

AM10

Notice of administrator's progress report



Companies House

FRIDAY



A10 *A95M86HT* 22/05/2020 #21
COMPANIES HOUSE

1 Company details

Company number 0 2 4 5 4 8 3 0

Company name in full Woodward Prospects Limited

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

2 Administrator's name

Full forename(s) Finbarr Thomas

Surname O'Connell

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) Colin

Surname Hardman

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.

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6 Period of progress report

From date	d 2	d 6	m 1	m 0	y 2	y 0	y 1	y 9
To date	d 2	d 5	m 0	m 4	y 2	y 0	y 2	y 0

7 Progress report

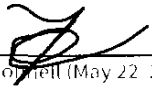
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X


Eimhir O'Connell (May 22 2020 16:41 GMT+1)

X

Signature date

d 2	d 1	m 0	m 5	y 2	y 0	y 2	y 0
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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 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 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.



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



Further information

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Windward Prospects Limited (in administration)

*Joint administrators' progress report for the period from 26
October 2020 to 25 April 2020*

22 May 2020



Contents

1.	Glossary	1
2.	Introduction & Summary	2
3.	Progress of the administration	2
4.	Investigations	4
5.	Pre-administration costs	4
6.	Administrators' remuneration	5
7.	Administration expenses	6
8.	Estimated outcome for creditors	7
9.	Outstanding matters	8
10.	Privacy and data protection	9
11.	Ending the administration	9
12.	Creditors' rights	9
13.	Next report	10

Appendices

I	Receipts and payments account	13
II	Time analysis for the period	14
III	Cumulative time analysis	17
IV	Original Fee Estimate	19
V	Future Estimated Costs	20
VI	Staffing, charging, subcontractor and adviser policies and charge out rates	21



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 April 2020. 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:

- As noted in previous reports, the joint administrators are, 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 realised funds in relation to the Company's investment in idio Limited, realising £751,180. Investigations are ongoing in relation to the Company's remaining investments with a view to maximising recoveries from them for the benefit of the creditors of the Company;
- A creditors' committee has been formed, which was established on 11 March 2020, and the first committee meeting has been held;
- The joint administrators are continuing in their investigations with a view to maximising recoveries from them for the benefit of the creditors of the Company;
- The joint administrators are continuing to assist the Company's principal creditors, BAT and 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
- Some of the joint administrators' fees were approved by unsecured creditors, however, they will be subject to further confirmation by the newly established creditors' committee, in due course.

Please note that this report has been produced during the period of the Covid-19 lockdown restrictions. As a result, we had limited access to our physical case files and have had to produce this report from incomplete records on our IT system. 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 in the next progress report.

3. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period from 26 October 2020 to 25 April 2020. This account includes cumulative figures for the period from 26 October 2018 to 25 April 2020.

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

3.1 Realised assets

3.1.1 idio Limited ("idio")

The joint administrators identified an equity investment of \$624,600 in idio, an enterprise software company. Working with our colleagues in S&W Corporate Finance ('S&WCF'), we made contact with the management at idio and established that they were looking to sell the company. As a minority shareholder, we identified the Company's optimum strategy was to monitor the situation and provide assistance where necessary to facilitate a sale of our shareholding. The management of idio were pursuing a dual-track approach to disposal, by preparing for an IPO alongside negotiating a private sale. Towards the end of 2019, it became apparent that a sale could

be completed and so we engaged with the company to help facilitate the sale. £751,180 was realised into the Company from the shares held in idio.

A further sum may be received from funds held in escrow to cover final completion costs following the sale but we do not anticipate this being a significant sum.

3.1.2 Gross Bank Interest

The administrators have received £867.89 in gross bank interest during the period of this report.

3.2 Remaining investments

As set out in the administrators' proposals and previous reports, the Company holds investments in various private companies. We set out a summary of the remaining 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
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	6,500,341	14,879,581	

The joint administrators have sought and will continue to seek advice from S&WCF, in relation to these investments. The administrators' objective is to extract as much value as is possible on behalf of creditors although it should be noted that a number of the companies are at a relatively early stage in their life cycle. As we have previously noted, shareholdings in private companies are illiquid by their nature and the prospect of any substantial recoveries from these investments remains uncertain. Further details in relation to these investments are set out below.

3.2.1 Direct Nickel Limited and Direct Nickel Projects Pty Ltd ('Pty') (together 'DN')

The joint administrators are continuing to monitor this asset and are instructing a third party who specialises in complex asset recoveries to assist in the continuing efforts to realise this asset.

3.2.2 DeepGreen Metals Inc ("DeepGreen")

The joint administrators are continuing to monitor the position of DeepGreen and are still in the process of investigating the transfer of some of the Company's shareholding to one of the Company's directors. The administrators will continue to determine and execute a strategy to recover as much value as is possible on behalf of creditors.

3.2.3 Aftermath Collections Limited ("Aftermath")

The administrators are obtaining a third-party review of Aftermath, in order to assess the appropriateness of an offer they have received for the Company's interest in it.

3.2.4 Kannuu Pty Ltd ("Kannuu")

The joint administrators are continuing to monitor the litigation entered into by Kannuu. Due to the commercially sensitive nature of the litigation, we have not been able to obtain (and so are not able to share) full details of the litigation.

3.2.5 Superfolk Limited (“Superfolk”)

We have engaged with the directors of Superfolk in an attempt to obtain an offer for Windward’s shareholding, however, we have not received an offer. We will continue to monitor the company and liaise with its directors with a view to obtaining an offer. We are not hopeful of any substantial recoveries from this source.

3.2.6 High 50 Holdings Limited (“High 50”)

We were notified that this company is insolvent and is at risk of being struck-off the register of companies. We have engaged further with the company’s management and are currently seeking an appointment as liquidators of this company. As liquidators we will have a better view of the company’s finances, the likely return to creditors and hence of the likely recovery Windward will make on the debt outstanding to it. It appears highly unlikely that Windward will recover any substantial amounts with regard to its investment in High 50.

3.3 Other assets

3.3.1 Contingent receivable

The Company could benefit from any recovery made by British American Tobacco Industries Plc (B.A.T.) from Sequana, by way of set off of amounts owed by the Company to B.A.T. However, in view of Sequana’s insolvency proceedings, any benefit, even if by set-off, to be obtained by the Company from this source appears to be remote.

3.3.2 Wine

We have not yet been able to complete our investigation into the Company’s wine portfolio. We do not anticipate a significant realisation from this source.

3.3.3 Arjo Wiggins (Bermuda) Holdings Ltd

We are not aware of any assets held in this subsidiary; however, we have not yet fully concluded our investigations into it.

4. Investigations

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

As noted previously, we have complied with our duty under the Company Directors Disqualification Act 1986 in making a submission to the Secretary of State.

We are continuing to consider the affairs of the Company and the investigation of transactions which might result in a benefit to creditors.

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.

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 recently formed creditors’ committee.

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

Charged by/service(s) provided	Total	Amount	Who made	Amount
	amount	paid	payment	unpaid
	charged	£		£
Smith & Williamson LLP (See Appendix 3)	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 recently formed creditors' committee.

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	123,653.50	414.11	Nil
26 April 2019 to 25 October 2019	126.80	36,208.50	285.56	Nil
26 October 2019 to 25 April 2020	253.25	78,862.50	311.40	Nil
Total	678.65	238,724.50	351.76	Nil

Attached as Appendix II, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the 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 April 2020 which provides details of the administrators' time costs since appointment. As the administrators have not received approval for their remuneration to date, the administrators have not drawn any fees on account of these costs.

It should be noted that the administrators will be seeking approval for further fees over and above those estimated originally in the Joint Administrators' Proposal. That original estimate was for a period of 12 months and clearly the administrators have now been working on this assignment for more than 18 months. This increased fee estimate will be provided to the creditors' committee for approval. If approval is granted, the administrators will communicate this to the general body of creditors in the next progress report.

The joint administrators' costs to date are £238,724.50, as above, compared to the original estimate in our proposals of £300,000. Appendix IV provides a copy of the previously authorised time cost estimate breakdown for comparison purposes. Going forward, the joint administrators anticipate future costs to be in the region of £211,275.50 and for total costs to be £450,000. Appendix V provides a detailed breakdown of our anticipated future costs.

As our original time costs estimate is very likely to be exceeded we will be seeking the appropriate authority from the creditors' committee to draw an additional amount of fees, as shown in Appendix IV. Subject to the

relevant authority being granted by the creditors' committee, the revised incurred time costs which may be drawn by the joint administrators will be £450,000 without further recourse to the creditors.

An explanation of these future costs can be found in the 'Outstanding matters' section of this report.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising. In the event that the revised fees estimate is likely to be exceeded, the joint administrators will need to provide an update and seek approval from the creditors' committee 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.

Creditors should be aware that some of the administrators' work is required by statute and may not necessarily provide any financial benefit to creditors. An example would include 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 VI.

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

6.1 Smith & Williamson Employee Benefit Consultants, a division of Smith & Williamson Financial Services Limited ('S&WEBC')

S&WEBC has assisted the administrators in dealing with the Company's pension affairs. Payments to parties in which administrators or their firm have an interest must be disclosed to, and approved by, creditors. The basis of S&WEBC's remuneration for its work in this matter will be subject to the approval of the creditors' committee

S&WEBC's time costs for the reporting period to 25 April 2020 are £5,265.75. This represents 11.90 hours at an average rate of £442.50 per hour. In the period covered by this report no costs have been paid on account

Details of S&WEBC's charge out rates are included at Appendix VI.

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 £
KaurMaxwell Limited (Legal advice)	Hourly rate and disbursements	31,418.30	Nil	31,418.30

7.3 Administrators' disbursements

We have not paid any disbursements from the estate in the current period.

7.4 Category 2 disbursements (see Appendix VI)

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

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

We have not paid any Category 2 disbursements from the estate in the current period.

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 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/secured creditor.

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 £346,976,725 from 30 parties. Total claims as per the directors' SOA were £11,776,685 with 14 claims listed. It should be noted that due to the complexity of the claims received these claim figures may change. These very substantial new creditor claims are relating to river pollution clean-up costs in the US. These new claims are still being reviewed and have not been adjudicated upon by the administrators as yet.

As noted in previous reports, the joint administrators are aware that the Company has a contractual obligation to meet ongoing contributions towards an unapproved and unfunded pension scheme, which was estimated to amount to £3,441,762 in the directors' SOA. After further investigation with assistance from S&WEBC, the administrators believe that the liability is between £4.7 million and £6 million, depending on the calculation used. The administrators have concluded that a number of individuals have unsecured claims against the Company in relation to their pension benefits.

It should be noted that the administrators have not received further correspondence in relation to the judgment 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. The Company and its directors still dispute the Company's liability in respect of the sum.

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	346,976,725	Nil	Nil
Number of claims	14	30	Nil	Nil

Given the level of realisations to date, a dividend to unsecured creditors of any significant percentage is uncertain at this stage.

9. Outstanding matters

The joint administrators' actual time costs to date are £238,724.50, as detailed in section 6, compared to our original estimate of £300,000. In addition to the original estimate, the anticipated future costs are in the region of £211,275.50, with estimated total fees of £450,000. Appendix V provides a detailed breakdown of our anticipated future costs. A narrative explanation of these future costs can be found below.

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' committee 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. An example includes investigating the former officers of the company as required by the Company Directors' Disqualification Act 1986.

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

- Case maintenance and compliance requirements;
- Continue investigations into the Company's affairs and seeking recoveries where possible;
- Continuing to investigate the Companies investments and other assets and seeking recoveries where possible;
- Filing corporation tax returns and obtaining tax clearance in respect of the administration period;
- Seeking approval for the joint administrators' remuneration and costs from the creditors' committee;
- Further statutory reporting as required by IA86 and IR16; 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. Ending the administration

As a reminder to creditors, the administration was extended to 25 October 2020. If a further extension is required, an application to Court will be necessary.

The administrators still believe that a CVA or a CVL are not viable ways forward due to the value of the assets of the Company, being primarily shares in private companies, which 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: 22 May 2020

I Receipts and payments account

Receipts and payments account to 25 April 2020

Windward Prospects Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 26/10/2019 To 25/04/2020 £	From 26/10/2018 To 25/04/2020 £
	ASSET REALISATIONS		
	Bank Interest Gross	867.89	893.15
3,000.00	Cash at Bank	NIL	4,904.84
12,028,100.00	Investments/Shareholdings	751,180.52	751,180.52
	Repayment of Loans	NIL	9,460.93
		<u>752,048.41</u>	<u>766,439.44</u>
<u>12,031,100.00</u>		<u>752,048.41</u>	<u>766,439.44</u>
	REPRESENTED BY		
	Clients Deposit (Int Bearing)		766,439.44
			<u>766,439.44</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.
- 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.
- 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.

II Time analysis for the period

From 26 October 2019 to 25 April 2020

Windward Prospects Limited
Breakdown of time spent by Smith & Williamson LLP employees
for the period ended 25 April 2020

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	1.00	0.00	6.00	18.40	0.00	25.40	£ 771.00	261.57
Company governance & compliance	0.00	1.00	0.85	0.15	0.00	2.00	324.50	162.25
Due diligence review & preparation of disclosure documents for planning meetings & board statements	2.64	0.00	1.90	1.75	0.00	12.80	£ 340.25	495.33
Partners' agreement to the VAT for EPRHC Company Director's Meeting related	0.00	0.00	0.50	1.00	0.00	2.50	£ 17.50	147.00
Partners' agreement to the Director's Meeting	0.00	0.00	0.00	0.00	0.00	0.00	430.00	15.00
Partners' agreement to the Director's Meeting	0.00	0.00	0.00	4.75	0.00	4.75	1,160.25	244.19
Company governance	0.00	0.00	0.00	10.40	0.00	10.40	2,234.00	215.00
Company governance	0.00	0.00	0.00	0.00	0.00	0.00	472.75	236.37
Partners' agreement to the Director's Meeting	0.00	0.00	0.10	0.00	0.00	0.10	145.00	147.17
Director's agreement to the Director's Meeting	0.00	0.00	0.00	4.00	0.00	4.00	1,035.00	147.40
Other	0.00	0.00	0.25	0.00	0.00	0.25	1,034.25	225.33
Investigations								
Statutory returns, reports & meetings	0.00	0.00	0.00	0.00	0.00	0.00	1,034.50	215.00
Due diligence review & preparation of disclosure documents	0.00	0.00	4.15	0.00	0.00	4.15	5,317.75	127.47
Other	0.00	0.00	0.00	0.00	0.00	0.00	10.00	15.00
Realisation of assets								
Statutory returns, reports & meetings	0.00	0.00	0.00	0.00	0.00	0.00	1,160.00	177.50
Due diligence review & preparation of disclosure documents	0.00	0.00	0.00	0.00	0.00	0.00	10,351.25	534.26
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	49.00
Creditors								
Statutory returns, reports & meetings	0.00	0.00	0.00	0.00	0.00	0.00	75.75	115.00
Due diligence review & preparation of disclosure documents	0.00	0.00	0.00	0.00	0.00	0.00	4,434.00	164.51
Other	0.00	0.00	0.00	44.00	0.00	44.00	4,434.00	164.51
Other	0.00	0.00	0.00	0.00	0.00	0.00	70.00	37.00
AML/Compliance								
Statutory returns, reports & meetings	0.00	0.00	0.00	0.00	0.00	0.00	1,160.00	177.50
Other	0.00	0.00	0.00	0.00	0.00	0.00	1,160.00	177.50
Total	31.55	0.00	67.50	154.20	0.00	253.25	£78,862.50	£311.40

Windward Prospects Limited
Breakdown of time spent by Smith & Williamson Financial Services employees
for the period ended 25 April 2020

for the period ended 29 April 2020								
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								
Total	11.90	0.00	0.00	0.00	0.00	11.90	£5,265.75	£442.50

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;
- Maintaining physical case files and electronic case details on IPS (case management software);
- Internal case review;
- Work planning and progression meetings;
- Production of statutory reports;
- Statutory filings of reports; 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 asset recoveries. This work includes the following:

- Investigating the actions of various parties in the lead up to the administration of the Company;
- Correspondence and review of the Sale and Purchase Agreement between the previous and current parent companies and the potential associated liabilities relating to that agreement;
- Reviewing further documents and liaising with advisors;
- Liaising with advisors regarding the potential associated liabilities of the Sale and Purchase Agreement; and
- Corresponding with the directors.

Realisation of Assets

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

- Liaising with potentially interested parties;
- Making enquires and gathering information in relation to the Company's investments;
- Correspondence and liaising with third parties as to the value of dispositions;
- Liaising with the management of the Company's investments;
- Liaising with professional advisors regarding the sale of idio;
- Reviewing sale documents in relation to idio and completing steps necessary to facilitate the sale of that company;
- Seeking appointment over one of the Company's subsidiaries, High 50 Holdings Limited;
- Reviewing the position in relation to the contingent receivable.

Creditors

- Progressing the formation of a creditors' committee;
- Dealing with technical matters surrounding the formation of the creditors' committee;
- Preparation for and holding the first creditors' committee meeting;
- Requesting creditor information from the Directors;
- Reviewing and uploading creditor listing into our internal systems;
- 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 them into the case management system; and
- Receiving calls and correspondence from creditors and dealing with the same.

Cashiering and Compliance

- Completing bank reconciliations;
- Background tasks regarding receipt of funds from investments; and
- Compliance with insurance requirements.

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			
Pre-Appointment								
AML/ Conflict & Ethics checks, engagement letters	1.00	0.00	0.00	5.85	0.00	6.85	1,930.25	281.79
Initial meetings	0.00	0.00	0.00	0.50	0.00	0.50	107.50	215.00
General advisory work insolvent	2.00	0.00	0.00	0.00	0.00	2.00	1,300.00	650.00
Appointment form activities	4.50	0.00	1.50	4.45	0.00	10.45	4,174.25	399.45
Preparation of pre appointment documents	2.25	0.00	0.00	7.90	0.00	10.15	2,969.75	292.59
Job planning	0.00	0.00	11.25	0.15	0.00	11.40	4,138.50	363.00
Total	9.75	0.00	12.75	18.85	0.00	41.35	£14,620.25	£353.57

Windward Prospects Limited
Breakdown of time spent by Smith & Williamson Financial Services employees
for the period 26 October 2018 to 25 April 2020

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								
SWF's Employee Benefit Contributions	38.20	0.00	0.00	0.00	0.00	38.20	£16,903.50	£442.50
Total	38.20	0.00	0.00	0.00	0.00	38.20	£16,903.50	£442.50

Notes

The following gives a summary of our original estimates, provided in our proposals, and the actual time costs incurred as at 25 April 2020 for ease of comparison:

Task	Estimated fees to be incurred	Actual Fees Incurred £
Administration and Planning	66,200.00	81,574.75
Investigations	96,645.00	52,652.50
Realisation of Assets	87,432.50	35,240.75
Creditors	42,602.50	48,045.75
AML/ Compliance	0.00	3,923.75
Corporate Finance	0.00	3,125.00
Forensics	7,100.00	14,162.00
Total	300,000.00	238,724.50

The material differences between our original estimates and what has actually been incurred as at 25 April 2020 can be explained as follows:

Administration and Planning - Administration and planning covers a wide range of general administrative tasks. These tasks are essential to ensure the proper running of the administration.

Investigations - We have not concluded our investigations into the Company's affairs.

Realisation of assets - A significant amount of the Company's assets have not yet been realised and work is continuing to establish the optimum realisation strategy.

Creditors - A significant amount of time has been incurred in researching and establishing the claims of creditors relating to the Company's unfunded, unapproved pension liabilities and in commencing a review of the very substantial US pollution clean-up related claims.

IV Original Fee Estimate

Woodward Prospects Limited (In Administration) Fees estimate according to number of hours, grade of staff and expected work to be undertaken for the period 26 October 2018 to 25 October 2019							
Anticipated case duration	Year						
	Partner/ Director	Manager	Administrator	Assistants & support staff			
Hourly rate (£)	625	455	285	250			
	Hours				Total hours	Total estimated time costs (£)	Average hourly rate
Classification of work function							
Administration and planning							
Initial case file preparation	10.00	25.00	15.00	2.00	52.00	22,400.00	430.77
Initial case file preparation - continued	1.00	3.00	5.00	2.00	11.00	3,915.00	355.91
Continued case file preparation	1.00	2.00	5.00	10.00	18.00	5,460.00	303.33
Preparation of case file for the court	15.00	25.00	25.00	-	65.00	27,875.00	428.85
Initial case file preparation	-	1.00	2.00	-	3.00	1,025.00	341.67
Continued case file preparation	-	0.50	2.00	-	2.50	797.50	319.00
Continued case file preparation	2.00	2.00	1.50	-	5.50	2,587.50	470.45
Continued case file preparation	2.00	2.00	-	-	4.00	2,160.00	540.00
Investigations							
Continued case file preparation	1.00	5.00	5.00	-	11.00	4,325.00	393.18
Continued case file preparation	5.00	25.00	25.00	-	55.00	21,625.00	393.18
Continued case file preparation	1.00	5.00	5.00	-	11.00	4,325.00	393.18
Continued case file preparation	35.00	50.00	25.00	-	110.00	51,750.00	470.45
Continued case file preparation	5.00	10.00	10.00	-	25.00	10,525.00	421.00
Continued case file preparation	2.00	5.00	2.00	-	9.00	4,095.00	455.00
Realisation of assets							
Continued case file preparation	1.00	10.00	5.00	-	16.00	6,600.00	412.50
Continued case file preparation	0.50	2.00	1.00	-	3.50	1,507.50	430.71
Continued case file preparation	35.00	50.00	15.00	-	100.00	48,900.00	489.00
Continued case file preparation	10.00	15.00	10.00	-	35.00	15,925.00	
Continued case file preparation	10.00	15.00	5.00	-	30.00	14,500.00	483.33
Creditors							
Continued case file preparation	2.00	3.00	5.00	-	10.00	4,040.00	404.00
Continued case file preparation	5.00	8.00	6.00	-	19.00	8,475.00	446.05
Continued case file preparation	19.46	30.00	15.00	-	64.46	30,087.50	466.76
Forensics							
Continued case file preparation	5.00	10.00	5.00	-	20.00	7,100.00	355.00
Total	162.96	293.50	189.50	14.00	659.96	300,000.00	454.57

Woodward Prospects Limited (In Administration) Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *		
Estimated expenses applicable to all cases		Total
Category 1 expenses		140.00
Category 2 expenses		159.00
Case specific costs - where applicable		
Category 1 expenses		2,500.00
Category 2 expenses		50,000.00
Category 3 expenses		200.00
Category 4 expenses		10,000.00
Category 5 expenses		10,000.00
Total		72,999.00
Category 1 expenses, in accordance with Statement of Insolvency Practice 9 are specific costs payable to an independent third party and relate directly to the case in question. Category 2 expenses are payable to the office holders firm and are shared or allocated costs, most notably Business mileage		

V Future Estimated Costs

Below is a comparison between the time incurred so far during the administration and the further anticipated costs for each category of work.

Task	Actual Fees Incurred £	Future Estimated Costs	Total Estimated
Administration and Planning	81,574.75	26,275.50	107,850.25
Investigations	52,652.50	65,000.00	117,652.50
Realisation of Assets	35,240.75	60,000.00	95,240.75
Creditors	48,045.75	30,000.00	78,045.75
AML/ Compliance	3,923.75	Nil	3,923.75
Corporate Finance	3,125.00	10,000.00	13,125.00
Forensics	14,162.00	20,000.00	34,162.00
Total	238,724.50	211,275.50	450,000.00

It should be noted that a comparison is not shown between the costs incurred by S&WEBC so far and the future S&WEBC estimated costs. S&WEBC's fees do not form part of the administrators' remuneration. They are agreed as part of the administrators' disbursements, which require separate approval from the creditors' committee.

VI 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&WEBC
 - Disbursement recovery
- Smith & Williamson LLP's and S&WEBC'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.

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 have been 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	London office	Regional offices
Restructuring & Recovery Services	£/hr	£/hr
Charge out rates as at 1 July 2018		
Partner / Director	450-520	360-380
Associate Director	420	290-320
Managers	250-365	225-310
Other professional staff	170-320	140-185
Support & secretarial staff	90	60-140

Smith & Williamson LLP	London office	Regional offices
Restructuring & Recovery Services	£/hr	£/hr
Charge out rates as at 1 July 2019		
Partner / Director	470-540	376-432
Associate Director	440	352
Managers	270-380	216-304
Other professional staff	180-380	144-192
Support & secretarial staff	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&W Employee Benefits Consultancy	Per hour
Charge out rates from 1 July 2018	£
Director	245-349
Associate Director	204-244
Manager	139-195
Administrator	88-170

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

Smith & Williamson LLP	London office
Corporate Finance	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	500
Associate Director	330
Managers	270
Other professional staff	135
Support & secretarial staff	82

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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