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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)
Finbarr Thomas

Surname
O'Connell

3 Administrator's address

Building name/number
Smith & Williamson LLP

Street
45 Gresham Street

Post town
London

County/Region

Postcode
E C 2 V 7 B G

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
45 Gresham Street

Post town
London

County/Region

Postcode
E C 2 V 7 B G


Country
United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6										Period of progress report									
From date		d 2 6		m 1 0		y 2 0		y 2 1											
To date		d 2 5		m 0 4		y 2 0		y 2 2											
7										Progress report									
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8										Sign and date									
Administrator's signature		Signature		X				X											
Signature date		d 2 4		m 0 5		y 2 0		y 2 2											

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Contact name Cameron Dalrymple-Rockett

Company name Smith & Williamson LLP

Address 45 Gresham Street

Post town London

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Postcode EC2V 7BG

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DX

Telephone 020 7131 4000

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Windward Prospects Limited (in administration)

Joint administrators' progress report for the period from 26 October 2021 to 25 April 2022

24 May 2022



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1. Glossary

Abbreviation	Description
the Company/Windward	Windward Prospects Limited
the administrators/joint administrators	Finbarr O'Connell and Colin Hardman
Cenkos	Cenkos Securities Plc
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
SPAC	Special Purpose Acquisition Company
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
HMRC	HM Revenue & Customs
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
SWIM	Smith & Williamson Investment Management, a division of Smith & Williamson Financial Services Limited
FCA	Financial Conduct Authority
The Directors	Christopher Gower, Brian Tauscher and Gerard Barron
B.A.T.	British American Tobacco Inc
BTI	BTI 2014 LLC, a subsidiary of B.A.T.
Sequana	Sequana S.A. - the holder of one preference share in the Company and the former owner of the Company, prior to the Company's acquisition by TMW Investments and others
TMC	The Metals Company Inc
TMW Investments	TMW Investments (Luxembourg) Sarl - a 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 2022. It should be read in conjunction with any previous reports. By way of reminder, we, Finbarr O'Connell and Colin Hardman, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed administrators of the Company on 26 October 2018.

Brief summary and key points

- The joint administrators continue, in accordance with their approved proposals, to pursue 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 administrators continue to make progress regarding the investigations in relation to the Company's remaining investments with a view to maximising recoveries from them for the benefit of the creditors. We have carried on this work to better understand the current position of the assets and/or to seek realisation by way of sale of the Company's interests in various investments. The continuing work in this regard remains sensitive and confidential in nature, apart from information disclosed in relation to realisations detailed in the body of this and previous reports.
- We have received creditor claims of £349,906,793.39 from 24 claimants as compared to the figure in the directors' SOA, which was £13,977,703.03. Very substantial creditor claims from B.A.T. and BTI relate to the Company's liability for river pollution clean-up costs in the US. We are currently reviewing the merits of the quantum claimed with the assistance of our solicitors. If the B.A.T and BTI claims are confirmed at the amounts claimed, then the dividend return to other creditors will be very substantially reduced. However, the administrators will endeavour to pay an interim distribution to the unsecured creditors when the adjudication of creditors' claims has been completed. It is expected that this process will still take a few months and further information will be provided on this as soon as possible.
- The joint administrators continue their work on various investigation strands with a view to maximising any potential recoveries for the benefit of creditors.
- The joint administrators are still continuing to assist the Company's principal creditors, BAT and BTI, in relation to claims against Sequana and other parties. These claims were assigned to those companies, by the Company, in the pre-administration period.
- During the period, the Company's shareholding in TMC became unrestricted and available to trade on the NASDAQ stock exchange. In the period leading up to the date when trading of the shares became possible, the joint administrators received advice from Cenkos, their specialist advisers, that an immediate orderly sale of the shares would be in the best interests of the Company's creditors. The Company's shareholding in TMC has now been fully divested and gross proceeds of £10.63m have been received (£10.57m net proceeds).
- Further asset recoveries remain uncertain but a dividend to unsecured creditors will take place at the appropriate time. The level of dividend will be dependent on the adjudication of creditor claims.
- Some of the joint administrators' fees were approved by unsecured creditors, however, they will be subject to further confirmation by the creditors' committee.
- The joint administrators are pursuing a number of potential litigation avenues which may lead to substantial recoveries for the benefit of the creditors.

3. Progress of the administration

Attached at Appendix I is our receipts and payments account for the period from 26 October 2021 to 25 April 2022. This account includes cumulative figures for the period from 26 October 2018 to 25 April 2022.

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

3.1 TMC shares

During the period, the Company's shareholding in TMC became unrestricted and available to trade on the NASDAQ stock exchange. This followed a period of escrow after the completion of the business combination, in September 2021, during which time the shares could not be traded.

The joint administrators received advice from Cenkos that it would be in the interests of creditors to pursue an orderly, immediate sale of the TMC shares. We instructed SWIM to take custody of and arrange the sale of the shares.

The Company's 7,390,119 shares were sold over the course of a week, at an average price of \$1.90 per share, for gross consideration of USD\$14,052,881.45 (GBP £10,635,165). Net proceeds of £10,574,471 were received into the administration, following deduction of broker commission and other fees associated with the share trades.

The administrators are continuing to liaise with Smith & Williamson's internal Corporate Tax team to ensure tax liabilities on chargeable gains are provided for.

3.2 Gross bank interest

The administrators have received £20.91 in gross bank interest during this period.

3.3 Remaining investments

The administrators are continuing to monitor the remaining investments with a view to realising their maximum potential. An overview of the remaining assets is shown in the table below, followed by a summary of the position.

Investment	Invested Sum		
	Debt	Equity	Shareholding
	US\$	US\$	%
Direct Nickel Ltd & Direct Nickel Projects Pty Ltd	915,000	5,173,958	13 & 55
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	6,994,468	

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

The joint administrators continue to monitor DN's progress and its value. The companies are still in their early phases of the development of their business plan. The administrators are in communication with their appointed advisor as to DN's progress. However, there are still no significant matters regarding asset recoveries from these investments to report at this time.

3.3.2 Aftermath Collections Limited ("Aftermath")

The joint administrators are in continuing discussions regarding the sale of the Company's interest in Aftermath. There have been some modifications to the sale agreements based on updated records and satisfied charges. The administrators have provisionally agreed the amendments to the sale documents and will present their views and consult with the creditors committee of the sale of this asset.

3.3.3 Kannuu Pty Ltd (“Kannuu”)

The litigation regarding Kannuu remains ongoing in the US. We continue to receive periodic updates in relation to the litigation, but it is still too early to provide an indication as to the likelihood, quantum or timing of any recoveries at this stage. The last correspondence we had showed promising developments and we remain optimistic that the litigation can conclude favourable and in a manner beneficial to the administration.

3.3.4 Superfolk Limited (“Superfolk”)

There have been no developments to note during this period. The potential recoveries are very small in this case.

3.3.5 High 50 Holdings Limited (“High 50”)

There have been no further developments to note during this period.

3.3.6 The Rationale and business justification for the Company making the above, and other, investments

The joint administrators are continuing to investigate the rationale and business justification for the Company making the above, and other, investments. The potential write-off on these investments represents a significant part of the reduction in the Company’s net asset position.

3.3.7 Other assets

Contingent receivables

The prospects of recoveries from contingent receivables, as described in previous reports, are continuing to develop. The joint administrators are pursuing a number of potential litigation avenues which may lead to substantial recoveries for the benefit of the creditors. These matters are confidential but we will provide an update as they progress to a conclusion.

Arjo Wiggins (Bermuda) Holdings Ltd

There have been no developments to note during this period.

3.4 Administration strategy

There have been no changes to the administration strategy since the last report. The administrators will continue to pursue the objective 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).

4. Investigations

The administrators are continuing to consider (1) the affairs of the Company and (2) the investigation of transactions which might result in a benefit to creditors. The joint administrators are pursuing a number of potential litigation avenues which may lead to substantial recoveries for the benefit of the creditors.

If the administrators become aware of any new material information that will impact on the original submission made to the Secretary of State under the Company Directors Disqualification Act 1986, a further submission to the Secretary of State will be made.

5. Administrators’ remuneration

The creditors approved, on 4 January 2019, 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. However, this approval will be subject to further confirmation by the creditors’ committee.

The administrators’ time costs to date are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
26 October 2018 to 25 April 2019	295.25	93,430.25	316.44	Nil
26 April 2019 to 25 October 2019	123.90	28,749.00	232.03	Nil
26 October 2019 to 25 April 2020	253.25	69,585.00	274.77	Nil
26 April 2020 to 25 October 2020	230.17	74,981.41	325.76	Nil
26 October 2020 to 25 April 2021	351.95	168,428.19	478.56	Nil
26 April 2021 to 25 October 2021	641.98	278,752.05	434.20	Nil
26 October 2021 to 25 April 2022	455.66	304,015.10	667.20	Nil
Total	2,342.16	1,017,941.00	432.77	Nil
S&WEBC (cumulative)	39.70	11,830.45	298.00	Nil
Total as per Appendix III	2,391.86	1,029,771.45	432.77	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.

Appendix III provides a cumulative time analysis for the period since the joint administrators' appointment, from 26 October 2018 to 25 April 2022.

It should be noted that due to a reporting error in the reporting period 26 April 2021 to 26 October 2021, the time recorded in the previous report for that period was incorrect. The correct time is now included in the above table and in the cumulative time analysis at Appendix III.

Furthermore, the total costs for each period include non-insolvency teams within the firm under the instruction of the administrators. These teams are Corporate Finance, Corporate Tax and Forensics. A breakdown of their relevant time costs for the period is shown within our table at appendix II and cumulatively at appendix III. The costs for S&WEBC are recorded separately, as illustrated in the above table, which reconciles to the detailed information held at Appendix III.

The joint administrators' costs to date are £1,017,941, as above, compared to our original estimate of £300,000. This original estimate was put together before the complexities with regard to this administration were known. For instance, it is worth remembering that this case has already run for 4 years and it is expected that it will run for at least 2 or 3 more. The realisations which have been made to date highlight the benefits of the administration process.

The administrators already have approval from the unsecured creditors to draw incurred time up to the current estimate. However, the administrators will be seeking ratification from the creditors' committee of the original estimate along with approval for a revised estimate. Appendix IV provides a copy of the previously authorised time cost estimate breakdown. Additionally, a narrative explanation of the matters which remain to be dealt with in the administration can be found in the 'Outstanding matters' section of this report, below at section 8.

Creditors should be aware that some of the work completed by the joint administrators is required by statute and may not necessarily provide any direct financial benefit to creditors. An example of this would be providing information relating to the Company and its former officers as required by the Company Directors' Disqualification Act 1986.

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

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

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix V. You will notice that the charge out rates used in this case have moved from standard rates to complex rates and this has been due to the complexity of the work which was needed to be carried out with regard to the TMC shareholding position and also with regard to ongoing investigation matters. The firm has limited resources capable of dealing with such complicated cases and the benefits of utilising those staff members are already apparent in the realisations which have been made to date and in the expected outcome from various ongoing investigation matters. In any event, no administrators' fees will be drawn until they have been approved by the creditors' committee.

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

6. Administration expenses

The tables in Appendices VI and VII provide details of our expenses. Expenses are amounts properly payable by us as administrators from the estate. The tables exclude distributions to creditors. The tables also exclude any potential tax liabilities that we may need to pay as an administration expense because the amounts becoming due will depend on the position at the end of the tax accounting period.

The tables should be read in conjunction with the receipts and payments account at Appendix I which shows expenses actually paid during the period and also the total paid to date.

6.1 Subcontractors

We have not used any subcontractors during the period. Details of subcontractors used previously can be found in previous reports.

6.2 Professional advisers

As you will be aware, our estimated expenses included the cost of instructing professional advisors and the table at Appendix VI discloses the costs incurred and paid, along with the original estimates.

On this assignment we have used the professional advisers listed in the table at Appendix VI. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis. As shown in that appendix, we have used Cenkos Securities Plc ("Cenkos"), investment advisors, Kaur Maxwell Limited ("Kaur Maxwell"), solicitors, Dentons Canada LLP ("Dentons"), solicitors and advice from legal Counsel.

Cenkos

The administrators have instructed Cenkos to advise on the Company's TMC shareholding. Cenkos has provided advice on DeepGreen's business combination with SOAC, a NYSE SPAC, (which resulted in TMC being formed) and on the disposal of the TMC shares.

Cenkos has proven experience in this field and its staff's experience and knowledge has been successful on other assignments which it has been instructed on by this office. Cenkos is regulated by the Financial Conduct Authority.

Kaur Maxwell

The administrators instructed Kaur Maxwell to provide legal advice to the Company. Reasons for the instruction include the following:

- Kaur Maxwell has proven insolvency experience and has been used by Smith & Williamson on other insolvency matters. Its staff have demonstrated their experience and efficiency by dealing with matters in an efficient and economic manner in order to achieve the desired results.
- They provide competitive rates which, combined with their proven insolvency knowledge, offers the best value for creditors.
- Their expertise, experience and cost-effectiveness make them valuable on this assignment.
- They hold the appropriate regulatory authorisations from the Solicitors Regulatory Authority.

Advice from Counsel

The administrators have instructed Counsel based at Guildhall Chambers and Selbourne Chambers to provide advice on various legal matters arising from the administration. They have also been used to assist in the preparation of the necessary statutory documentation for the extension of the administration and to advise on a series of other legal matters. Our 2 counsel chambers were referred to the administrators by Kaur Maxwell.

- The Counsel we instructed have proven insolvency experience in the required field. The administrators are familiar with their work from previous matters.
- They provide competitive rates which, combined with their proven insolvency knowledge, offers the best value for creditors.
- Their expertise, experience and cost-effectiveness make them valuable on this assignment.
- They hold the appropriate regulatory authorisations from the Bar Standards Board.

Dentons

Dentons was instructed to provide advice in relation to Canadian corporate law, specifically in relation to DeepGreen, a British Columbia ('BC') registered company and also in relation to TMC, which DeepGreen morphed into following the process mentioned above. Dentons has advised the administrators in relation to the combination between DeepGreen and SOAC and the administrators rights as shareholders of DeepGreen and of TMC. More recently Dentons has provided additional advice with regard to the TMC share sale.

The administrators believe that they are receiving the best value and service from Dentons. Dentons are regulated under the Law Society of Ontario.

Comparison to initial professional advisers' expenses estimate

Creditors may recall that our initial expenses estimate for professional advisers was £50,000. Further costs will be incurred as the administration progresses.

6.3 Administrators' expenses

The table setting out details of the joint administrators' expenses is at Appendix VII.

Comparison to initial expenses estimate

Creditors may recall that our initial expenses estimate for the joint administrators' expenses was £499. We have incurred a higher level of costs, largely as a result of ongoing costs for the storage of the Company's books and records. Again, creditors must remember that this original estimate was put together before the complexities with regard to this administration were known. For instance, it is worth remembering that this case has already run for 4 years and it is expected that it will run for at least 2 or 3 more. The realisations which have been made to date highlight the benefits of the administration process.

6.4 Category 2 expenses (See appendix V)

As previously noted, S&WEBC has assisted the administrators in dealing with the Company's pension affairs. No work has been conducted by S&WEBC in this period.

Appendix III details S&WEBC's cumulative costs as an entry within the cumulative time analysis. Details of S&WEBC's charge out rates are included at Appendix V.

TMC sale costs

As mentioned in section 3, the administrators incurred significant costs arising from the sale of the TMC shares. The administrators instructed SWIM to conduct the sale of the TMC shares. As illustrated in Appendix I, the administrators, via SWIM, incurred Transactional Charges, Brokerage and Secretary fees along with Commission fees. The total costs incurred was £60,694.07 plus VAT. A breakdown of these costs can be found at Appendix I.

It should also be noted that there were no associated custody fees as they have been waived by SWIM which held the shares and the sale proceeds as custodian during the sale process. This represents a benefit to creditors as custody fees would have been due if we had instructed another entity to undertake the sale.

6.5 Non-Restructuring S&W departments

Details of non-restructuring Smith & Williamson ('S&W') departments and their costs are detailed below.

Corporate Tax

The administrators have recently instructed S&W's Corporate Tax department to provide tax advice regarding (1) the realisation of the TMC shares, (2) completing the necessary tax forms following DeepGreen's combination with SOAC and (3) providing tax advice following the disposal of the TMC shares. The total costs incurred are £13,733.18, representing 22.27 hours at an average rate of £616.67 per hour.

Corporate Finance

The administrators instructed S&W's Corporate Finance department to provide preliminary advice regarding the Company's investments within the first period of the administration. No further time has been incurred since that period. The total costs incurred are £562.50 representing 1.50 hours at an average hourly rate of £375 per hour.

To draw any funds in relation to these costs incurred the administrators will seek specific approval from the administration creditors' committee as this department is under a different Smith & Williamson entity.

Forensics

The administrators have instructed S&W's Forensics department to assist with the collection, access and provision of the Company's electronic records and files. Forensics have also assisted in providing documentation relevant to BAT's ongoing litigation. The total costs incurred are £10,926.25, representing 53.38 hours at an average rate of £204.69 per hour.

S&WEBC

As previously mentioned, the administrators instructed S&WEBC to provide pension advice regarding the claims surrounding the undefined unfunded pensioners.

The total costs incurred are £11,830.45, representing 39.70 hours at an average rate of £298 per hour. To draw any funds in relation to these costs the administrators will seek specific approval from the administration creditors' committee as this department is under a different Smith & Williamson entity.

6.6 Policies regarding use of third parties and expense recovery

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

7. Estimated outcome for creditors

The estimated outcome for each class of creditor is discussed below.

Please note that, where creditors have submitted claims in foreign currencies, they have been converted to £Sterling at the exchange rate applicable on the date of administration (26 October 2018). The applicable exchange rates are detailed in the table below (rounded up to 2 decimal places). If any creditor considers the rate to be unreasonable, they may apply to court for a determination.

Currency	Rate (GBP £)
Euro	1.13
US Dollar	1.28
Australian Dollar	1.80
Canadian Dollar	1.68

7.1 Secured creditors

There are no secured creditors.

7.2 Prescribed Part

There will be no Prescribed Part Fund in this case as there is no floating charge holder/secured creditor.

7.3 Ordinary preferential creditors

Preferential claims were estimated to be £35,237 in the directors' SOA. The administrators are seeking a formal claim from the RPS in respect of payments made. We will provide an update once a formal claim has been received.

7.4 Unsecured creditors

We have received claims totalling £349,906,793.39 from 24 parties. Total claims as per the directors' SOA were £13,977,703.03 with 13 claims listed. As stated previously, the figures may change due to the complexity of the claims received. The claims are under review by the administrators and this adjudication process has not been finalised as yet by the administrators.

A summary of unsecured claims received is set out below:

	SOA claims £	Claims received £	Claims agreed in current period £	Total claims agreed £
Amount of claims (£)	13,977,703.03	349,906,793.39	Nil	Nil
Number of claims	13	24	Nil	Nil

Given the level of realisations to date and the widely varying estimated value of future realisations, a dividend to unsecured creditors of any significant percentage is still uncertain at this stage. However, the administrators will endeavour to pay an interim distribution to the unsecured creditors when the adjudication of creditors' claims has been completed. It is expected that this process will still take a few months and further information will be provided on this as soon as possible.

8. Outstanding matters

The joint administrators' actual time costs to date are £1,017,941, as detailed in section 5, compared to our original estimate of £300,000. As mentioned above, this original estimate was put together before the complexities with regard to this administration were known. For instance, it is worth remembering that this case

has already run for 4 years and it is expected that it will run for at least 2 or 3 more. The realisations which have been made to date highlight the benefits of the administration process.

In addition to the original estimate, it was anticipated in the previous report that the anticipated future costs would be £850,000. However, given the current costs to date, our previous estimate will likely be exceeded soon and therefore our future time costs are estimated to be in the region of £1,500,000. As detailed in this report, the administrators will seek ratification from the creditors' committee with regard to their amended fee estimates.

There are a number of matters which require attention and work input from the administrators as well as their advisors concerning future asset realisations, investigations and pre-administration obligations. The administrators believe that this work is necessary as it will yield a better return for creditors as per the administration objective being pursued.

Please note that the estimate of future costs 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, with assistance from our legal advisors, as necessary.
- Continuing to investigate the Company's remaining investments and other assets
- To maximise recoveries from the remaining investments and assets, including potential legal actions, where possible.
- Continue to liaise with the Company directors and legal advisors regarding the Company's liability surrounding the Fox River and Kalamazoo River pollution clean-up operations.
- Filing the necessary corporation tax returns and obtaining tax clearance in respect of the administration period.
- Attending to potential tax matters and documentation surrounding the disposal of the Company's holding of the TMC shares.
- To continue to liaise with and to assist B.A.T., where necessary, under the terms of various pre-administration agreements.
- Seeking approval for the joint administrators' remuneration and costs from the creditors' committee.
- To review and agree the liability owed to the unfunded pension creditors
- Adjudicating on creditor claims.
- Preparing distributions to creditors, as appropriate.
- Further statutory reporting as required by IA86 and IR16.
- Closure of the administration, including preparing and issuing the final report.

9. 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/rsgdpr>

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.

10. Ending the administration

The administrators continue to believe that a CVA or a CVL are not presently viable ways forward due to the value of the assets of the Company given that an extension has been recently granted up until 26 April 2024.

The administrators believe that once all the assets have been realised in the administration, the administrators will apply to court to enable a distribution to preferential and unsecured creditors.

11. 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 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:

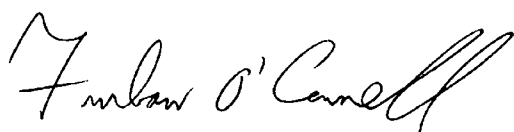
i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

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

12. 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 O'Connell and Colin Hardman

Joint Administrators

Date: 24 May 2022

Finbarr O'Connell and Colin Hardman have been appointed as Joint Administrators of the Company on 26 October 2018.

The affairs, business and property of the company are being managed by the Joint Administrators as agents and without personal liability.

Both/All office-holders are authorised and licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Further details of their licensing body along with our complaints and compensation procedure can be accessed at: <https://smithandwilliamson.com/en/insolvency-licensing-bodies/>

The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.icaew.com/technical/insolvency/sips-regulations-and-guidance/insolvency-code-of-ethics>

The Joint Administrators may act as controllers of personal data, as defined by the UK data protection law, depending upon the specific processing activities undertaken. Smith and Williamson LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment.

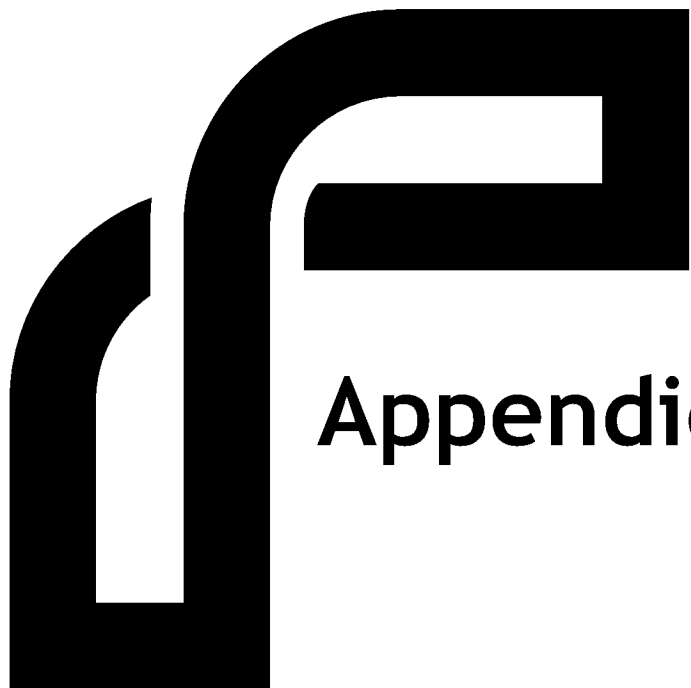
The Fair Processing Notice in relation to the UK General Data Protection Regulation can be accessed at <http://smithandwilliamson.com/rsgdpr>

Should you wish to be supplied with a hard copy of any notice, attachment or document relating to a case matter, please contact the staff member dealing with this matter at any time via telephone, email or by post and this will be provided free of charge within five business days of receipt of the request.

The word partner is used to refer to a member of Smith & Williamson LLP. A list of members is available at the registered office

Registered in England at 25 Moorgate, London EC2R 6AY No OC369631

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities



Appendices

I Receipts and payments account

Receipts and payments account to 25 April 2022

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

Statement of Affairs £	From 26/10/2021 To 25/04/2022 £	From 26/10/2018 To 25/04/2022 £
	ASSET REALISATIONS	
	Bank Interest Gross	20.91
3,000.00	Cash at Bank	1,729.45
	Investments/Shareholdings	NIL
12,028,100.00	Repayment of Loans	4,904.84
	TMC Shareholding	755,965.65
	Wine Holdings	9,460.93
	10,635,165.17	10,635,165.17
	NIL	3,354.60
	<u>10,635,186.08</u>	<u>11,410,580.64</u>
	COST OF REALISATIONS	
	Agents/Valuers Fees	40,000.00
	Bank Charges	78,427.86
	Brokers Commission	6.80
	Data Hosting/Access Fees	18.95
	Brokerage & Sec Fees	55,479.02
	Legal Expenses	2,345.00
	Legal Fees	2,345.00
	Storage Costs	5,164.97
	Transaction Charges	5,164.97
	10,549.14	26,699.44
	78,131.31	378,147.61
	154.15	308.30
	50.08	50.08
	<u>(191,880.47)</u>	<u>(546,641.23)</u>
<u>12,031,100.00</u>	<u>10,443,305.61</u>	<u>10,863,939.41</u>
	REPRESENTED BY	
	Clients Deposit (Int Bearing)	10,776,992.25
	VAT Receivable	86,947.16
		<u>10,863,939.41</u>

Notes and further information required by SIP 7

- The administrators' remuneration has been approved by the unsecured creditors but not yet ratified by the creditors' committee.
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- 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 expenses 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.
- As mentioned in section 3, the sale of the TMC shares as well as the associated charges, commissions and fees have been converted from US Dollar to GBP Pound Sterling at the transaction date.

II Time analysis for the period

From 26 October 2021 to 25 April 2022

Period	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	0.00	0.00	5.55	28.93	0.00	34.48	15561.36	451.32
Case administration	53.90	0.00	8.10	20.76	0.00	82.76	56128.32	678.21
Sub-total Administration & planning	53.90	0.00	13.65	49.69	0.00	117.24	71689.68	611.48
Investigations								
Records and investigations	78.50	5.20	10.13	15.36	0.00	109.19	77685.68	711.47
Sub-total Investigations	78.50	5.20	10.13	15.36	0.00	109.19	77685.68	711.47
Realisation of assets								
Other assets	56.20	0.00	0.40	0.00	0.00	56.60	44731.20	790.30
Tax assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Legal actions (civil recoveries)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total Realisation of assets	132.70	0.00	18.20	27.58	0.00	178.48	127059.36	711.90
Creditors								
Employees, Pensions & RPS	7.60	0.00	0.55	0.00	0.00	8.15	6322.80	775.80
Unsecured creditors (exc. Staff)	15.40	0.30	1.00	0.00	0.00	16.70	12938.40	774.75
Sub-total Creditors	23.00	0.30	1.55	0.00	0.00	24.85	19261.20	775.10
Total of all hours	288.10	5.50	43.53	92.63	0.00	429.76		
Total of all £	860.00	2,475.60	26,264.00	37,078.87	0.00		295,695.92	
Average rate	2.99	450.11	603.35	400.29	0.00			688.05
Time undertaken by non insolvency teams								
Business Tax	5.00	0.00	2.27	0.00	0.00	7.27	5,733.18	788.61
Forensics	0.00	0.00	2.00	16.63	0.00	18.63	2,586.00	138.81
S&WEBC	1.30	0.00	0.00	0.00	0.00	1.30	440.70	339.00
Total hours (non insolvency teams)	6.30	0.00	4.27	16.63	0.00	27.20	8,759.88	322.05
Grand total hours	294.40	5.50	47.80	109.26	0.00	456.96		
Grand total £	860.00	2,475.60	26,264.00	37,078.87	0.00		304,455.80	
Average rate £/hr (all staff)	2.92	450.11	549.46	339.36	0.00			666.26

Explanation of major work activities undertaken

Administration and Planning

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

- Production and filing of statutory reports.
- Dealing with routine correspondence.
- Senior level work ensuring the Company complied with its obligations to share records and information with various parties.
- Maintaining physical case files and electronic case details on IPS (case management software).
- Internal and external strategy meetings regarding the progression of the administration and reviewing the outcome for creditors based on numerous scenarios concerning asset realisations.
- Reviewing the restructuring of DeepGreen/TMC and monitoring TMC's share progress.
- Dealing with and instructing Cenkos to provide assistance with reviewing the commerciality of realising the of DeepGreen/TMC investment.
- Taking receipt of the DeepGreen/TMC share consideration.

- Seeking tax advice regarding up-and-coming tax returns.
- Seeking a necessary extension of the administration, including communication with our lawyers regarding production of the necessary documents for submission.
- Communication with the creditors' committee regarding consent for extension.

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:

- Further investigations of the actions of various parties in the lead up to the administration of the Company.
- Continued review and investigation regarding the substantive liability surrounding the Company's obligation to meet remedial costs for US river pollution.
- Ongoing assistance provided to B.A.T., regarding their ongoing litigation under the terms of certain pre-administration agreements.
- Further review into the investment strategy and dispositions of assets in connection to ongoing investigations and realisations.

Realisation of Assets

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

- Continued review of TMC share position regarding the potential realisation of the Company's investment in its shares. This has also been done in conjunction with the Administration and Planning section above.
- Monitoring and sale of the TMC shares.
- Liaising with SWIM during the sale process of the TMC shares.
- Continued correspondence with directors of Aftermath, review of internal records and negotiation of sale price of the Company's interest in Aftermath.
- Agreement of sale consideration for Aftermath and review of sale and transfer documents (to be fully completed within the next period).
- Monitoring the Company's other investments and keeping abreast of various developments.
- Researching and reviewing potential legal actions.

Creditors

- Dealing with creditor communications.
- Review of creditor position and updates where necessary.
- Issuing updates and creditor specific communications.
- Update calls with creditors including the unfunded pensioners.
- Investigation and review of the unfunded pensioners arrangement amounts to determine the estimated liability due.

Cashiering and Compliance

- Completing bank reconciliations.
- Making payments to various advisors and paying other administration expenses.
- Background tasks regarding receipt of funds from investments.
- Compliance with insurance requirements.

III Cumulative time analysis

From 26 October 2018 to 25 April 2022

Cumulative	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	7.75	0.85	82.97	119.93	0.00	211.50	61751.03	291.97
Case administration	658.90	4.32	90.22	184.06	0.00	937.49	463590.05	494.50
Post appointment AML	0.00	0.00	0.00	18.95	0.00	18.95	3,979.50	210.00
Administration & planning - other (legacy)	0.80	0.00	3.75	67.30	0.00	71.85	14,492.75	201.71
Sub-total Administration & planning	667.45	5.17	176.93	390.24	0.00	1239.79	543,813.33	438.63
Investigations								
Directors	0.00	0.00	7.00	2.60	0.00	9.60	2,496.25	260.03
Records and investigations	143.80	5.20	50.75	123.59	0.00	323.34	148,599.54	459.58
Investigations, other (legacy)	0.00	0.00	0.00	2.10	0.00	2.10	367.50	175.00
Sub-total Investigations	143.80	5.20	57.75	128.29	0.00	335.04	151,463.29	452.08
Realisation of assets								
Freehold property assets	0.00	0.00	3.00	0.00	0.00	3.00	900.00	300.00
Other assets	70.20	2.60	60.87	48.92	0.00	182.58	84,403.43	462.27
Tax assets	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00
Business sale	0.00	0.00	17.00	0.00	0.00	17.00	4,932.50	290.15
Legal actions (civil recoveries)	0.25	44.60	57.47	49.82	0.00	152.13	48,048.33	315.83
Leasing and HP assets	0.00	0.00	0.85	0.00	0.00	0.85	255.00	300.00
Realisation of assets, other (legacy)	90.80	0.00	48.70	41.68	0.00	181.18	102,279.16	564.52
Sub-total Realisation of assets	161.25	47.20	187.88	140.41	0.00	536.75	240,818.42	448.66
Creditors								
Employees, Pensions & RPS	8.70	0.00	13.95	11.65	0.00	34.30	12,772.30	372.37
Unsecured creditors (exc. Staff)	16.25	3.10	69.35	37.68	0.00	126.38	43,352.98	343.03
Creditors, other (legacy)	0.00	0.00	0.00	2.75	0.00	2.75	498.75	181.36
Sub-total Creditors	24.95	3.10	83.30	52.08	0.00	163.43	56,624.03	346.47
Total of all hours	997.45	60.67	505.86	711.03	0.00	2,275.01		
Total of all £	319,554.50	21,731.41	58,674.11	60,290.63	0.00		992,719.07	
Average rate	320.37	358.21	115.99	84.79	0.00			436.36
Time undertaken by non insolvency teams								
Corporate Tax	0.00	11.50	0.00	10.27	0.50	22.27	13,733.18	616.67
Corporate Finance	1.50	0.00	0.00	0.00	0.00	1.50	562.50	375.00
Forensics	11.00	0.00	14.25	28.13	0.00	53.38	10,926.25	204.69
S&WEBC	0.00	39.70	0.00	0.00	0.00	39.70	11,830.45	298.00
Total hours (non insolvency teams)	12.50	51.20	14.25	38.40	0.50	116.85	37,052.38	317.09
Grand total hours	1,009.95	111.87	520.11	749.43	0.50	2,391.86		
Grand total £	319,554.50	21,731.41	58,674.11	60,290.63	0.00		1,029,771.45	
Average rate £/hr (all staff)	316.41	194.26	112.81	80.45	0.00			430.53

Notes

The administrators and their team have incurred costs of £1,017,941. This includes the administrators' direct costs and the non-insolvency departments of Corporate Finance, Corporate Tax and Forensic. It does not include the costs of S&WEBC which are noted in the above table at £11,830.45, as illustrated above and in the table at section 5 of this report. The table at section 5 also provides a reconciliation to the detailed information set out above. The total costs of all relevant departments in Smith & Williamson are £1,029,771.45 representing 2,391.86 hours equating to an average rate of 430.53 per hour.

Explanation of major work activities undertaken

Administration and Planning

This section shows the total hours and cost incurred carrying out administration and planning in respect of the appointment for the period following the appointment of the joint administrators. This work included the following:

- Setting up the matter in the internal case systems.
- Notifying the Company's creditors of our appointment.
- Organising for the Company's bank account to be frozen and requesting information, such as bank statements, from the Company's bank.
- Drafting and sending initial notices to HMRC and Companies House.
- Organising for the appointment to be advertised in the London Gazette.
- Dealing with routine correspondence.
- 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.
- Dealing with and instructing agents and other professional advisers to assist with the case.
- Internal and external strategy meetings regarding to progression of the administration and reviewing the outcome for creditors based on numerous scenarios concerning asset realisations.
- Senior level work ensuring the Company complied with its obligations to share records and information with various parties.
- Reviewing the restructuring of DeepGreen/TMC and monitoring TMC's share progress.
- Dealing with and instructing Cenkos to provide assistance with reviewing the commerciality of realising the of DeepGreen/TMC investment.

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.
- Corresponding with the directors regarding our directors' questionnaire.
- Investigations of the actions of various parties in the lead up to the administration of the Company.
- Review and investigation of available information regarding the substantive liability surrounding the Company's obligation to meet remedial costs for US river pollution.
- Assistance to B.A.T., regarding their ongoing litigation under the terms of the pre-administration agreement.
- Review into the investment strategy and dispositions of assets in connection to ongoing investigations and realisations.
- Correspondence with the directors.

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.
- Reviewing the debts owed to the Company.
- Liaising with agents in respect of the Company's IT equipment and motor vehicle.
- Liaising with the bank in relation to the cash at bank.

- Reviewing the position in relation to the contingent receivable.
- Review of DeepGreen, its conversion to TMC and sale of the shareholding.
- Correspondence with directors of Aftermath, review of internal records and negotiation of sale price of the Company's interest in Aftermath.
- Monitoring the Company's other investments and keeping abreast of various developments.
- Researching and reviewing potential legal actions.

Creditors

- Progressing the formation of a creditors' committee.
- Requesting creditor information from the Directors and reviewing and uploading creditor listing into internal systems.
- Drafting initial creditor notification of the appointment.
- 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.
- Receiving calls and correspondence from creditors and dealing with the same.
- Issuing updates and creditor specific communications.
- Investigation and review of the unfunded pensioners arrangement amounts to determine the estimated liability due.

Cashiering and Compliance

- Opening an administration bank account.
- Internal system set up.
- Completing bank reconciliations.
- Compliance with insurance requirements.
- Compliance with anti-money laundering requirements including requesting further identification documents from the Directors, preparing internal checks and forms to enable the Company and its officers to be identified.

Comparison to previously approved estimate

The following gives a summary of our original estimates, provided in our proposals, and the actual time costs incurred as at 25 April 2022 for ease of comparison:

Task	Estimated fees to be incurred	Actual Fees Incurred £
Administration and Planning	66,220.00	543,813.33
Investigations	96,645.00	151,463.29
Realisation of Assets	87,432.50	240,818.42
Creditors	42,602.50	56,624.03
Corporate Finance	Nil	562.50
Corporate Tax	Nil	13,733.18
Forensics	7,100.00	10,926.25
Total	300,000.00	1,017,941.00

The material differences between our original estimates and what has actually been incurred as at 25 April 2022 can be explained as follows:

For reference, the previously approved fees estimate (by unsecured creditors following the issue of the Joint Administrators' Report and Statement of Proposals) can be found at appendix IV.

Administration and planning

Time incurred in relation to administration and planning exceeds our earlier estimates due to the following reasons:

- More statutory matters to attended to which was not foreseen in the original estimate.
- Increased information gathering, management and provision to third parties.
- Continuing and extensive strategy calls and meetings with the appointed agents, within the team and with management of those investments also.
- Further considerations for the administration strategy in respect of ascertaining and maximising the value of the shares, theoretical scenarios, and estimated outcomes to creditors.

Investigations

Time incurred in relation to investigations is in line with our initial estimate due. However, the administrators anticipate further costs to be incurred in this section to the following reasons:

- There are still investigation matters still to be completed.
- The administrators continue to meet its obligations to assist B.A.T. with the provision of information.
- Further work has been undertaken regarding the substantive liability surrounding the Company's obligation to meet remedial costs for US river pollution.

Realisation of Assets

Time incurred in relation to realisation of assets exceeds our earlier estimates due to the complexity of the assets under the administrators' control.

Creditors

Time incurred in relation to creditors is above our estimate due to the following reasons below. It is anticipated that further costs will be incurred in this regard.

- More time has been expended dealing with communication with creditors as we are required to assist the Company's majority creditors on various matters and therefore more in-depth and frequent communication was needed.
- The administrators have spent time over the course of administration dealing with the unfunded pensioners and the administrators have continued throughout the periods trying to ascertain their liability and calculating their current liability for claim purposes.

Corporate Finance

We did not provide an estimate of time we anticipated would be incurred by colleagues from our Corporate Finance department.

Corporate Tax

We did not provide an estimate of time we anticipated would be incurred by colleagues from our Corporate Finance department.

Forensics

Time incurred by colleagues from our Forensics department exceeds the amount we initially estimated, due to the complexity of matters that have been dealt with.

IV Fees and costs estimate

Windward 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	1	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							
Statutory returns, reports & meetings	10.00	25.00	15.00	2.00	52.00	22,400.00	430.77
Initial post-appointment notification letters, including creditors	1.00	3.00	5.00	2.00	11.00	3,915.00	355.91
Cashiering general, including bonding	1.00	2.00	5.00	10.00	18.00	5,460.00	303.33
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary and any costs of extending the administration)	15.00	25.00	25.00	-	65.00	27,875.00	428.85
Insurance & general asset protection	-	1.00	2.00	-	3.00	1,025.00	341.67
Filing, file and information management	-	0.50	2.00	-	2.50	797.50	319.00
Agents and advisers, general	2.00	2.00	1.50	-	5.50	2,587.50	470.45
Director/manager review, approval and signing	2.00	2.00	-	-	4.00	2,160.00	540.00
Investigations							
Directors' correspondence & conduct questionnaires	1.00	5.00	5.00	-	11.00	4,325.00	393.18
Statutory books and accounting records review	5.00	25.00	25.00	-	55.00	21,625.00	393.18
Reporting to The Disqualification Unit	1.00	5.00	5.00	-	11.00	4,325.00	393.18
Investigation of legal claims and routes to asset recovery	35.00	50.00	25.00	-	110.00	51,750.00	470.45
Asset tracing	5.00	10.00	10.00	-	25.00	10,525.00	421.00
Enquiries of advisors and any parties with relevant information and former dealings	2.00	5.00	2.00	-	9.00	4,095.00	455.00
Realisation of assets							
Loan review and recovery	1.00	10.00	5.00	-	16.00	6,600.00	412.50
Chattel assets	0.50	2.00	1.00	-	3.50	1,507.50	430.71
Investments	35.00	50.00	15.00	-	100.00	48,900.00	489.00
Contingent receivable	10.00	15.00	10.00	-	35.00	15,925.00	
Liaising with agents and advisors	10.00	15.00	5.00	-	30.00	14,500.00	483.33
Creditors							
Employees' claims, dealing with Redundancy Payments Service & tribunals	2.00	3.00	5.00	-	10.00	4,040.00	404.00
Employees & pension	5.00	8.00	6.00	-	19.00	8,475.00	446.05
Unsecured creditors	19.46	30.00	15.00	-	64.46	30,087.50	466.76
Forensics							
Forensics	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

Windward 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
Specific bond		140.00
Statutory advertising costs		159.00
Case specific costs - where applicable		
Agents' fees		2,500.00
Legal fees		50,000.00
Storage costs		200.00
S&WCFL		10,000.00
S&WFS		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 holder's firm and are shared or allocated costs, most notably business mileage.		

Explanation of the above categories

Administration and Planning

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

- Preparing the documentation and dealing with the formalities of appointment.
- Statutory notifications and advertising.
- Protection of company's assets and records (including electronic).
- Dealing with routine correspondence.
- Dealing with agents on general appointment matters, not relating to the sale of assets or correspondence with advisers on investigation matters.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (including 6 month reviews).
- Case bordereau and reviews.
- Case planning; administration; and general case progression, including adjustments in appointment strategy.
- Preparing reports to stakeholders.
- Maintaining and managing the appointment's cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.
- Submitting VAT returns and Corporation Tax returns (when due).
- Dealing client identification and internal Smith & Williamson LLP compliance requirements.

Investigations

Investigations include work carried out as a consequence of the obligations placed upon us to investigate the Company's affairs. The work undertaken is that described in SIP2 and SIP4 which govern both the investigations of the Company's failure and also examine the conduct of the directors. This work includes the following:

- Investigating the reasons for the failure of the Company (including enquiries with the company's directors and possible interviews of key stakeholders).
- Review and investigation of stakeholders' complaints and responses into the failing of the business and actions of company's directors.
- Review and storage of books and records.
- Asset tracing (including land registry and company searches).
- Possible actions (including legal recourse) to restore assets of the company, or compensate the company for the financial losses incurred.
- Preparing a return/report pursuant to the Company Directors' Disqualification Act.
- Discussions and correspondence with relevant personnel and agents.

Realisation of assets

This section is in relation to the realisation of the Company's assets, which is explained in detail through the contents of our report. A significant amount of time may be spent in relation to the sale of the assets of the Company. The work generally includes the following:

- Pursuing recoveries from the Company's investment portfolio
- Pursuing recoveries from the Company's contingent receivable
- Recovering cash at bank sums
- Miscellaneous asset realisation outlined in the contents of the report.
- Liaising with agents and advisors in relation to ongoing asset recovery matters

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Dealing with creditor correspondence via email and telephone.
- Preparing reports to chargeholders.
- Dealing with creditors' committee correspondence via email and telephone. Meetings of the creditors' committee is also recorded within "Administration and Planning" in respect of statutory matters and meetings.
- Maintaining creditors' information on our insolvency database.
- Meetings and discussions with key creditors as appropriate
- Maintaining employee claims and liaising with Job Centre, Redundancy Payments Services etc.
- Investigating and dealing with the Company's unapproved unfunded pension position
- Adjudicating of creditor claims including matters of ROT.
- Distributions to various categories of creditors.

Forensic

Work under this section includes securing and maintaining the Company's electronic records

V 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
 - Expense 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 or consultant 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 delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the case (including our cashiers (which is centralised and London rates apply), support and secretarial staff) charge time directly to the assignment and are included in any analysis of time charged. Each grade of staff has an hourly charge-out rate which is reviewed from time to time. Time up to 31 July 2020 is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1 minute units or multiples thereof. The minimum time chargeable is one minute. We do not charge general or overhead costs.

It may be necessary to utilise staff from both regional and London offices, subject to the specific requirements, eg, geographical location, of individual cases.

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 appendix V.

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

Use of professional advisers

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

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.

- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add best value and service to the assignment.
- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations; and
- The professional and ethical standards applicable to the service provider.

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

External professional advisers are third party entities. The insolvency practitioners and their firm do not have any association with any external provider of services and therefore they do not fall within the definition of an associate as defined in Section 435 of the Insolvency Act 1986 and in Statement of Insolvency Practice 9. Payments to external professional advisers for the services they provide are therefore not a category 2 expense as defined in Statement of Insolvency Practice 9 and therefore do not require prior approval from the committee or creditors.

Payments to associates

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

S&WFS, through its Employee Benefits Consultancy division, provides specialist advice to insolvency practitioners on their appointment as office-holders of insolvent estates in relation to all aspects of pensions. S&WFS is a company associated with Smith & Williamson LLP and may be engaged to deal with the pension affairs of insolvent estates of which insolvency practitioners from Smith & Williamson LLP are appointed office-holders.

Payments to parties in which office-holders or their firm have an interest must be disclosed to, and approved by, the committee or the creditors as a category 2 expense pursuant to Statement of Insolvency Practice 9. Consequently, details of the charge out rates for S&WFS are set out below. Fees for their services are accrued on a time costs basis.

S&WFS Employee Benefits Consultancy	Per hour
Charge out rates from 1 August 2020	£
Director	280-360
Associate Director	220-275
Manager	160-200
Administrator	70-110

S&WFS, a company associated with Smith & Williamson LLP, has dealt with the Company's pension affairs. Payments to parties in which insolvency practitioners or their firm have an interest must be disclosed to, and approved by, the committee or the creditors as a category 2 expense pursuant to Statement of Insolvency Practice 9.

The unsecured creditors then rectified by creditors' committee approved S&WFS's remuneration on a time costs basis under the administrators and their team's time costs at the onset of the administration. S&WFS's time costs for the reporting period to 25 April 2022, are £17,404.20. This represents 39.70 hours at an average rate of £438.39 per hour. In the period covered by this report no funds have been paid to S&WEBC.

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

Expenses

Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 expense 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 expenses 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 expense, 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 expenses.

Details of any Category 2 expenses 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 January 2022.

Smith & Williamson LLP	London office	Regional
Restructuring & Recovery Services	£/hr	offices
Charge out rates as at 1 July 2018		£/hr
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
Restructuring & Recovery Services	£/hr	offices
Charge out rates as at 1 July 2019		£/hr
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

Smith & Williamson LLP	London office	Regional
Restructuring & Recovery Services	£/hr	offices
Charge out rates as at 1 July 2020		£/hr
Partner / Director	495-570	396-456
Associate Director	380-465	372
Managers	285-400	228-320
Other professional staff	125-465	152-204
Support & secretarial staff	105	84

Smith & Williamson LLP	London office	Regional
Restructuring & Recovery Services	£/hr	offices
Charge out rates as at 1 July 2021		£/hr
Partner	590-610	480
Director & Associate Director	395-530	395-415
Managers	290-430	240-335
Other professional staff	130-280	160-215
Support & secretarial staff	100-120	90

Smith & Williamson LLP	London office
Restructuring & Recovery Services	£/hr
Complex charge out rates as at 1 July 2021	
Partner	792
Director & Associate Director	632
Managers	552
Other professional staff	432
Support & secretarial staff	160

Notes

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1 minute units or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. Up to 31 July 2020 the cashiering function time is incorporated within 'Other professional staff' rates. Following a change to our time reporting software, from 1 August 2020 the cashiering function time continues to be reported according to the seniority of staff undertaking the work in our time analyses and is split between 'Other professional staff', 'Managers' and 'Associate Director'.

S&WFS Employee Benefits Consultancy	From 1/7/16	From 1/7/17
Charge out rates	£/hr	£/hr
Director	225-420	245-349
Associate Director	200-240	204-244
Manager	185-195	139-195
Administrator	70-145	88-170

S&WFS 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&WFS 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

S&WFS Employee Benefits Consultancy	Per hour
Charge out rates from 1 August 2020	£
Director	280-360
Associate Director	220-275
Manager	160-200
Administrator	70-110

S&WFS Employee Benefits Consultancy	Per hour
Charge out rates from 1 July 2021	£
Director	300-410
Associate Director	220-300
Manager	160-220
Administrator	85-160

Smith & Williamson LLP	London office
Corporate Tax	£/hr
Charge out rates as at 1 January 2022	
Partner / Director	590-950
Associate Director	430-535
Managers	230-460
Other professional staff	105-245
Support & secretarial staff	60-75

Smith & Williamson LLP	London office
Corporate Tax	£/hr
Charge out rates as at 1 July 2021	
Partner / Director	550-890
Associate Director	400-500
Managers	215-430

Smith & Williamson LLP	London office
Corporate Tax	£/hr
Charge out rates as at 1 July 2021	
Other professional staff	95-230
Support & secretarial staff	55-70

Smith & Williamson LLP	London office
Financial Services / CASS	£/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	-

VI Professional advisers

Name of professional advisor	Basis of fee arrangement	Initial estimate £	B/f from previous period £	Costs incurred in current period £	Cumulative total £	Estimate future £	Anticipated future total £	Variance - initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Kaur Maxwell Limited (legal advice)	Hourly rate and expenses	50,000.00	28,533.50	128,152.68	490,497.78	500,000.00	990,497.78	940,497.78	51,129.18	105,557.00
Selborne Chambers (Counsel)	Hourly rate and expenses	Nil	Nil	Nil	4,725.00	15,275.00	20,000.00	20,000.00	Nil	Nil
Guildhall Chambers (Counsel)	Hourly rate and expenses	Nil	Nil	11,425.00	42,875.00	22,000.00	65,000.00	65,000.00	5,125.00	6,300.00
Dentons Canada LLP* (Legal advice)	Hourly rate and expenses	Nil	27,095.00	6,214.10	60,404.10	9,595.90	70,000.00	70,000.00	32,426.27	882.83

Name of professional advisor	Basis of fee arrangement	Initial estimate £	B/f from previous period £	Costs incurred in current period £	Cumulative total £	Estimate future £	Anticipated future total £	Variance - initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Cenkos (valuation and stock market advice)	Hourly rate and expenses	Nil	Nil	140,000.00	165,000.00	20,000.00	185,000.00	185,000.00	Nil	100,000.00
**Capital Alliance Corporation	Hourly rate and expenses	1,250.00	Nil	Nil	5,137.86	9,862.14	15,000.00	13,750.00	Nil	Nil
**Olton Alexander Ltd	Hourly rate and expenses	1,250.00	Nil	Nil	8,290.00	6,710.00	15,000.00	13,750.00	Nil	Nil
Total		52,500.00	55,628.50	285,791.78	776,929.74	583,443.04	1,360,497.78	1,307,997.78	88,680.45	212,739.83

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

*Costs converted from Canadian Dollar at the date of this report. This amount may change due to changes in currency rates at the date of settling.

**We have grouped the previous subcontractors of Capital Alliance Corporation and Olton Alexander Ltd under professional advisors as their role now falls under this category.

VII Administrators' expenses

Description	Initial / revised estimate £	Outstanding balance brought forward £	Costs incurred in current period £	Cumulative total £	Estimate future £	Anticipated future total £	Variance - initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Statutory Advertising	159.00	81.45	Nil	81.45	150.00	231.45	72.45	Nil	81.45
Administrators' bonds	140.00	140.00	Nil	140.00	Nil	140.00	Nil	Nil	140.00
Court Fees	Nil	280.00	Nil	280.00	Nil	280.00	280.00	Nil	280.00
*Storage costs	200.00	Nil	154.15	308.30	4,691.70	5,000.00	4,800.00	154.15	*Nil
Control Risks Group (Data Hosting)	Nil	Nil	6,605.07	6,605.07	18,394.93	25,000.00	25,000.00	6,605.07	Nil
Total	499.00	501.15	6,759.22	7,414.82	23,236.63	30,651.45	30,152.45	6,759.22	501.45

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

*Storage costs

The Administrators have two storage providers. JG Collection Services Limited are the administrators chosen storage provider and hold files collected during the administration. Iron Mountain (UK) Plc were the Company's pre appointment storage provider holding 41 boxes of company records across three sites. The administrators felt it was more commercial to keep the pre appointment records with Iron Mountain.

In terms of costs, JG provide their costs for holding records with them at the end of the assignment along with final storage and destruction. Therefore, their costs will be confirmed at the end of the assignment. As for Iron Mountain, the administrators are aware of a balance due for the boxes held and are seeking to bring the arrears up to date.

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

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