In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986

LIQ03
Notice of progress report in voluntary winding up

Companies House

SATURDAY

A8DYYH37
A24 14/09/2019 #345
COMPANIES HOUSE

1 Company details

Company number	0 3 4 1 2 2 9 0
Company name in full	HMV Group Plc

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

2 Liquidator's name

Full forename(s)	Robert James
Surname	Harding

3 Liquidator's address

Building name/number	1 New Street Square
Street	
Post town County/	London
Region	
Postcode	E C 4 A 3 H Q
Country	

4 Liquidator's name ❶

Full forename(s)	Nicholas Guy
Surname	Edwards

❶ **Other liquidator**
Use this section to tell us about another liquidator

5 Liquidator's address ❷

Building name/number	1 New Street Square
Street	
Post town County/	London
Region	
Postcode	E C 4 A 3 H Q
Country	

❷ **Other liquidator**
Use this section to tell us about another liquidator

LIQ03
Notice of progress report in voluntary winding up

6 Period of progress report

	d	d	m	m	y	y	y	y
From date	1	6	0	7	2	0	1	8
To date	1	5	0	7	2	0	1	9

7 Progress report

☑ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X X

	d	d	m	m	y	y	y	y
Signature date	1	3	0	9	2	0	1	9

LIQ03
Notice of progress report in voluntary winding up

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name: Wendy Packwood

Company name: Deloitte LLP

Address: 1 New Street Square

Post town: London

County/Region:

Postcode: E C 4 A 3 H Q

Country:

DX:

Telephone: +44 20 7936 3000

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to *return it to the address below:*

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

Further information

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

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

Deloitte.

Court Case No. 323 and 322 of 2013
High Court of Justice, Chancery Division
Company Numbers: 03412290 and 00229249

Registered Office: c/o Deloitte LLP
Four Brindleyplace, Birmingham, B1 2HZ

HMV Group PLC
Record Shop 2 Limited
(formerly HMV Music Limited)
Both in Liquidation
(together "the Companies")

Progress report to creditors for the 12 month period to 15 July 2019 for HMV Group PLC ("HMV Group") and 12 month period to 16 July 2019 for Record Shop 2 Limited ("Record Shop 2") pursuant to Section 104A Insolvency Act 1986 and Rule 18.7 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

Nicholas Guy Edwards, Robert James Harding and Neville Barry Kahn ("the Joint Liquidators") were appointed Joint Liquidators of HMV Group Plc and Record Shop 2 Limited following cessation of the administrations on 16 July 2014 and 17 July 2014 respectively. Neville Barry Kahn ceased to act as Joint Liquidator following a block removal court order which was granted on 2 August 2018, in advance from his retirement from Deloitte LLP on 31 August 2018. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of Section 231 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

13 September 2019

Key messages

Key messages

Joint Liquidators of the Companies

Nicholas Guy Edwards

Robert James Harding

Deloitte LLP

1 New Street Square

London

EC4A 3HQ

Contact details

Email: wpacwood@deloitte.co.uk

Website:

www.deloitte.com/uk/hmv

Tel: 0121 696 8661

	Commentary
Progress of the liquidations during the report period	• Finalising closure procedures and providing funding for the closure of a subsidiary company to HMV Group, Record Shop Guernsey Limited. • Legal fees and expenses (being other professional advisers) in respect of the litigation claims were reallocated in the period from HMV Group to Record Shop 2 along with further reallocations in relation to VAT adjustments. These are reflected in the receipts and payments accounts on pages 6 and 7. • Ongoing evidence compiling to support our claim in relation to the confidential litigation in which Record Shop 2 was engaged in which has now settled. • Tax clearance obtained and finalised VAT reclaims for the Companies.
Costs	• Our fees were fixed on a time costs basis. • In HMV Group we have drawn fees of c.£175k with c.£1,042k being drawn in Record Shop 2. The balance will be written off. Please refer to page 11 for further details. • Disbursements of c.£9k in relation postage and ££3.5k in relation to stationery have been incurred in the period which is in line with our initial estimate. Please refer to page 17 for further details. • No third party costs have been incurred in the report.
Outstanding matters	• Final distribution to the secured creditor. • The Company's affairs are now fully wound up subject to completion of the closing formalities.
Dividend prospects	• The secured creditor will not be paid in full. • Preferential creditors have been paid in full. • Unsecured creditors were paid a maximum prescribed part ("PP") dividend in each of HMV Group and Record Shop 2 on 24 May 2018 of 0.72p and 0.33p in the £ respectively.

Progress of the liquidations

Progress of the liquidations

Summary

Progress of the liquidations

Work done during the report period

Reconciliation and reallocation of VAT

VAT receipts and payments were reallocated in the period in both HMV Group and Record Shop 2 following a full reconciliation of the position for the Companies in preparation for closure.

Closure of Record Shop Guernsey Limited

Record Shop Guernsey was in administration and funds totalling c.£41k were paid to a liquidator during the period to deal with liquidation of this company as there were no funds in the estate to fund the liquidation.

Estimated future realisations

No further realisations are expected.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Statutory reporting;
- Correspondence with creditors;
- Case reviews;
- Cashiering functions; and
- Corporation tax and VAT matters.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Cost of the work done during the report period

No costs were incurred during the report period other than the reallocation of litigation legal fees.

Progress of the liquidations

HMV Group Receipts and payments

Joint Liquidators' receipts and payments account 16 July 2018 to 15 July 2019

£	Notes	Period	To date
Receipts			
Bank Interest		8	3,466
Surplus Funds from Administration		-	960,893
Rates Refunds		-	7,013
Bank Interest Gross		-	2,070
Administration VAT received from HMRC		2,171	2,171
Sundry Refunds		-	10,996
Total receipts		**2,179**	**986,609**
Payments			
Closure Costs/ Key Holding		-	1,647
Secured Distribution		70,000	70,000
HMRC Interest Charges	5	3,292	3,292
Record Shop Guernsey Liquidation Costs		40,811	40,811
Provisional Liquidators' Fees		-	480
Litigation Legal Fees		1,066	1,066
Liquidators' Fees		-	175,000
Legal Fees		-	4,500
Legal Fees - IP Records		-	600
Storage Costs		-	321
Postage & Redirection		-	16,750
Statutory Advertising		-	254
Rates		-	3,210
Bank Charges		52	882
Unclaimed Dividends	4	1,942	1,942
Irrecoverable VAT	2	2,847	3,174
Preferential Distribution	4	(23)	55,376
Trade & Expense Creditors	4	(1,919)	583,066
Total payments		**118,069**	**962,371**
Balance			**24,237**
Made up of:			
Floating NIB Current A/C	1		24,237
Balance in hand			**24,237**

A receipts and payments account is provided opposite, detailing the transactions in the liquidation to 15 July 2019, and all transactions since the date of our appointment.

Notes to receipts and payments account

Note 1: All funds were held in an interest bearing account. The associated corporation tax on interest received has been accounted for to HM Revenue & Customs in preparation for closure.

Note 2: All sums are shown net of VAT, which has been accounted for to HM Revenue & Customs where recoverable.

Note 3: Per SIP7 (E&W), no Statement of Affairs figures are provided as the Liquidation follows an Administration.

Note 4: Interim dividend to unsecured creditors adjusted in the current period for unclaimed / returned dividends. The unclaimed dividends were paid to The Insolvency Service after the period covered by this report.

Note 5: A voluntary disclosure was made to HMRC and these funds will be reimbursed during the next period.

Please note that these lines were inadvertently excluded from the receipts and payments account for our last report, although the figures were included in the total payments line.

All professional costs are reviewed and analysed in detail before payment is approved

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Progress of the liquidations

Record Shop 2 Receipts and payments

Joint Liquidators' receipts and payments account
17 July 2018 to 16 July 2019

£	Notes	Period	To date
Receipts			
Sales		-	1,191
Litigation Settlements		-	3,250,000
Leasehold Property		-	3,609
Book Debts		-	5,505
Repayment of US Rent		-	127,905
Surplus Funds from Administration		-	4,332,998
Rates Refunds		-	288,466
American Express Reserve		-	81,105
Bank Interest Gross		-	29,545
Licence Fee HMV Retail		-	935,031
RS1 Agency Agreement		-	2,350,116
Sundry Refunds		-	10,885
Oxford Street Cost Award		-	87,729
VAT Reclaimed in Error		-	83
Administration VAT received from HMRC	4	22,254	167,454
Total receipts		**22,254**	**11,671,621**
Payments			
Other Employee Expenses		-	107
ROT Settlement		-	389,000
Utilities		-	1,718
Store Rent		-	160,164
Closure Costs		-	1,316
Rents Paid Under Indemnity/Licence Fee		-	1,040,832
HMV Ireland Share of Litigation		-	35,000
Liquidators' Fees		-	1,042,330
Liquidators' Expenses		-	1,759
Professional fees		-	633
Legal fees	4	(6,861)	442,539
Legal Disbursements		-	49,597
Corporation Tax		-	20,153
Storage Costs		39,017	202,112
Postage & Redirection		-	5,437
Statutory Advertising		-	254
Rates		-	2,415
Insurance of Assets		-	1,956
Bank Charges		116	1,414
Unclaimed Preferential Dividends Sent to ISA		-	12,511
Unclaimed Unsecured Dividends Sent to ISA		18,041	18,041
Rates Refund Agents Fees		-	349,203
Inland Revenue		-	131
Employees Wage Arrears		-	366,266
Employement Tribunal Fees		-	542
Distribution to Secured Creditor		130,000	5,025,309
Trade & Expense Creditors		-	561,998
Irrecoverable VAT	2	13,166	13,166
Litigation Fees and Expenses		-	1,904,967
Total payments		**193,479**	**11,650,868**
Balance			**20,753**
Made up of:			
Floating NIB Current A/C	1		20,753
Balance in hand			**20,753**

A receipts and payments account is provided opposite, detailing the transactions in the liquidation to 16 July 2019, and all transactions since the date of our appointment.

Notes to receipts and payments account

Note 1: All funds were held in an interest bearing account. The associated corporation tax on interest received has been accounted for to HM Revenue & Customs in preparation for closure.

Note 2: All sums are shown net of VAT, which has been accounted for to HM Revenue & Customs where recoverable.

Note 3: Per SIP7 (E&W), no Statement of Affairs figures are provided as the Liquidation follows an Administration.

Note 4: Please note that the reconciliation in the period identified an error in the figures previously reported and this is the correction.

All professional costs are reviewed and analysed in detail before payment is approved

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Information for creditors

Information for creditors

Outcome

Secured creditors

At the commencement of the administration appointments the HMV Group of companies had the following secured creditors:

- File Figure 30 Limited ("FF30L") an SPV company owned by Hilco UK Limited together with two subordinated secured creditors being;
- HMV Groups defined benefit pension scheme; and
- EMI Group plc for some guarantees on certain lease obligations.

The secured indebtedness of FF30L amounted c.£110.3m at appointment. The other secured creditors liabilities were subordinate to FF30L and therefore rank behind FF30L in terms of distributions and there will be no return to them under their security. During the preceding administrations £46.6m was distributed to FF30L and c.£5.1m has been distributed during the Liquidations to date by the Companies (c.£5.025m from Record Shop 2 and £70k from HMV Group). This includes £200k paid during the period (£130k from Record Shop 2 and £70k from HMV Group).

The secured creditor will not be repaid in full.

Preferential creditors

A preferential dividend of 100 pence in the £ was declared on 4 February 2015.

Prescribed Part

A maximum prescribed part distribution of £600,000, net of costs, was paid to unsecured creditors in each of HMV Group of 0.72p in the £ and Record Shop 2 of 0.33p in the £ on 24 May 2018 being £584,985 and £561,998 respectively.

Claims process

There will be no further distributions for unsecured creditors.

Remuneration and expenses

Remuneration and expenses

Joint Liquidators' remuneration

Joint Liquidators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/hmv.

Should you require a paper copy, please send your request in writing to us at the address on the front of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 9 April 2013 by the secured and preferential creditors in the preceding administration by reference to the time properly given by the Joint Liquidators and their staff in attending to matters arising in the liquidation calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT.

HMV Group

Our time costs for the period are £36,921.75, made up of 78.55 hours at an average charge out rate of £470.04 per hour across all grade of staff.

This brings our total time costs since the date of appointment on 16 July 2014 to £887,192.05, made up of 1,684.12 hours at an average charge out rate of £526.80 per hour across all grade of staff.

To date we have drawn £175,000 of remuneration as shown in the receipts and payments account on page 6.

Record Shop 2

Our time costs for the period are £74,997.90, made up of 132.93 hours at an average charge out rate of £564.19 per hour across all grade of staff.

This brings our total time costs since the date of appointment on 17 July 2014 to £1,421,468.55, made up of 2,934.35 hours at an average charge out rate of £484.42 per hour across all grades of staff.

To date we have drawn £1,042,330 of remuneration as shown in the receipts and payments account on page 7.

Please note that we do not intend to draw the full value of time costs incurred and the balance will be written off.

A detailed breakdown of time costs together are shown on pages 13 to 16. Please note that time is charged in six minute increments.

Remuneration and expenses

Joint Liquidators' remuneration

Charge out rates

The range of charge-out rates for the separate categories of staff is based on our 2019 national charge-out rates as summarised below.

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Financial Advisory or Deloitte Real Estate may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

Charge out rates increased on 1 June 2019. Details of charge out rates applicable to prior report periods were given in those reports, copies of which will be provided on request to Wendy Packwood.

Restructuring Services charge out rates (£/hour)

Grade	From 1 June 2019
Partners & Directors	995 - 1,160
Assistant Directors	775 - 875
Managers	610- 790
Assistant Managers	480 - 630
Assistants & Support	215 - 370

HMV Group Joint Liquidators' time costs for the period 16 July 2018 to 15 July 2019

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	-	-	0.60	366.00	5.70	2,715.00	7.20	1,165.50	13.50	4,246.50	314.56
Case Management and Closure	-	-	3.25	2,447 50	-	-	20.32	9,531.70	6.40	1,684.00	29.97	13,663.20	455.90
Initial Actions	-	-	-	-	-	-	-	-	-	-	-	-	-
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-	-	-	-	-
General Reporting	0.30	289.50	0 95	712.50	-	-	5.70	2,683.50	0.50	107.50	7.45	3,793.00	509.13
	0.30	**289.50**	**4.20**	**3,160.00**	**0.60**	**366.00**	**31.72**	**14,930.20**	**14.10**	**2,957.00**	**50.92**	**21,702.70**	**426.21**
Realisation of Assets													
Other Assets (e.g. Stock)	-	-	-	-	0.10	61 00	-	-	-	-	0 10	61 00	610 00
	-	**-**	**-**	**-**	**0.10**	**61.00**	**-**	**-**	**-**	**-**	**0.10**	**61.00**	**610.00**
Creditors													
Employees	-	-	-	-	-	-	1.00	480.00	-	-	1.00	480.00	480.00
Secured	-	-	0.40	300 00	-	-	-	-	-	-	0.40	300.00	750.00
Shareholders	-	-	0.10	77.50	-	-	-	-	1.70	595.00	1 80	672.50	373 61
Unsecured	-	-	-	-	-	-	1.30	612.00	-	-	1.30	612.00	470.77
	-	**-**	**0.50**	**377.50**	**-**	**-**	**2.30**	**1,092.00**	**1.70**	**595.00**	**4.50**	**2,064.50**	**458.78**
Case Specific Matters													
VAT	1.30	1,475.50	-	-	-	-	12.23	5,936.05	3.00	1,020 00	16.53	8,431 55	510 08
Tax	-	-	6.00	4,500.00	-	-	0.30	144.00	0.20	18.00	6.50	4,662 00	717 23
	1.30	**1,475.50**	**6.00**	**4,500.00**	**-**	**-**	**12.53**	**6,080.05**	**3.20**	**1,038.00**	**23.03**	**13,093.55**	**568.54**
TOTAL HOURS & COST	**1.60**	**1,765.00**	**10.70**	**8,037.50**	**0.70**	**427.00**	**46.55**	**22,102.25**	**19.00**	**4,590.00**	**78.55**	**36,921.75**	**470.04**
AVERAGE RATE/HOUR PER GRADE		**£ 1,103.13**		**£ 751.17**		**£ 610.00**		**£ 474.81**		**£ 241.58**			

HMV Group Joint Liquidators' time costs for the period 16 July 2014 to 15 July 2019

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	2.40	2,310.50	7.05	4,811.00	14.00	7,343.00	75.50	31,424.00	71.75	17,903.75	170.70	63,792.25	373.71
Case Management and Closure	182.65	163,243.00	79.40	49,778.00	8.35	4,281.25	80.82	33,271.20	224.48	54,180.95	575.70	304,754.40	529.36
Initial Actions	0.10	86.50	0.50	317.50	13.00	6,455.00	5.30	2,093.50	6.80	1,360.50	25.70	10,313.00	401.28
General Reporting	0.30	289.50	16.45	8,803.75	3.00	1,590.00	10.00	4,187.00	35.75	8,931.25	65.50	23,801.50	363.38
	185.45	**165,929.50**	**103.40**	**63,710.25**	**38.35**	**19,669.25**	**171.62**	**70,975.70**	**338.78**	**82,376.45**	**837.60**	**402,661.15**	**480.73**
Investigations													
Reports on Directors' Conduct	-	-	-	-	1.00	505.00	0.20	81.00	4.40	1,078.00	5.60	1,664.00	297.14
	-	-	-	-	**1.00**	**505.00**	**0.20**	**81.00**	**4.40**	**1,078.00**	**5.60**	**1,664.00**	**297.14**
Trading													
Closure of Trade	-	-	-	-	-	-	-	-	0.40	126.00	0.40	126.00	315.00
	-	-	-	-	-	-	-	-	**0.40**	**126.00**	**0.40**	**126.00**	**315.00**
Realisation of Assets													
Book Debts	-	-	-	-	-	-	-	-	0.20	63.00	0.20	63.00	315.00
Other Assets (e g Stock)	256.00	220,975.00	-	-	0.10	61.00	0.20	81.00	11.50	1,725.00	267.80	222,842.00	832.12
Property - Freehold and Leasehold	-	-	-	-	-	-	4.10	1,619.50	11.65	3,063.25	15.75	4,682.75	297.32
	256.00	**220,975.00**	-	-	**0.10**	**61.00**	**4.30**	**1,700.50**	**23.35**	**4,851.25**	**283.75**	**227,587.75**	**802.07**
Creditors													
Employees	-	-	0.75	453.75	4.00	2,020.00	42.74	17,680.10	5.80	1,536.25	53.29	21,690.10	407.02
Preferential	-	-	1.80	1,170.00	0.50	280.00	-	-	18.95	4,522.50	21.25	5,972.50	281.06
Secured	-	-	1.20	872.00	-	-	-	-	-	-	1.20	872.00	726.67
Shareholders	-	-	3.00	1,969.00	-	-	3.40	1,280.00	12.25	3,908.75	18.65	7,157.75	383.79
Unsecured	0.50	480.00	6.05	3,885.75	9.50	4,962.50	29.70	12,958.00	69.90	16,430.25	115.65	38,716.50	334.77
	0.50	**480.00**	**12.80**	**8,350.50**	**14.00**	**7,262.50**	**75.84**	**31,918.10**	**106.90**	**26,397.75**	**210.04**	**74,408.85**	**354.26**
Case Specific Matters													
Litigation	2.50	2,237.50	13.50	9,118.75	-	-	-	-	2.05	615.50	18.05	11,971.75	663.25
Pensions	-	-	1.00	642.50	-	-	-	-	-	-	1.00	642.50	642.50
VAT	50.00	53,869.00	14.75	10,884.75	-	-	47.58	21,165.80	148.50	35,873.25	260.83	121,792.80	466.94
Tax	7.50	9,010.00	39.15	32,708.50	-	-	5.10	1,924.00	15.10	2,694.75	66.85	46,337.25	693.15
	60.00	**65,116.50**	**68.40**	**53,354.50**	-	-	**52.68**	**23,089.80**	**165.65**	**39,183.50**	**346.73**	**180,744.30**	**521.28**
TOTAL HOURS & COST	**501.95**	**452,501.00**	**184.60**	**125,415.25**	**53.45**	**27,497.75**	**304.64**	**127,765.10**	**639.48**	**154,012.95**	**1,684.12**	**887,192.05**	**526.80**
AVERAGE RATE/HOUR PER GRADE		**£ 901.49**		**£ 679.39**		**£ 514.46**		**£ 419.40**		**£ 240.84**			
FEES DRAWN												**175,000**	

Record Shop 2 Joint Liquidators' time costs for the period 17 July 2018 to 16 July 2019

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff *working on the assignment* has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	*Cost (£)*	*Hours*	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	1.00	960.00	-	-	2.30	1,403.00	9.40	4,467.00	12.10	2,074.50	24.80	8,904.50	359.05
Case Management and Closure	3.00	3,030.00	25.65	23,286.50	-	-	21.40	10,113.00	3.20	722.00	53.25	37,151.50	697.68
General Reporting	0.30	289.50	0.95	712.50	-	-	5.00	2,347.50	0.50	107.50	6.75	3,457.00	512.15
	4.30	**4,279.50**	**26.60**	**23,999.00**	**2.30**	**1,403.00**	**35.80**	**16,927.50**	**15.80**	**2,904.00**	**84.80**	**49,513.00**	**583.88**
Realisation of Assets													
Other Assets (e.g. Stock)	-	-	-	-	0.40	244.00	-	-	-	-	0.40	244.00	610.00
	-	-	-	-	**0.40**	**244.00**	-	-	-	-	**0.40**	**244.00**	**610.00**
Creditors													
Employees	-	-	-	-	-	-	10.20	4,891.50	-	-	10.20	4,891.50	479.56
Unsecured	-	-	-	-	-	-	1.10	528.00	-	-	1.10	528.00	480.00
	-	-	-	-	-	-	**11.30**	**5,419.50**	-	-	**11.30**	**5,419.50**	**479.60**
Case Specific Matters													
VAT	-	-	11.90	9,222.50	-	-	12.13	5,740.65	-	-	24.03	14,963.15	622.69
Tax	-	-	-	-	-	-	9.40	4,213.25	3.00	645.00	12.40	4,858.25	391.79
	-	-	**11.90**	**9,222.50**	-	-	**21.53**	**9,953.90**	**3.00**	**645.00**	**36.43**	**19,821.40**	**544.10**
TOTAL HOURS & COST	**4.30**	**4,279.50**	**38.50**	**33,221.50**	**2.70**	**1,647.00**	**68.63**	**32,300.90**	**18.80**	**3,549.00**	**132.93**	**74,997.90**	**564.19**
AVERAGE RATE/HOUR PER GRADE		**£ 995.23**		**£ 862.90**		**£ 610.00**		**£ 470.65**		**£ 188.78**			

Record Shop 2 Joint Liquidators' time costs for the period 17 July 2014 to 16 July 2019

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	2.25	2,111.75	33.05	22,301.00	21.20	11,159.50	122.60	51,562.00	179.55	39,247.25	358.65	126,381.50	352.38
Case Management and Closure	15.45	13,981.00	100.20	68,280.50	27.05	14,199.75	93.30	39,258.50	173.37	44,846.65	409.37	180,566.40	441.08
Initial Actions	0.10	86.50	-	-	14.00	7,080.00	1.40	553.00	9.60	1,974.50	25.10	9,694.00	386.22
General Reporting	0.30	289.50	6.45	3,653.75	27.50	13,962.50	7.50	3,200.00	47.30	12,551.50	89.05	33,657.25	377.96
	18.10	**16,468.75**	**139.70**	**94,235.25**	**89.75**	**46,401.75**	**224.80**	**94,573.50**	**409.82**	**98,619.90**	**882.17**	**350,299.15**	**397.09**
Investigations													
Investigations	-	-	1.00	490.00	-	-	-	-	11.50	2,932.50	12.50	3,422.50	273.80
Reports on Directors' Conduct	-	-	-	-	1.00	505.00	0.20	81.00	3.10	759.50	4.30	1,345.50	312.91
	-	**-**	**1.00**	**490.00**	**1.00**	**505.00**	**0.20**	**81.00**	**14.60**	**3,692.00**	**16.80**	**4,768.00**	**283.81**
Trading													
Ongoing Trading	-	-	1.00	465.00	-	-	-	-	-	-	1.00	465.00	465.00
Closure of Trade	-	-	-	-	0.50	247.50	0.30	121.50	13.45	3,190.25	14.25	3,559.25	249.77
	-	**-**	**1.00**	**465.00**	**0.50**	**247.50**	**0.30**	**121.50**	**13.45**	**3,190.25**	**15.25**	**4,024.25**	**263.89**
Realisation of Assets													
Book Debts	-	-	-	-	-	-	-	-	2.75	852.25	2.75	852.25	309.91
Other Assets (e.g. Stock)	255.50	235,930.00	20.90	14,339.00	21.30	11,171.00	8.40	3,398.00	-	-	306.10	264,838.00	865.20
Property - Freehold and Leasehold	0.50	412.50	19.10	12,415.00	24.00	12,260.00	4.90	1,969.50	20.90	5,117.50	69.40	32,174.50	463.61
Retention of Title	-	-	15.70	10,229.50	1.50	795.00	-	-	0.10	20.00	17.30	11,044.50	638.41
Sale of Business / Assets	-	-	-	-	-	-	-	-	2.70	661.50	2.70	661.50	245.00
Third Party Assets	-	-	-	-	30.00	15,150.00	-	-	-	-	30.00	15,150.00	505.00
	256.00	**236,342.50**	**55.70**	**36,983.50**	**76.80**	**39,376.00**	**13.30**	**5,367.50**	**26.45**	**6,651.25**	**428.25**	**324,720.75**	**758.25**
Creditors													
Employees	1.00	840.00	18.05	11,712.25	29.50	16,122.50	299.40	128,781.50	195.70	58,882.25	543.65	216,338.50	397.94
Preferential	-	-	9.60	6,240.00	-	-	0.20	79.00	93.15	26,191.50	102.95	32,510.50	315.79
Secured	6.50	5,430.00	3.35	2,193.75	23.80	12,106.50	1.60	648.00	-	-	35.25	20,378.25	578.11
Shareholders	-	-	-	-	-	-	-	-	0.95	292.50	0.95	292.50	307.89
Unsecured	1.50	1,320.00	11.70	7,882.50	17.40	9,039.00	47.00	20,735.50	71.45	19,444.75	149.05	58,421.75	391.96
	9.00	**7,590.00**	**42.70**	**28,028.50**	**70.70**	**37,268.00**	**348.20**	**150,244.00**	**361.25**	**104,811.00**	**831.85**	**327,941.50**	**394.23**
Case Specific Matters													
Litigation	112.30	86,313.50	309.60	180,442.25	-	-	-	-	10.95	3,554.25	432.85	270,310.00	624.49
Pensions	-	-	-	-	-	-	0.40	178.00	-	-	0.40	178.00	445.00
VAT	1.30	1,476.50	29.85	20,426.50	37.50	19,065.00	47.08	20,275.40	76.65	19,769.25	192.38	81,012.65	421.11
Tax	0.25	220.00	34.00	31,167.25	6.25	3,110.00	31.60	12,250.25	62.30	11,466.75	134.40	58,214.25	433.14
	113.85	**88,010.00**	**373.45**	**232,036.00**	**43.75**	**22,175.00**	**79.08**	**32,703.65**	**149.90**	**34,790.25**	**760.03**	**409,714.90**	**539.08**
TOTAL HOURS & COST	**396.95**	**348,411.25**	**613.55**	**392,238.25**	**282.50**	**145,973.25**	**665.88**	**283,091.15**	**975.47**	**251,754.65**	**2,934.35**	**1,421,468.55**	**484.42**
AVERAGE RATE/HOUR PER GRADE		**£ 877.72**		**£ 639.29**		**£ 516.72**		**£ 425.14**		**£ 258.09**			
FEES DRAWN												**1,042,330**	

Remuneration and expenses

Detailed information

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Disbursements

Our disbursements to date are summarised below:

Category 2 Disbursements

Specific approval is required before these costs and expenses can to be drawn from the liquidation estate and was given by secured and preferential creditors on 9 April 2013.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Details of all disbursements are given below and from which it can be seen that we have not recovered our disbursements in full.

Category 1 disbursements

£ (net)	Period	Total	Paid	Unpaid
Postage	-	14,238.50	5,399.00	8,839.50
Stationery	-	3,527.00	-	3,527.00
Couriers	-	88.60	18.60	70.00
Legal fees and expenses	-	384.00	-	384.00
Tax compliance	-	582.14	19.10	563 04
Travel and subsistence	-	1,456.04	1,420.14	35.90
Total disbursements	**-**	**20,276.28**	**6,856.84**	**13,419.44**

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

Deloitte.