

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

FRIDAY



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A10

16/08/2019

#13

COMPANIES HOUSE

1 Company details

Company number 0 2 9 5 8 4 8 1

Company name in full Discovery Records Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice

Court case number 7 4 1 4 - 2 0 1 8

3 Administrator's name

Full forename(s) Ryan Michael

Surname Davies

4 Administrator's address

Building name/number Devonshire House

Street 60 Goswell Road

Post town London

County/Region

Postcode E C 1 M 7 A D

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ^①

Full forename(s)	Ian	① Other administrator Use this section to tell us about another administrator.
Surname	Robert	

6 Administrator's address ^②

Building name/number	Devonshire House	② Other administrator Use this section to tell us about another administrator.
Street	60 Goswell Road	
Post town	London	
County/Region		
Postcode	E C 1 M 7 A D	
Country		

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.		
Full forename(s)	Ryan Michael	
Surname	Davies	

8 Proposed liquidator's name


Full forename(s)	Ryan Michael	
Surname	Davies	
Insolvency practitioner number	1 5 2 5 0	

9 Proposed liquidator's address

Building name/number	Devonshire House	
Street	60 Goswell Road	
Post town	London	
County/Region		
Postcode	E C 1 M 7 A D	
Country		

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10	Proposed liquidator's name^①		① Other liquidator Use this section to tell us about another liquidator.
Full forename(s)	Ian		
Surname	Robert		
Insolvency practitioner number	0 0 8 7 0 6		
11	Proposed liquidator's address^②		② Other liquidator Use this section to tell us about another liquidator.
Building name/number	Devonshire House		
Street	60 Goswell Road		
Post town	London		
County/Region			
Postcode	E C 1 M 7 A D		
Country			
12	Period of progress report		
From date	d 1 2 m 0 3 y 2 0 y 1 9		
To date	d 1 4 m 0 8 y 2 0 y 1 9		
13	Final progress report		
<input checked="" type="checkbox"/> I have attached a copy of the final progress report.			
14	Sign and date		
Administrator's signature	Signature 		
Signature date	d 1 4 m 0 8 y 2 0 y 1 9		

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Notice of move from administration to creditors' voluntary liquidation



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Evan Jones**

Company name **Kingston Smith & Partners LLP**

Address **Devonshire House**
60 Goswell Road

Post town **London**

County/Region

Postcode **E C 1 M 7 A D**

Country

DX

Telephone **020 7566 4020 / 020 7566 4021**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Joint Administrators' Final Progress Report

**Discovery Records Limited – In
Administration**

14 August 2019

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

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DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

1 Introduction

- 1.1 I, Ryan Davies, was appointed Joint Administrator of Discovery Records Limited ("the Company") together with my colleague Ian Robert on 12 September 2018. The appointment was made by the Director.
- 1.2 This Administration has been handled by Kingston Smith & Partners LLP at Devonshire House, 60 Goswell Road, London, EC1M 7AD. The Joint Administrators' contact details are by phone on 020 7566 4020 or via email at ejones@ks.co.uk. The Administration is registered in the High Court of Justice, under reference number 7414 of 2018.
- 1.3 Information about the way that we will use, and store personal data on insolvency appointments can be found at <https://www.kingstonsmith.co.uk/kspllp-gdpr/>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 The trading address of the Company was A11 Fiveways Industrial Estate, Westwells Road, Corsham, Wiltshire, SN13 9RG ("Fiveways").
- 1.5 The registered office of the Company is Devonshire House, 60 Goswell Road, London, EC1M 7AD and its registered number is 02958481.
- 1.6 The Administration has now completed and I am preparing to move the case to Creditors' Voluntary Liquidation. I am required to provide a progress report covering the period since my last report which ended 11 March 2019. This is my final report in the Administration and covers the period from 12 March 2019 to 14 August 2019 ("the Period") and should be read in conjunction with my earlier proposals report and any previous progress reports which have been issued.

2 Progress of the Administration

- 2.1 The statutory objective pursued in the Administration was to achieve 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). In addition to the pursuance of this statutory objective, the Joint Administrators have duties imposed by insolvency and other legislation, some of which may not have provided any financial benefit to creditors.
- 2.2 This section of the report provides creditors with an overview of the progress made in the Period, both in terms of the statutory objective, but also work which is required of the Joint Administrators under other related legislation.
- 2.3 At Appendix A is my Receipts and Payments Account covering the period of this report together with a cumulative Receipts and Payments Account from the date of my appointment to the conclusion of the Administration.

Administration (including statutory compliance & reporting)

- 2.4 As noted previously, the Joint Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work undertaken in this regard has been outlined previously and I would confirm that in the final period of the Administration, the only matters that have affected the costs in this area to any particular extent are the delays in payment from the Purchaser of the business and the protracted dealing with the leases for two sites, which have extended the expected duration of the case. These matters are described in more detail in ***Realisation of Assets*** below.
- 2.5 Where the overall costs of statutory compliance work or reporting to creditors has exceeded the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Joint Administrators.

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

- 2.6 As noted in my initial fees estimate, this work has not necessarily brought any financial benefit to creditors, but is work required on every case by statute.

Realisation of Assets

Pre-packaged sale

- 2.7 A pre-packaged sale of the Company's business and assets to a connected company, Discovery Music Distribution Limited ("the Purchaser") was completed on 12 September 2018.
- 2.8 Consideration totalling £38,584 remains outstanding and I am in regular contact with the Purchaser who is currently formulating a repayment plan. However, if this is not finalised promptly, I shall consider taking legal action against the Purchaser to recover the full amount due.

Book Debts

- 2.9 I am still collating information and liaising with the Purchaser in relation to the collectability of a pre-appointment debt totalling £9,239.
- 2.10 I am also awaiting a final dividend payment from the Liquidation of another pre-appointment debtor. The Company's claim in the Liquidation is £15,398 and an interim dividend of 60p/£ was made in the previous reporting period. The final dividend from the Liquidation is anticipated to be between 25p/£ and 30p/£.
- 2.11 In addition, as described in paragraph 2.19 below, preliminary information received from the Purchaser in relation to sales through the Company's Amazon Supplier Portal suggests that there may be additional pre-appointment debtor receipts due to the Company arising from these sales.

Leased Premises

- 2.12 In the Period I have continued negotiations with the landlords for Fiveways and the Company's former premises at Unit 2A and Unit 8 Banda Industrial Estate, Nursteed Road, Devizes SN10 3DY ("Banda") to deal with the leases for both of these sites.
- 2.13 At the time of writing I can confirm that the surrender of the units at Banda is imminent and I hope to complete a formal surrender of Fiveways shortly.
- 2.14 I have also been made aware that the rent for Fiveways, payable by the Purchaser who occupied Fiveways under licence from the Company in Administration, is no longer outstanding and has in fact been paid by the Purchaser to the landlord directly.
- 2.15 Agents PHD Property Advisory and solicitors Isadore Goldman Limited have acted for me in dealing with the leases for Fiveways and Banda.

Creditors (claims and distributions)

- 2.16 The Joint Administrators are not only required to deal with correspondence and claims from unsecured creditors, but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture as well as dealing with the general handling of communications with stakeholders, such as customers and suppliers.
- 2.17 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. I would

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

confirm that in this case it is only anticipated that I will deal with unsecured claims, detailed in section 3 below, as there are no known secured or preferential creditors.

- 2.18 The above work will not necessarily bring any financial benefit to creditors generally and the more creditors there are on an assignment, the higher the resultant cost will usually be however the Joint Administrators are required by statute to undertake this work. In this case I have dealt with numerous unsecured claims and also dealt with queries from creditors who did not agree to trade with the Purchaser going forward and have sought to recover their stock.
- 2.19 As previously reported, I have been in correspondence with one large creditor in relation to recovering stock and reconciling invoicing processed through the Company's Amazon Supplier Portal. I am aware that the stock has now been returned to the creditor by the Purchaser, but despite repeated requests only a limited amount of information in relation to the Amazon Portal data has been provided.

Investigations

- 2.20 You may recall from my earlier progress reports to creditors that some of the work the Administrators were required to undertake was to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless those investigations revealed potential asset recoveries that could have been pursued for the benefit of creditors.
- 2.21 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first period of the Administration and is confidential.
- 2.22 Since my last progress report, I would advise that no potential claims or antecedent transactions have been identified from my investigations that may be pursued by me for the benefit of creditors.

3 Outcome for Creditors

- 3.1 An Estimated Outcome Statement as at 14 August 2019 is attached at Appendix D.

Unsecured Creditors

- 3.2 At the date of this report I have received claims totalling £964,582 from 52 creditors. I am yet to receive claims from 176 creditors whose debts are estimated to total £312,392.
- 3.3 I believe that there will be a small dividend to unsecured creditors on the conclusion of the case, though cannot reliably comment on the quantum or timing of any dividend at this juncture.

4 Joint Administrators' Remuneration

- 4.1 The basis of the Joint Administrators' fees was fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administration. My fees estimate was originally provided to creditors when the basis of our remuneration was approved and was based on information available to at that time.

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

4.2 A copy of that estimate is reproduced below.

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	25.00	283.60	7,090
Realisation of assets	21.50	299.07	6,430
Creditors (claims & distributions)	27.00	300.00	8,100
Investigations	3.00	300.00	900
Total estimated fees			£22,520

- 4.3 Our time costs for the Period are £4,906. This represents 15.50 hours at an average rate of £317 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this final period in respect of the costs fixed by reference to time properly spent in managing the Administration. A narrative explanation of the work undertaken by the Joint Administrators during the Period can be found at section 2 of this report.
- 4.4 Attached as Appendix C is a cumulative Time Analysis for the period from the date of our appointment to 14 August 2019 which provides details of our total time costs in the Administration. These time costs total £31,325 which represents 106.25 hours at an average rate of £295 per hour.
- 4.5 I would confirm that would confirm that £10,000 plus VAT has been drawn against accrued time costs, together with disbursements of £80 plus VAT.
- 4.6 You will recall that I provided creditors with my fees estimate prior to the agreement of the basis of our remuneration as time costs and I would confirm that the current fees estimate for the Administration (which is to continue in the subsequent Liquidation, as detailed in section 6 below) remains unchanged as at the date of this report. However, where further asset realisations are made that are sufficient to discharge the initial estimate in full, the subsequently appointed Joint Liquidators may revert back to creditors for approval of an increased fees estimate to cover any additional outstanding time costs as necessary.
- 4.7 Attached at Appendix E is additional information in relation to the Joint Administrators' fees and the expenses and disbursements incurred in the Administration.
- 4.8 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from www.ks.co.uk/creditors-guides-fees/.

5 Creditors' rights

- 5.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 5.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Administrators, as set out in this progress report, are excessive.

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

6 Ending the Administration

- 6.1 A copy of the notice bringing the Administration to an end and moving the Company into Creditors' Voluntary Liquidation is enclosed with this report, which has been sent to the Registrar of Companies for filing. Once this notice is registered, the Company will be in liquidation and I would confirm that my colleague Ian Robert and I will become the appointed Joint Liquidators, as agreed in my earlier proposals.
- 6.2 The Joint Liquidators will be required to report to creditors on the progress of the liquidation within two months of the anniversary of my appointment. If a dividend is to be declared sooner, I will write to creditors to provide appropriate details in the intervening period.
- 6.3 If any creditors have not yet submitted their proof of debt, please ensure this is forwarded to my office as soon as possible in order that your claim can be admitted for dividend purposes.
- 6.4 I would confirm that the basis of our remuneration as Joint Liquidators remains the same as in the Administration.
- 6.5 The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

Yours faithfully
For and on behalf of
Discovery Records Limited



RYAN DAVIES
Joint Administrator

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

Appendix A

**Receipts and Payments Account for the Period from 12 March 2019 to 14 August 2019,
together with a Cumulative Receipts and Payments Account for the Period from 12 September
2018 to 14 August 2019**

Discovery Records Limited
(In Administration)
Joint Administrators' Summary of Receipts and Payments

	Statement of affairs £	From 12/09/2019 To 14/08/2019 £	From 12/09/2018 To 14/08/2019 £
RECEIPTS			
Sale of Business and Assets	50,000.00	0.00	11,416.42
Book Debts	Uncertain	0.00	9,239.05
Insurance Refund		0.00	1,600.00
Cash at Bank		0.00	2,698.08
Bank Interest Gross		0.00	4.24
		<u>0.00</u>	<u>24,957.79</u>
PAYMENTS			
Unpaid Pre-appointment Costs		0.00	5,215.00
Office Holders' Fees		0.00	10,000.00
Office Holders' Expenses		0.00	80.00
Electronic Data Backup		0.00	2,105.00
Legal fees (surrender)		0.00	250.00
Statutory Advertising		0.00	67.00
Pre-pack Insurance		0.00	112.00
Trade & Expense Creditors	(1,145,552.49)	0.00	0.00
Vat Receivable		0.00	3,543.40
		<u>0.00</u>	<u>21,372.40</u>
BALANCE - 14 August 2019		<u>0.00</u>	<u>3,585.39</u>
MADE UP AS FOLLOWS			
Bank 1 Current Metro Bank		0.00	3,584.62
Designated Metro Bank		0.00	0.77
		<u>0.00</u>	<u>3,585.39</u>

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

Appendix B

Time Analysis for the Period from 12 March 2019 to 14 August 2019

Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Administrator Hrs	Total Hrs	Time Costs (£)	Average Costs (£)
<input checked="" type="checkbox"/> Administration & Planning	1.92	1.83	3.75	1,302.49	347.33
Dealing with company/Debtor re general admin	1.67	0.50	2.17	853.32	393.24
Post Appointment VAT & CTax	0.25	0.50	0.75	220.00	293.33
General Admin/Billing/Filing		0.50	0.50	137.50	275.00
Pensions Administration		0.08	0.08	22.92	286.50
Statutory filing with Court, Companies House and BIS		0.25	0.25	68.75	275.00
<input checked="" type="checkbox"/> Investigations	0.17		0.17	73.33	431.35
Litigation - document review	0.17		0.17	73.33	431.35
<input checked="" type="checkbox"/> Realisation of Assets	1.08	1.92	3.00	957.49	319.16
Debtors & Claims	0.17	0.17	0.33	119.16	361.09
Freehold & Leasehold property/matrimonial home	0.75	1.75	2.50	764.99	306.00
Intangible Assets - Goodwill, Intellectual Property	0.08		0.08	36.67	458.38
Pensions/Policies	0.08		0.08	36.67	458.38
<input checked="" type="checkbox"/> Creditors	1.92	6.67	8.58	2,572.88	299.87
Claims/Proofs	0.25	3.50	3.75	1,056.24	281.66
Correspondence/Preparation of Reports/Meetings	0.67	3.00	3.67	1,053.33	287.01
Employees/ERA scheme admin	0.33	0.17	0.50	169.99	339.98
Secured/Finance Creditors & Landlords	0.67		0.67	293.32	437.79
Grand Total:	5.08	10.42	15.50	4,906.19	

Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

2 The time accounting system utilised by Kingston Smith & Partners LLP does not allow for analysis of time, by task, prior to 30 November 2002.

3 The number of hours shown have been rounded to two decimal places.

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

Appendix C

Cumulative Time Analysis for the Period from 12 September 2018 to 14 August 2019

Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work Activity	Partner Hrs	Manager / Supervisor Hrs	Administrator Hrs	Total Hrs	Time Costs (£)	Average Costs (£)
<input checked="" type="checkbox"/> Administration & Planning	8.75	1.17	17.92	27.83	8,430.82	302.94
Books & Records administration	0.67	0.17	1.83	2.67	785.00	294.01
Case Planning/Information Capture/Interviews	0.17	1.00	0.42	1.58	433.33	274.26
Cashiering - set-up, maintenance & control of accs	0.83		0.42	1.25	455.00	364.00
Dealing with company/Debtor re general admin	3.42		3.00	6.42	2,168.30	337.74
General Admin/Billing/Filing	0.67		3.50	4.17	1,174.16	281.57
Pensions Administration	0.17		0.75	0.92	259.58	282.15
Post Appointment VAT & CTax	1.00		1.75	2.75	830.01	301.82
Set-up Administration/IPS/Initial correspondence	0.42		0.83	1.25	375.00	300.00
Statutory filing with Court, Companies House and BIS	0.75		2.42	3.17	917.09	289.30
Strategy reviews/Checklists/Diary Compliance	0.67		3.00	3.67	1,033.35	281.57
<input checked="" type="checkbox"/> Investigations	1.58		3.25	4.83	1,456.66	301.59
Litigation - document review	0.17			0.17	73.33	431.35
SIP 2 review & CDDA reporting	1.00		2.75	3.75	1,095.00	292.00
Strategy, planning, meetings and interviews	0.42			0.42	158.33	376.98
Retrieval, review & analysis of debtors books & re			0.50	0.50	130.00	260.00
<input checked="" type="checkbox"/> Realisation of Assets	8.08		11.58	19.67	6,137.46	312.02
Cash & Bank balances/VA contribs & reviews/IPO	0.58		1.42	2.00	596.67	298.34
Debtors & Claims	0.50		4.08	4.58	1,264.16	276.02
Freehold & Leasehold property/matrimonial home	5.50		3.50	9.00	3,024.97	336.11
Identification, securing, insuring & bonding	0.08		1.25	1.33	356.66	268.17
Intangible Assets - Goodwill, Intellectual Property	1.33			1.33	511.66	384.71
Pensions/Policies	0.08			0.08	36.67	458.38
Retention of Title, liens			0.92	0.92	238.34	259.07
Tangible Assets - plant, motors, fixtures and fittings			0.42	0.42	108.33	257.93

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

<input type="checkbox"/> Creditors	10.33		43.58	53.92	15,299.67	283.75
Claims/Proofs	4.17		20.75	24.92	7,029.70	282.09
Correspondence/Preparation of Reports/Meetings	4.75		21.33	26.08	7,301.67	279.97
Employees/ERA scheme admin	0.50		1.50	2.00	579.98	289.99
Secured/Finance Creditors & Landlords	0.92			0.92	388.32	422.09
Grand Total:	28.75	1.17	76.33	106.25	31,324.61	

Notes

1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the office holder's fees and other expenses included in his Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

2 The time accounting system utilised by Kingston Smith & Partners LLP does not allow for analysis of time, by task, prior to 30 November 2002.

3 The number of hours shown have been rounded to two decimal places.

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

Appendix D

Estimated Outcome Statement as at 14 August 2019

	£
Uncharged Assets	
Current balance as per Receipts and Payments Account	3,585
VAT Receivable as per Receipts and Payments Account	3,543
Unpaid sale consideration	38,584
Anticipated book debts receipts	13,089
Potential additional book debt realisations from Amazon Portal	uncertain
	58,801
Less:	
Estimated Further Joint Administrators' Fees fixed by time costs	(12,520)
Estimated Further Disbursements	(500)
Unpaid pre-appointment fees – Isadore Goldman	(4,369)
Total Costs for dealing with Leases	(3,508)
Surplus available for unsecured creditors	37,904

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

Appendix E

Additional Information in Relation to the Joint Administrators' Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We have not utilised the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment, we used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them.

Name of Professional Advisor	Basis of Fee Arrangement
Isadore Goldman (legal advice)	Hourly rate and disbursements
Marsh Limited (insurance)	Risk based premium
PHD Property Advisory (dealing with leases)	Set amount

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Joint Administrators' Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the Administration was provided to creditors when the basis of my fees were approved, a copy of which is set out below:

Expense	Estimated cost (£)
Statutory Advertising	67
Statutory Bonding	80
Records Collection and Storage	350
Postage	150
Solicitors' Fees for dealing with lease assignment	3,000
Category 2 Disbursements:	
Photocopying	200
IPS Licence	90

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

Summary of Joint Administrators' expenses

- 3.2 Below are details of any expenses or disbursements paid during the Period and the Administration generally, together with those which remain unpaid at the date of this report and will be discharged in the subsequent Liquidation in due course:

	Paid in prior period (£)	Paid in the period covered by this report (£)	Incurred but not paid to date (£)	Total anticipated cost (£)
Electronic Data Backup	2,105	Nil	Nil	2,105
Legal Fees	250	Nil	2,008	2,008
Statutory Advertising	67	Nil	Nil	67
Pre-pack Insurance	112	Nil	Nil	112
Specific penalty bond	80*	Nil	Nil	80*
Agent's Fees for dealing with leases	Nil	Nil	1,500	1,500

- 3.3 Expenses are shown exclusive of VAT. Expenses marked (*) have been paid by Kingston Smith & Partners LLP, disbursed to the case and billed as funds allow.
- 3.4 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case.
- 3.5 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Joint Administrators' fees were approved by creditors.

4 Charge-Out Rates

- 4.1 Kingston Smith & Partners LLP's current charge-out rates effective from 1 May 2019 are detailed below. Please note this firm records its time in minimum units of 5 minutes.

General Practice Rates

	Per Hour £
Partner	440
Licensed Insolvency Practitioner	400
Senior Manager	375
Manager	345
Other Senior Professionals	
Assistant Manager	310

DISCOVERY RECORDS LIMITED – IN ADMINISTRATION

Administrator	175-275
Support Staff	
Cashier	220
Support	100-200