

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

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 Liquidator's name

Full forename(s) Ryan Michael

Surname Davies

3 Liquidator's address

Building name/number 6th Floor

Street 9 Appold Street

Post town London

County/Region

Postcode E C 2 A 2 A P

Country

4 Liquidator's name ①

Full forename(s) Ian

Surname Robert

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 6th Floor

Street 9 Appold Street

Post town London

County/Region

Postcode E C 2 A 2 A P

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ14

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6 Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

:

7 Final account

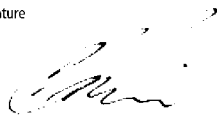
☒ I attach a copy of the final account.

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d 1

d 4

m 1

m 0

y 2

y 0

y 2

y 2

**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	Moore Kingston Smith & Partners LLP
Address	6th Floor 9 Appold Street
Post town	London
County/Region	
Postcode	E C 2 A 2 A P
Country	
DX	
Telephone	020 7566 4020

**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 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

Discovery Records Limited – In Liquidation

Joint Liquidators' Final Progress Report to Creditors &
Members

17 August 2022

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1 Summary and Statutory Information

Company Name:	Discovery Records Limited ("the Company")		
Company Number:	02958481		
Registered office of Company:	6th Floor, 9 Appold Street, London, EC2A 2AP		
Principal trading address of Company:	A11 Fiveways Industrial Estate, Westwells Road, Corsham, Wiltshire, SN13 9RG		
Joint Liquidators:	Ryan Davies and Ian Robert of Moore Kingston Smith & Partners LLP		
Contact details:	Moore Kingston Smith & Partners LLP, 6th Floor, 9 Appold Street, London, EC2A 2AP EJones@mks.co.uk 020 7566 4020		
Date of appointment:	30 August 2019		
Basis of remuneration, as agreed (see section 4):	<u>Pre-appointment costs:</u> (see body of report for details of pre-Administration costs) <u>Officeholder fees:</u> Time costs capped at £36,325 plus VAT	Drawn to date:	<u>Pre-appointment costs:</u> (see body of report for details of pre-Administration costs) <u>Officeholder fees:</u> Time costs capped at £36,325 plus VAT
Distributions to Creditors:	Preferential: 100p/£ paid on 31 May 2022 Unsecured: 1.12p/£ paid on 18 March 2022		

- 1.1 Further details on work undertaken in the period and costs incurred are provided in the body of the report.
- 1.2 Information about the way that we will use, and store personal data on insolvency appointments can be found at www.mks.co.uk/recovery-gdpr. If you are unable to download this, please contact us and a hard copy will be provided to you free of charge.

2 Work undertaken by the Joint Liquidators

- 2.1 The Company originally entered Administration on 12 September 2018 and was subsequently moved to Creditors' Voluntary Liquidation on 30 August 2019 pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986.
- 2.2 The administration of this estate is now concluded. This report provides an update on the work that we have undertaken, and the progress made in the period from 30 August 2021 to 17 August 2022 ("the Period") and should be read in conjunction with any previous progress reports that have been issued.

- 2.3 A Receipts and Payments Account for the Period, together with a cumulative total since the commencement of the liquidation, is attached at Appendix A.

- 2.4 I would comment on the work undertaken in the Period as follows:

Administration (including statutory compliance & reporting)

- 2.5 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work will not necessarily bring any financial benefit to creditors but is required on every case by statute. Details about the work we anticipated would need to be done in this area was outlined to creditors in my initial fees estimate.
- 2.6 In the Period we have maintained the required practice files, estate cashbook and bank account and completed our periodic statutory and regulatory duties as previously reported.
- 2.7 Prior to concluding our administration, we have reconciled all bank accounts, reviewed the files to ensure all aspects have been appropriately concluded and submitted all statutory returns to HM Revenue & Customs as appropriate.

Investigations

- 2.8 Our investigations and statutory reporting duties have been fulfilled as previously reported. Nothing has come to our attention during the Period to suggest that any further investigation work is required.
- 2.9 There were no matters that justified further investigation in the circumstances of this appointment.

Realisation of Assets

- 2.10 The work that has been undertaken to recover assets brings a financial benefit to creditors through the distribution of funds available to creditors after settlement of properly authorised costs and expenses.

Pre-packaged sale in Administration

- 2.11 As detailed in previous reports, in the liquidation we have been collecting outstanding sale consideration arising from a pre-packaged sale of the Company's business and assets to an associated entity, Discovery Music Distribution Limited ("the Purchaser") that was completed on 12 September 2018.
- 2.12 Sale consideration of £38,584 remained outstanding at the commencement of liquidation and Solicitors, Isadore Goldman Limited ("IGL"), were instructed to commence legal proceedings against the Purchaser to recover these funds. The total amount due, including interest, was £43,261 and the Purchaser subsequently agreed to a payment plan.
- 2.13 The final payment of £8,087 was received from the Purchaser in the Period and the agreed settlement sum has now been paid in full.

Creditors (claims and distributions)

- 2.14 The Joint Liquidators are required to deal with correspondence and claims from all classes of creditors. This work will not necessarily bring any financial benefit to creditors unless a distribution is anticipated, however, this work is required by statute.
- 2.15 Distribution to the preferential and unsecured creditors were paid in the Period, as detailed in section 3 below. Work was undertaken to agree claims and process the dividend payments to each relevant class of creditor.

- 2.16 A significant amount of time was undertaken in adjudicating unsecured claims, as over 80 claims were received, some had historic retention of title claims and a number of claims were submitted in foreign currencies.

3 Outcome for Creditors

Secured creditors

- 3.1 There are no secured creditors in the liquidation.

Preferential Creditors

- 3.2 There were no claims from employees, who were transferred to the Purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006 as part of the pre-packaged sale.

- 3.3 However, as previously reported we were required to submit an RP15 claim to the Redundancy Payments Service ("RPS") in respect of unpaid pension contributions for periods before the original Administration.

- 3.4 There were delays receiving the final preferential claim from the RPS, and accordingly funds were held back to settle the preferential debt element in full.

- 3.5 A first and final dividend in respect of this preferential claim, totalling £985.46, was paid on 31 May 2022.

- 3.6 There will be no further dividends to preferential creditors.

Unsecured Creditors

- 3.7 We received claims totalling £1,055,913 from 81 creditors.

- 3.8 A first and final dividend of 1.12p/£ was paid to the unsecured creditors on 18 March 2022. The total amount paid as part of this dividend was £11,832.37.

- 3.9 No further dividends will be made.

4 Joint Liquidators' Remuneration

Pre-Appointment costs

- 4.1 As previously reported, creditors authorised the payment of various pre-Administration costs, some of which were drawn from the Administration estate and an amount of £4,369 was subsequently paid to IGL in a prior period in the liquidation in respect of their outstanding pre-appointment costs.

Post Appointment costs

- 4.2 When a company in Administration subsequently moves into liquidation and the Joint Administrators become the Joint Liquidators, the basis of fees fixed in the earlier Administration automatically transfers to the subsequent liquidation.

- 4.3 In this case, the Joint Administrators' fees were fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administration. Our fees estimate was originally provided to creditors in the Joint Administrators' Proposals dated 17 September 2018 and was based on information available to us at that time.

- 4.4 It became necessary during the course of the liquidation to seek further approval to increase the fees estimate which was approved by the creditors on 3 November 2021.

- 4.5 The approved fees estimate imposed an overall cap on fees of £36,325. A copy of the revised fees estimate is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate (£)	Estimated cost (£)
Administration (inc statutory compliance & reporting)	38.00	339.74	12,910
Realisation of assets	34.00	349.71	11,890
Creditors (claims & distributions)	32.00	337.19	10,790
Investigations	2.00	367.50	735
Total estimated fees			£36,325

- 4.6 Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade in managing the liquidation during the Period. The time costs incurred for the reporting Period are £29,790.42. This represents 91.25 hours at an average rate of £326.47 per hour.
- 4.7 Attached as Appendix C is a Cumulative Time Analysis for the period from the date of our appointment. The cumulative time costs incurred to date are £50,703.37. This represents 156.17 hours at an average rate of £324.67 per hour.
- 4.8 An amount of £10,000 plus VAT was drawn against accrued time costs in the previous Administration. An amount of £21,325 plus VAT has been drawn in the Period and a total of £26,325 has been drawn in the liquidation.
- 4.9 Although time incurred has exceeded the fee estimate, our intention is to restrict the Joint Liquidators' time costs to be drawn from the estate to the level of the estimate as provided. As a result, any time incurred in excess of the fee estimate will not be borne by creditors.
- 4.10 A copy of 'A Creditors' Guide to Liquidator's Fees' is available, free of charge, on request or can be downloaded from www.mks.co.uk/creditors-guides-fees/.

5 Joint Liquidators' Expenses

- 5.1 An estimate of the expenses which were anticipated at the outset of the liquidation was provided to creditors when the basis of remuneration was approved.
- 5.2 Attached as Appendix D is additional information in relation to the Joint Liquidators' fees and expenses, including where relevant, information on the use of subcontractors and professional advisers.
- 5.3 IGL's final fees of £6,128 plus VAT have been paid in the Period. These fees are in respect of their work chasing and negotiating with the Purchaser for settlement of the sale consideration due following the pre-packaged sale, described in paragraphs 2.11 to 2.13 above.
- 5.4 Fees of £850 were paid to SP Insolvency Limited for assistance in completion of an RP15 submission to the RPS and arranging settlement of the outstanding pension contributions as detailed in paragraphs 3.2 and 3.3 above.
- 5.5 Expenses of £800 plus VAT were drawn by Moore Kingston Smith & Partners LLP on account of the costs of sending the Notice of Intended Dividend to c. 200 creditors, which included many overseas addresses; and the costs of a cheque printing service posting dividend letters and cheques to overseas creditors who had submitted claims.

6 Conclusion

- 6.1 This final account concludes our administration of this case. The Notice accompanying this final account explains creditors' rights on receipt of this information and provides details of when we will vacate office and obtain our release as Joint Liquidators.
- 6.2 If you require any further information, please do not hesitate to contact Evan Jones of this office.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ryan', with a stylized flourish extending from the end.

Ryan Davies
Joint Liquidator

Appendix A Receipts and Payments Account for the Period from 30 August 2021 to 17 August 2022 together with a Cumulative Receipts and Payments Account for the Period from 30 August 2019 to 17 August 2022

	Statement of affairs £	From 30/08/2021 To 17/08/2022 £	From 30/08/2019 To 17/08/2022 £
RECEIPTS			
Sale of Business and Assets		8,087.00	43,261.00
Book Debts		0.00	6,408.31
VAT Refund		0.00	3,543.40
Cash at Bank		0.00	3,584.62
		<u>8,087.00</u>	<u>56,797.33</u>
PAYMENTS			
Specific Bond		40.00	40.00
Liquidator's Fees		21,325.00	26,325.00
Pre-appointment Legal Fees		0.00	4,369.00
Agent's Fees - Leases		0.00	3,550.00
Legal Fees - Leases		0.00	1,770.00
Legal Fees - Debt Recovery		6,127.50	6,127.50
Stationery & Postage		800.00	800.00
Statutory Advertising		79.00	148.00
Pensions Advice		850.00	850.00
Preferential Creditors 100p/£		985.46	985.46
Unsecured Creditors 1.12p/£		11,832.37	11,832.37
		<u>42,039.33</u>	<u>56,797.33</u>
Net Receipts/(Payments)		<u>(33,952.33)</u>	<u>0.00</u>
MADE UP AS FOLLOWS			
Bank 1 Current Metro Bank		(32,952.33)	0.00
VAT Receivable / (Payable)		(1,000.00)	0.00
		<u>(33,952.33)</u>	<u>0.00</u>

Appendix B Time Analysis for the Period from 30 August 2021 to 17 August 2022

Time Costs

The following is a summary of the time costs incurred by the Office Holder and their 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 Hrs	Administrator Hrs	Other Hrs	Total hrs	Time costs (£)	Average costs (£)
Administration & Planning	1.83	6.58	19.92		28.33	9,063.31	319.92
Investigations		0.33			0.33	120.00	363.64
Realisation of Assets	1.17	1.00	1.67		3.83	1,382.11	360.86
Creditors	7.75	8.42	41.58	1.00	58.75	19,225.00	327.23
Grand total:	10.75	16.33	63.17	1.00	91.25	29,790.42	

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 their Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

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

Appendix C Cumulative Time Analysis for the Period from 30 August 2019 to 17 August 2022

Time Costs

The following is a summary of the time costs incurred by the Office Holder and their 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 Hrs	Administrator Hrs	Other Hrs	Total hrs	Time costs (£)	Average costs (£)
Administration & Planning	6.58	12.00	36.58	1.25	56.42	18,004.13	319.11
Investigations	0.42	1.00	0.33	0.25	2.00	716.25	358.13
Realisation of Assets	7.50	2.67	15.33	0.08	25.58	8,574.64	335.21
Creditors	10.50	8.42	52.25	1.00	72.17	23,408.35	324.35
Grand total:	25.00	24.08	104.50	2.58	156.17	50,703.37	

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 their Abstract Receipts and Payments, will include irrecoverable VAT, where the insolvent was not formerly registered for VAT.

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

Appendix D Additional Information in Relation to the Joint Liquidators' Fees and Expenses

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.

2 Professional Advisors

- 2.1 On occasion it is necessary for the office holder to engage with specialist professional advisers. Professional advisers are selected with regard to the specific requirements of the case and based upon the office-holders professional judgement of their experience and ability to perform the necessary work, the complexity and nature of the assignment and the basis of the fee arrangement. The office-holder is obliged to ensure that such advice or work is warranted and that the advice or work reflects the best value and service for work undertaken.
- 2.2 Expenses incurred in respect of specialist advisers are subject to independent assessment prior to engagement and reported in accordance with current guidance. Unless a significant personal or professional relationship, that may give rise to a potential threat or conflict, has been identified with any Advisor their costs are regarded as category 1 expenses.
- 2.3 On this assignment we have used the professional advisers 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 Limited (legal advice)	Hourly rate and disbursements
PHD Property Advisory (lease advice)	Hourly rate and disbursements
SP Insolvency Limited (pension advice)	Hourly rate and disbursements
Marsh Limited (insurance)	Risk based premium

3 The use of Subcontractors

- 3.1 The office holder may sub-contract some of the work required to be undertaken to specialist providers where the Joint Liquidators are satisfied that taking this approach ensures that the best value and service is provided to creditors, and it is more cost effective for the estate. The rates charged are comparable with the market rate for such services and the work to be undertaken. The need for the work and the cost are reported to creditors. There is no duplication of costs with work undertaken by the Joint Liquidators and their staff however it is still necessary for the work undertaken to be overseen and reviewed as part of the office holders' statutory duties.
- 3.2 No subcontractors have been used in this case.

4 Joint Liquidators' Expenses

- 4.1 An expense is a directly attributable cost to the estate which is neither an office holder's remuneration nor a distribution to creditors or members. Expenses can include payments met by the office holder and subsequently recovered from the estate and are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

- 4.2 Category 1 expenses are payments to independent third parties and do not have to be approved prior to payment, but when reporting to the creditors committee and creditors during the course of the liquidation the actual expenses incurred will be compared with the original estimate provided with any material difference explained (e.g., where legal costs rise due to escalated recovery action).
- 4.3 Category 2 expenses are payments to associates, or parties with a professional or personal relationship, or payments which have an element of shared costs. These expenses require approval in the same manner as an office holder's remuneration. Where it is necessary for staff to travel from the office, business mileage may be charged at the HMRC rate of 45p per mile.
- 4.4 The estimate of expenses which were anticipated at the outset of the liquidation was provided to creditors when the basis of our fees were approved. The basis of Category 2 expenses charged by this firm (and as detailed below) were approved by creditors.
- 4.5 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in prior period (£)	Paid in the Period (£)	Incurred but not paid to date (£)	Total anticipated cost (£)
Category 1 Expenses:				
Pre-Admin Legal Fees	4,369	Nil	Nil	4,369
Joint Administrators' Time Costs	Nil	Nil	23,919	23,919
Legal Fees – Collection of sale proceeds	Nil	6,128	Nil	6,128
Legal Fees – Leases	1,770	Nil	Nil	1,770
Agent's Fees – Leases	3,550	Nil	Nil	3,550
Pension Advice	Nil	850	Nil	850
Statutory Advertising	69	79	Nil	148
Postage and cheque printing services	Nil	800	Nil	800

5 Charge-Out Rates

- 5.1 Moore Kingston Smith & Partners LLP's current charge-out rates are detailed below. Please note this firm records its time in minimum units of 5 minutes.

General Practice Rates:

Position	Rates from 1 May 2022
Partner	485
Licensed Insolvency Practitioner (Non Partner)	440
Managers	
Senior Manager	415
Manager	380
Assistant Manager	345
Administrators	
Senior Administrator	305

Junior Administrator/Administrator	185-255
Support Staff	
Cashier	255
Support	105-210

- 5.2 Rates are subject to periodical review. Rates from 1 May 2017, may be viewed at <https://mooreks.co.uk/chargeout-rate> Historical rates are available on request.