

7474710

375 LIVE LIMITED IN LIQUIDATION

LIQUIDATOR'S PROGRESS REPORT

5 MAY 2015

CONTENTS

SECTIONS

- 1 PURPOSE OF REPORT
- 2 LIQUIDATOR'S APPOINTMENT
3. COMPANY DETAILS
- 4 RECEIPTS AND PAYMENTS SUMMARY
- 5 CREDITORS' CLAIMS
6. PRESCRIBED PART
- 7 DIVIDEND PROSPECTS FOR CREDITORS
- 8 CONDUCT OF THE WINDING UP
- 9 ASSETS REMAINING TO BE REALISED
- 10 ADMINISTRATION AND PLANNING
- 11 LIQUIDATOR'S REMUNERATION AND DISBURSEMENTS
12. LIQUIDATOR'S STATEMENT OF EXPENSES
13. CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE EXPENSES

APPENDICES

- A STATUTORY INFORMATION
- B. SUMMARY OF RECEIPTS AND PAYMENTS
- C BAKER TILLY RESTRUCTURING AND RECOVERY LLP'S CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT
- D CURRENT CHARGE OUT AND DISBURSEMENT RATES
- E CATEGORY 2 DISBURSEMENTS TABLE
- F STATEMENT OF EXPENSES INCURRED BY THE LIQUIDATOR'S IN THE PERIOD FROM 6 MAY 2014 TO 5 MAY 2015
- G TIME COST ANALYSIS FOR THE PERIOD 6 MAY 2014 TO 5 MAY 2015

FRIDAY



A4AVK0Z7

A25

03/07/2015

#167

COMPANIES HOUSE

375 LIVE LIMITED IN LIQUIDATION

LIQUIDATOR'S PROGRESS REPORT

5 MAY 2015

1. PURPOSE OF REPORT

This report has been prepared in accordance with insolvency legislation to provide creditors and members of the 375 Live Limited ("the Company") with information relating to the progress of the Liquidation in the period from 6 May 2014 to 5 May 2015.

This report has been prepared solely to comply with the statutory requirements of Rule 4.49B of the Insolvency Rules 1986 (as amended). The purpose of the report is to provide creditors and members with information relating to the progress of the Winding Up in the period from 6 May 2014 to 5 May 2015. It has not been prepared for use in respect of any purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

Neither the Liquidator nor Baker Tilly Restructuring and Recovery LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

2. LIQUIDATOR'S APPOINTMENT

Mark Wilson of Baker Tilly Restructuring and Recovery LLP, 25 Farringdon Street, London EC4A 4AB was appointed Liquidator of 375 Live Limited on 6 May 2014 by The Secretary of State.

3. COMPANY DETAILS

Attached at Appendix A is an extract of information from the Company's file held at Companies House.

4. RECEIPTS AND PAYMENTS SUMMARY

Attached at Appendix B is a Summary Receipts and Payments Account for the period from 6 May 2014 to 5 May 2015.

VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

5. CREDITORS' CLAIMS

Creditors' claims as set out in the Statement of Affairs totalled £280,636 39

The agreement of Creditors' claims by the Liquidator is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by Creditors themselves. To date Creditors' claims received total £3,460,577 32.

6. PRESCRIBED PART

The "Prescribed Part" is a statutory amount of the company's assets subject to a floating charge to be set aside for the benefit of the Company's non-preferential creditors

There are no creditors secured by charges over the assets and undertakings of the Company as all previous secured charges were satisfied in full prior to the Company being wound up. There is therefore no requirement to estimate the amount of the prescribed part of the assets under Section 176A of the Insolvency Act 1986 (as amended)

7. DIVIDEND PROSPECTS FOR CREDITORS

The dividend prospects for unsecured creditors are currently unknown as the investigations into the Company's affairs remain on-going. However should realisations permit a distribution then all creditors will be informed of this separately as part of the claims adjudication process

8. CONDUCT OF THE WINDING UP IN THE PREVIOUS TWELVE MONTHS

Funds held in solicitors client account

Company funds totalling £2,018 60 were being held in a solicitor's client account, which have now been realised. These funds are now held by the Liquidator's solicitors

Voidable transactions

Investigations into the affairs of the Company identified a number of transactions taking place after the date of the presentation of the petition, this date being 26 February 2014. Under section 127 of Insolvency Act 1986, transactions after this date are automatically void, unless the transaction is validated by the Court

58G Hatton Garden

The Company's trading premises, 58g Hatton Garden, London EC1N 8LX ("the Property") was sold by the Company on 26 February 2014 for £850,000, having been purchased in 2011 for £1.2m

As the transaction was after the date of the petition, the transaction was void unless validated by the Court

The purchaser entered proceedings to validate the transaction arguing that the purchase price value was reflective of the market value of the Property at the time. The Liquidator argued that the property was worth in the region of £1.2-£1.3 million.

Lengthy legal correspondence followed, ultimately resulting in a 4 day court case in April 2015

The transaction was validated by the Registrar who, in summary, stated that after hearing all the evidence felt that the price paid by the purchaser was reflective of the market value of the Property at the time. An adverse costs order was also made against the Liquidator, resulting in an interim costs payment of £175,000 being paid to the purchaser of the Property, with the remaining costs to be paid over following assessment by the Court

The Liquidator has subsequently applied for permission to appeal against the Judgement handed down by the Registrar. The permission to appeal was granted in May 2015, and the position is currently being considered

Broadhey Farm, Diglee Road, High Peak ("Broadhey")

On 12 August 2011, the Company purchased the freehold of Broadhey for the sum of £370,000 as a development property, with the intention to develop the derelict barns into four residential properties

In February 2014 the Company sold the four Barns. Three of the four barns were sold on 28 February 2014 (i.e. after the date of petition) to associates of the Company. One was sold for approximately £100,000 less than the market price stated in July 2013, and two of which appeared to have been sold for no consideration

Not only were the transfers void pursuant to s127 of the Act, they appeared to be at a significant undervalue and could also be classed as preference payments

Lengthy legal negotiations followed, and an agreement was eventually reached between the Liquidator and certain parties involved in the transaction. The matter has been settled and the Liquidator is awaiting final payment of the settlement amount.

The sale of the final barn appears to have been at market value, and no further action is being taken in relation to this barn

Investigations are continuing on other matters relating to these transactions and potential claims against other parties are being considered. The terms of the settlement noted above at this stage cannot be disclosed as it may have an impact on possible future claims.

Other investigations

Investigations into the Company's affairs are on-going regarding potential claims against third parties.

8.1 Connected Party transactions

Investigations into the Company's affairs for potential Connected Party transactions also on-going.

9. ASSETS REMAINING TO BE REALISED

As part of the terms of the settlement agreement regarding the Broadhey Barns, full payment of the settlement sum remains to be paid.

As is noted within the report above, investigations into the affairs of the Company for potential claims against third parties remain on-going.

10. ADMINISTRATION AND PLANNING

This section includes dealing with the commencement of the Liquidation, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day Liquidation duties. These include but are not limited to: handling receipts and payments; VAT and corporation tax issues, pension queries and general correspondence.

11. LIQUIDATOR'S REMUNERATION AND DISBURSEMENTS

11.1. Basis of Remuneration

The basis of the Liquidator's remuneration was approved by Creditors on 18 December 2014, when the following resolution was passed:

"The Liquidator shall be authorised to draw their remuneration based upon their time costs together with an uplift of up to 75%, by reference to the time properly given by the Liquidator and their staff, in attending to matters arising in the liquidation at Baker Tilly Restructuring and Recovery LLP standard hourly rates, at the rates prevailing at the time the work is done"

11.2. Remuneration and Disbursements incurred in the period from 6 May 2014 to 5 May 2015

In accordance with insolvency legislation we are required to report remuneration 'charged'. This reflects the time charged to the case (before any uplift is applied) and is the maximum (before uplift) that can be taken in fees by the Liquidator. It does not necessarily reflect the amount of remuneration that will ultimately be taken by the Liquidator in remuneration. If there are insufficient realisations to allow the Liquidator remuneration to be recovered in full, any balance will be written off. Details of any write off will be set out in the final report.

11.2.1. Liquidator's remuneration

Time costs of £204,536.50 (before any uplift) have been incurred in respect of work done in the current period (a summary of which is set out in appendix G). Details of the sums drawn in respect of remuneration for the period covered by this report are set out in the receipts and payments account (appendix B).

Attached are the following:

- Appendix C: Baker Tilly Restructuring and Recovery LLP's Charging, Expenses and Disbursements Policy Statement
- Appendix D: Liquidator's Charge Out and Disbursement Rates,
- Appendix E: Category 2 Disbursements Table,
- Appendix G: Liquidator's Time Cost Analysis for the period set out above,

11.2.2. Liquidator's disbursements

The basis of the Liquidator's drawing disbursements was approved by Creditors on 20 June 2014, when the following resolution was passed:

"The Liquidator be authorised to draw 'Category 2' disbursements out of the assets as an expense of the Winding Up, at the rates prevailing when the cost is incurred"

Disbursements incurred in the period in accordance with the resolution above are detailed on Appendix F (Statement of Expenses).

11.3. Total remuneration incurred and paid to date since appointment

We have incurred time costs of £220,068.50 (before any uplift applied) since the date of our appointment in accordance with the resolution set out above. Of this, £80,000.00 has been billed which remains unpaid.

Should you require any further information please do not hesitate to contact me at rrlondon.s1@bakertilly.co.uk

12. LIQUIDATOR'S STATEMENT OF EXPENSES

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the Liquidator in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period together with cumulative figures.

13. CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE EXPENSES

In accordance with the provisions of Rules 4.49E and 4.131 of the Insolvency Rules 1986, creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

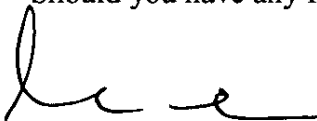
A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

A Creditors Guide to Fees Charged by Liquidators, can be accessed at the website of the Insolvency Practitioners Association (www.insolvency-practitioners.org.uk - "Regulation and Guidance > Creditors Guides to Fees"), or the Institute of Chartered Accountants in England & Wales (www.icaew.com - "Technical Resources > Insolvency > Creditors' guides"). Alternatively I can provide you with a copy on written request to my office.

Should you have any further queries please do not hesitate to contact me.



Mark J Wilson
Baker Tilly Restructuring and Recovery LLP
Liquidator

Mark Wilson is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.

APPENDIX A

STATUTORY INFORMATION

COURT & REFERENCE	In the High Court of Justice No 1520 of 2014
COMPANY NAME	375 Live Limited
PREVIOUS COMPANY NAMES	N/A
COMPANY NUMBER:	07474710
DATE OF INCORPORATION.	21 December 2010
TRADING NAME	375 Live Limited
TRADING ADDRESS	58g Hatton Garden London EC1N 8LX
PRINCIPAL ACTIVITY	Precious Metals Production
REGISTERED OFFICE	Baker Tilly Restructuring and Recovery LLP 25 Farringdon Street London EC4A 4AB
PREVIOUS REGISTERED OFFICE	58g Hatton Garden London EC1N 8LX

APPENDIX B

STATEMENT OF RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD 6 MAY 2014 TO 5 MAY 2015

SOA Value £		06/05/2014 to 05/05/2015		Total to 05/05/2015	
		£	£	£	£
	COST OF REALISATIONS				
0 00	ISA Quarterly Charges	(88 00)		(88 00)	
0 00	Official Receivers Debit Balance	(1,344 39)		(1,344 39)	
			(1,432 39)		(1,432 39)
	UNSECURED CREDITORS				
(280,636 39)	Unsecured Creditors	0 00		0 00	
			0 00		0 00
	EQUITY				
(1 00)	Ordinary	0 00		0 00	
			0 00		0 00
(280,637 39)			(1,432 39)		(1,432 39)
	REPRESENTED BY				
	ISA - LQD4145449			(1,432 39)	
					(1,432 39)
					(1,432 39)

Note The realisations that have been noted in this report and some of the costs that are detailed in Appendix F have been accounted for through Wedlake Bell solicitors client account. The funds are being held in the client account in order to meet potential adverse costs awards and other related litigation costs associated with the 58G Hatton Garden litigation. As the funds have not passed through the estate account, the entries are not shown on the Receipts & Payments account above.

APPENDIX C

BAKER TILLY RESTRUCTURING AND RECOVERY LLP CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for Baker Tilly Restructuring and Recovery LLP London are attached
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it
- Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements
- A resolution to consider approving "Category 2" disbursements at the rates prevailing at the time the cost is incurred to Baker Tilly Restructuring and Recovery LLP London will be proposed to the relevant approving party in accordance with the legislative requirements
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

APPENDIX D

BAKER TILLY RESTRUCTURING AND RECOVERY LLP LIQUIDATOR'S CURRENT CHARGE OUT AND DISBURSEMENT RATES

HOURLY CHARGE OUT RATES		
	Rates at commencement £	Current rates £
Partner	400 to 475	485
Directors / Associate Directors	300 to 410	300 to 410
Manager	195 to 250	250 to 265
Assistant Managers	180 to 200	200 to 220
Administrators	100 to 145	145 to 180
Support staff	100 to 105	105

"CATEGORY 2" DISBURSEMENT RATES	
Internal room hire	£50-£200 depending on room
Subsistence	£25 per night (from 3 rd September 2013) £23 per night (up to 2 nd September 2013)
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42 5p per mile (from 1 April 2011)
"Tracker" searches	£10 per case

APPENDIX E**BAKER TILLY RESTRUCTURING AND RECOVERY LLP****LIQUIDATOR'S CATEGORY 2 DISBURSEMENTS TABLE**

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, Type and Purpose	Paid	Unpaid
	£	£
Total	NIL	NIL

APPENDIX F**STATEMENT OF EXPENSES INCURRED BY THE LIQUIDATOR IN THE PERIOD
FROM 6 MAY 2014 TO 5 MAY 2015**

Type and Purpose	Incurring in Period
	£
Solicitors Fees – Wedlake Bell LLP	226,403 63
Solicitors disbursements	10,956 07
Counsel Fees	56,614 63
Insurance Premium – Adverse costs insurance	5,755 80
Payments made under adverse costs order	182,000 00
Transcription services	2,370 63
Library Services	658 95
Travel costs	12.60
Insurance Premiums	1,045 00
Advertising	75 82
Bonding Fee	85 00
Company search fee	5 92
Courier costs	3 50
Expert Witness fee	8,625 00
Agents Fees	3,640 00
Valuation Fees	2,000 00
Liquidator Fees	80,000 00
Total	580,202.55

APPENDIX G

LIQUIDATOR'S TIME COST ANALYSIS FOR THE PERIOD FROM 6 MAY 2014 TO 5 MAY 2015

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning									
Appointment	0.1	0.0	0.0	0.0	0.9	0.0	1.0	£ 186.00	186.00
Background information	0.0	0.0	0.0	0.0	5.1	1.9	7.0	£ 991.60	141.66
Case Management	0.6	16.2	3.6	0.0	32.6	0.0	53.0	£ 12,659.90	238.87
Director(s)/debtor/bankrupt	0.0	0.3	0.0	0.0	2.5	0.0	2.8	£ 544.50	194.46
Pension Scheme	0.0	0.0	0.0	0.0	0.2	0.0	0.2	£ 29.00	145.00
Post-appointment - general	0.0	0.1	0.1	0.0	1.7	0.0	1.9	£ 317.00	166.84
Receipts and Payments	0.0	0.5	0.0	0.0	6.2	0.0	6.7	£ 1,159.00	172.99
Statement of Affairs	0.0	0.0	0.0	0.0	0.5	0.0	0.5	£ 90.00	180.00
Tax Matters	0.0	0.1	0.0	0.0	1.8	0.0	1.9	£ 338.00	177.89
Total	0.7	17.2	3.7	0.0	51.5	1.9	75.0	£ 16,315.00	217.53
Investigations									
DTI/Official Receiver	0.0	0.4	0.0	0.0	4.6	0.0	5.0	£ 946.20	189.24
Investigations/CDDA	2.9	150.1	2.6	18.9	110.6	0.0	285.1	£ 82,660.50	289.94
Total	2.9	150.5	2.6	18.9	115.2	0.0	290.1	£ 83,606.70	288.20
Realisation of Assets									
Assets - general/other	0.0	0.5	0.0	0.0	12.2	0.0	12.7	£ 2,287.00	180.08
Chattels	0.0	0.0	0.6	0.0	0.0	0.0	0.6	£ 103.80	173.00
Land and Property	0.5	1.5	1.3	0.0	12.3	0.0	15.6	£ 3,162.00	202.69
Total	0.5	2.0	1.9	0.0	24.5	0.0	28.9	£ 5,552.80	192.14
Creditors									
1st creditors/shareholders meetings and reports	0.0	0.2	0.8	0.0	4.0	0.0	5.0	£ 955.00	191.00
Other Creditor Meetings and Reports	0.3	0.0	0.0	0.0	0.0	0.0	0.3	£ 145.50	485.00
Secured Creditors	0.0	0.1	0.8	0.0	2.1	0.0	3.0	£ 599.00	199.67
Unsecured Creditors	0.5	1.4	0.0	0.0	7.7	0.0	9.6	£ 2,055.50	214.11
Total	0.8	1.7	1.6	0.0	13.8	0.0	17.9	£ 3,755.00	209.78
Case Specific Matters - Legal Matters									
Legal Matters	55.0	120.0	0.6	1.8	159.3	0.2	336.9	£ 95,307.00	282.89
Total	55.0	120.0	0.6	1.8	159.3	0.2	336.9	£ 95,307.00	282.89
Total Hours	59.9	291.4	10.4	20.7	364.3	2.1	748.8	£ 204,536.50	273.15
Total Time Cost	£ 29,048.50	£ 108,330.00	£ 2,030.20	£ 4,182.00	£ 60,792.70	£ 153.10	£ 204,536.50		
Average Rates	484.95	371.76	195.21	202.03	166.88	72.90	273.15		

NOTES TO APPENDIX G

LIQUIDATOR'S TIME COST ANALYSIS

a) Administration and Planning

This includes dealing with the commencement of the case administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to handling receipts and payments, VAT and corporation tax issues such as the monthly VAT returns, pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, obtaining company searches, maintenance and obtaining books and records, general meetings / correspondence, statutory and other advertising, insurance, re-directed mail, statutory receipts and payments accounts, dealing with (including the winding up of) company pension schemes where applicable.

b) Investigations

Where appropriate this will include such matters as investigation of pre-appointment transactions in accordance with the relevant Statement of Insolvency Practice (SIP 2), preparing reports / returns in accordance with the Company Directors' Disqualification Acts and the investigation of any potential antecedent transactions such as transactions at under value and preferences which may result in legal action resulting in a recoverable asset.

c) Realisation of Assets

This includes dealing with all aspects of the realisation of assets including identifying, securing and insuring assets, and (where applicable), property, business and asset sales, retention of title claims and debt collection. Other matters dealt with during the case administration which will relate to asset realisation may commonly include effecting disclaimers, dealing with landlords, liaising with agents, undertaking inventories, meetings with purchasers / directors, arranging collection of leased assets, obtaining insurance, pursuing antecedent claims identified as part of the investigation work set out above. Details of the specific asset realisation work undertaken on this case are set out in the main body of the report. Asset realisation is considered to be a key aspect of the case administration.

d) Trading

Where the company has continued trading following the Liquidator's appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll.

e) Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. The preparation of the Liquidator's proposals has been undertaken including the attendant aspects of providing and obtaining the required information, convening the creditors' meeting etc. A brief report on the outcome of the creditors' meeting and the report on the first six months of the administration period have both been prepared.

f) Case Specific Matters

Any case specific matters will generally be set out in the body of the report but will commonly include meetings, correspondence and telephone calls relating to specific issues in the case which do not fall into any the categories set out above and are specific to the case in question. This may include work done in relation to litigation, general advice or other major issues.