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Notice of administrator's progress report



Companies House

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1 Company details

Company number 0 2 4 5 4 8 3 0

Company name in full Windward Prospects Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Colin

Surname Hardman

3 Administrator's address

Building name/number Smith & Williamson LLP

Street 25 Moorgate

Post town London

County/Region

Postcode E C 2 R 6 A Y

Country United Kingdom

4 Administrator's name ①

Full forename(s) Finbarr Thomas

Surname O'Connell

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Smith & Williamson LLP

Street 25 Moorgate

Post town London

County/Region

Postcode E C 2 R 6 A Y

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

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Period of progress report

From date

^d2^d6^m0^m4^y2^y0^y1^y9

To date

^d2^d5^m1^m0^y2^y0^y1^y9**7**

Progress report

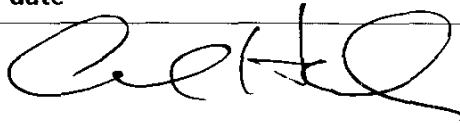
☒ I attach a copy of the progress report**8**

Sign and date

Administrator's
signature

Signature

X



X

Signature date

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Windward Prospects Limited (in administration)

Joint administrators' progress report for the period from 26 April
2019 to 25 October 2019

25 November 2019



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1. Glossary

Abbreviation	Description
the Company/Windward	Windward Prospects Limited
the administrators/joint administrators	Finbarr Thomas O'Connell and Colin Hardman
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
ETR	Estimated to realise
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
HMRC	HM Revenue & Customs
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint an administrator
RPS	Redundancy Payments Service
S&WEBC	Smith & Williamson Employee Benefit Consultants, a division of Smith & Williamson Financial Services Limited
S&WFS	Smith & Williamson Financial Services Limited
S&WCFL	Smith & Williamson Corporate Finance Limited
FCA	Financial Conduct Authority
The Directors	Christopher Gower, Brian Tauscher and Gerard Barron
BAT	British American Tobacco Inc
BTI	BTI 2014 LLC, a subsidiary of BAT
Sequana	Sequana S.A. - the holder of one preferential share in the Company and the former owner of the Company, prior to its acquisition by TMW Investments and others
TMW Investments	TMW Investments (Luxembourg) Sarl - a former major shareholder of the Company

2. Introduction & Summary

This report provides an update on the progress in the administration of the Company for the six month period ended 25 October 2019. It should be read in conjunction with any previous reports. By way of reminder, we, Finbarr Thomas O'Connell and Colin Hardman, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed administrators of the Company on 26 October 2018.

A brief summary of some key points is set out below:

- Due to both the ongoing uncertainty regarding the recoverability of any material value from the Company's investments in various private companies and also Sequana entering into a formal insolvency process, thereby impairing the prospect of any return in relation to the contingent receivable, the prospects of achieving a rescue of the Company as a going concern and thereby achieving the first objective of administration appear highly unlikely;
- The joint administrators are therefore, in accordance with their approved proposals, pursuing the second objective of administration, as in P3(1)(b) Sch B1, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration);
- The joint administrators have progressed their review of the Company's investments in various private companies and, in addition to recovering some initial minor receipts from such investments, we are continuing to explore any opportunities to recover value from these investments on behalf of creditors;
- The joint administrators are continuing to work with the Company's major creditors to form a creditors' committee;
- The joint administrators are continuing to assist the Company's principal creditors, BAT/BTI, in relation to claims against Sequana and other parties;
- Asset recoveries remain uncertain and therefore the dividend prospects for unsecured creditors are also uncertain at this time; and
- The joint administrators' fees were approved by unsecured creditors, however, they will be subject to further confirmation by the creditors' committee upon the formation of the creditors' committee.

3. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period from 26 April 2019 to 25 October 2019. This account includes cumulative figures for the period from 26 October 2018 to 25 October 2019.

The receipts and payments account also includes a comparison with the director's/directors' SOA values.

3.1 Repayment of loan

The Company has continued to receive repayments from Aftermath Collections Limited ("Aftermath") in relation to the repayment of a loan that the Company provided to Aftermath. Within this period the Company has received £4,880.36, and since the start of the administration in total the Company has received £9,460.903. It is anticipated that the Company will continue to receive repayments with regard to this loan during the administration period.

3.2 Remaining investments

As set out in the administrators' proposals and previous report, the Company holds investments in various private companies. By way of reminder, the directors' SOA attributed a total book value of £12,028,100 to these investments, however, the estimated realisable value of these investments was stated to be "unknown".

We set out a summary of the investments below.

Investment	Invested Sum		
	Debt	Equity	Shareholding
	US\$	US\$	%
Direct Nickel Ltd & Direct Nickel Projects Pty Ltd	915,000	5,173,958	13 & 55
DeepGreen Metals Inc	Nil	7,885,113	5.4
idio Limited	Nil	624,609	TBC
Aftermath Collections Limited	218,677	1,236,133	45
Kannuu Pty Ltd	3,716,700	Nil	TBC
Superfolk Limited	Nil	162,232	33.30
High 50 Holdings Limited	1,649,964	422,145	50
Total	6,500,896	15,504,190	

The joint administrators are continuing to take advice from S&WCFL, in relation to these investments to try to extract as much value as is possible on behalf of creditors, however, creditors will appreciate that shareholdings in private companies are illiquid by their nature and the prospect of any recoveries to them from these investments remains very uncertain. Further details in relation to the joint administrators' progress to date in this regard are as follows.

3.2.1 Direct Nickel Limited ("DNi")

The joint administrators are continuing to correspond with key management parties of the DNi group (including Direct Nickel Projects Pty Limited) with assistance from S&WCFL to monitor the position. As mentioned in the previous report the prospect of a return to the Company in the short and/or medium term is remote.

3.2.2 DeepGreen Metals Inc ("DeepGreen")

The joint administrators are continuing to correspond with DeepGreen. As a reminder the joint administrators are investigating the transfer by the Company of a proportion of its shareholding in DeepGreen to the Company's directors in lieu of unpaid amounts owed to the directors by the Company in August 2017 and August 2018.

The joint administrators will continue to determine and execute a strategy to recover as much value as is possible on behalf of creditors.

3.2.3 idio Limited ("idio")

We are continuing to liaise with both S&WCFL and the management of idio in order to identify the available options to realise the asset.

3.2.4 Aftermath

Further to the meetings with interested parties in relation to a potential sale of the Aftermath investments, the administrators remain hopeful of achieving a realisation. As per 3.1 we have received further repayments of the loan owed by Aftermath.

3.2.5 Kannuu Pty Ltd ("Kannuu")

The joint administrators are continuing to monitor the investments in Kannuu and the litigation entered into by Kannuu. As noted previously, it is not possible to provide further details of the litigation due to the commercial sensitivity of these matters, however, we will provide updates when matters can be discussed.

3.2.6 Superfolk Limited ("Superfolk")

The joint administrators are still currently corresponding with Superfolk in relation to the Company's investments. There has been no progress in the potential offer, detailed in the previous progress report.

3.2.7 High 50 Holdings Limited ("High 50")

The administrators are still awaiting information to allow a strategy to be conceived as to maximise the best return for creditors.

3.3 Contingent receivable

The joint administrators are continuing to monitor the position of Sequana's insolvency proceedings. As mentioned in the previous report, by way of reminder, this relates to payments that would be contractually payable to the Company from BAT if BAT is successful in recovering funds from Sequana. Any funds that would be recovered from Sequana would be subject to an element of set-off between BAT and the Company. Considering Sequana's winding up proceedings the administrators continue to hold the position that any funds being recovered would be highly uncertain.

3.4 Wine

The joint administrators are aware that the Company previously made significant investments into a fine wine portfolio which was subsequently sold at a c.£1.5million loss. A very small quantity of wine is retained in this portfolio and the joint administrators are awaiting a valuation of this item.

3.5 Arjo Wiggins (Bermuda) Holdings Ltd

The joint administrators are still awaiting information to progress matters in relation to the Class A shares that are held in the Bermuda subsidiary. The administrators will report to creditors when a value is ascertained for the shares.

3.6 Administration strategy

The joint administrators are continuing their efforts to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

The administrators still believe that a CVA and CVL are not viable due to the value of the assets of Windward, being primarily shares in private companies, would be best preserved in an administration and hence the administration has been extended for a period of one year.

4. Investigations

The joint administrators have continued their duty to investigate the Company's transactions in an attempt to identify any further recoveries. The administrators have also spent time reviewing the liability of the unfunded pension scheme, as well as assisting BAT with their own litigation actions, as per an agreement between the Company and BAT.

5. Pre-administration costs

The payment of the unpaid pre-administration costs as an expense of the administration is subject to the approval of creditors, separately from the approval of the joint administrators' proposals. This approval is one of the responsibilities of the creditors' committee if one is appointed or alternatively by resolution of a virtual meeting of creditors, or by electronic or postal voting where there is no committee.

The pre-administration costs incurred by the joint administrators were approved by the unsecured creditors, by way of the creditors' decision procedure, on 4 January 2019, however, this approval will be subject to further confirmation by the creditors' committee, which is in the process of being formed.

The pre-appointment fees charged and expenses incurred by us are detailed below:

Charged by/service(s) provided	Total amount charged £	Amount paid £	Who made payment	Amount unpaid £
Smith & Williamson LLP	14,620.25	0.00	N/A	14,620.25
KaurMaxwell Limited (legal advice and assistance)	2,265.00	0.00	N/A	2,265.00

All amounts shown are exclusive of VAT. As at the date of this report none of these costs have been paid.

6. Administrators' remuneration

The creditors approved that the basis of the administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration on 4 January 2019, however, this approval will be subject to further confirmation by the creditors' committee, which is still in the process of being formed.

The administrators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
26 October 2018 to 25 April 2019	298.60	119,191.00	399.17	Nil
26 April 2019 to 25 October 2019	123.90	37,088.25	299.34	Nil
Total	422.50	156,279.25	369.89	

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 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 III, is a cumulative time analysis for the period from 26 October 2018 to 25 October 2019 which provides details of the administrators' time costs since appointment. To date the administrators have not drawn any fees on accounts of these costs.

A detailed narrative explanation of these costs can be found in the 'Outstanding matters' section of this report.

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>

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 this date, 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 IV.

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

6.1 S&WEBC

S&WEBC, has assisted the joint administrators to deal with the Company's pension affairs. Payments to parties in which the joint administrators or their firm have an interest must be disclosed to, and approved by, creditors.

S&WEBC's time costs for the reporting period to 25 October 2019 are £331.88. This represents 0.75 hours at an average rate of £442.50. In the period covered by this report no costs have been paid on account.

Details of S&WFS' charge out rates are included at Appendix IV.

6.2 S&WCFL

S&WCFL, a company associated with Smith & Williamson LLP, has been assisting the joint administrators in relation to the Company's investment assets. Payments to parties in which joint administrators or their firm have an interest must be disclosed to, and approved by, creditors in a similar way as approval of the joint administrators' remuneration.

S&WCFL's have no accrued time costs for the reporting period to 25 October 2019. The basis of S&WCFL's remuneration for its work in this matter will be subject to the approval of the creditors' committee, when it is formed. No payments to S&WCFL have been paid to date.

Details of S&WCFL's charge out rates are included at Appendix IV.

7. Administration expenses

7.1 Subcontractors

We have not utilised any subcontractors during the current period.

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 £
KaurMaxwell Limited (Legal advice)	Hourly rate and disbursements	14,400.00	Nil	14,400.00
Total		14,400.00	Nil	14,400.00

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

7.3 Administrators' disbursements

We have not paid any disbursements from the estate in the current period. However, the following disbursements have been incurred.

7.4 Category 2 disbursements

Other than the fees of S&WEBC, referred to in section 6.1, since our appointment we have incurred no other Category 2 disbursements.

In accordance with SIP 9, Remuneration of Insolvency Office Holders, the joint administrators will be seeking approval to draw Category 2 disbursements as and when funds are available, in accordance with Smith & Williamson's disbursement recovery policy.

7.5 Policies regarding use of third parties and disbursement recovery

Appendix IV 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 have been converted to £Sterling at the date of administration (26 October 2018). If any creditor considers the rate to be unreasonable, they may apply to court for determination.

8.1 Secured creditors

There are no secured creditors.

8.2 Prescribed Part

There will be no prescribed part as there is no floating charge holder.

8.3 Preferential creditors

Preferential claims were estimated to be £35,237 in the directors' SOA. We understand that the RPS has made payments in relation to employee claims received, however, we have yet to receive a claim from the RPS in respect of these payments.

8.4 Unsecured creditors

We have received claims totalling £346,141,174 from 30 creditors. Total claims as per the director's/directors' SOA were £11,776,685. It should be noted that due to the complexity of the claims these figures may change.

As in previous reports, and reproduced as a reminder, the joint administrators are aware that the Company has a contractual obligation to meet ongoing contributions towards an unapproved unfunded benefit scheme which is estimated to amount to £3,441,762 in the directors' SOA. It is understood that the Company's liability had always been met by Sequana pursuant to the terms of sale of the Company to TMW Investments in May 2009, however, the joint administrators understand that, following the advancement of Sequana's insolvency process, Sequana has formally terminated any future payments to these parties and as such it is anticipated that these parties will have unsecured claims against the Company in respect of the unpaid amounts due. We are continuing to work with S&WEBC and also a number of the pension creditors in respect of this matter.

Creditors will also recall that we received a notice of motion for entry of judgment and final order against the Company in the Brown County Circuit Court (Green Bay, US) in the sum of c.US\$2.4million which was received on 9 November 2018. On 16 November 2018, we issued correspondence to the Brown County Circuit Court giving notice of the Company entering into administration and of the consequences of the resultant moratorium. We are also aware that the directors strongly dispute the Company's liability in respect of this sum on the basis of a prior order which we understand had the effect that the Company was no longer to be regarded as a defendant

in the proceedings. We understand that, notwithstanding our submissions to the court, judgment has now been entered against the Company in the Brown County Circuit Court for the sum of c.US\$2.4million.

A summary of unsecured claims received and agreed is set out below:

	SOA claims £	Claims received £	Claims agreed in current period £	Total claims agreed £
Amount of claims (£)	11,776,685	346,141,174	Nil	Nil
Number of claims	14	30	Nil	Nil

Due to the current limited realisations to date from the Company's assets we confirm that the prospects of dividend for unsecured creditors is highly uncertain at this stage.

9. Outstanding matters

A detailed narrative explanation of these future costs can be found below.

The joint administrators' costs to date are £156,279.25, as detailed in Section 6, (compared to our original estimate of £300,000.00) and only the incurred time costs within the approved estimate (subject to further confirmation by the creditors' committee, when formally constituted) will be drawn. Any sum in excess of the approved estimated time costs will not be recovered by the joint administrators without further approval from the creditors and/or the creditors' committee once formally constituted.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising. In the event that the fees estimate is likely to be exceeded, the joint administrators will need to provide an update and seek approval from the creditors before drawing any additional sums. Fee estimates may be given up to a certain milestone or for a designated period if it is not possible to provide an accurate estimate at any given point.

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.

In addition to continuing to progress the matters as set out at section 3 above, the remaining actions to be concluded in the administration are as follows:

- Working with S&WEBC and KaurMaxwell in regard to the liability and novation of the unfunded pensioners;
- Case maintenance and compliance requirements;
- Assisting BAT, in accordance with the funding agreement, with their ongoing litigation;
- Filing corporation tax returns and obtaining tax clearance in respect of the administration period;
- Paying all costs and expenses of the administration once any required approval has been obtained;
- Finalising the appointments to and constitution of the creditors committee;
- Further statutory reporting as required by IA86 and IR16;
- Tax clearance; and
- 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. Extension of the administration

As creditors may be aware, the joint administrators have recently requested approval by decision procedure to extend the administration for one year. This decision was approved by creditors as at 30 September 2019 and consequently the administration was extended to 25 October 2020.

This extension will allow the administrators to complete their investigations into the Company's assets in the hopes that recoveries can be made for the benefit of creditors.

As mentioned in 3.6, the administrators still believe that a CVA and CVL are not viable due to the value of the assets of Windward, being primarily shares in private companies, would be best preserved in an administration.

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

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 and Colin Hardman

Joint Administrators

Date: 25 November 2019

I Receipts and payments account

Receipts and payments account to 25 October 2019

**WINDWARD PROSPECTS LIMITED
(IN ADMINISTRATION)**

**JOINT ADMINISTRATORS' SUMMARY OF RECEIPTS AND PAYMENTS
FROM 26 APRIL 2019 TO 25 OCTOBER 2019**

Statement of Affairs £		From 26/04/2019 To 25/10/2019 £	From 26/10/2018 To 25/10/2019 £
	ASSET REALISATIONS		
(12,028,100)	Repayment of Loans	4,880.36	9,460.93
(3,000)	Cash at Bank	0.00	4,904.84
	Bank Interest Gross	23.08	25.26
		<u>4,903.44</u>	<u>14,391.03</u>
	PAYMENTS	NIL	NIL
	BALANCE IN HAND		<u><u>14,391.03</u></u>

Notes and further information required by SIP 7

- The administrators' remuneration has been approved, although will be subject to further approval from the creditors' committee.
- 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.
- 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.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

Notes and further information required by SIP 9

Costs that have been incurred during the progress of the administration have been met by the administrators themselves. Once the estate has the necessary funds then the administrators will be recompensated by the estate. These costs will feature in the relevant progress report.

It should be noted to creditors that some of these payments may not necessarily be for the benefit of creditors but may be necessary for the progression of the administration or required to be paid under statute.

II Time analysis for the period

From 26 April 2019 to 25 October 2019

Windward Prospects Limited (In Administration)
Breakdown of time spent by Smith & Williamson LLP employees
for the period ended 25 October 2019

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			
Administration and planning								
Statutory returns, reports & meetings	0.00	0.00	16.05	13.50	0.00	29.55	9,119.75	308.62
Cashiering general, including bonding	0.05	0.00	0.10	0.25	0.00	0.40	123.75	309.38
Job planning, reviews and progression (incl 6 month reviews and planning meetings, checklist & diary	0.00	0.00	4.60	26.65	0.00	31.25	8,442.00	270.14
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.00	0.00	0.00	0.55	0.00	0.55	145.75	265.00
Protection of company records (incl electronic)	0.00	0.00	0.00	3.85	0.00	3.85	1,002.75	260.45
Filing, file and information management	0.00	0.00	0.00	24.05	0.00	24.05	5,910.75	245.77
Director/manager review, approval and signing	0.30	0.00	0.50	4.90	0.00	5.70	1,661.00	291.40
Other	0.00	0.00	1.15	0.00	0.00	1.15	431.25	375.00
Investigations								
Statutory books and accounting records review	0.00	0.00	0.00	1.25	0.00	1.25	331.25	265.00
Investigation of legal claims	2.25	0.00	3.55	0.00	0.00	5.80	2,758.25	475.56
Realisation of assets								
Stock	0.00	0.00	0.00	0.75	0.00	0.75	161.25	215.00
Financed assets (only if equity-otherwise creditors, incl HP and leasing)	0.00	0.00	0.85	0.00	0.00	0.85	318.75	375.00
Sale of business as a whole, including liaison with legal advisers agents etc	0.00	0.00	0.25	0.00	0.00	0.25	91.25	365.00
Other	0.00	0.00	7.00	0.25	0.00	7.25	2,656.25	366.38
Creditors								
Unsecured creditors	0.00	0.00	3.85	0.35	0.00	4.20	1,511.00	359.76
Creditors' committee	0.00	0.00	1.05	0.00	0.00	1.05	383.25	365.00
Forensics								
Forensics	0.00	0.00	3.00	3.00	0.00	6.00	2,040.00	340.00
Total	2.60	0.00	41.95	79.35	0.00	123.90	£37,088.25	£299.34

Windward Prospects Limited (In Administration)
Breakdown of time spent by Smith & Williamson Financial Services employees
for the period ended 25 October 2019

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			
Smith & Williamson Financial Services								
SWWFS Employee Benefits Consultancy	0.75	0.00	0.00	0.00	0.00	0.75	331.88	442.50
Total	0.75	0.00	0.00	0.00	0.00	0.75	£331.88	£442.50

Notes/reconciliation differences

The following gives a summary of our original estimates, provided in our proposals, and the actual time costs incurred as at 25 October 2019 for ease of comparison.

Creditors should note that the joint administrators have carried on with the work they have set out in the first progress report. Therefore, some of the points below will be a repeat as by way of reminder with the addition of further tasks mentioned below.

Explanation of major work activities undertaken

Administration and Planning

This section relates to the work carrying out administration and planning in respect of the appointment for the period. This work included the following:

- Dealing with routine correspondence;
- Calculating the bonding requirement;
- Maintaining physical case files and electronics case details on IPS (case management software);
- Working with S&W's forensic technology specialists to secure and obtain the Company's electronic records from various sources;
- Securing and uplifting the Company's physical records from various sources;
- Consulting with S&W's tax specialists regarding the Company's tax position;
- Receiving and reviewing Company insurance information;
- Preparing the administrators' proposals and other statutory filings; and
- Dealing with and instructing agents and other professional advisers to assist with the case.

Investigations

This section relates to our statutory obligations to investigate the actions of the directors of the Companies and to review the Companies' records with a view to making to 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 in the lead up to the administration of the Company; and
- Corresponding with the directors regarding our directors' questionnaire.

Realisation of Assets

This section is in relation to the realisation of the Company's assets. The work includes the following:

- Working with S&W's corporate finance specialists to review and assess the Company's investment portfolio and development of a strategy towards recovering value on behalf of creditors;
- Meeting with interested parties in relation to potential disposals of the Company's investments;
- Meeting with key management parties of the private companies in which the Company holds debt and/or equity investments;
- Continued correspondence with various parties and prospective purchaser (idio especially);
- Reviewing the debts owed to the Company; and
- Reviewing the position in relation to the contingent receivable.

Creditors

- Progressing the formation of a creditors' committee;
- Requesting creditor information from the Directors, reviewing and uploading creditor listing into internal systems;
- Assisting BAT with their litigation in accordance with the Funding Agreement;
- Working with S&W's pension specialists to review and assess the Company's unfunded unapproved pension liability;
- Dealing with creditor proof of debt forms and entering to the case management system; and

- Receiving calls and correspondence from creditors and dealing with the same.

Cashiering and Compliance

- Internal system set up;
- Completing bank reconciliations;
- Compliance with insurance requirements; and

III Cumulative time analysis

From 26 October 2018 to 25 October 2019

Windward Prospects Limited (In Administration)
Breakdown of time spent by Smith & Williamson LLP employees
for the period ended 25 October 2019

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			
Administration and planning								
Statutory returns, reports & meetings	2.50	0.00	47.75	17.75	0.00	68.00	21,960.25	322.94
Initial post-appointment notification letters, including creditors	2.00	0.00	3.00	1.05	0.00	6.05	2,450.75	405.08
Cashiering general, including bonding	0.05	0.00	0.10	0.65	0.00	0.80	237.50	296.88
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	9.70	0.00	21.95	28.60	0.00	60.25	20,609.75	342.07
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.00	0.00	0.25	1.55	0.00	1.80	452.00	251.11
Protection of company records (incl electronic)	0.00	0.00	5.85	4.35	0.00	10.20	3,245.50	318.19
Filing, file and information management	0.00	0.00	0.00	30.80	0.00	30.80	7,448.00	241.82
Filing - Administration and planning	0.00	0.00	0.00	0.30	0.00	0.30	64.50	215.00
Director/manager review, approval and signing	0.40	0.00	0.50	6.40	0.00	7.30	2,048.50	280.62
Other	0.00	0.00	1.15	16.05	0.00	17.20	3,882.00	225.70
Investigations								
Directors' correspondence & conduct questionnaires	0.00	0.00	6.55	2.60	0.00	9.15	3,087.75	337.46
Statutory books and accounting records review	0.15	0.00	0.60	1.25	0.00	2.00	657.75	328.88
Investigation of legal claims	50.75	0.00	13.30	0.00	0.00	64.05	35,873.00	560.08
SIP2 and SIP4 obligations (inc CDDA86 forms)	0.75	0.00	7.50	0.75	0.00	9.00	3,322.50	369.17
Asset tracing (e.g. Land Registry and Company Searches)	3.50	0.00	1.75	0.00	0.00	5.25	2,913.75	555.00
Director/manager review, approval and signing	0.00	0.00	0.00	2.10	0.00	2.10	451.50	215.00
Realisation of assets								
Debtors not financed (includes reassigned debtors)	0.00	0.00	1.00	0.00	0.00	1.00	365.00	365.00
Stock	0.00	0.00	0.25	1.75	0.00	2.00	467.50	233.75
Other chattel assets	0.00	0.00	0.60	0.00	0.00	0.60	290.00	483.33
Financed assets (only if equity otherwise creditors, incl HP and leasing)	0.00	0.00	0.85	0.00	0.00	0.85	318.75	375.00
Sale of business as a whole, including liaison with legal advisers agents etc	0.00	0.00	17.00	0.00	0.00	17.00	6,249.75	367.63
Cash at Bank	0.00	0.00	0.00	0.35	0.00	0.35	107.50	307.14
Liaising with agents (general)	0.00	0.00	0.80	0.00	0.00	0.80	322.50	403.13
Other	2.05	0.00	7.50	0.25	0.00	9.80	3,997.00	407.86
Creditors								
RPO and ERA claims & tribunals	0.00	0.00	0.00	3.70	0.00	3.70	795.50	215.00
Employees & pension (other) (Incl Jobcentre/CSA etc)	1.10	0.00	13.40	7.60	0.00	22.10	7,092.75	320.94
Unsecured creditors	0.75	0.00	16.40	6.85	0.00	24.00	7,954.75	331.45
Creditors' committee	0.00	0.00	7.00	0.00	0.00	7.00	2,555.00	365.00
Filing - creditors	0.00	0.00	0.00	1.50	0.00	1.50	322.50	215.00
Director/manager review, approval and signing	0.00	0.00	0.00	0.75	0.00	0.75	161.25	215.00
Corporate Finance								
Corporate Finance	5.00	0.00	0.00	0.00	0.00	5.00	2,092.50	418.50
Forensics								
Forensics	11.00	0.00	12.25	8.55	0.00	31.80	14,482.00	455.41
Total	89.70	0.00	187.30	145.50	0.00	422.50	£156,279.25	£369.89

Windward Prospects Limited (In Administration)
Breakdown of time spent by Smith & Williamson Financial Services employees
for the period ended 25 October 2019

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			
Smith & Williamson Financial Services								
S&WFS Employee Benefits Consultancy	26.30	0.00	0.00	0.00	0.00	26.30	11,849.63	450.56
Total	26.30	0.00	0.00	0.00	0.00	26.30	£11,849.63	£450.56

Notes

The following gives a summary of our original estimates, provided in our proposals, and the actual time costs incurred as at 25 October 2019 for ease of comparison:

Task	Estimated fees to be incurred	Actual Fees Incurred £
Administration and Planning	66,200.00	62,393.75
Investigations	96,645.00	46,306.25
Realisation of Assets	87,432.50	12,118.00
Creditors	42,602.50	18,881.75
Corporate Finance	0.00	2,092.50
Forensics	7,100.00	14,482.00
Total	300,000.00	156,279.25

Creditors will note that the fees incurred to date remain below the total fee estimate. The administrators consider that this is reasonable as there are a number of areas which will require further work in order to reach a conclusion.

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

Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers including S&WFS
 - 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&WEBC

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 administrators 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 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

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the administrators' 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 2019.

Smith & Williamson LLP	2018	2018	2019	2019
Restructuring & Recovery Services	London office	Regional offices	London office	Regional offices
Charge out rates as at 1 July 2018 and 1 July 2019	£/hr	£/hr	£/hr	£/hr
Partner / Director	450-520	360-380	470-540	376-432
Associate Director	420	290-320	440	352
Managers	250-365	225-310	270-380	216-304
Other professional staff	170-320	140-185	180-380	144-192
Support & secretarial staff	90	60-140	100	80

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.

S&WFS Employee Benefits Consultancy	2018	2019
Charge out rates from 1 July 2018 and 1 July 2019	Per hour	Per hour
	£	£
Director	245-349	245-349
Associate Director	204-244	204-244
Manager	139-195	139-195
Administrator	88-170	88-170

Smith & Williamson LLP	London office
Forensics	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	470
Associate Director	-
Managers	320-410
Other professional staff	240
Support & secretarial staff	-

www.smithandwilliamson.com

Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

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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 Cameron Dalrymple-Rockett

Company name Smith & Williamson LLP

Address 25 Moorgate

Post town London

County/Region

Postcode E C 2 R 6 A Y

Country United Kingdom

DX

Telephone



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

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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