

LIQ03

Notice of progress report in voluntary winding up



Companies House

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1 Company details

Company number 0 3 9 9 8 8 3 1

Company name in full Shazam Entertainment Limited

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

2 Liquidator's name

Full forename(s) Edward Robert

Surname Bines

3 Liquidator's address

Building name/number The Shard

Street 32 London Bridge Street

Post town London SE1 9SG

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s) Benjamin John

Surname Wiles

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number The Shard

Street 32 London Bridge Street

Post town London SE1 9SG

County/Region

Postcode

Country

② Other liquidator
Use this section to tell us about
another liquidator.

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6		Period of progress report										
From date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>7</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>7</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>2</div></div>				
To date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>6</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>7</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>3</div></div>				
7		Progress report										
		<input checked="" type="checkbox"/> The progress report is attached										
8		Sign and date										
Liquidator's signature	<div>Signature</div> <div><div>X</div><div><i>E. Bice</i></div><div>X</div></div>											
Signature date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>6</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>9</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>3</div></div>				

Progress Report to the Member

6 September 2023

Shazam Entertainment Limited (In Members' Voluntary Liquidation)

Joint Liquidators' Progress Report to the Member
for the period from 7 July 2022 to 6 July 2023

Kroll Advisory Ltd
The Shard
32 London Bridge Street
London
SE1 9SG

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	7 July 2020, being the date of appointment of the Joint Liquidators
Category 1 Disbursements	The Joint Liquidators' external and incidental costs and expenses in dealing with the Liquidation
Category 2 Disbursements	The Joint Liquidators' internal costs and expenses in dealing with the Liquidation
the Company	Shazam Entertainment Limited (In Members' Voluntary Liquidation) (Company Number: 03998831)
the Cumulative Period	7 July 2020 to 6 July 2023
the Director	Peter Denwood, the sole director of the Company as at the Appointment Date
DoS	Declaration of Solvency, including a statement of assets and liabilities of the Company as of 31 May 2020, which has been sworn by the Director on 2 July 2020
Kroll	Kroll Advisory Ltd., The Shard, 32 London Bridge Street, London SE1 9SG
HMRC	HM Revenue and Customs
the Joint Liquidators	Edward Bines and Benjamin Wiles of Kroll
the Member or AOI	Apple Operations Europe Limited, the sole shareholder of the Company as at the Appointment Date, was subject to a merger by absorption into Apple Operations International Limited on 2 April 2023
the Previous Reports	Joint Liquidators' Progress Report to the Member for the period from 7 July 2020 to 6 July 2021 and from 7 July 2021 to 6 July 2022
the Reporting Period	7 July 2022 to 6 July 2023
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
SIL	Shazam Investments Limited (In Members' Voluntary Liquidation) (Company Number: 07768047)

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4. Joint Liquidators' Receipts and Payments Account
5. Statement of Member's Rights
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1. Joint Liquidators' Receipts and Payments Account
2. Analysis of the Joint Liquidators' Time Costs and Disbursements
3. Statement of Member's Rights

1. Introduction

- 1.1 Edward Bines and Benjamin Wiles of Kroll were appointed Joint Liquidators of the Company on the Appointment Date, by resolution of the Member.
- 1.2 The purpose of this report is to provide the Member with details of the progress of the liquidation for the Reporting Period.

2. Progress of the Liquidation

- 2.1 The manner in which the affairs and business of the Company have been managed in the Reporting Period are set out below.

Asset Realisations

- 2.2 Please refer to the Previous Report for more information on asset realisations that have occurred in the previous reporting periods.

Intercompany Receivable

AOI

- 2.3 The intercompany receivable balance due from AOI is currently £5,141,768. The table below provides a reconciliation in the movement of the intercompany receivable balance in the Reporting Period:

Description	Amount (£)
Balance b/f	22,567,927
Transfer from AOI	(300,000)
Capital Distribution to Member	(17,685,000)
Imputed interest accrued	558,841
Balance c/f	5,141,768

- 2.4 The liquidators requested that AOI pay £300,000 into the liquidation estate in the Reporting Period to provide sufficient liquidity to enable them to make payments in relation to the software licence renewal (referred to in 2.11 below) and to HMRC in relation to corporation tax liabilities (referred to in 2.7 below).
- 2.5 The final AOI intercompany receivable position will be distributed to the Member at the conclusion of the liquidation.

Tax Matters

Corporation Tax

- 2.6 The Company's tax advisors have filed a Corporation Tax return during the Reporting Period covering the second year of the liquidation, being the year ended 6 July 2022.
- 2.7 During the Reporting Period, in addition to other immaterial costs, an advance payment of £115,000 has been paid to HMRC in relation to anticipated Corporation Tax on interest accrued on the intercompany receivable in the third year of the liquidation.
- 2.8 As previously reported, HMRC have issued tax enquiry notices in relation to filed Corporation Tax returns for the period 1 January 2018 to 26 November 2018. The Joint Liquidators are working with AOI and its tax advisors in dealing with the ongoing tax enquiry.

VAT

- 2.9 All outstanding pre-liquidation VAT returns have been filed.

Other Matters

- 2.10 The Joint Liquidators will request the necessary tax clearances from HMRC once HMRC's tax enquiry has been completed. Once tax clearances have been received steps will be taken to conclude the Liquidation.

Creditors

Software Licence Renewal

- 2.11 An invoice from Oracle Corporation UK Limited was paid in relation to the 2023 annual renewal of the Company's licence for the use of enterprise resource planning software. The contract remains in the name of the Company and is currently being renewed on an annual basis as it holds key financial information pertaining to the Company.

Distribution to the Member

- 2.12 A second capital distribution of £17,685,000 was declared to the Member on 15 June 2023.
- 2.13 A further distribution, consisting of the remaining AOI intercompany receivable and cash held in the liquidation estate, will be made at the end of the liquidation upon receipt of HMRC tax clearances.
- 2.14 An update will be provided in the next report to members, which in accordance with insolvency statute will be issued at the sooner of the conclusion of the liquidation or the next anniversary of the liquidation.

3. Joint Liquidators' Costs and Expenses

- 3.1 A written resolution was passed on 7 July 2020 that the remuneration of the Joint Liquidators be fixed at their charging rates accordingly to the time properly spent by them and members of their staff in attending to matters arising in the winding up of the Company.
- 3.2 I attach as Appendix 2, a schedule summarising the Joint Liquidators' time costs by grade of staff and activity. During the Reporting Period, the Joint Liquidators' time costs amounted to 46 hours at a total cost of £21,918 with an average hourly rate of £482. The time costs incurred predominantly relate to the following matters:
- Liaising with AOI and its tax advisors to finalise and file corporation tax return for the year ended 6 July 2022 and arranging settlement of associated liabilities;
 - Providing detail to AOI of receipts and payments;
 - Reconciling the AOI Intercompany balance with the Company;
 - Dealing with the renewal of the software licence;
 - Declaring a second capital distribution to the Member;
 - Statutory matters and obligations required to be undertaken by Joint Liquidators, including reporting;
 - Periodic case review and diary management to ensure case progression; and
 - Cashiering and treasury matters in relation to the operation of the liquidation bank account.
- 3.3 In accordance with their engagement letter, the Joint Liquidators have been paid remuneration to date of £20,310 plus VAT and disbursements of £552 plus VAT.
- 3.4 Furthermore, remuneration of £4,320 plus VAT relating to the liquidation of SIL has been drawn from the liquidation estate. This payment was requested to be made by the Member as SIL does not operate a liquidation bank account.
- 3.5 The Joint Liquidators fees and Liquidation expenses for the Reporting Period total £221,774 (net of VAT) and these are shown in the table below:

<u>Company</u>	<u>Activity</u>	<u>Amount (£)</u>
PricewaterhouseCoopers LLP	Accountants' fees	18,550
HMRC	Corporation Tax	115,901
Oracle Corporation UK Limited	Software licence renewal	75,343
Kroll Advisory Ltd	Joint Liquidators fees	11,980
Total:		221,774

- 3.6 All VAT incurred is recoverable as the Company was registered for VAT. All VAT incurred during the liquidation has been recovered except for a residual amount of £955 which is being reclaimed but remains outstanding from HMRC as at the end of the Reporting Period.

4. Joint Liquidators' Receipts and Payments Account

- 4.1 Detailed receipts and payments accounts for the Reporting Period and the Cumulative Period are shown at Appendix 1. There is a cash balance of £137,734 remaining in the liquidation estate.

5. Statement of Member's Rights

- 5.1 Further information regarding the Member's rights obtaining further information or challenging the Joint Liquidators' fees is attached at Appendix 3.

6. Conclusion

- 6.1 The Joint Liquidators will be in the position to close the Liquidation once Corporation Tax, VAT and PAYE clearances from HMRC have been received.
- 6.2 If you have any queries or require any further assistance, please do not hesitate to contact my colleague Marcus Bassett of this office.

Yours faithfully
For and on behalf of
Shazam Entertainment Limited



Edward Bines
Joint Liquidator

Encs.

Appendix 1

Shazam Entertainment Limited (In Members' Voluntary Liquidation)

Joint Liquidators' Receipts & Payments Account

Declaration of Solvency (£)	Reporting Period From 7 July 2022 to 6 July 2023 (£)	Cumulative Period From 7 July 2020 to 6 July 2023 (£)	
Asset Realisations			
3,752,414	Cash at Bank	-	200,000
	Debtors	-	3,594
130,652,978	Intercompany Receivables	17,985,000	130,024,012
22,225,529	Investment in Subsidiaries	-	-
14,099	Corporation Tax Refunds	-	32,284
	Business Rates Refund	436	436
597	VAT Recoverable	-	-
		17,985,436	130,260,326
Cost of Realisations			
(9)	Accounts Payable	-	-
(17,000)	Accruals - Accountants Fees	(18,550)	(42,830)
	Corporation Tax	(115,000)	(12,042,263)
	Corporation Tax - Statutory Interest	(901)	(4,580)
	Corporation Tax Interest Charges - SMSA	-	(9,178)
	Intercompany - SMSG	-	(22,331)
	Floating Bank Charges	(19)	(143)
(304,417)	Intercompany Payable	-	-
	Joint Liquidators' Remuneration	(11,980)	(24,630)
	Joint Liquidators' Disbursements	-	(552)
	Netsuite Subscription	(75,343)	(222,530)
	Notary Costs - SMSG Share Transfer	-	(1,010)
	Share Subscription - SMSA	-	(66,546)
		(221,794)	(12,436,593)
Unsecured Creditors			
	Trade & Expense Creditors	-	(44)
		-	(44)
Distributions to Member			
	AOI	(17,685,000)	(117,685,000)
156,324,191		(17,685,000)	(117,685,000)
		78,642	138,689
Balance			
	Closing Account		137,734
	VAT Receivable		955
			138,689

Appendix 2

Shazam Entertainment Limited (In Members' Voluntary Liquidation)

Analysis of the Joint Liquidators' time costs and disbursements for the Reporting Period

Classification of Work Function	Managing Director	Manager	Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case Review and Case Diary Management	0.00	1.40	0.00	2.60	0.00	4.00	1,856.00	464.00
Cashiering and Accounting	0.00	9.20	3.40	11.50	0.00	24.10	10,844.50	449.98
Dealings with Directors and Management	0.00	2.40	0.00	0.00	0.00	2.40	1,437.00	598.75
Statutory Matters (Meetings, Reports and Notices)	2.00	2.70	0.00	6.70	0.00	11.40	5,698.50	499.87
Strategy, Planning and Control	0.00	0.40	0.00	0.00	0.00	0.40	238.00	595.00
Tax Compliance / Planning	0.00	1.60	0.00	1.40	0.00	3.00	1,725.00	575.00
Creditors								
Communications with Creditors / Employees	0.00	0.20	0.00	0.00	0.00	0.20	119.00	595.00
Total Hours:	2.00	17.90	3.40	22.20	0.00	45.50		481.71
Total Time Costs Incurred (£):	1,500.00	10,952.00	1,558.00	7,908.00	0.00		21,918.00	

Shazam Entertainment Limited (In Members' Voluntary Liquidation)

Analysis of the Joint Liquidators' time costs and disbursements for the Cumulative Period

Classification of Work Function	Managing Director	Manager	Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case Review and Case Diary Management	0.00	4.40	0.00	10.10	0.00	14.50	5,553.50	383.00
Cashiering and Accounting	0.00	19.30	9.60	41.40	0.00	70.30	27,013.50	384.26
Dealings with Directors and Management	0.00	3.90	0.00	0.20	0.00	4.10	2,357.00	574.88
Statutory Matters (Meetings, Reports and Notices)	2.50	6.90	0.00	27.95	0.00	37.35	14,594.50	390.75
Strategy, Planning and Control	0.00	6.10	0.00	2.25	0.00	8.35	4,419.50	529.28
Tax Compliance / Planning	0.00	5.20	0.00	7.70	0.00	12.90	5,895.50	457.02
Creditors								
Communications with Creditors / Employees	1.00	0.40	0.00	0.60	0.00	2.00	1,156.00	578.00
Realisation of Assets								
Book debts	0.00	2.90	0.00	0.00	0.00	2.90	1,603.00	552.76
Other Tangible Assets	0.00	0.90	0.00	0.00	0.00	0.90	598.50	665.00
Total Hours:	3.50	50.00	9.60	90.20	0.00	153.30		412.20
Total Time Costs Incurred (£):	2,625.00	30,087.50	4,206.50	26,272.00	0.00		63,191.00	
Expenses								
Statutory Advertising	283.50							
Joint Liquidators' Bond	225.00							
Storage Fees	43.50							
	552.00							

Appendix 3

STATEMENT OF MEMBER'S RIGHTS

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section numbers refer to Insolvency Act 1986

Members have the right to request information from the Liquidator under rule 18.9

Members of the company with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company and any member with the permission of the court may make a written request to the Liquidator for further information concerning remuneration or expenses. Such a request must be made within 21 days of receipt of this report and a response will be provided within 14 days of receipt of the request.

Members have recourse to court, application to be made within 21 days of the Liquidator giving reasons for not providing all the information requested or the expiry of the 14 days within which the Liquidator must respond to a request

Members have the right to challenge the Liquidator's remuneration and expenses under rule 18.34

Members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company and any member with the permission of the court, may make an application to court on the grounds that the remuneration charged or expenses incurred are excessive and/or that the basis fixed for the Liquidator's remuneration is inappropriate. The application to court must be made no later than eight weeks after receipt of the Progress Report where the charging of the remuneration or the incurring of expenses in question occurs.

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Presenter information

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

Contact name **Marcus Bassett**

Company name **Kroll Advisory Ltd.**

Address **The Shard**

32 London Bridge Street

Post town **London SE1 9SG**

County/Region

Postcode

Country

DX

Telephone

+44 (0) 20 7089 4700



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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