

AM25

Notice of court order ending administration



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1 Company details

Company number 0 6 9 3 7 9 6 3

Company name in full Duet Capital (Holdings) Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Colin

Surname Hardman

3 Administrator's address

Building name/number c/o Evelyn Partners LLP

Street 45 Gresham Street

Post town London

County/Region

Postcode E C 2 V 7 B G

Country

4 Administrator's name ①

Full forename(s) Henry Anthony

Surname Shinnars

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number c/o Evelyn Partners LLP

Street 45 Gresham Street

Post town London

County/Region

Postcode E C 2 V 7 B G

Country

② Other administrator

Use this section to tell us about
another administrator.

AM25

Notice of court order ending administration

6

Administration end date

End date

^d1^d7^m0^m3^y2^y0^y2^y3

7

Date of court order

Court order date

^d1^d7^m0^m3^y2^y0^y2^y3

8

Attachments

- ☒ I have attached a copy of the court order
- ☒ I have attached a copy of the final progress report

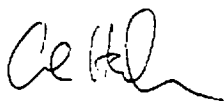
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Sign and date

Administrator's
signature

Signature

X



X

Signature date

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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 Rachael Sherwood

Company name Evelyn Partners LLP

Address 45 Gresham Street

Post town London

County/Region

Postcode EC2V 7BG

Country

DX

Telephone 020 7131 4000

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- ☐ You have attached all the required documents.
- ☐ You have signed the form.

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Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Nicholas

Surname Myers

3 Insolvency practitioner's address

Building name/number c/o Evelyn Partners LLP

Street 45 Gresham Street

Post town London

County/Region

Postcode E C 2 V 7 B G

Country



CASE NO CR-2021-000554

CR-2021-000554

IN THE HIGH COURT OF JUSTICE

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANY LIST (ChD)

**IN THE MATTER OF MATTER OF DUET CAPITAL (HOLDINGS)
LIMITED (IN ADMINISTRATION) (CRN: 06937963)**

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

BEFORE INSOLVENCY AND COMPANIES COURT JUDGE JONES

DATED 17 March 2023

ORDER

UPON THE APPLICATION of Michael Colin Hardman, Henry Anthony Shinnars and Nick Myers of Evelyn Partners LLP (formerly Smith & Williamson UK LLP) of 45 Gresham Street, London, EC2V 7BG in their capacity as joint administrators (the "**Administrators**") of Duet Capital Holdings Limited (in administration) (the "**Company**").

AND UPON the Administrators having been appointed as joint administrators of the Company on 23 March 2021

AND UPON HEARING Reuben Comiskey, Counsel for the Applicants

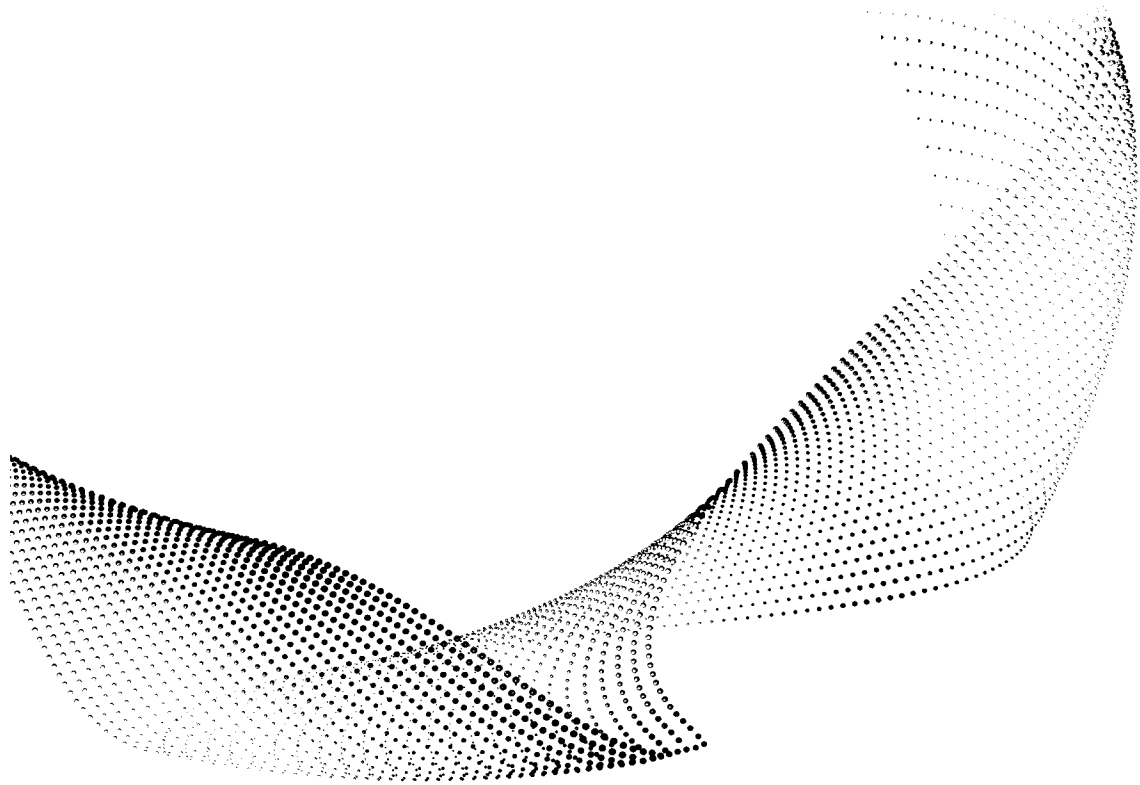
AND UPON THE COURT HAVING READ the Witness Statement of Colin Hardman dated 15 March 2023 and the exhibit thereto.

IT IS ORDERED THAT:

- 1 The appointment of the Administrators as administrators of the Company ceases to have effect from the time and date of this order;
- 2 The Administrators be discharged from any liability in respect of any acts of theirs as administrators with effect from the time and date of this order;
- 3 The Company be wound up by this Court under the provisions of the Insolvency Act 1986, and the proceedings shall be COMI proceedings;
- 4 The Administrators be appointed as joint liquidators of the Company and, for the purpose of section 231(2) of the Insolvency Act 1986, are to act jointly and individually and any function or act required or authorised under any enactment or otherwise to be done by the joint liquidators of the Company may be validly done by either one or both or all of them;
- 5 The Administrators progress report for the period 23 September 2022 to 10 March 2023 in support of the application be declared the final progress report and therefore the Administrators need not comply with Rule 3.53 to produce another final progress report;
- 6 The costs of and occasioned by the application be paid as an expense of the administration of the Company.

SERVICE OF THE ORDER:

The Court has sent sealed copies of this order to Rutland House, 148 Edmund Street, Birmingham, B3 2JR (Ref: DS/OWJ/DUE.003-0001) for service as required.



Duet Capital (Holdings) Limited (in administration)

Joint administrators' final progress report

10 March 2023

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1. Glossary

Abbreviation	Description
the Company, DCHL	Duet Capital (Holdings) Limited
the Administrators / Joint Administrators	Colin Hardman, Henry Anthony Shinnars & Nicholas Myers
Adriatic	Duet Adriatic Limited, a wholly owned UK subsidiary of DCHL
Sky Taste	Sky Taste d.o.o., a wholly owned subsidiary of DCHL registered in Croatia
DPL	Duet Piano Leasing Inc, a wholly owned subsidiary of DCHL registered in Delaware, USA
The Operating Subsidiaries	Adriatic, Sky Taste and DPL
Antares	Antares Revizija d.o.o, a Croatian accountancy and business advisory firm whose employee, Maja Bicanic, was appointed as the sole director of Sky Taste on 19 August 2021
Bank House	Freehold property owned by DCHL at the date of administration and sold on 14 February 2022
Close	Close Brothers Limited t/a Close Brothers Business Finance
Consumer Hire	FCA-regulated instrument hire business of DCHL, which leased lower value musical instruments to consumers for terms of 1-5 years
Counsel	Matthew Weaver KC of Radcliffe Chambers
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
ETR	Estimated to realise
Evelyn Partners	Evelyn Partners LLP (formerly Smith & Williamson UK LLP)
FCA	Financial Conduct Authority
GGP	Gajski, Grlić, Prka & Partners LLC, a Croatian firm of solicitors
GMP	Gibbons, Mannington & Phipps LLP, the Company's pre-administration accountants
HMRC	His Majesty's Revenue and Customs
HP	Hire Purchase
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Institution Leasing	Primary business line of DCHL, which involved leasing premium musical instruments to educational institutions and conservatoires across the UK
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
Musiq Group	Musiq Group Limited, the purchaser of the Company's business and assets
NatWest	National Westminster Bank Plc
OSB	OneSavings Bank Plc

PAYE	Pay As You Earn
Pike Restructuring	Pike Restructuring Limited, a UK-based business advisory firm whose Director, Nick Pike, was appointed as the sole director of Adriatic on 26 March 2021
Prescribed Part	Pursuant to S176A IA86, part of the proceeds arising from floating charge realisations must be set aside and made available to satisfy unsecured debts
QFCH	Qualifying Floating Charge Holder – a secured creditor who has the power to appoint an administrator
Reporting period	23 September 2022 to 10 March 2023
RPS	Redundancy Payments Service
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
Selina, Bacine & Punta Dramca	3 plots of land in Croatia owned by Sky Taste at the date of administration, purchased using funds originating from DCHL
SIP	Statement of Insolvency Practice (England & Wales)
SOA	Statement of Affairs
SPB	Squire Patton Boggs (UK) LLP, the administrators' solicitors
TSA	Transitional Services Agreement between DCHL and Musiq Group
VAT	Value Added Tax

2. Introduction & summary

This report provides an account of the administration of the Company since the last progress report and a summary of the outcome of the administration of the Company. It should be read in conjunction with our proposals and any previous reports. By way of reminder, Colin Hardman, Henry Anthony Shinnars, and Nicholas Myers of Evelyn Partners LLP, 45 Gresham Street, London, EC2V 7BG, were appointed as the joint administrators of the Company on 23 March 2021.

Statutory information in respect of the Company and the administration is set out at Appendix I.

The following key events have taken place since the last progress report:

- The administrators carried out further work to finalise residual matters relating to the administration trading period and the post-business sale transitional period from 21 October 2021 to 24 January 2022, including a reconciliation of trading income and expenditure. Details are provided in section 4.1.
- The administrators assisted Nick Pike of Pike Restructuring in preparing Adriatic to be placed into CVL. Adriatic subsequently entered CVL on 22 December 2022 and its remaining assets (having no expected net value) will be disclaimed by the liquidator. See section 4.4.1.
- Antares have discharged the remaining costs relating to the sale of Selina, the final Sky Taste property in Croatia. The net proceeds of the property sale have been converted to GBP and are in the process of being remitted to the administration bank account.
- The administrators are working with Antares and GGP to prepare Sky Taste to enter the Croatian equivalent of liquidation. It is anticipated that this process will commence shortly. Further information regarding Sky Taste is set out in section 4.4.2 of this report.
- The primary asset remaining to be realised is the director's loan account for the Company's former director, Jonathan Thorne. The realisation is expected to take the form of a distribution from the estate in the bankruptcy of Mr Thorne (deceased). The timing and quantum of such a distribution are currently unknown as the bankruptcy is at an early stage. Details of the position are set out in section 4.5 of this report.
- With regard to the statutory purpose of the administration:
 - Objective 3(1)(b) has been achieved, as a better result has been achieved for the creditors than would have been the case had the Company been wound up. This is because realisations from the business sale to Musiq Group represent a materially better result for creditors than if the Company had been wound up without first being in administration.
 - Objective 3(1)(c), realising property in order to make a distribution to one or more secured creditors, has also been achieved as distributions have been made to NatWest and OSB during the administration. We anticipate that a further secured creditor distribution will be made to OSB in due course.
- Funds totalling £1.05m were distributed to OSB during the reporting period. The distribution comprised:
 - a fixed charge distribution of £210,000 in respect of the net proceeds from the sale of Bank House;
 - a fixed charge distribution of £190,000 in respect of the net proceeds from other fixed charge realisations; and
 - a distribution of £650,000 under OSB's total assignment over the assets of the Company.

Further details of the distribution are provided in section 9.2.

- No distributions were made to any other class of creditor during the reporting period.
- The administrators do not anticipate that there will be sufficient funds available in the estate to enable a distribution to the unsecured creditors, including by way of the Prescribed Part.
- The basis of the joint administrators' remuneration and their pre-appointment costs were approved by OSB in September 2022 in its capacity as total assignee of the Company's assets. No fees have been drawn by the administrators during the reporting period.
- The administration is due to expire at 23.59pm on 22 March 2023.
- The administrators are seeking a Court Order to place the company into compulsory liquidation and appoint the joint administrators as joint liquidators before the administration expires. See section 11 for further details.

3. The joint administrators' proposals

As previously advised the administrators must perform their functions with the purpose of achieving one of the following objectives:

1. Rescuing the Company as a going concern; or
2. 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 placed into administration; or
3. Realising property in order to make a distribution to one or more secured or preferential creditors.

The objectives pursued in this case were the second and third objectives above and our strategy for achieving this objective was set out in our proposals, which were approved on 28 May 2021 by the secured and preferential creditors.

A summary of our proposals is set out below.

- The purpose of the administration was to continue to manage the affairs of the Company for such a period as the administrators considered necessary to achieve the second and/or third objective noted above.
- It was envisaged that the administrators would continue to trade the Company's business until a going concern sale of its business and assets was achieved. This strategy was carried out as anticipated and resulted in a going concern sale of the Company's business and certain assets to Musiq Group in October 2021.
- Our proposals set out a series of proposed exit routes based on whether there were sufficient assets to make a distribution to the unsecured creditors by way of the Prescribed Part or otherwise, and whether claims against former office holders of the Company were likely to result in delayed realisations to the extent that keeping the Company in administration was not appropriate. In this case the latter scenario has arisen and the administrators are therefore seeking a Court Order to place the Company into compulsory liquidation before the expiry of the current administration period.

4. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period since 23 September 2022. This account includes cumulative figures for the whole of the period of the administration from 23 March 2021.

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

4.1 Trading (residual matters)

As previously reported, the administrators continued to trade all aspects of the Company's musical instrument leasing and media business until the institution leasing and media business lines were sold to Musiq Group on 20 October 2021. Following the business sale, the administrators continued to trade the consumer hire business line under a TSA until Musiq Group received FCA authorisation to operate it which it achieved on 24 January 2022.

A reconciliation exercise was carried out during the period of this report to review the income and expenditure arising after completion of the business sale. This exercise was finalised during the reporting period and resulted in adjustments to the trading figures previously reported.

4.1.1 Trading income

The reconciliation exercise carried out during the period identified that £8,989 of income generated after the business sale (and which therefore belongs to Musiq) had erroneously been recorded as administration trading income. This has been corrected.

The impact on the overall trading receipts is set out in the table below:

Trading receipts	Gross £	Net £	VAT £
Total trading income previously reported	506,085	421,737	84,348
Adjustment to trading income: additional post-sale Musiq Group monies identified during the reporting period	(10,787)	(8,989)	(1,798)
Total Trading Income	495,298	412,748	82,550
<u>Comprising:</u>			
Institution Leasing	266,626	222,188	44,438
Consumer Hire	178,824	149,020	29,804
Media	49,848	41,540	8,308

4.1.2 Trading payments

Payment to Close for use of HP assets

As previously reported, the administrators reached an agreement with Close to make a payment of £72,903 to Close for the use of the instruments subject to Close HP agreements during the administration trading period. This payment was made during the reporting period and appears on the R&P account.

Reconciliation exercise

The reconciliation exercise noted above also resulted in several adjustments to the administration trading costs. These are as follows:

- Payments of £47,173 to Musiq Group for operating the consumer hire business line during the post-business sale transitional period were previously recorded as a trading expense. These have been reclassified as a general administration expense and as such no longer appear on the trading account section of the R&P account.
- The trading expenses previously reported included payments totalling £9,564 to IT & Telecoms providers and £393 in respect of business rates which relate to the post-business sale period governed by the TSA. These payments have been reclassified as a general administration expense under 'Musiq Group Limited – Post-Sale Costs' on the R&P account.

4.2 Business sale and TSA (residual matters)

Full details of the sale of the Company's business and certain assets to Musiq Group were provided in our previous progress reports.

As outlined in section 4.1 above, further reconciliation work was carried out during the reporting period which resulted in the reclassification of certain income and expenditure for the post-business sale period under the TSA.

This exercise identified £2,612 of post-business sale income which belonged to Musiq Group. This was transferred to Musiq Group during the reporting period.

4.3 Bank House

As previously reported, the Company's freehold trading premises was sold in February 2022.

An insurance payment of £3,608 was made during the reporting period regarding property insurance up to the date of the property sale.

A rates refund of £29 was also received during the period.

All costs relating to the sale of Bank House have now been settled and the administrators are continuing to liaise with the Company's former water suppliers with a view to recovering two small refunds.

An initial distribution of £190,000 was paid to OSB during the period (see section 9.2), representing a portion of the net proceeds arising from the sale of Bank House. Funds of £25,251 remain in the administrators' fixed charge bank account and we anticipate that a further distribution will be made to OSB in due course.

4.4 Subsidiaries

Where applicable, updates regarding the assets of the Operating Subsidiaries are set out below.

4.4.1 Duet Adriatic

The primary asset of Adriatic, a superyacht known as Chimera, was sold on 15 February 2022. It has been established that Adriatic's other assets have no realisable value. Full details of the marketing processes undertaken regarding Adriatic's assets are provided in our previous reports.

In light of the above, Nick Pike of Pike Restructuring, Adriatic's sole director, proposed that Adriatic should enter CVL given that it was insolvent with net liabilities according to its Statement of Affairs of £5.7m. The administrators assisted Mr Pike in preparing the entity for liquidation, and Adriatic subsequently entered CVL on 22 December 2022.

The administrators understand that there will be insufficient realisations in the Adriatic liquidation to enable a distribution to any class of creditor, including DCHL.

Nick Pike continued to act as the sole director and retained responsibility for Adriatic up to the date it entered CVL. The administrators paid Pike Restructuring's fees of £5,010 and expenses of £1,811 (net of VAT) during the period.

4.4.2 Sky Taste

As set out in our previous progress reports, Maja Bicanic of Antares was appointed by the administrators as the sole director of Sky Taste to protect and realise its assets.

Property sales

Sky Taste held three properties in Croatia at the date DCHL entered administration, and the Summary Judgement obtained by the administrators on 24 February 2022 held that they were held on trust for the benefit of DCHL.

All three properties have been sold, and the net proceeds of two of the properties ('Bacine' and 'Punta Dramca') have been remitted to the administrators. The net proceeds of the third property ('Selina'), which amount to £678,454, are in the process of being transferred to the administration bank account.

Liquidation of Sky Taste

Following receipt of the sale proceeds for Selina, the joint liquidators will instruct Antares to take the necessary steps to place Sky Taste into the Croatian equivalent of liquidation. It is not anticipated that there will be any further realisations from Sky Taste.

4.5 Director's loan account

On 24 February 2022 the administrators obtained Summary Judgment against Mr Thorne, Duet Adriatic and Sky Taste and an interim payment order for £11.3m was made against Mr Jonathan Thorne, one of the Company's directors. Further details of the legal proceedings and the circumstances which preceded them are provided in our previous progress reports.

Mr Thorne passed away during April 2022 and a bankruptcy order was made against his deceased estate on 24 July 2022. Colin Hardman and Dave Bridge (both of Evelyn Partners) and Hannah Davie (of Grant Thornton) are the Trustees in Bankruptcy. The administrators have submitted a claim for £26m to the Trustees in Bankruptcy. We anticipate that a distribution will be received in due course, however the bankruptcy is at an early stage and as such the timing and quantum of any such distribution are not yet known.

It is anticipated that DCHL's claim will be adjudicated on by the Trustees in Bankruptcy in due course, and a distribution from the bankruptcy will be received after the Company has entered compulsory liquidation.

4.6 Debtors

Private debtor - £10k

The administrators have made numerous attempts to realise a debt of £10k owed by a private individual. These efforts have been unsuccessful and the administrators do not consider it to be cost effective to pursue this matter further.

Terminal Studios – debt purchase

The administrators previously received a debt purchase proposal from Terminal Studios, one of the Company's former clients, which entered a CVA in December 2020 and has an outstanding debt of £46k due to the Company. This proposal has not materialised.

4.7 Bank interest

During the reporting period bank interest of £1,590 was earned on funds held in the administrators' fixed charge bank account, and £8,678 was earned on funds held in the administrators' floating charge bank account. All interest was received gross of tax.

4.8 Assets still to be realised

The principal asset remaining to be realised is the director's loan account for Jonathan Thorne. As noted above, this realisation is expected to take the form of a dividend from the bankruptcy of Mr Thorne's deceased estate and is unlikely to be received for a number of months.

The administrators are also assessing the potential for further realisations arising as a result of their ongoing investigations into the affairs of the Company. Further information cannot be provided at this time so as not to prejudice the administrators' investigations.

The administrators intend to deal with these matters during the compulsory liquidation.

5. Investigations

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

As previously reported, we complied with our duty in this regard during the early stages of the administration and subsequently assisted the Insolvency Service in its enquiries into the alleged misconduct of one of the Company's officers. The Insolvency Service has now closed its investigation.

The administrators also have a duty to investigate transactions where there is potential for realisations into the Company's estate for the benefit of creditors. As set out in our previous reports, our review of the Company's bank statements and records revealed a number of issues relating to the creation of counterfeit leases to support borrowing and the misappropriation of Company funds. Legal proceedings were brought by the administrators against Mr Jonathan Thorne, Adriatic and Sky Taste and Summary Judgment was obtained in February 2022. In view of Mr Thorne's passing and bankruptcy, the administrators will not be pursuing the claims for an account within these proceedings.

We are continuing with our investigations into the Company's affairs during the period preceding the administration to establish whether any further actions may be appropriate. We intend to continue this exercise whilst the Company is in compulsory liquidation.

6. Pre-administration costs

The pre-administration costs incurred by the administrators and SPB are set out below, along with the amounts for which approval has been obtained from OSB in its capacity as total assignee of the Company's assets and the amounts paid during the reporting period:

Recipient	Brief description of services provided	Total incurred £	Fee approval obtained £	Paid during the period £	Outstanding at 10 March 2023 £
Evelyn Partners LLP	Pre-appointment time costs	49,608	49,608	49,608	Nil
Squire Patton Boggs UK LLP	Pre-appointment costs relating to the worldwide freezing order and administration appointment (See note)	67,840	67,050	67,050	790

Note: Pre-appointment legal fees and expenses were reported gross of VAT in our previous reports. This cost is shown net of VAT above for consistency with other expenses and for ease of reference to the R&P at Appendix I.

The administrators will seek approval from OSB to discharge the balance of pre-appointment legal costs prior to the Company entering compulsory liquidation.

7. The joint administrators' remuneration

As outlined in our previous report, OSB in its capacity as total assignee of the Company's assets approved that the basis of the administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration.

On 12 September 2022 OSB granted approval for the administrators to draw fees of £1,063,508 in respect of their post-administration time costs, this figure being the administrators' post-appointment time costs incurred up to 1 August 2022. Further fee approval will be sought from OSB in respect of the remaining administration time costs and disbursements prior to the Company being placed into compulsory liquidation.

Fees totalling £1m were drawn during the current period and are split out on the R&P as follows:

- £12,329 in respect of time spent dealing with fixed charge assets; and
- £987,671 in respect of time spent dealing with non-fixed charge assets and all other matters in the administration.

The administrators' time costs are as follows:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
23 March 2021 to 22 September 2021	2,196	695,323	317	695,323
23 September 2021 to 22 March 2022	772	236,899	308	236,899
23 March 2022 to 22 September 2022	531	156,779	295	67,778
23 September 2022 to 22 March 2023	368	139,198	379	Nil
Total	3,867	1,228,199	318	1,000,000

Attached as Appendix III is a time analysis which provides details of the costs incurred by Evelyn Partners LLP staff during the period of this report by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the body of this report.

Also attached, as Appendix IV, is a cumulative time analysis for the period from 23 September 2022 to 10 March 2023, which provides details of the administrators' time costs since their appointment. Fees of £1,000,000 have been drawn on account of these costs as at the date of this report.

As detailed above and as shown in Appendix IV, a cumulative time analysis of the administrators' time costs since appointment, the joint administrators' costs to 10 March 2023 were £1,228,199. As a reminder, the administrators' fees currently approved by OSB is £1,063,508. To date the joint administrators have drawn £1,000,000 of these costs, therefore, the total outstanding approved administrators' fees payable in the succeeding liquidation will be £63,508.

As shown in the table above, the administrators' total time costs exceed the approved fees by £164,691, therefore the joint liquidators will seek further fee approval from OSB in its capacity as total assignee over the Company's assets prior to the end of the administration. These fees will be drawn during the compulsory liquidation.

We anticipate that our future time costs in dealing with the administration and subsequent compulsory liquidation will amount to £60,000. A detailed narrative explanation of the work can be found in the 'Outstanding matters' section of this report. It should be noted that this future cost estimate is based on:

- the administration ending and the Company being placed into compulsory liquidation prior to the expiry of the current administration period;
- the completion of our investigations into the Company's affairs and holding initial discussions with our legal advisors regarding potential claims; and
- the assumption that a distribution will be received from the bankruptcy of Mr Thorne's estate within two years from the date of this report.

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

Creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and providing information relating to the Company and its former officers as required by the Company Directors' Disqualification Act 1986.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by R3, is available free on request or can be downloaded from their website as follows:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page1/administration-a-guide-for-creditors-on-insolvency-practitioner-fees/>

Following a change to this firm's financial year-end, we reviewed our charge-out rates on 1 January 2023. In common with other professional firms, our scale rates rose to cover inflationary cost increases (which readers will be aware have been particularly high of late) and accordingly our rates have risen on average by approximately 5% with effect from 1 January 2023. This increase takes into account that only six months have passed since the date of the last increase to avoid prejudice to creditors and stakeholders. Rate reviews will now revert to being annual.

Details of Evelyn Partners LLP's charge out rates (including any changes during the case) along with the policies in relation to the use of staff are provided at Appendix IV.

8. The joint administrators' expenses

The tables in Appendices V to VIII 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 II which shows expenses actually paid during the period and the total paid to date.

8.1 Subcontractors

The table at Appendix VI provides details of the subcontractors we have engaged to undertake work that we could otherwise do ourselves, including costs incurred in the current period, total cumulative costs and estimated future costs. Full details of the subcontractors engaged on this assignment are contained in our previous progress reports.

Comparison to expenses estimate

The expenses estimate provided in our previous progress report was £377,258. No further subcontractor expenses have been incurred during the reporting period and we do not anticipate incurring any additional costs of this nature. As such, there is no variance to our previous expenses estimate for subcontractors.

8.2 Professional advisers

The table at Appendix VII sets out the costs incurred and paid in respect of professional advisors, along with the estimates provided in our previous progress report. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

The solicitors and valuation agents detailed in Appendix VII were engaged to advise the administrators based on their insolvency or asset-specific expertise and experience. We consider that they provide the best value and service to creditors. All UK-based solicitors are regulated by the Solicitors Regulation Authority (SRA).

Further information on the professional advisers engaged and the scope of work undertaken by them is contained in our previous progress reports.

Comparison to expenses estimate

The expenses estimate provided in our previous progress report for costs relating to professional advisors was £1,071,343.

This estimate has increased by £43,803 to £1,835,146 as a result of the following:

- Estimated fees for SPB have increased by £55,103 to reflect:
 - legal advice obtained from SPB and Counsel regarding the appropriate exit route from the administration and making an application to court for a court order to place the Company into compulsory liquidation; and
 - potential legal advice required in respect of possible realisations identified in the course of our investigations into the affairs of the Company.
- Estimated fees for Pike Restructuring have reduced by £11,300 as a result of Adriatic entering CVL in December 2022, which is earlier than originally anticipated.

8.3 The joint administrators' expenses

The table at Appendix VIII provides details of the expenses incurred by the joint administrators in the administration.

Comparison to expenses estimate

The estimate for the joint administrators' expenses provided in our previous report was £723. This estimate has been reduced by £279 to £425. This is due to certain statutory notices no longer being required as a result of the proposed exit route from the administration, and the correction of an erroneously duplicated courier charge on our expenses system.

8.4 Other expenses

Other expenses (i.e. those not detailed in the preceding sections) incurred and paid during the current period together with cumulative totals for the period of the administration are shown in the receipts and payments summary at Appendix II.

Appendix IX contains a table detailing those expenses which we consider to be significant in the context of this case.

Comparison to expenses estimate

The estimate provided in our previous progress report for expenses in this category was £94,406. This estimate has been reduced by £4,963 during the period to £89,443. The basis for the reduction is as follows:

- Estimated insurance costs payable to Marsh Limited increased by £5,251. This increase relates to a charge incurred during the administration trading period which the administrators were only made aware of when the final insurance invoice was received during the current period.

- Estimated utility costs (Gazprom, Business Stream & Castle Water) were reduced by a total of £650 to reflect actual bills received and correspondence with the utility providers during the period.
- The estimate for costs relating to Anchor Computer Systems Limited and Infinity Technology Solutions Limited was reduced by £9,564 during the period as a result of a reallocation of costs for this amount to Musiq Group Limited.

8.5 Policies regarding use of third parties and expense recovery

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

9. Outcome for creditors

9.1 Total assignment in favour of OSB

Our previous progress reports set out the complex security position applicable to the Company, but by way of reminder a potential total assignment of all current and future sums due to the Company in favour of OSB was identified shortly after the administrators' appointment.

A detailed security review was obtained from Matthew Weaver KC of Radcliffe Chambers and on 7 July 2022 the secured and preferential creditors, being Close and HMRC (the only creditors who would be affected by the existence of the total assignment), were provided with an explanation of Counsel's opinion regarding the assignment. Close and HMRC were given 14 days' notice to comment upon or contest the administrators' intention to proceed on the basis of a total assignment in favour of OSB. Both responded stating that they did not intend to contest the assignment.

Accordingly, the administrators proceeded on the basis of the assignment being in place, and approval for the basis of their remuneration was obtained from OSB in this capacity. See section 7 for further details.

9.2 Secured creditors

Notwithstanding the total assignment in favour of OSB as noted above, three creditors (NatWest, Close and OSB) held charges over the Company's assets at the date of administration. The indebtedness as at 23 March 2021 was estimated by the Directors to be £30.8m, to which interest would continue to accrue.

Details of the security held and distributions paid to date are as follows:

Charge holder	Type of charge	Date(s)	Amount due £	Paid in current period £	Total paid at period end £
NatWest	Debenture containing fixed & floating charges Legal mortgage in respect of Bank House	15/10/2013 31/10/2014	171k	Nil	171,292
OSB	Debenture containing fixed & floating charges <i>* OSB also holds a total equitable assignment over all assets of the Company (see section 9.1)</i>	03/03/2015	27.4m	1,050,000	1,050,000
Close	Debenture containing fixed & floating charges, and 12 HP agreements in respect of specific musical instruments <i>* All HP agreements were terminated on 20/10/2021 and the assets taken back by Close. Close released all of its</i>	Various between 11/10/2016 & 29/05/2019	3.2m	Nil	Nil

*security over the Company's assets on
20/10/2021.*

Total Paid	1,050,000	1,221,292
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NatWest was repaid in full during February 2022 following the sale of Bank House and its charges were subsequently released.

Close terminated all of its hire purchase agreements with the Company on 20 October 2021 and released all of its security on this date.

A distribution of £1,050,000 was paid to OSB on 13 December 2022, comprising £400,000 under its fixed charge and £650,000 under its total assignment.

We anticipate that further distributions will be made to OSB under its total assignment after the Company has entered compulsory liquidation. Due to the assignment it is not anticipated that there will be sufficient funds to enable any payments to OSB as the sole secured creditor.

9.3 Prescribed Part

The Company granted floating charges to NatWest, OSB and Close as set out in the table above. Had there been any floating charge realisations in the administration we would have been required to create a Prescribed Part fund for unsecured creditors out of the Company's net floating charge property.

Due to all non-fixed charge assets being subject to the assignment, we confirm that the value of the Company's net floating charge property is £nil. Accordingly, there is no Prescribed Part fund available for a distribution to unsecured creditors.

9.4 Ordinary preferential creditors

A summary of ordinary preferential creditors' claims received in the administration is set out below:

Ordinary preferential creditor	Claims received £	Claims agreed £
Employee claims (2 claims)	Nil	Nil
Redundancy Payments Service	1,101	Nil
Total	1,101	Nil

We do not anticipate that realisations will be sufficient to declare a dividend to the ordinary preferential creditors during the administration or subsequent compulsory liquidation. We have not therefore taken steps to agree the ordinary preferential creditor claims.

9.5 Secondary preferential creditors

As from 1 December 2020 certain liabilities due to HMRC that arose after this date were given secondary preferential status.

The claims which now rank below the ordinary preferential creditors are in respect of outstanding taxes 'paid' by employees and customers of the business. These include VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. It is important to note that there is no cap or time limit on what HMRC can recover in respect of the above.

The secondary preferential creditors will only be entitled to receive a dividend after all the ordinary preferential creditors have been paid in full, and HMRC will continue to be an unsecured creditor for corporation tax and any other taxes owed directly by the Company.

We set out below a summary of the secondary preferential claims received and agreed.

Secondary preferential creditor	SOA claims £	Claims received £
HMRC claims for VAT and PAYE	Uncertain	171,476

We do not expect that realisations will be sufficient to declare a dividend to the secondary preferential creditors. We have not therefore taken steps to agree the secondary preferential creditor claims.

9.6 Unsecured creditors

We have received claims totalling £1,088,821 from six creditors. Total claims per the directors' SOA were £31,023,853.

The joint administrators hereby give notice that they will not be in a position to declare any dividend due to insufficient realisations from the Company's assets, as disclosed in the receipts and payments account. Consequently, no steps have been taken to agree unsecured creditor claims.

10. Privacy and data protection

As part of our role as the 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 www.evelyn.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.

11. Ending the administration

A notice was issued to all known creditors of the Company on 7 March 2023 setting out the administrators' intention to seek a court order to place the Company into compulsory liquidation, with the administrators being appointed as joint liquidators, prior to the expiry of the current administration period.

The court hearing for this matter is expected to take place on 17 March 2023.

As such, this is our proposed final report as the joint administrators and covers the period ended 10 March 2023.

The administration will only end and our appointment as joint liquidators begin once the necessary court order has been made. Consequently, there may be additional matters arising during this hiatus period. It is intended that any such matters will be reported to creditors by the joint liquidators.

Due to the requirement to issue this report to the court as part of the process outlined above, time costs for work carried out after 10 March but before the administration ends are not included in the analysis attached as Appendix III. It is anticipated that all time costs incurred during this period will relate to the application to place the Company into compulsory liquidation, and an order will be sought from the court to authorise costs of this nature to be paid as an expense of the administration but in the liquidation.

Authorisation for the administrators to be discharged from liability immediately upon their appointment as Joint Administrators ceasing to have effect was granted by OSB on 12 September 2022.

12. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

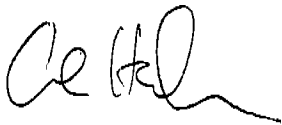
On a general note, if you have any comments or concerns in connection with our conduct, please contact Colin Hardman in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 45 Gresham Street, London EC2V 7BG or by telephone on 020 7131 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.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.



Colin Hardman, Henry Anthony Shinnars & Nicholas Myers

The joint administrators

Date: 10 March 2023

Colin Hardman, Henry Anthony Shinnars and Nicholas Myers have been appointed as the joint administrators of the Company on 23 March 2021. The affairs, business and property of the company are being managed by the joint administrators as agents and without personal liability.

All of the officeholders are authorised and licensed in the UK by the Institute of Chartered Accountants in England and Wales and are bound by their code of ethics. Further details of their licensing body along with our complaints and compensation procedure can be accessed at: www.evelyn.com/insolvency-licensing-bodies.

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. Evelyn Partners 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 www.evelyn.com/rsgdpr.

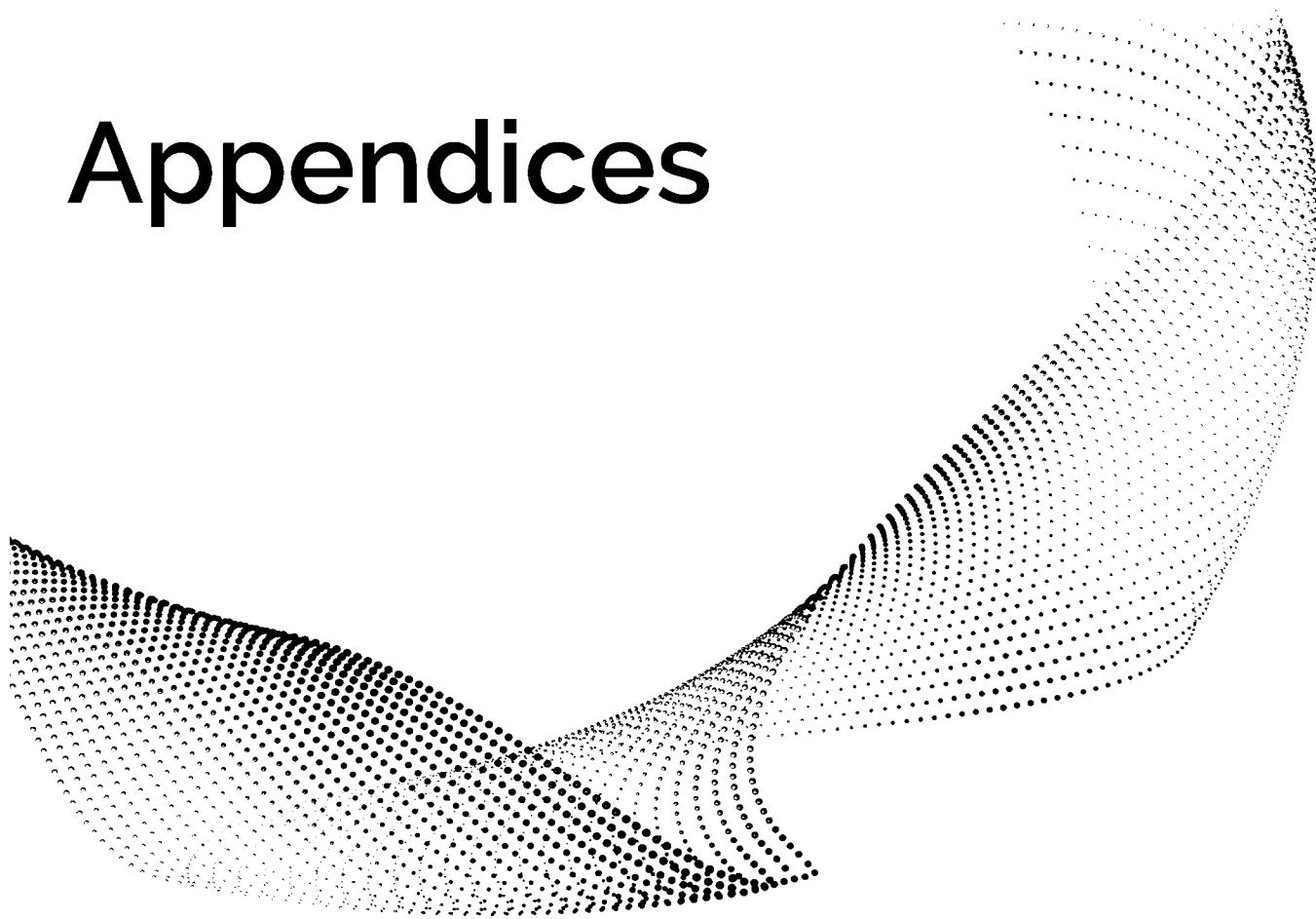
Should you wish to be supplied with a hard copy of any notice, attachment or document relating to a case matter, please contact the staff member dealing with this matter at any time via telephone, email or by post and this will be provided free of charge within five business days of receipt of the request.

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

Evelyn Partners LLP is registered in England at 45 Gresham Street, London EC2V 7BG No OC369631

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

Appendices



I Statutory Information

Relevant Court	High Court of Justice, Business and Property Courts of England and Wales Insolvency & Companies List (ChD)
Court Reference	554 of 2021
Trading Name(s)	Duet, DCHL
Trading Address	Bank House, 2a Bank Street, Ashford, TN23 1BX
Former Name(s)	Mifco Leasing and Financing Limited
Registered Office	c/o Evelyn Partners LLP, 45 Gresham Street, London, EC2V 7BG (Formerly Landgate Chambers, Rye, East Sussex, TN31 7LJ)
Company registration number:	06937963
The joint administrators	Colin Hardman, Henry Anthony Shinnars and Nicholas Myers, all of Evelyn Partners LLP, 45 Gresham Street, London, EC2V 7BG (IP No(s) 16774 and 9280) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the joint administrators to act jointly and severally.
Contact details	Post: Evelyn Partners LLP, 45 Gresham Street, London, EC2V 7BG Telephone: 020 7131 4000
Date of appointment	23 March 2021
Extension to the period of the administration	An extension of the administration was granted for a period of 1 year to 22 March 2023 by consent of the secured creditors.

II Receipts and payments account

Receipts and payments account to 10 March 2023

**Duet Capital (Holdings) Limited
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 23/09/2022 To 10/03/2023 £	From 23/03/2021 To 10/03/2023 £
POST APPOINTMENT SALES		
Institution Leasing Income - OSB Assets	NIL	149,285.25
Institution Leasing Income- Close Assets	NIL	72,902.71
Duet Media Income	NIL	41,540.00
Consumer Hire Income	(8,989.47)	149,019.96
	(8,989.47)	412,747.92
OTHER DIRECT COSTS		
Sub Contractors		
Piano Technicians	NIL	112,760.08
Consultants	NIL	37,041.70
Media Technicians	NIL	4,859.33
Consumer Book-Musiq Group Ltd	(47,142.86)	NIL
Direct Labour	NIL	77,044.12
Staff Expenses	NIL	8,117.37
Ransom Payments	NIL	35,584.88
	47,142.86	(275,407.48)
TRADING EXPENDITURE		
Pension Contributions	NIL	7,842.12
PAYE/NIC	NIL	36,497.17
Rates	(392.78)	5,664.95
Utilities	NIL	1,456.57
IT & Telecoms	(9,564.30)	22,359.95
Professional Fees	NIL	550.00
Bank Charges	NIL	46.25
Repairs & Maintenance	NIL	4,447.84
Close Brothers Ltd - HP Assets Charge	72,902.71	72,902.71
Stationery	NIL	16.89
Storage	NIL	18,360.00
Waste Disposal	NIL	123.72
Employee Healthcare Insurance	NIL	8,369.60
Customer Refunds	NIL	2,248.90
Consumer Hire Purchases	NIL	1,640.00
Subcontractor Hotel & Travel Costs	NIL	2,193.75
Security Systems	NIL	516.00
	(62,945.63)	(185,236.42)
TRADING SURPLUS/(DEFICIT)	(24,792.24)	(47,895.98)

Duet Capital (Holdings) Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 23/09/2022 To 10/03/2023 £	From 23/03/2021 To 10/03/2023 £
GENERAL FIXED CHARGE		
Customer Advances		
Institution Hire	NIL	1.00
Consumer Hire	NIL	1.00
Customer Contracts		
Institution Hire	NIL	1.00
Consumer Hire	NIL	1.00
Goodwill	NIL	1.00
Intellectual Property Rights	NIL	1.00
Share Capital: Duet Piano Leasing Inc	NIL	245,000.00
Realisation Costs	(3,616.94)	(3,616.94)
Bank Interest Fixed Charge	1,589.51	1,855.88
Bank Charges Fixed Charge	(1.45)	(1.65)
Office Holder's Fee	(12,329.04)	(12,329.04)
Chargeholder - OneSavings Bank Plc	(190,000.00)	(190,000.00)
	<u>(204,357.92)</u>	<u>40,914.25</u>
PROPERTY & LAND		
200,000.00 Freehold Property - Bank House	NIL	425,000.00
Property Management Costs		
Insurance	(3,607.54)	(3,607.54)
Business Rates	28.71	(1,885.68)
Fuzion 4 Limited	NIL	(420.00)
Realisation Costs - Bank House	NIL	(12,543.71)
Chargeholder - National Westminster Bank	NIL	(171,292.19)
Chargeholder - OneSavings Bank Plc	(210,000.00)	(210,000.00)
	<u>(213,578.83)</u>	<u>25,250.88</u>
ASSET REALISATIONS		
Adriatic - Court Deposit Refund	NIL	61,004.33
Adriatic - Insurance Refund	NIL	7,218.51
Adriatic - Insurance Settlement	NIL	103,169.09
Adriatic - Pre Legal Fees Refund	NIL	7,083.68
Adriatic - Tax Refund	NIL	1,044.60
Adriatic - Yacht (Chimera)	NIL	1,207,045.74
Trading Surplus/(Deficit)	(24,792.24)	(47,895.98)
Assigned Debt	NIL	1.00
Bank Interest Gross	8,678.24	10,352.78
Business Rates Refund	NIL	1,710.39
Cash at Bank	NIL	20,928.56
Company Records	NIL	1.00
Consumer Hire Agreements Assets		
Consumer Hire Agreements Assets	NIL	1.00
Other Consumer Hire Agreements Assets	NIL	1.00
Customer Contracts - Close Bros	NIL	1.00
6,500,000.00 Equipment - Musical Instruments		
Institution Hire	NIL	2,465,042.00
Consumer Hire	NIL	64,946.00
Fixtures & Fittings	NIL	5,000.00
31,000.00 Motor Vehicles	NIL	20,000.00
Musiq Group Ltd - Purchaser Receipts		
Post-sale Receipts - Institution Hire	(1,524.60)	0.00
Post-sale Receipts - Consumer Hire	9,719.85	47,042.86
Musiq Group Ltd - Contribution to Costs	1,473.34	34,556.31

Duet Capital (Holdings) Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 23/09/2022 To 10/03/2023 £	From 23/03/2021 To 10/03/2023 £
Sky Taste - Property (Bacine)	NIL	270,774.67
Sky Taste - Property (Punta Dramca)	NIL	285,225.33
Vehicle Tax Refund	NIL	131.66
Work In Progress	NIL	1.00
	(6,445.41)	4,564,386.53
ADMINISTRATION FUNDING		
Administration Funding		
Trading Funding	NIL	329,056.52
Adriatic Funding	NIL	249,913.82
Sky Taste Funding	NIL	6,803.42
Repayment of Administration Funding		
Trading Funding	NIL	(329,056.52)
Adriatic Funding	NIL	(249,913.82)
Sky Taste Funding	NIL	(6,803.42)
	NIL	0.00
COST OF REALISATIONS		
Administrators' Fees	987,670.96	987,670.96
Agents Fees		
Hilco Global	NIL	19,776.25
Instrument Valuations	NIL	3,525.00
Wrightson Marine LLC (Adriatic)	NIL	173,256.35
Denison (Adriatic)	NIL	15,039.35
American Bureau of Shipping (Adriatic)	NIL	5,528.66
Agents/Valuers Expenses	NIL	394.64
Bank Charges	20.25	349.20
Commission - Rates Refund	NIL	721.39
Data Room Fees	NIL	508.50
Insurance of Assets		
DCHL	17,860.50	17,860.50
Duet Adriatic	NIL	32,139.09
Legal Expenses	894.25	89,577.05
Legal Fees		
Squire Patton Boggs	31,026.00	838,721.69
Holland & Knight LLP (Adriatic)	NIL	94,116.88
Conway & Partners (Adriatic)	NIL	40,136.61
DTB (Sky Taste)	NIL	4,261.54
Gajski Grlic Prka (Sky Taste)	NIL	7,578.51
Musiq Group Limited - Post-Sale Costs	12,381.28	12,381.28
Natwest Bank Charges - Pre-appt bank	NIL	1,067.69
Pre-Appointment Fees	49,607.67	49,607.67
Pre-Apprt Legal Fees & Disbursements	67,050.17	67,050.17
Professional Expenses		
Pike Restructuring (Adriatic)	1,811.42	8,271.06
Other (Adriatic)	NIL	327.20
DCHL - Post Sale of Business Consultancy	NIL	1,124.68
Professional Fees		
Pike Restructuring (Adriatic)	5,010.00	81,136.00
Piano Lease	(2,776.94)	NIL
Architect & Legal Fees (Sky Taste)	NIL	64,422.08
DCHL - Post Sale of Business Consultancy	NIL	2,282.50
Accountant's Fees	2,400.00	2,400.00
Other (Adriatic)	NIL	1,859.82

Duet Capital (Holdings) Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 23/09/2022 To 10/03/2023 £	From 23/03/2021 To 10/03/2023 £
Evelyn Partners - Tax Advice	50,782.00	50,782.00
Wyles Hardy & Co Ltd	5,000.00	5,000.00
Post Sale Consumer Hire Mgmt Fee	47,142.86	47,142.86
Statutory Advertising	NIL	95.00
	(1,275,880.42)	(2,726,112.18)
FLOATING CHARGE CREDITORS		
Chargeholder - OneSavings Bank Plc	650,000.00	650,000.00
	(650,000.00)	(650,000.00)
6,731,000.00	(2,350,262.58)	1,254,439.48
REPRESENTED BY		
Clients Deposit IB - Fixed chg		61,322.58
Clients Deposit IB - Flt chg		928,910.02
Fixed Vat Control Account		84,616.00
FLT Vat Control Account		(73,580.58)
VAT Payable		(149,960.70)
VAT Payable Fixed Chg		(85,000.00)
VAT Receivable		482,905.61
VAT Receivable Fixed Chg		5,226.55
		1,254,439.48

Note:

The Bank accounts are currently interest bearing.

Notes and further information required by SIP 7

- The basis of the administrators' remuneration and time costs incurred up to 1 August 2022 were approved by OSB in its capacity as total assignee of the Company's assets on 12 September 2022. Further details are provided in section 7 of this report and our progress report for the period ended 22 September 2022.
- Approval was also granted by OSB for the administrators' pre-administration costs and expenses, and the post-appointment time costs incurred by Evelyn Partners' non-insolvency departments up to 1 August 2022. See section 8.2 and Appendix VII for further details.
- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.
- Information concerning our remuneration and 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. Please note that in this case approval of the administrators' remuneration has been granted by OSB in its capacity as total assignee of all assets held by the Company. See section 9.1 of this report for further information.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

Notes and further information required by SIP 9

Details of the principal payments made during the reporting period are set out below. Further information can be found in the main body of this report.

- A payment of £72,903 was made to Close for use of the instruments subject to Close HP agreements during the administration trading period. This payment was negotiated and agreed during the previous reporting period.
- As a result of the reconciliation exercise outlined in section 4.1 of this report, certain transactions were reallocated during the reporting period:
 - It was identified that £8,989 of income generated after the business sale (and which therefore belongs to Musiq) had erroneously been recorded as administration trading income. This has been corrected.
 - Payments of £47,173 to Musiq Group for operating the consumer hire business during the post-sale period governed by the TSA were previously recorded as a trading expense. These have been reclassified as a general administration expense and as such no longer appear on the trading account section of the R&P.
 - Trading expenses previously reported included payments totalling £9,564 to IT & Telecoms providers and £393 in respect of business rates which relate to the post-business transitional sale period. These payments have been reclassified as a general administration expense under 'Musiq Group Limited – Post-Sale Costs' on the R&P.
- Distributions totalling £1,050,000 were paid to OSB during the period, comprising:
 - A fixed charge distribution of £190,000 from the net proceeds of the Bank House property sale;
 - A fixed charge distribution of £210,000 from the net proceeds of other fixed charge assets (primarily DPLI); and
 - A distribution of £650,000 under OSB's total assignment.
- The administrators drew fees totalling £1,049,608 during the period. These fees comprise:
 - £49,608 in respect of their pre-administration time costs and expenses;
 - £12,329 for time spent dealing with other fixed charge assets (primarily DPLI); and
 - £987,671 for time spent dealing with all other aspects of the administration.
- Evelyn Partners' business tax and forensics departments were paid £50,782 during the period for professional services provided to the administration. Further details are set out in Appendix VI.
- The administrators made the following payments to SPB during the period regarding pre- and post-administration legal fees and disbursements:
 - £67,050 in respect of SPB's pre-administration legal fees and disbursements;
 - £31,026 in respect of SPB's post-administration time costs; and
 - £894 in respect of legal expenses.
- A payment of £21,469 was made to Marsh Limited for insurance of assets, of which £3,608 related specifically to Bank House.
- Pike Restructuring Limited was paid £5,010 in time costs and £1,811 in expenses for directorship services and preparing Adriatic to enter CVL.
- A payment of £5,000 was made to Wyles Hardy & Co Ltd for services provided in attempting to sell the Rigid Inflatable Boat owned by Adriatic.
- A payment of £2,400 was made to GMP for preparation of financial accounts for the pre-administration period to assist with the calculations for the Company's pre- and post-administration tax returns.
- Legal fees of £2,777 were reallocated from a general administration expense to a fixed charge cost of realisations for DPLI. Director's fees of £840 were also paid to Pike Restructuring in relation to DPLI during the period. No further costs are anticipated in respect of DPLI.
- Bank interest totalling £10,268 was earned during the period.

III Time analysis for the period

From 23 September 2022 to 10 March 2023

Duet Capital (Holdings) Limited Time costs for the period 23 September 2022 to 10 March 2023	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	2.35	0.25	76.65	16.15		95.40	33,961.08	356
Case administration	25.06	5.75	92.17	43.85	0.08	166.91	68,483.67	410
Post appointment AML				0.85		0.85	245.82	289
Sub-total Administration & planning	27.41	6.00	168.82	60.85	0.08	263.16	102,690.57	390
Investigations								
Records and investigations				0.30		0.30	84.96	283
Sub-total Investigations	-	-	-	0.30	-	0.30	84.96	283
Realisation of assets								
Freehold property assets			0.58			0.58	247.36	424
Other assets	3.00		30.43	8.78		42.21	14,094.31	334
Tax assets				4.48		4.48	1,292.20	288
Business sale			1.00			1.00	288.00	288
Legal actions (civil recoveries)	2.35					2.35	1,551.00	660
Sub-total Realisation of assets	5.35	-	32.01	13.27	-	50.63	17,472.87	345
Trading								
Trading suppliers and expenses			6.67	8.12		14.78	4,262.84	288
Trading compliance		0.35	4.42	0.97		5.73	2,343.29	409
Trading shutdown/handover	0.25					0.25	176.80	707
Sub-total Trading	0.25	0.35	11.08	9.08	-	20.77	6,782.93	327
Creditors								
Chargeholders	1.50		29.33	1.22		32.05	11,882.02	371
Unsecured creditors (exc. Staff)			0.58	0.13		0.72	285.07	398
Sub-total Creditors	1.50	-	29.92	1.35	-	32.77	12,167.09	371
Total of all hours	34.51	6.35	241.83	84.85	0.08	367.62		
Total of all £	23,586.79	3,255.52	88,488.17	23,859.08	8.86		139,198.42	
Average rate	683.54	512.70	365.91	281.19	-			379
Time undertaken by non insolvency teams								
Forensics	-	-	7.96	(3.00)	-	4.96	2,480.56	500
Tax (business, employment & VAT)	37.75	3.75	64.85	39.47	-	145.82	67,925.06	466
Total hours (non insolvency teams)	37.75	3.75	72.81	36.47	-	150.78		
Total £ (non insolvency teams)	34,803.50	1,554.92	28,003.68	6,043.52			70,405.62	
Average rate £/hr (non insolvency teams)	921.95	-	384.61	165.71	-			466.94
Grand total hours	72.26	10.10	314.64	121.32	0.08	518.40		
Grand total £	58,390.29	4,810.44	116,491.85	29,902.60	8.86		209,604.04	
Average rate £/hr (all staff)	808	476	370	246	106			404

Explanation of major work activities undertaken

Administration & planning

- Preparing and issuing the administrators' progress report for the six-month period to 22 September 2022, including filing the report with Companies House and the Court
- Assessing the options available to exit the administration and liaising with our legal advisors to determine the most appropriate strategy
- Instructing SPB and Counsel regarding the court application to place the Company into compulsory liquidation
- Preparing the administrator's final progress report for the period ended 10 March 2023
- Maintaining electronic case files and case details on IPS (case management software)
- Ongoing monitoring of insolvency bordereau for the case
- Maintaining up to date anti-money laundering information for the case
- Maintaining and managing the administration estate's cash book and bank accounts
- All cashiering functions, including processing payments for administration expense and preparing deposit and journal forms as necessary
- Dealing with routine correspondence not relating to assets, creditors, or investigation matters

Investigations

- Reviewing company records inventory to assess the value of records held in pursuing potential further asset realisations.

Realisation of assets

- Liaising with utility suppliers regarding final bills for Bank House
- Working with Pike Restructuring in their attempts to sell Adriatic's remaining assets and to prepare Adriatic for entering CVL in December 2022
- Liaising with Antares and GGP regarding taking possession of the net proceeds from the sale of Selina and obtaining legal advice regarding the proposed liquidation of Sky Taste
- Corresponding with the Jonathan Thorne bankruptcy team in respect of the Company's claim and the estimated timeline for receipt of a distribution
- Providing the Evelyn Partners tax team with all information necessary to prepare the final pre- and post-administration tax returns
- Considering potential legal actions arising as a result of our investigations into the affairs of the Company

Trading

- Reconciling trading period costs and reallocating transactions where appropriate
- Liaising with the FCA regarding reporting requirements for the administration trading period
- Responding to ad hoc enquiries from the Company's former customers

Creditors

- Making an initial distribution to OSB under its fixed charge and total assignment
- Ongoing reporting to and correspondence with OSB in respect of the progress of the administration, including asset realisations and the security position.
- Preparing estimated outcome statements for OSB
- Dealing with routine creditor correspondence, including reviewing claims received

IV Cumulative time analysis

From 23 March 2021 to 10 March 2023

Duet Capital (Holdings) Limited Cumulative time costs to 10 March 2023	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	10.68	1.75	267.05	118.75	-	398.23	110,840.04	278
Case administration	136.86	90.13	379.09	370.93	0.08	977.09	321,620.63	329
Post appointment AML	-	-	1.25	7.05	-	8.30	2,159.51	260
Sub-total Administration & planning	147.54	91.88	647.39	496.73	0.08	1,383.62	434,620.18	314
Investigations								
Directors	1.25	2.00	8.58	3.98	-	15.81	4,768.99	302
Records and investigations	12.70	17.50	29.67	18.18	-	78.05	27,566.08	353
Court applications (procedural and investigatory)	1.30	-	2.92	0.62	-	4.84	1,639.85	339
Sub-total Investigations	15.25	19.50	41.17	22.78	-	98.70	33,974.92	344
Realisation of assets								
Freehold property assets	6.20	2.75	23.38	11.30	-	43.63	13,588.16	311
Other assets	47.73	26.72	437.83	86.53	-	598.80	188,946.13	316
Tax assets	-	-	2.83	13.25	-	16.08	4,310.70	268
Business sale	159.32	32.25	433.90	35.02	-	660.49	226,396.29	343
Legal actions (civil recoveries)	26.62	42.10	109.49	21.85	-	200.06	68,363.94	342
Leasing and HP assets	-	-	0.83	2.25	-	3.08	714.16	232
Sub-total Realisation of assets	239.87	103.82	1,008.26	170.21	-	1,522.15	502,319.38	330
Trading								
Trading suppliers and expenses	0.70	3.10	53.25	35.71	-	92.75	26,661.37	287
Trading accounting	0.45	8.05	218.58	97.17	-	324.25	89,523.12	276
Trading employees	2.90	3.35	13.58	12.93	-	32.77	10,363.87	316
Trading customers	-	1.25	18.35	18.08	-	37.68	10,108.52	268
Trading compliance	-	0.35	6.67	3.07	-	10.09	3,359.62	333
Trading shutdown/handover	0.25	-	-	-	-	0.25	176.80	707
Sub-total Trading	4.30	16.10	310.43	166.96	-	497.79	140,193.30	282
Creditors								
Chargeholders	36.70	36.00	203.44	20.49	-	296.63	99,590.48	336
Employees, Pensions & RPS	2.75	0.25	25.42	26.26	-	54.68	13,687.93	250
Unsecured creditors (exc. Staff)	0.10	1.00	6.01	6.37	-	13.49	3,813.42	283
Sub-total Creditors	39.55	37.25	234.88	53.12	-	364.80	117,091.83	321
Total of all hours	446.51	268.55	2,242.12	909.80	0.08	3,867.06		
Total of all £	269,283.75	128,111.37	615,353.72	215,441.91	8.86		1,228,199.61	
Average rate	603	477	274	237	-			318
Time undertaken by non insolvency teams								
Forensics	4.33	-	18.88	17.15	-	40.36	16,434.03	407
Tax (business, employment & VAT)	68.50	9.50	113.10	63.87	-	254.97	121,361.54	476
Total hours (non insolvency teams)	72.83	9.50	131.98	81.02	-	295.33		
Total £ (non insolvency teams)	66,001.15	5,510.00	50,646.16	15,638.26	-		137,795.57	
Average rate £/hr (non insolvency teams)	906	580	384	193	-			466.58
Grand total hours	519.34	278.05	2,374.10	990.82	0.08	4,162.39		
Grand total £	335,284.90	133,621.37	665,999.88	231,080.17	8.86		1,365,995.18	
Average rate £/hr (all staff)	646	481	281	233	-			328

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

Introduction

Detailed below are:

- Evelyn Partner LLP's policies in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Expense recovery
- Evelyn Partners LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director or consultant as the joint officeholders, 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 in London), 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 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 the regional and London offices, subject to the specific requirements, e.g. geographical location, of individual cases.

This case is predominantly being conducted from the London office.

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 subcontractors' services utilised and paid in the period covered by this report are set out in Appendix V.

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.

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 Evelyn Partners LLP 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 Evelyn Partners 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.

No Category 2 expenses have been incurred during the course of the administration.

Charge out rates

The rates applicable to this appointment are set out below. Changes to the charge out rates during the administration were applied with effect from 1 July 2021, 1 July 2022, and 1 January 2023.

Evelyn Partners LLP	London	Regional
Restructuring & Recovery Services	Office	Offices
Charge out rates from 1 July 2020	£/hr	£/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

Evelyn Partners LLP	London	Regional
Restructuring & Recovery Services	Office	Offices
Charge out rates from 1 July 2021	£/hr	£/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

Evelyn Partners LLP	London	Regional
Restructuring & Recovery Services	Office	Offices
Charge out rates from 1 July 2022	£/hr	£/hr
Partner	650-670	528
Director / Associate Director	420-570	410-455
Managers	280-460	230-370
Other professional staff	205-300	165-240
Support & secretarial staff	100-120	88

Evelyn Partners LLP	London	London	Regional
Restructuring & Recovery Services	complex	standard	offices
Charge out rates from 1 January 2023	£/hr	£/hr	£/hr
Partner	870-890	700-720	550-570
Director / Associate Director	560-760	440-610	350-490
Managers	430-630	340-500	270-400
Other professional staff	210-360	160-290	130-230
Support & secretarial staff	120-140	100-120	80-100

Notes

1. 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. The cashiering function time is 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'.
4. Partner includes a Consultant acting as an officeholder or in an equivalent role.

Evelyn Partners LLP	London office
Corporate Tax	£/hr
Charge out rates from 1 July 2020	

Partner / Director	625-740
Associate Director	500
Managers	270-430
Other professional staff	95-230
Support & secretarial staff	65

Evelyn Partners LLP	London office
Corporate Tax	£/hr
Charge out rates from 1 January 2021	

Partner / Director	550-890
Associate Director	400-500
Managers	215-430
Other professional staff	95-230
Support & secretarial staff	55-70

Evelyn Partners LLP	London office
Corporate Tax	£/hr
Charge out rates from 1 January 2023	

Partner / Director	590-950
Associate Director	430-535
Managers	230-460
Other professional staff	105-245
Support & secretarial staff	60-75

Evelyn Partners LLP	London office
Forensics	£/hr
Charge out rates from 1 July 2019	

Partner / Director	470
Associate Director	-
Managers	320-410
Other professional staff	240
Support & secretarial staff	-

VI Subcontractors

Provider / Services	Basis of fee arrangement	Initial estimate £	B/F from previous period	Costs incurred in current period	Cumulative total £	Estimate for future £	Anticipated future total £	Variance – initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Piano Technicians	Hourly rate and expenses	112,761	112,761	Nil	112,761	Nil	112,761	Nil	Nil	Nil
Karl Stevenson – Consultancy	Hourly rate and expenses	40,449	40,449	Nil	40,449	Nil	40,449	Nil	Nil	Nil
Musiq Group Limited	Fixed fee	47,143	47,143	Nil	47,143	Nil	47,143	Nil	Nil	Nil
Gibbons, Mannington & Phipps LLP – Payroll services & preparation of pre-appointment accounts for tax purposes	Fixed fee	3,140	3,140	Nil	3,140	Nil	3,140	Nil	2,400	Nil
Datasite	Fixed fee	509	509	Nil	509	Nil	509	Nil	Nil	Nil
Wrightson Marine LLC	Fixed monthly fees	173,256	173,256	Nil	173,256	Nil	173,256	Nil	Nil	Nil
Wyles Hardy & Co - Marketing of assets held by Adriatic	Fixed fee	5,000	Nil	5,000	5,000	Nil	5,000	Nil	5,000	Nil
Total		382,258	382,258	Nil	382,258	Nil	382,258	Nil	7,400	Nil

VII 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 for future £	Anticipated future total £	Variance – initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Squire Patton Boggs UK LLP Legal advice including: - providing advice and instructing Counsel regarding the security position - providing advice in respect of the summary judgment obtained against Mr Thorne; - providing advice & instructing Counsel regarding the proposed compulsory liquidation; and - ongoing legal advice regarding all legal matters arising during the course of the administration.	Hourly rate and expenses	934,397	914,397	41,602	955,999	33,501	989,500	55,103	31,920	27,430
Hilco Global Valuation advice including: - valuing and assisting with marketing the business & assets; and - marketing Bank House and assisting with property management matters.	£5k fixed fee for the business sale 2% commission on Bank House proceeds Hourly rate and expenses	32,715	32,715	Nil	32,715	Nil	32,715	Nil	Nil	Nil

Name of professional advisor (continued)	Basis of fee arrangement	Initial estimate £	B/F from previous period	Costs incurred in current period	Cumulative total £	Estimate for future £	Anticipated future total £	Variance – initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Pike Restructuring Limited Managing all day-to-day matters concerning Adriatic and DPL	Hourly rate and expenses	100,706	85,706	3,700	89,406	Nil	89,406	(11,300)	6,821	Nil
Piano Auctions Limited Valuation advice regarding DCHL's musical instruments	Fixed fee	3,000	3,000	Nil	3,000	Nil	3,000	Nil	Nil	Nil
Jeffrey Shackell Advice regarding the condition of certain pianos	Hourly rate	525	525	Nil	525	Nil	525	Nil	Nil	Nil
Total		1,071,343	1,036,343	45,302	1,801,645	33,501	1,835,146	43,803	38,741	27,430

VIII Administrators' expenses

Description	Initial estimate £	B/F from previous period	Costs incurred in current period	Cumulative total £	Estimate for future £	Anticipated future total £	Variance – initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Statutory Advertising	209	95	Nil	95	Nil	95	(114)	Nil	Nil
Administrators' bonds	140	140	Nil	140	Nil	140	Nil	Nil	140
Company searches	6	6	Nil	6	Nil	6	Nil	Nil	6
Courier	368	368	(184)	184	Nil	184	(184)	Nil	184
Total	723	609	(184)	425	Nil	425	(279)	Nil	330

Notes:

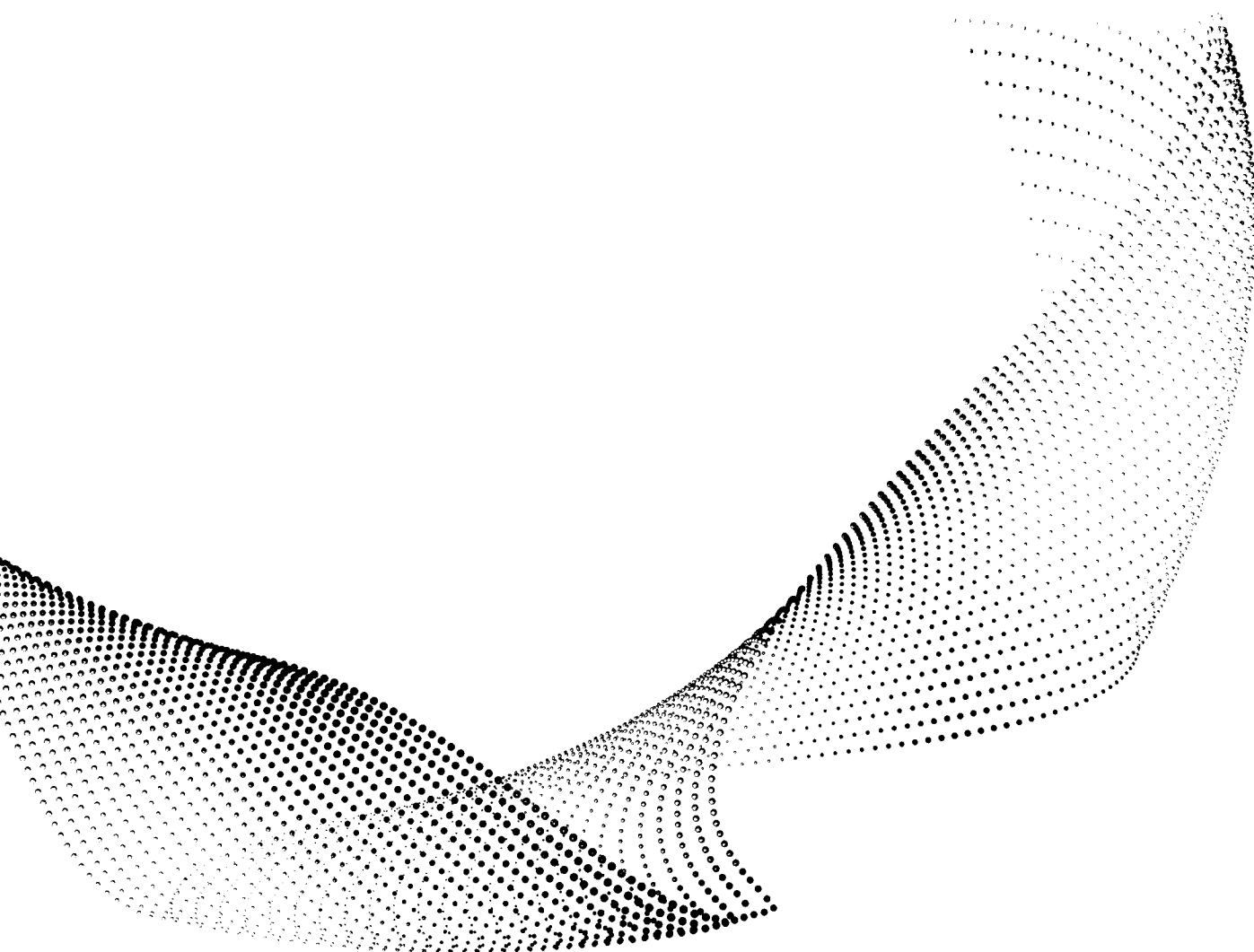
1. Future anticipated statutory advertising costs are £114 lower than previously reported, as the Company will not be exiting administration via CVL and as such certain notices are no longer required.
2. The reduction of £184 in courier costs is the result of a correction to a previous duplication of this cost on our expenses software.

IX Other Expenses

Supplier/service provider and nature of expenses incurred	Initial estimate £	B/F from previous period	Costs incurred in current period	Cumulative total £	Estimate for future £	Anticipated future total £	Variance – initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Marsh Limited Insurance of DCHL assets	16,218	16,218	5,251*	21,469	Nil	21,469	5,251	21,469	Nil
The Shipowners Mutual P&I Association & Alliance Marine Risk Managers Yacht insurance	24,920	24,920	Nil	24,920	Nil	24,920	Nil	Nil	Nil
NatWest Bank charges relating to the Company's pre-administration bank accounts	1,068	1,068	Nil	1,068	Nil	1,068	Nil	Nil	Nil
Various Storage of pianos	18,360	18,360	Nil	18,360	Nil	18,360	Nil	Nil	Nil
Gazprom Electricity & gas supply for Bank House	1,363	1,213	Nil	1,213	Nil	1,213	(150)	Nil	Nil
Business Stream & Castle Water Water supply for Bank House	553	553	(500)	53	Nil	53	(500)	Nil	53
Anchor Computer Systems Ltd & Infinity Technology Solutions Ltd IT systems required for trading and obtaining records	31,924	31,924	(9,564)	22,360	Nil	22,360	(9,564)	Nil	Nil
Total	94,406	94,256	(4,813)	89,443	Nil	89,443	(4,963)	21,469	Nil

Notes

- **Marsh Limited:** The costs of £5,251 noted in the 'incurred during the period' column in the table above refer to costs incurred during the administration trading period. These costs were not reported previously as they were only identified during the current period when the final insurance invoice was received.
- **Gazprom:** Final bills have been received and we do not anticipate any further charges from Gazprom.
- **Business Stream & Castle Water:** We have continued to pursue final invoices from the water suppliers for Bank House and have received confirmation that the accounts for both suppliers are in credit. We do not currently have sufficient details to identify the exact costs incurred during the administration trading period but we understand that the cost will be minimal and have therefore left an estimated cost of £53 in the table above.
- **Anchor Computer Systems Ltd & Infinity Technology Solutions Ltd:** IT costs totalling £9,564 which had previously been reported as trading costs were identified during the period as expenses payable by Musiq Group. As such, these costs have been reallocated on the R&P and a negative value of £9,564 appears in the table above for the costs incurred during the period.



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

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