint Liquidators' remuneration was drawn in accordance with Insolvency Rules 1986 R4 127(2)(b) on a time cost basis, as authorised by creditors at a meeting held on the 26 January 2011, in accordance with the following resolution -

"That the Joint Liquidators are authorised to draw their remuneration on the basis of time properly spent by them and their staff, such time costs to be drawn on account from time to time as funds permit "

The Joint Liquidators' time costs for the period 26 January 2011 to 25 January 2012 totals £5,170 83 representing 56 52 hours at an average hourly rate of £91 49. The sum of £1,728.83 has been drawn and the balance is outstanding. The time costs are detailed at **appendix 2**

Joint Liquidators' disbursements

The Joint Liquidators' category 1 disbursements total £364 47. These represent the simple reimbursement of actual out of pocket payments made on behalf of the assignment. Please note these have been drawn in full, are detailed at **appendix 2** and outlined below -

- The sum of £187 50 was paid to the Legal and Public Notices Advertising Agency in respect of various statutory adverts placed in the London Gazette.
-

- The sum of £125 00 was paid in respect of the Joint Liquidators' bond, a specific insurance required in all insolvencies.
- The Royal Mail was paid the sum of £51.97 in order to redirect the Company's mail

The Joint Liquidators' category 2 disbursements total £280 00. These may include an element of overhead charges in accordance with the resolution passed by creditors at a meeting held on 26 January 2011. The basis of calculation of this category of disbursement was disclosed to creditors prior to the resolution being passed and is also detailed at **appendix 2** No category 2 disbursements have been drawn to date.

5. INVESTIGATION

In accordance with the Company Directors Disqualification Act 1986, I have undertaken an investigation into the affairs of the Company and the conduct of the directors Accordingly, my report/return was submitted to the Insolvency Service on 11 July 2011. Please note my report/return is confidential

6. CREDITORS' CLAIMS

Secured creditor

No secured claim has been registered at Companies House.

Preferential creditors

I am not aware of any preferential creditors in this matter.

Unsecured creditors

The trade and expense creditors, as per the Statement of Affairs, totalled £142,473.35 and the agreed creditors' claims amount to £66,531.81

Due to insufficient funds, no distribution is likely to be made to unsecured creditors Please note that on 7 July 2011 a distribution of 7.35 p in the £ was paid in accordance with the CVA

7. FURTHER INFORMATION

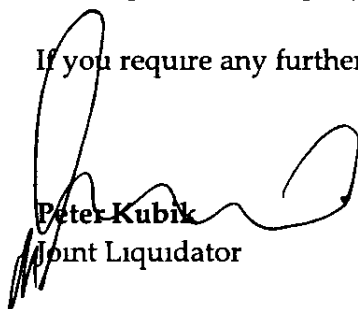
An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Joint Liquidators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

8. CONCLUSION

I shall be continuing my administration of the Liquidation and intend to call the final meetings of the Company within the next 3 months.

If you require any further information please contact Skevi Iacovou on 020 7216 4885.



Peter Kubik
Joint Liquidator

**Carbon Music Limited - In Creditors Voluntary Liquidation
Joint Liquidators' Abstract of Receipts & Payments**

From 26 January 2011 to 25 January 2012

| S of A £ | | 26/01/11 to 25/01/12 | Total £ |
|---------------------|--|-------------------------------------|-----------------|
| RECEIPTS | | | |
| NIL | Book debts | 1,989 50 | 1,989 50 |
| 150 | Cash at bank | 376 92 | 376 92 |
| NIL | Bank interest gross | 6 37 | 6 37 |
| NIL | Vat payable | 1,200 00 | 1,200 00 |
| 150 | | <u>3,572 79</u> | <u>3,572 79</u> |
| PAYMENTS | | | |
| | Statutory advertising | 67 50 | 67 50 |
| | The Creditor Gateway fees | 5 00 | 5 00 |
| | Storage costs | 96 90 | 96 90 |
| | Joint Liquidators' remuneration | 1,838 92 | 1,838 92 |
| | Joint Liquidators' disbursement - mail redirection | 51 97 | 51 97 |
| | Joint Liquidators' disbursement - specific bond | 125 00 | 125 00 |
| | Joint Liquidators' disbursement - advertising | 187 50 | 187 50 |
| | Vat Receivable | 1,200 00 | 1,200 00 |
| | | <u>3,572 79</u> | <u>3,572 79</u> |
| CASH IN HAND | | | <u>NIL</u> |

Carlson Music Limited In Creditors' Voluntary Liquidation
Summary of Joint Liquidators' fees costs from 26 January 2011 to 25 January 2012

| Classification of work function | Partner Hours | Director Hours | Manager Hours | Asst Manager Hours | Sub Administrator Hours | Administrator Hours | Junior Administrator Hours | Total Hours | Total Cost £ | Avg Hourly Rate £ |
|--------------------------------------|------------------|-------------------|------------------|-----------------------|----------------------------|------------------------|-------------------------------|----------------|------------------|-------------------------|
| Administration & Planning | | | | | | | | | | |
| Administrative Set-up | 0.00 | 0.00 | 0.10 | 0.00 | 0.00 | 0.00 | 2.70 | 2.80 | 233.50 | 83.39 |
| Appointments Notification | 0.00 | 0.00 | 0.30 | 0.00 | 0.00 | 1.42 | 2.10 | 3.82 | 315.58 | 82.61 |
| Case Planning | 0.00 | 0.20 | 0.95 | 2.20 | 0.00 | 6.00 | 14.70 | 23.85 | 2,312.25 | 92.31 |
| Maintenance of Records | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 104.00 | 130.00 |
| Statutory Reporting | 0.10 | 0.00 | 0.00 | 1.00 | 0.00 | 0.00 | 13.85 | 14.95 | 1,357.00 | 90.77 |
| Realisation of Assets | | | | | | | | | | |
| Debt Collection | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Securing, Insuring Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Property business and asset sales | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Retention of Title | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Creditors | | | | | | | | | | |
| Communication with Creditors | 0.10 | 0.00 | 0.00 | 0.00 | 0.90 | 0.00 | 1.10 | 2.10 | 253.50 | 120.71 |
| Creditors Claims | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.30 | 0.30 | 25.50 | 85.00 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investigations | | | | | | | | | | |
| CCDA Reports | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6.70 | 6.70 | 569.50 | 85.00 |
| Case Specific Matters | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL HOURS | 0.20 | 0.20 | 1.35 | 4.20 | 0.90 | 7.42 | 41.45 | 56.52 | £3,178.83 | £57.49 |
| TOTAL TIME CHARGED £0 | £30.00 | £15.00 | £75.00 | £212.80 | £36.00 | £482.08 | £30.00 | £54.87 | £3,178.83 | £57.49 |
| Average hourly cost £0 | £15.00 | £7.50 | £37.50 | £106.40 | £18.00 | £64.04 | £15.00 | £27.44 | £158.94 | £27.44 |

All figures are shown net of VAT

ANALYSIS OF DISBURSEMENTS - Category 1

| Type & Purpose | Costs to date £ |
|--|--------------------|
| Stationery / fax / postage / telephone | 130.00 |
| Internal postage of Company records | 0.00 |
| Internal postage of Insolvency Practitioner's working papers | 50.00 |
| Fuel and mileage | 34.00 |
| Photocopying (other than to creditors) | 0.00 |
| Internal meeting room cost | 0.00 |
| Mileage (own car usage) | 0.00 |
| TOTAL | £214.00 |

ANALYSIS OF DISBURSEMENTS - Category 1

| Type & Purpose | Costs to date £ |
|----------------|--------------------|
| Advertising | 107.50 |
| Bond | 125.00 |
| Proxies | 51.97 |
| TOTAL | £284.47 |

London office turnaround and recovery charge out rates (per hour)

Rates effective from 1 November 2011 and historic rates

| Grade | Rate £/ per hour 2011 | Rate £/ per hour 2010 | Rate £/ per hour 2009 |
|--------------------------|--------------------------|--------------------------|--------------------------|
| Partners | £315 - £470 | £350 - £450 | £230 - £400 |
| Directors | £275 | £260 | £250 |
| Manager | £175 - £230 | £175 - £230 | £195 - £200 |
| Assistant managers | £155 - £160 | £155 | £130 - £155 |
| Senior Administrators | £130 - £165 | £135 | £130 - £150 |
| Administrators | £90 - £100 | £80 - £100 | £80 - £105 |
| Junior Administrators | £70 - £85 | £75 | £45 - £50 |

Category 2 disbursements

Effective from 1 November 2011

| | |
|---|----------------------------------|
| Stationery / fax / postage / telephone | One off cost of £10 per creditor |
| Stationery / fax / postage / telephone | One off cost of £3 per debtor |
| Internal storage of Insolvency Practitioner's working papers | £5 per annum for 10 years (£50) |
| Files and indices | One off cost of £35 |
| Photocopying (other than to creditors) | 10p per sheet |
| Internal meeting room cost | £65 per hour |
| Mileage (own car usage) | 45p per mile |

VAT will be charged on the above disbursements where applicable

Time charging policy

Support staff do not charge their time to each case. Support staff include cashier, secretarial and administration support.

Please be advised that the minimum unit of time recorded is 6 minutes

UHY
Hacker Young
turnaround & recovery

