

# AM10

## Notice of administrator's progress report



Companies House

SATURDAY



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A07

27/02/2021

#284

COMPANIES HOUSE

### 1 Company details

Company number 1 0 9 5 3 6 8 5

Company name in full Prime Resort Development Limited

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Finbarr

Surname O'Connell

### 3 Administrator's address

Building name/number 25

Street Moorgate

Post town

County/Region London

Postcode E C 2 R 6 A Y

Country

### 4 Administrator's name ①

Full forename(s) Colin

Surname Hardman

① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 25

Street Moorgate

Post town

County/Region London

Postcode E C 2 R 6 A Y

Country

② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d	0	d	3	m	0	m	8	y	2	y	0	y	2	y	0
To date	d	0	d	2	m	0	m	2	y	2	y	0	y	2	y	1

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X 

X

Signature date	d	2	d	5	m	0	m	2	y	2	y	0	y	2	y	1
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# AM10

## Notice of administrator's progress report



### 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 Sam Jackson

Company name Smith & Williamson LLP

Address 25 Moorgate

Post town

County/Region London

Postcode E C 2 R 6 A Y

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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

# Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. <sup>①</sup>  
Attach this to the relevant form.  
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*

## 1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

<sup>①</sup> You can use this continuation page with the following forms:  
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- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,  
- WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s) Adam Henry  
Surname Stephens

## 3 Insolvency practitioner's address

Building name/number 25  
Street Moorgate  
Post town  
County/Region London  
Postcode E C 2 R 6 A Y  
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- WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s) Lane Gary

Surname Bednash

## 3 Insolvency practitioner's address

Building name/number Craftwork Studios

Street 1-3 Dufferin Street

Post town

County/Region London

Postcode E C 1 Y 8 N A

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## 2 Insolvency practitioner's name

Full forename(s)	Mark Christopher
Surname	Ford

## 3 Insolvency practitioner's address

Building name/number	25
Street	Moorgate
Post town	
County/Region	London
Postcode	E C 2 R 6 A Y
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Full forename(s)	Adam Henry
Surname	Stephens

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- NDISC

## 2 Insolvency practitioner's name

Full forename(s) Mark Christopher  
Surname Ford

## 3 Insolvency practitioner's address

Building name/number 25  
Street Moorgate  
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# Prime Resort Development Limited (in administration)

Joint administrators' progress report for the period from 3 August  
2020 to 2 February 2021

24 February 2021



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# 1. Glossary

Abbreviation	Description
the Company/PRDL	Prime Resort Development Limited
the administrators/joint administrators	Finbarr Thomas O'Connell, Colin Hardman, Mark Ford, Adam Stephens and Lane Bednash
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
LCF	London Capital & Finance plc (in administration)
ETR	Estimated to realise
HMRC	Her Majesty's Revenue and Customs
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint an administrator
RPS	Redundancy Payments Service
Prime Group	International Resorts Management Limited, Waterside Cornwall Group Limited, Waterside Cornwall Operations Limited and Waterside Villages Limited (all in administration)
LCF	London Capital & Finance plc (in administration)

## 2. Introduction & Summary

This report provides an update on the progress in the administration of the Company for the six-month period ended 2 February 2021. It should be read in conjunction with our previous reports. By way of reminder, we, Finbarr Thomas O'Connell, Colin Hardman, Mark Ford and Adam Stephens, all of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and Lane Bednash of CMB Partners UK Limited of Craftwork Studios, 1 - 3 Dufferin Street, London, EC1Y 8NA were appointed administrators of the Company on 3 February 2020.

- Objective 3 (1)(b) is being pursued, being to achieve a better result for the creditors than would have been the case had the Company been wound up. If this objective cannot be achieved then the objective will instead be realising property in order to make a distribution to one or more secured or preferential creditor.
- LCF, the QFCH, is owed a total of £70.1m by the Prime Group (see Appendix II) and is secured by various debentures. Prior to the administration, the Prime Group had ceased to make payment to LCF in accordance with its obligations under the loan agreement.
- The principal focus of the administrators of the Company is to investigate the financial affairs of the Prime Group and realise its assets for the benefit of creditors. These investigations are ongoing and are anticipated to continue over the course of the year.
- The administration was extended for a further period of up to twelve months, following the consent of the secured and preferential creditors. The administration will now automatically end on 2 February 2021 unless a further extension is received by application of court or the administration concludes prior to this date.
- The basis of the joint administrators' remuneration has not yet been sought from the requisite creditors. Steps in this regard will be taken during the course of the next reporting period.

Please note that this report has been produced during the period of the Covid-19 pandemic. In light of the pandemic, we continue to monitor this situation and comply with the current guidance and regulations from the UK government.

As a result of the latest government advice and restrictions, we continue to have limited access to some of our physical case files and where relevant have had to produce this report from records available on our IT systems. We have taken every reasonable step to ensure that the information is accurate but if anything is incorrect or incomplete, we will provide an explanation and corrected information either in the next progress report or as soon as we are in a position to do so.

If you have any concerns regarding this matter, please contact Sam Jackson by emailing [Samuel.Jackson@smithandwilliamson.com](mailto:Samuel.Jackson@smithandwilliamson.com) or by telephone number 020 7131 4055.

Our team members are successfully working remotely from home as well as from the office where necessary, and we will continue to do so, as required in line with the UK government's guidelines. We are fortunate to have at hand all the tools needed to communicate virtually, internally and externally.

Please be aware that some case staff may be working outside normal business hours but please be assured that your communications are important to us and will be responded to by the relevant team member who will contact you as soon as they are available to do so. We apologise in advance for any delay in responding to your communication and wish to take this opportunity to thank you for your patience and understanding during this unprecedented and challenging time.

## 3. Progress of the administration

Attached at Appendix III is our receipts and payments account for the period from 3 August 2020 to 2 February 2021. This account includes cumulative figures for the period from 3 February 2020 to 2 February 2021.

### 3.1 Bank interest

During the period £0.06 has been received in respect of bank interest.

### 3.2 Assets still to be realised

The Company does not directly own any assets except the shares in subsidiary holdings.

The principal assets of the Prime Group, of which the Company is the ultimate parent company, are a holiday resort in Cornwall ("Waterside") and two land sites in the Dominican Republic. Due to the security holdings and creditors of each of the Company's subsidiaries, it is unlikely any realisations from these assets will directly result in a financial return to the Company.

Once our enquiries regarding the Dominican Republic have been concluded, we will provide an update of our findings shortly thereafter.

A group structure detailing the Prime Group is at Appendix II of this report. This highlights the Company's subsidiaries which have also been placed into administration. Updates regarding those entities will be given in their next progress report to 16 March 2021 (which will contain details on the Waterside resort).

### 3.3 Administration strategy

The administrators' strategy remains unchanged from their Proposals of 26 March 2020, which is to achieve a better result for the Company's creditors that would have been likely if the Company was wound up first (without first being in administration).

## 4. Investigations

As previously reported, we have complied with our statutory duties under the Company Directors Disqualification Act 1986 in making our submissions to the Secretary of State for Business, Energy & Industrial Strategy. These submissions are strictly confidential, and we are unable to disclose their content.

Our investigations are ongoing and remain confidential in order to avoid prejudicing the outcome of any legal proceedings which may be initiated following our findings. When we are in a position to disclose further details, we will do so in a subsequent report.

## 5. Pre-administration costs

The administrators are yet to seek approval for their pre-appointment costs but would do so by requesting approval from the secured and preferential creditors, should there be sufficient asset realisations within the Company's estate.

For transparency purposes, the administrators' pre-appointment costs total £52,303.00 as detailed at Appendix V.

## 6. Administrators' remuneration

The table below details the time they have incurred dealing with matters relating to the Company:

The administrators' time costs are:

Period		Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
3 February 2020 to 2 August 2020	Smith & Williamson LLP	243.23	104,652.60	430.26	-
	CMB Partners UK Limited	179.10	103,080.50	576.00	-
3 August 2020 to 2 February 2021	Smith & Williamson LLP	109.42	43,575.15	398.25	-
	CMB Partners UK Limited	23.35	11,076.25	474.00	-
Total		555.10	262,384.50	472.68	-

Note: In the previous report, Smith & Williamson LLP's charge-out rates were misreported. The above information, and that at Appendix IV and V, reflects the correct time costs and that the charge-out rates at Appendix VI are correct.

Attached as Appendix IV, 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 administrators and their staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the body of this report.

Also attached as Appendix V, is a cumulative time analysis for the period from 3 February 2020 to 2 February 2021 which provides details of the administrators' time costs since appointment. Please note, due to the overlap between the Company and Prime Group administrations, some of these costs may be properly attributable to the subsidiary administration. Where this is applicable they will be re-allocated in future reports.

As detailed in our previous report, the administrators of LCF, who placed the Company into administration, have agreed to indemnify the administrators of the Company for their fees and disbursements, to the extent that these cannot be recovered from the assets of the Company and its subsidiaries. This indemnity extends to the Company's pre-appointment fees and expenses. The administrators of LCF provided this indemnity on the basis that the Prime Group owed LCF c.£70.m and the administrators of LCF have a duty to the LCF Bondholders to pursue this debt and to recover as much of it as possible, including granting a proportionate indemnity to the administrators of the Company, and its subsidiaries, for their reasonable fees and costs.

Creditors should be aware that some of the work 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 providing information relating to the company and its former officers as required by the Company Directors' Disqualification Act 1986.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by the ICAEW, is available free on request or can be downloaded from their website as follows:

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

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

On a general note, please be aware that the charge out rates are subject to an annual review.

## 7. Administration expenses

### 7.1 Subcontractors

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

### 7.2 Professional advisers

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

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £	Total costs paid £
Mishcon de Reya	Hourly rate and disbursements	76,509.92	-	336,043.86	-

Note: A proportion of the costs above, due to the interconnectedness of the affairs of the Company and Prime Group, may be attributable to other Prime Group administrations and will be reallocated in future reports should this be the case. The administrators of LCF have agreed to indemnify the administrators of the Company for their expenses, which includes legal advice, to the extent these expenses cannot be recovered from the assets of the Company and its subsidiaries.

Mischon de Reya are the administrators' appointed legal advisors and have assisted in a number of areas.

Specifically, our legal advisors have provided advice to assist with:

- Investigating subsidiary company assets and transactions;
- Determining the position of the Company's interest in land held in the Dominican Republic; and
- Assisting with matters relating to the Waterside holiday resort and Group generally.

### 7.3 Administrators' 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 £
Smith & Williamson LLP Administrators' bond	-	-	140.00
CMB Partners UK Limited Administrator's bond	-	-	30.00
Statutory Advertising	-	-	182.00
Total	-	-	352.00

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



The administrators of LCF have agreed indemnify the Company's administrators for their disbursements, to the extent that these cannot be recovered from the assets of the Company.

#### 7.4 Category 2 disbursements

No Category 2 disbursements have been incurred.

#### 7.5 Policies regarding use of third parties and disbursement recovery

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

## 8. Estimated outcome for creditors

The estimated outcome for each class of creditors is set out below.

Please note that, where creditors have submitted claims in foreign currency, they will be converted to £Sterling at the applicable rate at the date of the Company's administration. If any creditor considers the rate to be unreasonable, they may apply to court for determination.

#### 8.1 Secured creditors

LCF is the sole secured creditor and holds a fixed and floating charge over the Company's assets, which was created on 20 November 2018.

As the Company does not hold any assets of value directly, it is uncertain whether there will be recoveries to the estate to facilitate a dividend to LCF.

#### 8.2 Prescribed Part

The Company granted a floating charge to LCF on 20 November 2018. Accordingly, should there be sufficient net property realisations, then a Prescribed Part fund would be set aside out of the Company's net floating charge property for unsecured creditors.

Should the Prescribed Part requirement be applicable, it will be calculated as follows:

- 50% of the net property up to £10,000, plus
- 20% of the net property over £10,000
- Up to a maximum Prescribed Part of £600,000.

#### 8.3 Preferential creditors

We set out below a summary of ordinary preferential claims received:

Ordinary preferential creditor	SOA claims £	Claims received £
Redundancy Payments Service	-	749.34
Total	-	749.34

At present we do not expect that realisations will be sufficient to declare a dividend to the ordinary preferential creditors. We have not therefore taken steps to agree the ordinary preferential creditor claims.

## 8.4 Unsecured creditors

We have received claims totalling £129,118.53 from 8 creditors. Total unsecured creditors as per the Company's management accounts totalled £3,300,000. The Company's management accounts record large amounts due to Dominican Republic entities (c£1.7m) and interest payable as part of the Company's loan facility with LCF. All creditors disclosed by the Company have been contacted to submit claims in the administration and in addition the appointment has been advertised in the London Gazette. Also, we are unable to place reliance on the financial records of the Company, prior to its administration.

Based on current information, we do not expect realisations to be sufficient to enable the administrators to pay a dividend to unsecured creditors, other than if there were to be a Prescribed Part fund.

# 9. Outstanding matters

The joint administrators' costs to date are £262,384.50, as detailed in section six, and the administrators will seek approval to draw these costs from the necessary class of creditors in due course if asset realisations are expected to be sufficient to settle these costs. As detailed in the body of this report, the administrators of LCF have indemnified the administrators of the Company for their fees and disbursements to the extent these cannot be settled from the Company's, and the subsidiaries', assets. This indemnity extends to the administrators' pre-appointment fees and expenses.

On a general note, creditors should be aware that some of the work 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.

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

- Continue the investigations into the Company affairs and develop a strategy to investigate and potentially realise the Company's interest in land in the Dominican Republic;
- Continue to investigate and identify other assets of the Prime Group;
- Maintaining other Prime Group companies which are not yet in an insolvency process, to protect and realise assets for the benefit of those companies' creditors;
- Seek approval for the administrators' pre and post-appointment remuneration;
- Determine whether sufficient assets have been realised to pay a dividend to various classes of the Company's creditors;
- Closure of the administration, including preparing and issuing the final report.

# 10. Privacy and data protection

As part of our role as joint administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rrsgdpr>

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

# 11. Ending the administration

It is proposed that, at the appropriate time, the joint administrators will use their discretion to exit the administrations by way of one of the following means.

- (i) If, having realised the assets of the Company, the joint administrators think that a distribution will be made to the unsecured creditors other than by virtue of the Prescribed Part, they may file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made, but only if they consider that the associated incremental costs of a CVL are justified. In these circumstances the joint administrators will become the joint liquidators of the CVL. The acts of the joint liquidators may be undertaken by any one or all of them.
- (ii) If the joint administrators have, with the permission of the court, made a distribution to unsecured creditors in addition to any Prescribed Part distribution, or they think that the Company otherwise has no property which might permit a distribution to its unsecured creditors, subject to there being a need for further investigations as described below, they will file a notice, together with their final progress report, at court and with the Registrar of Companies for the dissolution of the Company. The joint administrators will send copies of these documents to the Company and its creditors. The joint administrators' appointment will end following the registration of the notice by the Registrar of Companies.
- (iii) Administrators have the power to bring claims against former officers of a company in respect of transactions that may have caused or exacerbated a company's insolvency. Claims with a good prospect of success may indeed be pursued by administrators but there may be cases where it would be more appropriate if a liquidator brought the claim or where the timeframe would not be long enough, given the maximum extension period available to administrators. The proposed exit route would, in these cases, be liquidation.

The administrators will request to be discharged from liability under P98(3) of Sch B1 from the secured creditor and, where applicable, the preferential creditor.

# 12. 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 administrators 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 administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, 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 Colin Hardman 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:

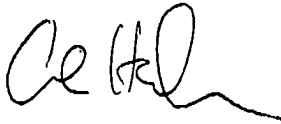
i) Email: [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk)

ii) Telephone number: +44 300 678 0015

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

## 13. Next report

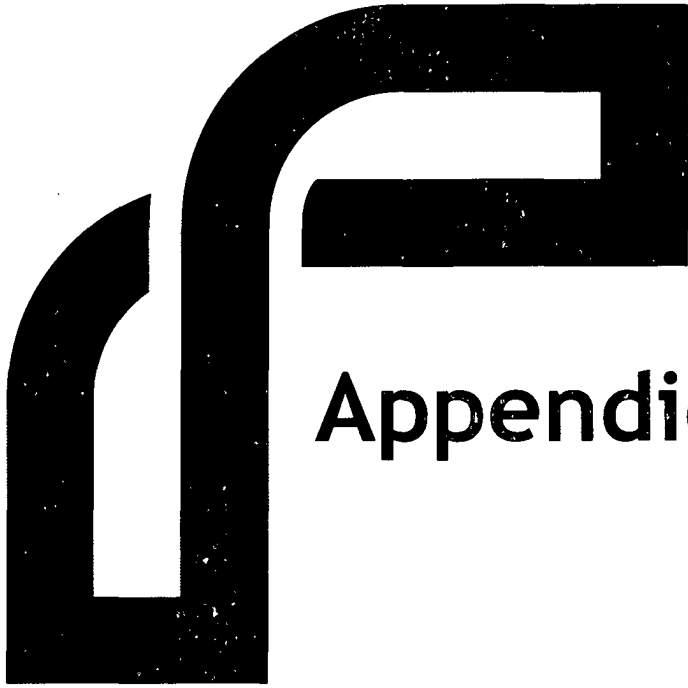
We are required to provide a further report on the progress of the administration within one month of the end of the next six month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report.



Finbarr Thomas O'Connell, Colin Hardman, Mark Ford, Adam Stephens and Lane Bednash

Joint Administrators

Date: 24 February 2021



# Appendices

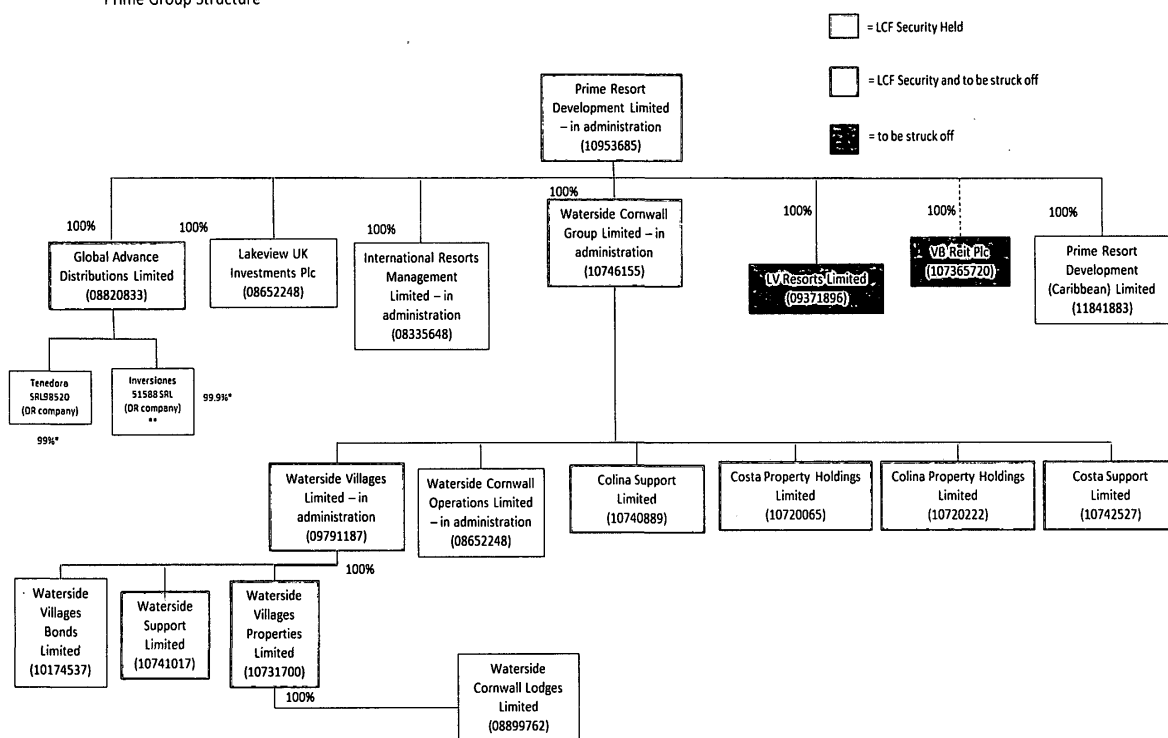
# I Statutory information

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Relevant Court	High Court of Justice, Chancery Division Business & Property Court of England and Wales
Court Reference	000792 of 2020
Trading Name(s)	Prime Resort Development Limited
Trading Addresses	56 Queen Anne Street, London, W1G 8LA
Former Name(s)	None
Registered Office	25 Moorgate, London, EC2R 6AY
Registered Number	10953685
Joint Administrators	<p>Finbarr Thomas O'Connell, Colin Hardman, Adam Stephens, Mark Christopher Ford of 25 Moorgate, London, EC2R 6AY and Lane Bednash of CMB Partners UK Limited of Craftwork Studios, 1 - 3 Dufferin Street, London EC1Y 8NA (IP Nos 7931, 16774, 9748, 9521 and 8882)</p> <p>In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally.</p>
Date of Appointment	3 February 2020
Appointor	QFCH - London Capital & Finance plc
Director	Martin Robert Orrell - <b>replaced after the report period end</b>
Shareholders	Curzon Privee Consultancy Limited, Richard Deacon, Dragon Wave Holdings Limited, Eazy Corporate Services Limited, Eden Corporate Finance Limited, Malcom Fittler, Heby Ou, International Energy Investment, London Group LLP, Omnia Real Estate, Alan Sage, and Zeeteck Limited
EU Regulations	The EU Regulation on Insolvency Proceedings 2015 applies to the administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

## II Group Structure

Prime Group Structure



# III Receipts and payments account

Receipts and payments account to 2 February 2021

**Prime Resort Development Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

	<b>From 03/08/2020 To 02/02/2021 £</b>	<b>From 03/02/2020 To 02/02/2021 £</b>
<b>ASSET REALISATIONS</b>		
Bank Interest Gross	0.06	0.12
Cash at Bank	NIL	56.73
	<u>0.06</u>	<u>56.85</u>
	<u><b>0.06</b></u>	<u><b>56.85</b></u>
<b>REPRESENTED BY</b>		
Clients Deposit (Int Bearing)		56.85
		<u><b>56.85</b></u>

## Notes and further information required by SIP 7

- The administrators' 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, although an indemnity for the administrators' costs and expenses does exist from the administrators of LCF (which in turn is required to be ratified by the LCF creditors/creditors' committee).
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.
- Information concerning our remuneration and disbursements incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.



# IV Time analysis for the period

From 3 August 2020 to 2 February 2021

Prime Resort Development Limited (in administration)  
Breakdown of time spent by Smith & Williamson LLP employees  
for the period 3 August 2020 to 2 February 2021

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
<b>Administration and planning</b>								
Statutory returns, reports & meetings	8.50	8.25	0.00	28.20	0.00	44.95	18,735.25	416.80
Cashiering general, including bonding	0.10	0.00	0.00	0.28	0.00	0.38	235.26	613.92
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	4.00	11.60	0.00	11.23	0.00	26.83	12,833.31	478.26
Director/manager review, approval and signing	0.15	0.00	0.00	0.00	0.00	0.15	106.50	710.00
<b>Investigations</b>								
Statutory books and accounting records review	0.00	2.50	0.00	1.30	0.00	3.80	1,814.00	477.37
SIP2 and SIP4 obligations (inc CODA86 forms)	0.75	1.00	0.00	13.50	0.00	15.25	4,938.75	323.85
Enquiries of advisers	0.00	2.30	0.00	0.35	0.00	2.65	1,432.00	540.38
<b>Creditors</b>								
Fixed charge creditors	0.00	2.00	0.00	0.00	0.00	2.00	1,160.00	580.00
Employees & pension (other) (Incl Jobcentre/CSA etc)	0.15	0.50	0.00	3.00	0.00	3.65	1,223.00	335.07
Unsecured creditors	0.00	0.00	0.00	0.20	0.00	0.20	56.00	280.00
<b>Corporate Tax</b>								
Corporate Tax	0.00	0.00	0.00	0.58	1.00	1.58	151.24	95.52
<b>Forensics</b>								
Forensics	0.00	0.00	0.00	7.97	0.00	7.97	889.84	111.69
<b>Total</b>	<b>13.65</b>	<b>28.15</b>	<b>0.00</b>	<b>66.62</b>	<b>1.00</b>	<b>109.42</b>	<b>£43,575.15</b>	<b>£398.25</b>

## Explanation of major work activities undertaken

The majority of time incurred during the period is attributable to administration and planning. Time charged to this section during the period has included:

- Drafting the administrators' first six monthly progress report;
- Case review and monitoring;
- Strategy meetings and conferences regarding the Dominican Republic and the wider Prime Group
- Maintaining the Company's bank account;
- Engaging and appointing a replacement director over subsidiary companies, including work to maintain certain entities that are required to assist with the administrators' investigations;
- Ensuring the administration is extended to enable the administrators to achieve their strategy; and
- Case progression meetings and discussions.

A further amount of time is attributable to investigations. Time incurred in this section during the period has included:

- Reviewing the Company's financial books and records in the absence of a SoA being received;
- Liaising with agents in respect of the Waterside resort;
- Liaising with agents in respect of matters relating to the Dominican Republic land sites; and
- Complying with SIP2 and SIP4 duties and assisting the relevant government authorities with their investigations.

A comparatively small amount of time is attributable to dealing with creditors. Time charged to this includes:

- Liaising with subsidiary company bondholders and their security trustees, on general queries; and
- Ensuring the administrators' statutory obligations regarding Company's pension scheme are submitted.

A further amount of time has been incurred in relation to subsidiary tax returns and ad-hoc translations regarding the Dominican Republic assets.

Our forensics team have assisted with locating and providing information relevant to the administrators' SIP2 and SIP4 duties.

# CMB Partners UK Limited

Name: Prime Resort Development Limited

Period: 3 August 2020 to 2 February 2021

## Time & Chargeout Summary

Classification	Partner/Director	Non Appointed IP	Managers	Administrators	Support Staff	Total Hours	Time Costs £	Average Hourly Rate £/hr
	Hours	Hours	Hours	Hours	Hours			
<b>Administration/Planning</b>								
Statutory Reports & Returns	0.60	0.00	7.70	1.00	0.00	9.30	4,240.00	455.91
Job Planning & review	0.50	0.00	1.00	2.90	0.00	4.40	2,222.50	505.11
General Case Administration	0.15	0.00	2.10	0.50	1.50	4.25	1,238.75	291.47
<b>Sub-total</b>	<b>1.25</b>	<b>0.00</b>	<b>10.80</b>	<b>4.40</b>	<b>1.50</b>	<b>17.95</b>	<b>7,701.25</b>	<b>429.04</b>
<b>Investigations</b>								
General Investigation	0.00	4.20	0.00	0.00	0.00	4.20	2,625.00	625.00
<b>Sub-total</b>	<b>0.00</b>	<b>4.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.20</b>	<b>2,625.00</b>	<b>625.00</b>
<b>Realisation of Assets</b>								
Property	1.00	0.20	0.00	0.00	0.00	1.20	750.00	625.00
<b>Sub-total</b>	<b>1.00</b>	<b>0.20</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.20</b>	<b>750.00</b>	<b>625.00</b>
<b>Total hours</b>	<b>2.25</b>	<b>4.40</b>	<b>10.80</b>	<b>4.40</b>	<b>1.50</b>	<b>23.35</b>		
<b>Total Time Costs</b>	<b>1,406.25</b>	<b>2,750.00</b>	<b>4,860.00</b>	<b>1,760.00</b>	<b>300.00</b>		<b>11,076.25</b>	<b>474</b>

# V Cumulative time analysis

From 3 February 2020 to 2 February 2021

Prime Resort Development Limited (in administration)  
Breakdown of time spent by Smith & Williamson LLP  
for the period 3 February 2020 to 2 February 2021

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
<b>Administration and planning</b>								
Statutory returns, reports & meetings	20.10	8.25	4.20	37.23	0.00	69.78	31,021.45	444.56
Initial post-appointment notification letters, including creditors	0.00	0.00	4.30	10.55	0.00	14.85	4,838.25	325.81
Cashiering general, including bonding	0.10	0.00	0.00	1.13	0.00	1.23	570.76	462.83
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	8.30	16.35	11.00	34.13	0.00	69.78	29,527.31	423.13
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.00	0.00	0.00	0.20	0.00	0.20	53.00	265.00
Protection of company records (incl electronic)	8.40	0.00	0.00	0.00	0.00	8.40	4,998.00	595.00
Travelling	0.00	0.00	0.00	4.00	0.00	4.00	1,060.00	265.00
Filing, file and information management	0.00	0.00	0.00	0.20	0.00	0.20	53.00	265.00
Agents and advisers, general	0.00	0.00	0.00	1.60	0.00	1.60	480.00	300.00
Director/manager review, approval and signing	0.40	0.00	0.00	0.00	0.00	0.40	255.25	638.13
<b>Investigations</b>								
Directors' correspondence & conduct questionnaires	0.00	0.00	0.00	4.90	0.00	4.90	1,358.50	277.24
Statutory books and accounting records review	0.00	3.25	0.00	31.65	0.00	34.90	10,310.50	295.43
Investigation of legal claims	52.30	0.00	0.00	4.90	0.00	57.20	37,594.75	657.25
SIP2 and SIP4 obligations (inc CDDA86 forms)	1.00	1.00	0.00	20.35	0.00	22.35	6,955.25	311.20
Enquiries of advisers	0.00	2.30	0.00	0.35	0.00	2.65	1,432.00	540.38
Other	0.00	1.00	0.00	0.00	0.00	1.00	580.00	580.00
<b>Realisation of assets</b>								
Fixed charge Property (land and buildings)	1.80	0.00	0.00	5.00	0.00	6.80	2,491.50	366.40
Debtors not financed (includes reassigned debtors)	1.00	0.00	0.00	0.00	0.00	1.00	595.00	595.00
Sale of business as a whole, including liaison with legal advisers agents etc	2.35	0.00	0.00	0.00	0.00	2.35	1,398.25	595.00
<b>Trading</b>								
Staff and payroll (inc PAYE/NIC for trading period)	0.00	0.00	0.00	0.20	0.00	0.20	53.00	265.00
<b>Creditors</b>								
Fixed charge creditors	0.00	2.00	0.00	0.00	0.00	2.00	1,160.00	580.00
Employees & pension (other) (incl Jobcentre/CSA etc)	0.15	0.60	0.00	6.50	0.00	7.25	2,208.50	304.62
Unsecured creditors	0.25	0.00	0.00	0.40	0.00	0.65	260.75	401.15
<b>Case-Specific 3, AML/Compliance</b>								
AML - if done post appointment	0.00	0.00	0.00	3.20	0.00	3.20	900.50	281.41
<b>Corporate Tax</b>								
Corporate Tax	0.00	0.00	0.00	0.58	1.40	1.98	173.64	87.55
Forensics	5.00	0.00	1.50	27.27	0.00	33.77	7,898.59	233.92
<b>Total</b>	<b>101.15</b>	<b>34.75</b>	<b>21.00</b>	<b>194.35</b>	<b>1.40</b>	<b>352.65</b>	<b>£148,227.75</b>	<b>£420.33</b>

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
<b>Pre-Appointment</b>								
AML, Conflict & ethics checks, engagement letters	0.00	0.00	0.00	4.00	0.00	4.00	1,138.75	284.69
Appointment formalities	0.00	0.00	0.00	1.20	0.00	1.20	318.00	265.00
Preparation of pre-appointment documents	1.50	0.00	0.00	3.75	0.00	5.25	2,006.25	382.14
Job planning	71.30	0.00	1.50	0.00	0.00	72.80	48,840.00	670.88
<b>Total</b>	<b>72.80</b>	<b>0.00</b>	<b>1.50</b>	<b>8.95</b>	<b>0.00</b>	<b>83.25</b>	<b>£52,303.00</b>	<b>£628.26</b>

# CMB Partners UK Limited

Name: Prime Resort Development Limited  
 Period: 3rd February 2020 to 2 February 2021  
 Time & Chargeout Summary

Classification	Partner/Director	Non Appointed IP	Managers	Administrators	Support Staff	Total Hours	Time Costs £	Average Hourly Rate £/hr
	Hours	Hours	Hours	Hours	Hours			
<b>Administration/Planning</b>								
Statutory Reports & Returns	1.00	0.00	8.00	1.60	0.00	10.60	4,877.00	460.09
Job Planning & review	8.30	11.60	6.80	7.00	0.00	33.70	18,443.50	547.28
General Case Administration	0.95	3.50	10.40	4.10	1.50	20.45	8,970.25	438.64
<b>Sub-total</b>	<b>10.25</b>	<b>15.10</b>	<b>25.20</b>	<b>12.70</b>	<b>1.50</b>	<b>64.75</b>	<b>32,290.75</b>	<b>498.70</b>
<b>Investigations</b>								
Directors' Correspondence	0.00	0.20	0.00	0.00	0.00	0.20	125.00	625.00
Books and Records Review	1.60	62.40	1.90	0.00	0.00	65.90	40,181.50	609.73
CDDA 1988 Obligations	0.00	4.50	6.00	5.80	0.00	16.30	7,832.50	480.52
Asset Tracing/Searches	0.00	44.60	0.00	0.00	0.00	44.60	27,518.00	617.00
General Investigation	0.70	4.20	0.00	0.00	0.00	4.90	3,052.00	622.86
<b>Sub-total</b>	<b>2.30</b>	<b>115.90</b>	<b>7.90</b>	<b>5.80</b>	<b>0.00</b>	<b>131.90</b>	<b>78,709.00</b>	<b>598.73</b>
<b>Realisation of Assets</b>								
Property	1.00	2.80	0.00	1.50	0.00	5.30	2,957.00	557.92
Other	0.00	0.00	0.00	0.40	0.00	0.40	200.00	500.00
<b>Sub-total</b>	<b>1.00</b>	<b>2.80</b>	<b>0.00</b>	<b>1.90</b>	<b>0.00</b>	<b>5.70</b>	<b>3,157.00</b>	<b>553.86</b>
<b>Total hours</b>	<b>13.55</b>	<b>133.80</b>	<b>33.10</b>	<b>20.40</b>	<b>1.50</b>	<b>202.35</b>		
<b>Total Time Costs</b>	<b>8,317.25</b>	<b>82,606.50</b>	<b>14,773.00</b>	<b>8,160.00</b>	<b>300.00</b>		<b>114,158.75</b>	<b>584</b>

# VI Staffing, charging, subcontractor and adviser policies and charge out rates

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## Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
  - Staff allocation and the use of subcontractors
  - Professional advisers
  - Disbursement recovery
- Smith & Williamson LLP's 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 and where this will add best value and service.

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

Any such arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

## 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 best value and service to the assignment.
- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations;
- The professional and ethical standards applicable to the service provider.

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

## 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 one type of Category 2 disbursement, namely 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

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 2020.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2019	London office £/hr	Regional offices £/hr
Partner / Director	580-675	376-432
Associate Director	550	352
Managers	340-475	216-304
Other professional staff	225-475	144-192
Support & secretarial staff	125	80

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2020	London office £/hr	Regional offices £/hr
Partner / Director	580-710	376-432
Associate Director	580	352
Managers	350-500	216-304
Other professional staff	225-580	144-192
Support & secretarial staff	130	80

## Notes

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1-minute units 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. Up to 31 January 2021 the cashiering function time is incorporated within "Other professional staff" rates. From 1 February 2021 the cashiering function time is split between "Other professional staff" and "Associate Director".

Smith & Williamson LLP	London office
Corporate Tax	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	575-690
Associate Director	460
Managers	245-400
Other professional staff	115-210
Support & secretarial staff	60

Smith & Williamson LLP	London office
Corporate Tax	£/hr
Charge out rates as at 1 July 2020	
Partner / Director	625-740
Associate Director	500
Managers	270-430
Other professional staff	95-230
Support & secretarial staff	65

Smith & Williamson LLP	London office
Forensics	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	480
Associate Director	-
Managers	320-410
Other professional staff	240
Support & secretarial staff	-

Smith & Williamson LLP	London office
Forensics	£/hr
Charge out rates as at 1 July 2020	
Partner / Director	688
Associate Director	-
Managers	485
Other professional staff	315
Support & secretarial staff	-



## **CMB Partners UK Limited**

### **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 On this case Subcontractors / Consultants

1.4 The CMB Partners UK Limited have entered into agreements with the following third parties:

1.5 David Hudson ("Mr Hudson") of Hudson Bay Consulting Limited ("Hudson Bay") – retained for his specific investigation skills into tracing money in Insolvency matters and dealing with complex frauds. Mr Hudson is a licenced Insolvency Practitioner. In this respect he has been able to identify a number of areas for investigation and has also provided substantial assistance in relation to the tracing of funds.

1.6 As a result of the investigation work being carried out by Mr Hudson his knowledge of the case has resulted in his attendance and full involvement in the interviews of Directors and connected parties and the preparation of Court documents.

1.7 The Joint Administrators acknowledge that Mr Hudson's support and knowledge is key to realising assets in the Administration.

1.8 Mr Hudson through Hudson Bay is retained as a consultant by CMB Partners UK Limited, brief particulars of which are available on request.

1.9 The time costs of Mr Hudson are recorded separately on the CMB Partners UK Limited SIP9 attached to this report under the column Non-Appointed Insolvency Practitioner. Mr Hudson's services are charged out to insolvency appointments at £625.00 per hour, being a rate commensurate with that of an experienced insolvency practitioner.

### **2 Joint Liquidators' Expenses & Disbursements**

2.1 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. These disbursements are included in the tables of expenses above.

2.2 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 Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

### **3 Charge-Out Rates**

3.1 CMB Partners UK Limited's current charge-out rates effective from 1 July 2019 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

CMB Partners UK Limited charge out rates from 1 July 2020	(Per hour) £
<b>Director/Insolvency Practitioner</b>	<b>625</b>
<b>Non Appointed Insolvency Practitioner</b>	<b>625</b>
<b>Managers</b>	<b>400 - 540</b>
<b>Administrators</b>	<b>270 - 400</b>
<b>Support &amp; Secretarial</b>	<b>100 - 270</b>

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