

LIQ03

Notice of progress report in voluntary winding up



Companies House

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18/08/2017

#244

COMPANIES HOUSE

1 Company details

Company number 5 7 1 7 6 1 2

Company name in full Blinkbox Music Limited

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

2 Liquidator's name

Full forename(s) Finbarr Thomas

Surname O'Connell

3 Liquidator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

4 Liquidator's name

Full forename(s) Adam Henry

Surname Stephens

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 2	^d 0	^m 0	^m 6	^y 2	^y 0	^y 1	^y 6
To date	^d 1	^d 9	^m 0	^m 6	^y 2	^y 0	^y 1	^y 7

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X  X

Signature date

^d 1 ^m 08 ^y 20 ^y 17

LIQ03

Notice of progress report in voluntary winding up



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	Jonathan Draper
Company name	Smith & Williamson LLP
Address	25 Moorgate
	London
Post town	EC2R 6AY
County/Region	
Postcode	
Country	
DX	
Telephone	020 7131 4000



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.



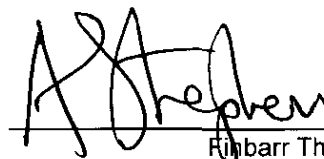
Further information

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

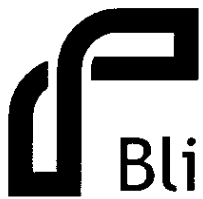
This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Blinkbox Music Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 20/06/2016 To 19/06/2017 £	From 11/06/2015 To 19/06/2017 £
ASSET REALISATIONS		
IT Equipment	75,975.05	75,975.05
VAT Transfer from Administration	1,500.00	1,500.00
Cash Transfer from Administration	28,102.87	28,102.87
Bank Interest Gross	93.78	93.78
	<u>105,671.70</u>	<u>105,671.70</u>
COST OF REALISATIONS		
Agents/Valuers Fees (1)	28,791.20	28,791.20
Agents/Valuers Expenses	15,960.61	15,960.61
Investigation Costs	928.60	928.60
Investigation Expenses	41.84	41.84
Storage Costs	117.44	117.44
Statutory Advertising	154.00	154.00
Bank Charges	35.50	35.50
	<u>(46,029.19)</u>	<u>(46,029.19)</u>
	<u>59,642.51</u>	<u>59,642.51</u>
REPRESENTED BY		
VAT Receivable		4.58
Clients Deposit (Interest Bearing)		58,092.79
VAT Payable		25.17
FLT Vat Control Account		1,519.97
		<u>59,642.51</u>



Eimarr Thomas O'Connell
Joint Liquidator



Blinkbox Music Limited (in creditors' voluntary liquidation)

Joint liquidators' annual progress report for the period from 20
June 2016 to 19 June 2017

14 August 2017



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1. Glossary

Abbreviation	Description
the Company/Blinkbox	Blinkbox Music Limited
the liquidators/joint liquidators	Finbarr Thomas O'Connell and Adam Henry Stephens
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR16	Insolvency Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
HMRC	HM Revenue & Customs
S&WEBC	Smith & Williamson Employee Benefits Consultancy, a division of Smith & Williamson Financial Services Limited
S&WFS	Smith & Williamson Financial Services Limited
Guvera	Guvera Limited, an Australian incorporated company and the ultimate parent company of Blinkbox Music Limited
TUPE	Transfer of Undertakings (Protection of Employment) regulations

2. Introduction and statutory information

This report is our first progress report since our appointment as liquidators and covers the period from 20 June 2016 to 19 June 2017.

By way of reminder, we, Finbarr Thomas O'Connell and Adam Henry Stephens, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed liquidators of the Company on 20 June 2016 following an exit from administration.

The principal trading address of the Company was 20-24 Kirby Street, London, EC1N 8TS. The business traded under the name Blinkbox Music.

The Company's registered office is 25 Moorgate, London, EC2R 6AY and its registered number is 5717612.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 20 June 2016 to 19 June 2017. The receipts and payments account also includes a comparison with the director's SOA values.

3.1 IT equipment

In the prior administration, Wyles Hardy & Co were instructed to realise a large volume of IT equipment. Following an online auction and private treaty sale, the sum of £75,975 was realised into the liquidation during the period.

3.2 Assets still to be realised

3.2.1 Customer data sales

The joint liquidators instructed our IP sales agents, Metis Partners, to conduct an assessment of the Company's IP assets, comprising customer data, and to advise the liquidators on potential opportunities to sell this asset. The initial report presents an optimistic view that there is some value to be realised in respect of the data, however further investigation is required to determine the value of this asset.

3.2.2 Book debts

There is one outstanding book debt of £6,000.00 that the liquidators are continuing to pursue.

4. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date of liquidation or who held office at any time during the three years immediately preceding insolvency.

We have complied with our duty in this regard. As all submissions are strictly confidential we are unable to disclose their content.

Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors as a response to our request to complete an investigation questionnaire. Our investigations have continued to focus on the following main areas:

- reviewing the actions of various parties (including but not limited to Guvera) in the lead up to the administration of the Company;

- reviewing the Company's books and records, accounting statements and management accounts (to the extent that they were prepared by the Company);
- seeking information and documentation from previous directors of the Company in respect of our investigations;
- reviewing the Company's bank statements and noting transactions for further investigation;
- investigating the concerns of the creditors' committee and the employees and also dealing with ad hoc creditor inquiries in respect of certain actions taken by the Company prior to administration; and
- progressing discussions with our legal advisors regarding possible legal claims against various parties.

Our investigations are on-going and so as not to prejudice any legal action we may take, we are unable to provide further details in this report but confirm that we have been in consultation with members of the creditors' committee in this regard. At this stage, we are unable to provide an indication, with any certainty, as to whether our investigations will result in further realisations for the benefit of the insolvent estate.

5. Creditors' Committee

The Committee formed in the administration remains in the liquidation with the following members:

- Sven Schmidt
- Andreas Edebol
- Georgina Stone

The purpose of the Committee is to represent the interests of the creditors as a whole, not just the interests of the individual members. It also serves to assist the liquidators generally and to act as a sounding board to obtain views for matters pertaining to the insolvency of the Company.

6. Creditors

6.1 Secured creditors

There are no secured creditors.

6.2 Prescribed Part

The Company did not grant any floating charges and the Prescribed Part requirements do not therefore apply.

6.3 Employee position

The majority of the former employees of the Company issued an Employment Tribunal claim seeking an order that there had been a relevant transfer of the Blinkbox music business from the Company to its ultimate Australian parent, Guvera. The Tribunal judge, Judge Auerbach handed down judgement with regard to this claim on 16 June 2016 and found in favour of the claimants. The judgement concluded that the relevant transfer occurred on 12 May 2015. The effect of this judgement is that there was effectively a TUPE transfer of the Company's employees to Guvera on that date. Guvera has appealed this judgement and that appeal is still pending.

6.4 Preferential creditors

The Company's contingent preferential Creditors were estimated to be £134,082, comprising of arrears of wages at the date the Company entered administration and with regard to all accrued but untaken holiday at that date. These represent contingent claims against the Company due to the TUPE transfer to Guvera referred to above.

We have not taken legal advice with regard to these contingent claims at this stage as there are currently no funds available to pay a dividend to preferential creditors.

6.5 Unsecured creditors

We have received claims totalling £1,059,385 from 29 creditors. Total claims as per the director's SOA were £1,249,954.

We have been informed that the employees have contingent unsecured claims against the Company for circa £10 million should they not be paid by Guvera, following the TUPE transfer of the Company's employees to that Australian company.

We have not taken legal advice with regard to these contingent claims at this stage as there are currently no funds available to pay a dividend to unsecured creditors.

Should the liquidators be successful in some of the potential legal actions that they are considering, it is possible that they may be in a position to pay a dividend to the unsecured creditors. We shall keep creditors informed, within the bounds of confidentiality, with regard to these claims.

7. Liquidators' remuneration

The liquidators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
20 June 2016 to 19 June 2017	165.25	56,197.05	340.07	Nil
Total	165.25	56,197.05	340.07	Nil

Attached as Appendix II, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Details of work carried out in the period are also included in the body of this report.

The administrators' and liquidators' time costs have not yet been put to the creditors for approval. A request for approval from the general body of creditors is being circulated shortly.

On a general note, creditors should be aware that some of the work carried out in the liquidation is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and investigating the former officers of the company as required by the Company Directors' Disqualification Act 1986.

A copy of "A Creditor's Guide to Liquidator's Fees" can be downloaded free of charge from the ICAEW's website at the following address:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>

Alternatively, a hard copy is available on request, free of charge.

It should be noted that, whilst this statement makes reference to the need to provide creditors with a fees and costs estimate in the event that fees are being drawn on a time costs basis, this requirement only applies to appointments on or after 1 October 2015. Prior to 1 October 2015, there was no statutory obligation to produce fees and costs estimates.

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix III.

7.1 Smith & Williamson Employee Benefit Consultants, a division of Smith & Williamson Financial Services Limited (S&WFS)

S&WFS, a company associated with Smith & Williamson LLP, has dealt with the Company's pension affairs. Payments to parties in which liquidators or their firm have an interest are classified as Category 2

disbursements in SIP 9, referred to above, and must be disclosed to and approved by members of the liquidation committee or by the general body of creditors, on appointment.

S&WFS' have not undertaken any work in the liquidation; however, as they completed work during the administration period, details of S&WFS' charge out rates are included at Appendix III.

8. Liquidation expenses

8.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

8.2 Professional advisers

On this assignment we have used the professional advisers listed below and we have also indicated the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional adviser	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Irwin Mitchell (legal advice)	Hourly rate and disbursements	663.00	Nil	28,985.14
HWL Ebsworth (legal advice re investigation of legal claims)	Hourly rate and disbursements	Nil	970.44	Nil
Wyles Hardy & Co (valuation and disposal of chattel assets)	Hourly rate and disbursements	29,945.18	44,751.81	Nil
Metis Partners - IP asset agents	Fixed fee	1,500.00	Nil	1,500.00
Total		32,108.18	45,722.25	30,485.14

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

8.3 Liquidators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Statutory advertising	154.00	154.00	0.00
Storage costs	117.44	117.44	0.00
Company searches	1.00	0.00	1.00
Total	272.44	271.44	1.00

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

8.4 Category 2 disbursements (see Disbursements on page 14)

No Category 2 disbursements have been incurred and/or paid in the current period.

8.5 Policies regarding use of third parties and disbursement recovery

Appendix III provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

9. Outstanding matters

The remaining actions to be concluded in the liquidation are as follows:

- Collection of the outstanding book debt
- Investigation into the valuation and prospect of a sale of customer data
- Continuing to assist the Employment Tribunal in relation to the former employees' tribunal claims
- Obtaining tax clearance
- Closure of the liquidation, including preparing and issuing our final report

The joint liquidators anticipate the future costs for these actions to be in the region of £30,000.00

10. Creditors' rights

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 or otherwise with the court's permission) may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the liquidators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Finbarr Thomas O'Connell or Adam Henry Stephens in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

11. Next report

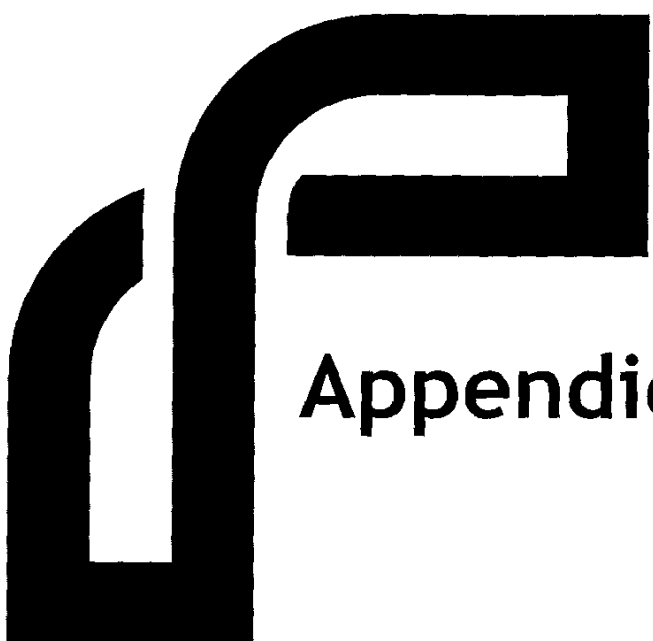
We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors with our final account, prior to vacating office.

A handwritten signature in black ink, appearing to read 'Finbarr O'Connell'.

Finbarr Thomas O'Connell and Adam Henry Stephens

Joint Liquidators

Date: 14 August 2017



Appendices

I Receipts and payments account

Receipts and payments account to 19 June 2017

Blinkbox Music Limited (In Creditors' Voluntary Liquidation)
Joint Liquidators' Summary of Receipts & Payments for the period 20 June 2016 to 19
June 2017

Statement of Affairs £	From 20/06/2016 To 19/06/2017 £
ASSET REALISATIONS	
IT Equipment	75,975.05
VAT Transfer from Administration	1,500.00
Cash Transfer from Administration	28,102.87
Bank Interest Gross	93.78
	<u>105,671.70</u>
COST OF REALISATIONS	
Agents Fees	28,791.20
Agents Expenses	15,960.61
Investigation Costs	928.60
Investigation Expenses	41.84
Storage Costs	117.44
Statutory Advertising	154.00
Bank Charges	35.50
	<u>(46,029.19)</u>
	<u><u>59,642.51</u></u>
REPRESENTED BY	
Clients Deposit (Interest Bearing)	58,092.79
VAT Payable	25.17
FLT Vat Control Account	1,524.55
	<u><u>59,642.51</u></u>

Notes and further information required by SIP 7

- The liquidators' remuneration has not yet been approved.
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- *No payments have been made to us from outside the estate.*
- Details of significant expenses paid are provided in the body of our report.
- Information concerning the liquidators' remuneration and disbursements incurred is provided in the body of our report.
- *Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.*
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is an expense of the liquidation and shown as irrecoverable VAT.

II Time analysis for the period

From 20 June 2016 to 19 June 2017

Blinkbox Music Limited (In Creditors' Voluntary Liquidation)
Breakdown of time spent by Smith & Williamson LLP employees
for the period ended 19 June 2017

Classification of work function	Hours				Total hours	Time cost	Average hourly rate
	Partner / Director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning							
Statutory returns, reports & meetings	0.00	14.75	15.20	0.00	29.95	7,042.75	235.15
Initial post-appointment notification letters, including creditors	0.00	4.25	3.00	1.00	8.25	1,896.25	229.85
Cashiering general, including bonding	0.00	0.00	3.10	0.00	3.10	714.50	230.48
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	0.00	11.00	3.55	0.00	14.55	3,624.50	249.11
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.00	0.00	3.25	0.00	3.25	650.75	200.23
Protection of company records (incl electronic)	0.00	0.00	0.10	0.00	0.10	20.50	205.00
Insurance & general asset protection	0.00	0.00	0.10	0.00	0.10	20.50	205.00
Travelling	0.00	0.00	0.00	0.00	0.00	0.00	
Filing, file and information management	0.00	0.50	0.00	0.75	1.25	186.25	149.00
Pre-appointment non creditor tax	0.00	0.00	0.10	0.00	0.10	20.50	205.00
Filing - Administration and planning	0.00	1.75	0.00	0.00	1.75	498.75	285.00
Other	2.00	1.10	0.25	0.50	3.85	1,366.00	354.81
Investigations							
Investigation of legal claims	65.55	0.00	0.00	0.00	65.55	31,599.25	482.06
SIP2 and SIP4 obligations (inc CDDA86 forms)	0.00	0.50	0.00	0.00	0.50	125.00	250.00
Realisation of assets							
Other chattel assets	0.00	1.75	0.35	0.00	2.10	400.05	190.50
Liaising with agents (general)	0.00	7.65	0.00	0.00	7.65	2,098.00	274.25
Other	1.00	1.70	0.00	0.00	2.70	910.00	337.04
Creditors							
RPO and ERA claims & tribunals	0.00	0.25	0.00	0.00	0.25	71.25	285.00
Employees & pension (other (incl Jobcentre/CSA etc)	0.00	15.10	0.00	0.00	15.10	3,775.00	250.00
Unsecured creditors	0.00	2.70	0.25	0.00	2.95	737.25	249.92
Creditors' committee	0.00	0.00	1.20	0.00	1.20	240.00	200.00
Case-Specific 3, AML/Compliance							
AML - if done post appointment	0.00	0.00	1.00	0.00	1.00	200.00	200.00
Total	68.55	63.00	31.45	2.25	165.25	£56,197.05	£340.07

Explanation of major work activities undertaken

A description of work undertaken in the administration to date is as follows:

Administration and planning

This section of the analysis encompasses the cost of the liquidators and their staff in complying with their statutory obligations, internal compliance requirements, and certain tax matters. This work includes the following:

- Completing statutory reporting and notifications.
- Dealing with routine correspondence.
- Maintaining physical case files and electronic case details on IPS (electronic case management software).
- Calculating the bonding requirement.
- General case planning and administration.
- Ensuring statutory lodgement and tax lodgement obligations are met.
- Maintaining and managing the liquidators' cash book and bank accounts.
- Dealing with post appointment tax issues.

Investigations

This section relates to our statutory obligations to investigate the actions of the directors of the Company and to review the Company's records with a view to making asset recoveries. This work includes the following:

- Complying with our statutory duties in accordance with the Directors' Disqualification Act 1986.
- Investigation the actions of various parties (including but not limited to Guvera) in the lead up to the insolvency of the Company.
- Reviewing the Company's books and records in relation to investigations.
- Reviewing the Company's bank statements and pursuing further investigations.
- Discussions with lawyers regarding possible legal claims against various parties.
- Dealing with employee legal claims.

Realisation of assets

This section is in relation to the realisation of the Company's assets. A significant amount of time charged against this category was spent in relation to recovery efforts in respect of securing the Company's chattel assets and the sale of the business. The work includes the following:

- Instructing and liaising with our agents, Wyles Hardy, in regards to finalising the sale of the Company's chattel assets.
- Liaising with our agents, Metis, in respect of potential IP asset sale strategies.
- Pursuing the recovery of the trade debtor balances.

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The majority of this time corresponds to dealing with employee claims and the Redundancy Payments Office and also in establishing, and subsequently liaising with the creditors' committee. The work includes the following:

- Dealing with creditor correspondence via email, telephone and letter.
- Convening the creditor committee meetings and dealing with committee enquiries and any concerns thereafter.
- Uploading and updating creditors' information on to IPS (our computerised case management system).
- Liaising with creditors in relation to third party assets i.e. subject to leasing agreements.
- Corresponding with employees and their representatives regarding their claims.
- Various general correspondences with the Redundancy Payments Office and regarding the Redundancy Payments Scheme.
- Involvement with the employees' Employee Tribunal issues

III Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policy in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers Disbursement recovery
- Smith & Williamson LLP's and S&WFS' current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, 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. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

S&WFS

S&WEBC is a pensions consultancy firm which specialises in providing advice to Insolvency Practitioners on their appointment in relation to all aspects of pensions. It is a division of S&WFS, a company associated with Smith & Williamson LLP.

S&WEBC may be engaged to deal with the Company's pension affairs. Payments to parties in which the liquidators or their firm have an interest must be disclosed to, and approved by, creditors. Fees for their services are accrued on a time costs basis. Consequently, details of the charge out rates for S&WEBC are provided to creditors.

Disbursements

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 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.

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.

Since 7 July 2012, Smith & Williamson LLP's policy is to recover only two types of Category 2 disbursement, namely S&WFS's fees, as referred to above, and business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the liquidators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2016.

Smith & Williamson LLP	London		Regional	
Restructuring & Recovery Services	office		offices	
Charge out rates	£/hr		£/hr	
	From 1/7/15	From 1/7/16	From 1/7/15	From 1/7/16
Partner / Director (from 1 January 2016)	425-480	435-485	350	350-375
Associate Director	370	370-380	295-300	295-305
Managers	235-310	235-315	190-290	190-290
Other professional staff	150-235	150-235	120-175	120-175
Support & secretarial staff	85	85-90	60-135	60-135

S&WFS Employee Benefits Consultancy	Per hour
Charge out rates from 1 July 2016	£
Director	225-420
Associate Director	200-240
Manager	185-195
Administrator	70-145

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.

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