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

THURSDAY

*A7EF5ZCP*
A27 13/09/2018 #256
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 | London |
| County/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 | London |
| County/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

| | |
|---|---|
| From date | 16 07 2017 |
| To date | 15 07 2018 |

## 7 Progress report

☑ The progress report is attached

## 8 Sign and date

| | |
|---|---|
| Liquidator's signature | Signature<br>X X |
| Signature date | 11 09 2018 |

# 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 | +44 121 632 6000 |

## 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

Rule 4.49C

Form 4.68

# Liquidator's Progress Report

# S.192

**Pursuant to Sections 92A and 104A and 192 of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

03412290

Name of Company

HMV Group Plc

I / We

Robert James Harding, 1 New Street Square, London, EC4A 3HQ

Nicholas Guy Edwards, 1 New Street Square, London, EC4A 3HQ

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986.

The Progress Report covers the period from 16/07/2014 to 15/07/2018

Signed ______________________ Date 12/9/18

Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Ref: HMVG01L/BLW/WKP/DA

# HMV Group Plc
# (In Liquidation)
# Joint Liquidators' Trading Account

| Statement of Affairs | | From 16/07/2014 To 15/07/2018 |
|---|---|---|
| | TRADING EXPENDITURE | |
| | Closure Costs/ Key Holding | 1,617.00 |
| | | (1,617.00) |
| | **TRADING SURPLUS/(DEFICIT)** | **(1,617.00)** |

## HMV Group Plc
## (In Liquidation)
## Joint Liquidators' Abstract of Receipts & Payments

| Statement of Affairs | | From 16/07/2014 To 15/07/2018 |
|---|---|---|
| | SECURED ASSETS | |
| | Bank Interest | 666.11 |
| | | 666.11 |
| | ASSET REALISATIONS | |
| | Tax Refund | 10.59 |
| | Surplus funds from Administration | 960,892.57 |
| | Rates Refunds | 7,012.57 |
| | Bank Interest Gross | 4,871.07 |
| | Trading Surplus/(Deficit) | (1,617.00) |
| | Sundry refunds | 10,985.14 |
| | | 982,154.94 |
| | COST OF REALISATIONS | |
| | Prov. Liquidators Fees | 479.97 |
| | Liquidator's Fees | 175,030.00 |
| | Legal fees | 4,500.00 |
| | *Litigation Legal Fees* | *1,066.28* |
| | Legal fees - IP Recordals | 600.00 |
| | Storage Costs | 321.13 |
| | Postage & Redirection | 16,750.13 |
| | Statutory Advertising | 253.80 |
| | Rates | 3,210.46 |
| | Bank Charges | 829.83 |
| | Irrecoverable VAT | 326.40 |
| | | (203,368.00) |
| | PREFERENTIAL CREDITORS | |
| | Department of Employment | 14.60 |
| | Employees Wage Arrears | 55,384.23 |
| | | (55,398.83) |
| | UNSECURED CREDITORS | |
| | Trade & Expense Creditors | 584,985.24 |
| | | (584,985.24) |
| | | **139,068.98** |
| | REPRESENTED BY | |
| | VAT Receivable | 445,995.77 |
| | Floating NIB Current A/C | 95,876.01 |
| | Vat Control Account | (402,802.80) |
| | | **139,068.98** |

Robert James Harding
Joint Liquidator

Deloitte.

# 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 2018 for HMV Group PLC ("HMV Group") and 12 month period to 16 July 2018 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 6 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.**

11 September 2018

# 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** | • A prescribed part distribution to unsecured creditors was completed in each of the Companies during the period.<br>• Further reconciliations and reallocations have been completed during period and are reflected in the receipts and payments accounts on pages 6 and 7.<br>• HMV Group has received rates refunds of £4,097 in the period. |
| **Costs** | • The basis of the Joint Liquidators remuneration has been fixed by reference to time costs.<br>• For HMV Group, we have incurred time costs for the period of the report of £145,111.85 and in respect of Record Shop 2 £134,257.50. Liquidators fees of £175,000 and £147,500 have been drawn in HMV Group and Record Shop 2 respectively. Please refer to Page 11 for further details.<br>• Disbursements of £12,246.50 have been incurred in the report period which is in line with our initial estimate. Please refer to Page 16 for further details.<br>• Third Party costs of £3,632 have been incurred in the report period. Please refer to Page 5 for further details. |
| **Outstanding matters** | • Obtain tax clearance and finalise VAT reclaims.<br>• Case closure. |
| **Dividend prospects** | • No distributions have been made to the secured creditor in the period from the Companies. Total distributions in the Liquidations amount to £4.9m and there will be insufficient funds for the secured creditor to be paid in full.<br>• Preferential creditors have been paid in full.<br>• A maximum prescribed part of £600,000 was distributed to unsecured creditors in each of the Companies in May 2018. No further distributions will be made to unsecured creditors. Please refer to Page 9 for further details. |

# Progress of the liquidations

# Progress of the liquidations
Summary

**Progress of the liquidation**

**Overview**

Details are provided below regarding the areas progressed in the period.

**Work done during the report period**

*Re-allocation of Litigation fees and expenses*

We highlight that 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.

*Asset realisations*

A rates refund of £4,097 has been received during the period in HMV Group.

*Dividend distributions*

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

**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:

- Case and management
- Statutory reporting
- Correspondence with creditors
- Case reviews
- Cashiering functions
- Corporation tax 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**

- As reported previously, Simmons & Simmons LLP were instructed by the Joint Liquidators to provide legal advice including employee matters and negotiation of litigation settlements. During the period covered by this report, Simmons & Simmons LLP has been paid £3,632 plus VAT (including disbursements).
- Liquidators' remuneration and expenses. Further information on these costs is provided on page 11.

Please see our receipts and payments accounts on pages 6 & 7.

# Progress of the liquidations

## HMV Group

## Receipts and payments

**Joint Liquidators' receipts and payments account**
**16 July 2014 to 15 July 2018**

| £ | Notes | Period | To date |
|---|---|---|---|
| **Receipts** | | | |
| Bank Interest | | - | 3,458 |
| Surplus funds from Administration | | - | 960,893 |
| Rates Refunds | | 4,097 | 7,013 |
| Bank Interest Gross | | 2,070 | 2,070 |
| Sundry refunds | | - | 10,996 |
| **Total receipts** | | **6,167** | **984,429** |
| **Payments** | | | |
| Closure Costs/ Key Holding | | - | 1,647 |
| Prov. Liquidators Fees | | - | 480 |
| Liquidator's Fees | | 175,000 | 175,000 |
| Legal fees | | - | 4,500 |
| Legal fees - IP Recordals | | - | 600 |
| Storage Costs | | - | 321 |
| Postage & Redirection | | - | 16,750 |
| Statutory Advertising | | 85 | 254 |
| Rates | | - | 3,210 |
| Bank Charges | | 242 | 830 |
| Irrecoverable VAT | | - | 326 |
| Department of Employment | | 15 | 15 |
| **Total payments** | | **760,326** | **844,303** |
| | | | |
| **Balance** | | | **140,127** |
| **Made up of:** | | | |
| VAT (Payable) / Receivable | 2 | | 43,293 |
| Floating NIB Current A/C | 1 | | 95,867 |
| Trade Creditors | | | (100) |
| Due from/(to) RS2 | | | 1,066 |
| **Balance in hand** | | | **140,127** |

**Receipts and payments account**

A receipts and payments account is provided opposite detailing the transactions in the liquidation of HMV Group to 15 July 2018 and all transactions since the our appointment.

**Notes to receipts and payments account**

**Note 1:** All funds are held in an interest bearing account.

**Note 2:** All sums shown above are shown net of VAT, which is recoverable/payable and will be accounted for to HM Revenue & Customs in due course.

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

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

# Progress of the liquidations

## Record Shop 2 Receipts and payments

**Joint Liquidators' receipts and payments account**
**17 July 2014 to 16 July 2018**

| £ | 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 | | 2,663 | 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 | | - | 145,200 |
| **Total receipts** | | **2,663** | **11,649,367** |
| | | | |
| **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 |
| Liquidator's Fees | | 147,500 | 1,042,330 |
| *Liquidator's Expenses* | | - | 1,759 |
| Professional fees | | - | 633 |
| Legal fees | | 3,632 | 449,400 |
| Legal disbursements | | 11 | 49,597 |
| Corporation Tax | | - | 20,153 |
| *Storage Costs* | | 39,643 | 163,095 |
| Postage & Redirection | | - | 5,437 |
| Statutory Advertising | | 85 | 254 |
| Rates | | - | 2,415 |
| Insurance of Assets | | - | 1,956 |
| Bank Charges | | 60 | 1,298 |
| Unclaimed pref dividends sent to ISA | | 12,511 | 12,511 |
| Rates refund agents fees | | - | 349,203 |
| Inland Revenue | | - | 131 |
| Employees Wage Arrears | | (12,504) | 366,266 |
| *Employement Tribunal Fees* | | - | 542 |
| Distribution to Secured Creditors | | - | 4,895,309 |
| Trade & Expense Creditors | | 561,998 | 561,998 |
| Litigation fees and expenses | | - | 1,904,967 |
| **Total payments** | | **752,934** | **11,457,389** |
| | | | |
| **Balance** | | | **191,978** |

| Made up of: | | |
|---|---|---|
| VAT Receivable | 2 | 37,363 |
| Floating NIB Current A/C | 1 | 105,970 |
| Trade Creditors | | (4,159) |
| Vat Control Account | 2 | 52,804 |
| **Balance in hand** | | **191,978** |

### Receipts and payments account

A receipts and payments account is provided opposite, detailing the transactions in the liquidation of Record Shop 2 to 16 July 2018, and all transactions since the Joint Liquidators' appointment.

### Notes to receipts and payments account

**Note 1:** All funds are held in an interest bearing account.

**Note 2:** All sums shown above are shown net of VAT, which is recoverable/payable and will be accounted for to HM Revenue & Customs in due course.

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

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

# Information for creditors

# Information for creditors

Outcome

### Secured creditors

During the preceding administrations £46.6m was distributed to the secured creditor. Funds of £4.9m have been paid during the Liquidations to date by the Companies.

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 and Record Shop 2 of 0.33p on 24 May 2018 being £561,998 and £584,985 respectively.

### Claims process

There will be no further distributions for unsecured creditors and all creditor claims received have been agreed.

# 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.

### Time costs incurred

*HMV Group*

Our time costs for the period are £145,111.85, made up of 283.84 hours at an average charge out rate of £511.25 per hour across all grade of staff.

This brings our total time costs since the date of appointment on 16 July 2014 to £850,270.30, made up of 1,605.57 hours at an average charge out rate of £529.58 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 £134,257.50, made up of 316.20 hours at an average charge out rate of £424.60 per hour across all grade of staff.

This brings our total time costs since the date of appointment on 17 July 2014 to £1,346,470.65, made up of 2,801.42 hours at an average charge out rate of £480.64 per hour across all grades of staff.

We have drawn £147,500 during the period brining the total remuneration drawn to date to £1,042,330 as shown in the receipts and payments account on page 7.

A detailed breakdown of time costs together are shown on pages 12 to 16. Please note that time is charged in six minute increments.

Our time costs for the period, in addition to general compliance and case related matters, largely comprise time spent in relation to the confidential litigation in which Record Shop 2 was engaged. This time has been spent primarily compiling evidence to support our claim, liaison with our legal representatives in respect of the claims and settlement discussions with defendants to generate a cost effective return to the liquidation estate of Record Shop 2 from the litigation.

### Charge out rates

The range of charge-out rates for the separate categories of staff is based on our 2018 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 2018. 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 2018 |
|---|---|
| Partners & Directors | 965 - 1,125 |
| Assistant Directors | 750 - 850 |
| Managers | 590 - 765 |
| Assistant Managers | 465 - 610 |
| Assistants & Support | 210 - 360 |

HMV Group Joint Liquidators' time costs for the period 16 July 2017 to 15 July 2018

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 50 | 535 00 | 1 20 | 948 00 | 0 20 | 109 00 | 3 00 | 1,325 00 | 10 40 | 2,136 00 | 15 30 | 5,053 00 | 330 26 |
| Case Management and Closure | 7 00 | 6,720 00 | 42 20 | 29,477 75 | - | - | 16 60 | 7,195 00 | 5 85 | 1,230 75 | 71 65 | 44,623 50 | 622 80 |
| General Reporting | - | - | 12 50 | 6,587 50 | - | - | 1 30 | 478 50 | 9 50 | 1,982 50 | 23 30 | 9,048 50 | 388 35 |
| | **7.50** | **7,255.00** | **55.90** | **37,013.25** | **0.20** | **109.00** | **20.90** | **8,998.50** | **25.75** | **5,349.25** | **110.25** | **58,726.00** | **532.65** |
| **Creditors** | | | | | | | | | | | | | |
| Employees | - | - | - | - | - | - | 20 04 | 8,958 60 | 1 50 | 277 50 | 21 54 | 9,236 10 | 428 79 |
| Preferential | - | - | - | - | 0 50 | 280 00 | - | - | - | - | 0 50 | 280 00 | 560 00 |
| Secured | - | - | 0 80 | 572 00 | - | - | - | - | - | - | 0 80 | 572 00 | 715 00 |
| Shareholders | - | - | 0 10 | 71 50 | - | - | 0 80 | 356 00 | 0 30 | 105 00 | 1 20 | 532 50 | 443 75 |
| Unsecured | 0 50 | 480 00 | 4 05 | 2,855 75 | 3 00 | 1,680 00 | 24 20 | 10,771 00 | - | - | 31 75 | 15,786 75 | 497 22 |
| | **0.50** | **480.00** | **4.95** | **3,499.25** | **3.50** | **1,960.00** | **45.04** | **20,085.60** | **1.80** | **382.50** | **55.79** | **26,407.35** | **473.33** |
| **Case Specific Matters** | | | | | | | | | | | | | |
| Litigation | - | - | 11 00 | 7,865 00 | - | - | - | - | - | - | 11 00 | 7,865 00 | 715 00 |
| VAT | 1 20 | 1,296 00 | 8 90 | 6,648 00 | - | - | 22 55 | 10,069 75 | 34 15 | 8,413 25 | 66 80 | 26,427 00 | 395 61 |
| Tax | 1 50 | 1,960 00 | 25 10 | 21,057 00 | - | - | 1 90 | 765 50 | 11 50 | 1,905 00 | 40 00 | 25,687 50 | 642 19 |
| | **2.70** | **3,256.00** | **45.00** | **35,570.00** | **-** | **-** | **24.45** | **10,835.25** | **45.65** | **10,318.25** | **117.80** | **59,979 50** | **509.16** |
| **TOTAL HOURS & COST** | **10.70** | **10,991.00** | **105.85** | **76,082.50** | **3.70** | **2,069.00** | **90.39** | **39,919.35** | **73.20** | **16,050.00** | **283.84** | **145,111.85** | **511.25** |
| **AVERAGE RATE/HOUR PER GRADE** | | **£ 1,027.20** | | **£ 718.78** | | **£ 559.19** | | **£ 441.63** | | **£ 219.26** | | | |
| **FEES DRAWN** | | | | | | | | | | | | **175,000.00** | |

HMV Group Joint Liquidators' time costs for the period 16 July 2014 to 15 July 2018

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 | 13 40 | 6,977 00 | 69 80 | 28,709.00 | 64 55 | 16,738.25 | 157 20 | 59,545 75 | 378.79 |
| Case Management and Closure | 182 65 | 163,243.00 | 76.15 | 47,330 50 | 8.35 | 4,281.25 | 60.50 | 23,739 50 | 218 08 | 52,496 95 | 545 73 | 291,091 20 | 533 40 |
| 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 | - | - | 15.50 | 8,091 25 | 3.00 | 1,590 00 | 4.30 | 1,503 50 | 35.25 | 8,823 75 | 58 05 | 20,008 50 | 344 68 |
| | **185.15** | **165,640.00** | **99.20** | **60,550.25** | **37.75** | **19,303.25** | **139.90** | **58,045.50** | **324.68** | **79,419.45** | **786.68** | **380,958.45** | **484.26** |
| **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 20 | 81 00 | 11 50 | 1,725 00 | 267.70 | 222,781 00 | 832 20 |
| 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** | **-** | **-** | **-** | **-** | **4.30** | **1,700.50** | **23.35** | **4,851.25** | **283.65** | **227,526.75** | **802.14** |
| **Creditors** | | | | | | | | | | | | | |
| Employees | - | - | 0.75 | 453 75 | 4 00 | 2,020.00 | 41 74 | 17,200.10 | 5 80 | 1,536.25 | 52 29 | 21,210 10 | 405 62 |
| Preferential | - | - | 1 80 | 1,170 00 | 0 50 | 280 00 | - | - | 18 95 | 4,522 50 | 21 25 | 5,972 50 | 281.06 |
| Shareholders | - | - | 2 90 | 1,891.50 | - | - | 3 40 | 1,280 00 | 10 55 | 3,313 75 | 16 85 | 6,485 25 | 384 88 |
| Unsecured | 0 50 | 480 00 | 6.05 | 3,885 75 | 9 50 | 4,962 50 | 28 40 | 12,346 00 | 69 90 | 16,430 25 | 114 35 | 38,104.50 | 333 23 |
| | **0.50** | **480.00** | **12.30** | **7,973.00** | **14.00** | **7,262.50** | **73.54** | **30,826.10** | **105.20** | **25,802.75** | **205.54** | **72,344.35** | **351.97** |
| **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 | 48 70 | 52,393 50 | 14 75 | 10,884 75 | - | - | 35 35 | 15,229 75 | 145 50 | 34,853.25 | 244 30 | 113,361 25 | 464 02 |
| Tax | 7 50 | 9,010 00 | 33 15 | 28,208 50 | - | - | 4 80 | 1,780 00 | 14 90 | 2,676 75 | 60.35 | 41,675 25 | 690.56 |
| | **58.70** | **63,641.00** | **62.40** | **48,854.50** | **-** | **-** | **40.15** | **17,009.75** | **162.45** | **38,145.50** | **323.70** | **167,650.75** | **517.92** |
| **TOTAL HOURS & COST** | 500.35 | 450,736.00 | 173.90 | 117,377.75 | 52.75 | 27,070.75 | 258.09 | 105,662.85 | 620.48 | 149,422.95 | 1,605.57 | 850,270 30 | 529.58 |
| **AVERAGE RATE/HOUR PER GRADE** | | £ 900.84 | | £ 674.97 | | £ 513.19 | | £ 409.40 | | £ 240.82 | | | |
| **FEES DRAWN** | | | | | | | | | | | | 175,000.00 | |

Record Shop 2 Joint Liquidators' time costs for the period 17 July 2017 to 16 July 2018

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 | - | - | 2.70 | 2,059.50 | - | - | 5.10 | 2,339.50 | 26.00 | 4,458.00 | 33.80 | 8,857.00 | 262.04 |
| Case Management and Closure | - | - | 4.20 | 2,870.00 | - | - | 23.10 | 10,025.50 | 7.65 | 1,461.75 | 34.95 | 14,357.25 | 410.79 |
| Initial Actions | - | - | - | - | - | - | - | - | 0.40 | 134.00 | 0.40 | 134.00 | 335.00 |
| General Reporting | - | - | 2.50 | 1,437.50 | - | - | 1.00 | 345.00 | 9.00 | 1,882.50 | 12.50 | 3,665.00 | 293.20 |
| | - | - | 9.40 | 6,367.00 | - | - | 29.20 | 12,710.00 | 43.05 | 7,936.25 | 81.65 | 27,013.25 | 330.84 |
| **Creditors** | | | | | | | | | | | | | |
| Employees | - | - | - | - | 3.50 | 1,952.50 | 41.30 | 18,414.50 | - | - | 44.80 | 20,367.00 | 454.62 |
| Secured | - | - | 0.25 | 178.75 | - | - | - | - | - | - | 0.25 | 178.75 | 715.00 |
| Unsecured | 0.50 | 480.00 | 5.45 | 3,896.75 | 2.00 | 1,120.00 | 39.30 | 17,518.50 | 0.70 | 234.50 | 47.95 | 23,249.75 | 484.87 |
| | 0.50 | 480.00 | 5.70 | 4,075.50 | 5.50 | 3,072.50 | 80.60 | 35,933.00 | 0.70 | 234.50 | 93.00 | 43,795.50 | 470.92 |
| **Case Specific Matters** | | | | | | | | | | | | | |
| Litigation | - | - | 36.70 | 26,240.50 | - | - | - | - | - | - | 36.70 | 26,240.50 | 715.00 |
| Pensions | - | - | - | - | - | - | 0.40 | 178.00 | - | - | 0.40 | 178.00 | 445.00 |
| VAT | 0.80 | 1,064.00 | - | - | - | - | 16.75 | 7,478.75 | 20.65 | 5,583.75 | 38.20 | 14,126.50 | 369.80 |
| Tax | - | - | 9.45 | 9,443.25 | 2.25 | 990.00 | 18.00 | 6,335.00 | 36.55 | 6,135.50 | 66.25 | 22,903.75 | 345.72 |
| | 0.80 | 1,064.00 | 46.15 | 35,683.75 | 2.25 | 990.00 | 35.15 | 13,991.75 | 57.20 | 11,719.25 | 141.55 | 63,448.75 | 448.24 |
| **TOTAL HOURS & COST** | 1.30 | 1,544.00 | 61.25 | 46,126.25 | 7.75 | 4,062.50 | 144.95 | 62,634.75 | 100.95 | 19,890.00 | 316.20 | 134,257.50 | 424.60 |
| **AVERAGE RATE/HOUR PER GRADE** | | £ 1,187.69 | | £ 753.08 | | £ 524.19 | | £ 432.11 | | £ 197.03 | | | |
| **FEES DRAWN** | | | | | | | | | | | | 147,500.00 | |

Record Shop 2 Joint Liquidators' time costs for the period 17 July 2014 to 16 July 2018

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 25 | 1,151 75 | 33 05 | 22,301.00 | 18 90 | 9,756.50 | 113 20 | 47,095.00 | 167 45 | 37,172 75 | 333 85 | 117,477 00 | 351 89 |
| Case Management and Closure | 12 45 | 10,951.00 | 74 55 | 44,994.00 | 27 05 | 14,199 75 | 71 90 | 29,145 50 | 170 17 | 44,124 65 | 356.12 | 143,414 90 | 402.72 |
| 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 | - | - | 5 50 | 2,941.25 | 27 50 | 13,962 50 | 2 50 | 852 50 | 46 80 | 12,444 00 | 82 30 | 30,200 25 | 366 95 |
| | 13.80 | 12,189.25 | 113.10 | 70,236.25 | 87.45 | 44,998.75 | 189.00 | 77,646.00 | 394.02 | 95,715.90 | 797.37 | 300,786.15 | 377.22 |
| **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 | 20.90 | 10,927 00 | 8.40 | 3,398 00 | - | - | 305.70 | 264,594 00 | 865 53 |
| 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 | 76.40 | 39,132.00 | 13.30 | 5,367.50 | 26.45 | 6,651.25 | 427.85 | 324,476.75 | 758.39 |
| **Creditors** | | | | | | | | | | | | | |
| Employees | 1 00 | 840.00 | 18 05 | 11,712 25 | 29.50 | 16,122.50 | 289 20 | 123,890 00 | 195 70 | 58,882 25 | 533 45 | 211,447 00 | 396 38 |
| 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 | 45 90 | 20,207 50 | 71 45 | 19,444 75 | 147 95 | 57,893 75 | 391 31 |
| | 9.00 | 7,590.00 | 42.70 | 28,028.50 | 70.70 | 37,268.00 | 336.90 | 144,824.50 | 361.25 | 104,811.00 | 820.55 | 322,522.00 | 393.06 |
| **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 | 17 95 | 11,204.00 | 37 50 | 19,065.00 | 34 95 | 14,534 75 | 76 65 | 19,769 25 | 168 35 | 66,049 50 | 392 33 |
| Tax | 0 25 | 220 00 | 34.00 | 31,167.25 | 6 25 | 3,110 00 | 22.20 | 8,037 00 | 59.30 | 10,821 75 | 122.00 | 53,356 00 | 437 34 |
| | 113.85 | 88,010.00 | 361.55 | 222,813.50 | 43.75 | 22,175.00 | 57.55 | 22,749 75 | 146.90 | 34,145.25 | 723.60 | 389,893.50 | 538.82 |
| **TOTAL HOURS & COST** | 392.65 | 344,131.75 | 575.05 | 359,016.75 | 279.80 | 144,326.25 | 597.25 | 250,790.25 | 956.67 | 248,205.65 | 2,801.42 | 1,346,470.65 | 480.64 |
| **AVERAGE RATE/HOUR PER GRADE** | | £ 876.43 | | £ 624.32 | | £ 515.82 | | £ 419.91 | | £ 259.45 | | | |
| **FEES DRAWN** | | | | | | | | | | | | 1,042,330.00 | |

# 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 1 disbursements**

| £ (net) | Period | Total | Paid | Unpaid |
|---|---|---|---|---|
| Postage | 8,719.50 | 14,238.50 | 5,399.00 | 8,839.50 |
| Stationery | 3,527 00 | 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** | **12,246.50** | **20,276.28** | **6,856.84** | **13,419.44** |

### 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. Specific approval is required before these costs and expenses can to be drawn from the liquidation estate.

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 above and from which it can be seen that we have not recovered our disbursements in full.

## 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.