

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company
Lowcostholidays Limited

Company number
04371920

In the High Court of Justice (full name of court)

Court case number CR2016 004078 of 2016
--

(a) Insert full name(s) and address(es) of administrator(s)

We (a)
Finbarr Thomas O'Connell
Smith & Williamson LLP
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EC2R 6AY

Henry Anthony Shinnars
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Colin Hardman
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Lane Bednash
CMB Partners UK Limited
37 Sun Street
London
EC2M 2PL

*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) 9 September 2016

Signed

Joint Administrator

Dated

09/09/2016

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to researchers of the put

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When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



A17 *A5I9VBKQ* #36
24/10/2016
COMPANIES HOUSE
A15 *A5FMIEMW* #396
16/09/2016
COMPANIES HOUSE

FR MONDAY

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Signed


Joint Administrator

Dated

20/10/16

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Lowcosttravelgroup Limited
Lowcostholidays Spain, S.L.
Lowcostaviation.com Limited
Lowcostbeds.com Limited
Lowcostholidays Limited
(all in administration)

Joint administrators' statement of proposals pursuant to Paragraph
49 of Schedule B1 Insolvency Act 1986

8 September 2016



COMPANIES HOUSE



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1. Glossary

Abbreviation	Description
the Companies	<p><u>UK Companies.</u></p> <p>Lowcosttravelgroup Limited ("LCTG")</p> <p>Lowcostaviation.com Limited ("Aviation")</p> <p>Lowcostbeds com Limited ("Beds com Ltd")</p> <p>Lowcostholidays Limited ("Holidays Ltd")</p> <p><u>Spanish company</u></p> <p>Lowcostholidays Spain, S L ("Spain S L ")</p>
the joint administrators	<p>Also known collectively as "the Group"</p> <p>Finbarr Thomas O'Connell, Henry Anthony Shinnars, Colin Hardman of Smith & Williamson LLP and Lane Bednash of CMB Partners UK Limited</p>
SIP	Statement of Insolvency Practice (England & Wales)
IA86	<p>Insolvency Act 1986</p> <p>If preceded by S this denotes a section number</p>
Sch B1	<p>Schedule B1 to the Insolvency Act 1986</p> <p>If preceded by P this denotes a paragraph number</p>
IR86	<p>Insolvency Rules 1986</p> <p>If preceded by R this denotes a rule number</p>
SOA	Statement of Affairs
ETR	Estimated to realise
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
HMRC	HM Revenue & Customs
IATA	The International Air Transport Association
ABTA	Association of British Travel Agents
ATOL	Air Travel Organisers' Licensing
CAIB	Govern de les Illes Balears (the regulator of the Spanish Travel Agency)
CAA	Civil Aviation Authority
S&WEBC	Smith & Williamson Employee Benefits Consultancy, a division of Smith & Williamson Financial Services Limited
S&WFS	Smith & Williamson Financial Services Limited

Note The IA86 and IR86 have been subject to a number of significant amendments since their original issue, including a number of substantial and important changes in April 2010. References to IA86 and IR86 in this report are to the legislation as it applies to this case.

2. Introduction

We, Finbarr Thomas O'Connell, Henry Anthony Shinnars, Colin Hardman of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and Lane Bednash of CMB Partners UK Limited, and licensed insolvency practitioners, were appointed joint administrators of the UK Companies on 15 July 2016 and of Spain S L on 21 July 2016

This report sets out our proposals in respect of the administration of the Companies.

Appendix I contains information in respect of the Companies and the joint administrators that is required under the IR86.

3. Key points

- We were appointed joint administrators of the UK Companies on 15 July 2016 by the directors and by an order of the High Court on 21 July 2016 in respect of Spain S L
- The objective of the administrations is as in P3(1)(b) Sch B1, namely achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration)
- LCTG is the holding company of the Group
- The remaining Companies are subsidiaries of LCTG
- The UK companies, Beds com Ltd and Holidays Ltd are dormant
- Aviation Ltd had ongoing trading activities with IATA
- Spain S.L 's registered office and the main operating centre was in Palma de Mallorca, Balearic Islands, Spain
- The principal assets of the Companies were the IT systems and database
- Other assets comprise of cash at bank, book debts and inter-company loans
- Realisations from the inter-company debtors are unlikely to be material as the Companies are also in administration. This is with the possible exception of intercompany balances owed by Lowcostbeds com A G
- Lloyds Banking Group (LBG) claim to have a registered charge over the credit bank balances. The position of LBG is being reviewed
- The Companies had around 125 employees based at Gatwick, 264 based in Poland and 18 in Palma
- Beds com Ltd, Aviation Ltd and Holidays Ltd had no employees and therefore no preferential claims are anticipated in those cases
- It is too early in the administration proceedings to comment in any detail on anticipated returns to unsecured creditors, however, dividend rate prospects are likely to be very low due to the limited assets available relative to the expected liabilities
- Meetings of creditors have been called to seek approval of our proposals as joint administrators
- Creditors with partly or wholly unsecured claims will be invited to form a Creditors' Committee which, if formed, will need to comprise three to five members.
- At the creditors' meetings, if a Creditors' Committee has not been formed, we will also be seeking approval of the basis of our remuneration and disbursements as set out at section 14, for payment of pre-appointment costs and expenses as set out at section 13, and for our discharge from liability upon our ceasing to act as joint administrators

4. Background to the administration

The Companies provided travel agency services from a number of locations worldwide, but mainly from Palma de Mallorca, UK and Poland

Company name	Incorporation date	Company registered number
Lowcosttravelgroup Ltd (in administration)	16 October 2008	06725806
Lowcostholidays Spain, S L (in administration)	8 April 2013	B57813248
Lowcostaviation com Ltd (in administration)	8 December 2005	05649075
Lowcostbeds com Ltd (in administration)	28 December 2005	05663370
Lowcostholidays Ltd (in administration)	12 February 2002	04371920

The UK Companies' registered offices were at Spectrum House, Beehive Ring Road, London Gatwick Airport, Gatwick, West Sussex, RH6 0LG. The Spanish subsidiary's registered office was Edificio Estel, Local 5 A, Parc, Palma de Mallorca in Spain.

The joint administrators were appointed by the UK Companies directors on 15 July 2016 and on 21 July 2016 in respect of Spain S L, in the High Court of Justice. In the absence of any qualifying floating charge holder, there was no requirement to serve notice of an intention to appoint.

Following the administrators' appointment the registered offices of the Companies were changed to 25 Moorgate, London, EC2R 6AY.

4.1 History of the Group

The business was founded in 2004 and principally focused on selling hotel accommodation (essentially a "bed bank"), which was comprised of two channels, 1) direct to the consumer ("B2C"), and 2) to business through trade partners ("B2B"). This was followed in 2006 by the acquisition of a holiday sales business, operated by a call centre. The business progressed to selling accommodation-only and package holidays, with extras such as travel insurance, car hire and transfers. The business had established long-term relationships with key hotel owners and was able to negotiate favourable rates, as compared to other travel agencies at that time.

Group Reorganisation 2009

Due to the rapid rate of growth experienced by the business in the UK and plans to roll out the brand internationally, the directors determined that a more efficient group structure was necessary, for tax and regulatory purposes. The retail element of the CAA regulated business was to be separated and would subsequently fall under the regulatory authorities of Spain, Ireland, Sweden, Norway, Denmark, Finland, the United States and Australia.

Holidays Ltd at that time held the B2C business, with Beds com Ltd holding the B2B business. A new holding company was created - LTCG, the parent company for the Group.

Aviation (formerly Lowcostbiza com to 2009) provided scheduled airline tickets to holidays Limited and later, to Spain S L, on an exclusive basis.

International Expansion

To reduce the Group's dependence on the UK market, which has very seasonal demand, the Group planned to roll out the Holidays Ltd and Beds.com Ltd business overseas

Lowcost Germany launched in April 2010, followed by Sweden, Ireland and Spain. Significant funds were invested during the next five years to establish the businesses for B2B and B2C.

B2B Branches/Registered office	B2C Branches/registered office
UK, Spain, USA, LATAM, Middle East, Australia, Asia	UK, Ireland, Sweden, Denmark, Norway, Finland, Spain, Italy, Germany, USA, Australia

The Group made additional acquisitions during the period 2009 to 2012, incorporating a transfer service business ("Resorthoppa") and a high specification software business ("Intuitive") which provided the Group with its main trading system. This system was credited with assisting the Group in achieving significant growth during this period.

Move to Switzerland

To facilitate the expansion plans and further to tax advice received, a Swiss branch was set up and the assets and business of Beds.com Ltd transferred to a new Swiss entity ("AG"), with effect from 1 November 2013.

Move to Spain

Holidays Limited held all the licences (UK CAA, ATOL and CAR Ireland) for the UK and Ireland operations, and the other branches held licences for the areas that they served. This caused a significant financial and administrative burden for the Group and a cost-efficiency drive was undertaken to reduce overheads, by consolidating the sales and marketing function and reducing local branch staff.

During the ATOL renewal process in 2012, due to a revision of the rules, the CAA advised LTCG that its balance sheet required a cash injection, either by selling assets or obtaining investment. Consequently, the Group sold Resorthoppa and Intuitive.

The sale of these two businesses resulted in a significant fall in earnings, particularly the sale of Initiative, which had given the Group a distinct competitor advantage in terms of software development.

At this time, the CEO, commercial director and chief sales and marketing director were based in Palma, Mallorca. A decision was made to increase the team in Palma, to support senior management and access people with relevant language skills.

It was determined that harmonising the licensing arrangements for all B2C businesses under one EU licence would reduce the regulatory burden and costs to the Group. As key functions for the business were already being undertaken in Spain, it was considered economic to transfer the business of Holidays Limited to a Spanish registered entity, which would be regulated according to the requirements of that jurisdiction. On 1 November 2013, all existing bookings with Holidays Limited were transferred to Spain S.L.; supplier and distribution contracts were duly novated. Customers with holiday bookings were given the option of accepting the novation or to cancel their reservation free of charge, if they did not want to contract with Spain S.L.

The CAA expressed concerns at the time of the transfer of the business and issued a number of press statements with regard to the differing (ie lower) levels of protection offered to consumers by the Spanish regulatory authorities, in comparison to the UK. The CAA commenced an investigation into the substance of Spain S.L., however, this was subsequently closed following the provision of detailed information by the Group's lawyers, to the CAA.

Factors contributing to the Group's financial difficulties

From 2014 onwards, the Group experienced software difficulties arising from the sale of Intuitive. A number of in-house software development programmes were commenced, with a launch scheduled for 2017, which were expected to improve service delivery and provide a competitive market position.

Historically, Beds.com Ltd had experienced a healthy working capital cycle, whereby travel agents paid 25% deposits on booking, with the balance due 28 days prior to departure. Recent years saw terms moving towards paying on arrival, or balances paid 30-45 days after customers had travelled.

At first, Spain S L. charged the full amount at the time of booking for package holidays, a payment model that then changed to a deposit consisting of the price of the flight (which was passed on to the airline) plus 25-50% for non-flight elements of the booking. The balance was due 12-14 weeks prior to departure

2014 saw the introduction of low deposits across the travel market in the UK, driven by large operators and well-funded online travel agents, who were able to subsidise customer flights and make holidays more affordable to consumers. This resulted in a decreasing share of the larger, more lucrative family bookings for the Group as it was unable to compete on these terms with its better-funded competitors. A short term overdraft facility allowed the Group to offer lower deposits for a limited time, which improved margins considerably for a period, however the Group were unable to renew the facility, due to external concerns regarding the general decline in business performance.

Telephone bookings (which had traditionally resulted in higher margins) decreased, with customers opting to utilise online facilities via mobile searches. The online market was extremely competitive with only the largest travel companies able to absorb the increasing cost of advertising.

Long-standing relationships with a number of hotels had enabled the Group to offer discounted rates, which attracted large volumes of bookings and rapidly increasing turnover. However, improved payment terms were now being offered by major competitors, whereby hotels were receiving payment weeks ahead of the terms offered by the Group. The Group began to lose their preferred status across the hotels, and the loss of this competitive advantage adversely affected turnover. The Group responded by heavily increasing marketing costs and IT expenditure to improve service delivery and software response times in order to maintain market share.

Events leading to the appointment of administrators

It was clear by the end of 2014 that the Group required investment and needed to cut costs. Various bank debt and overdraft options were explored but failed due to the low asset values the Group was able to offer as collateral and poor historic profitability.

During 2015, the Group offices in the USA, Australia and LATAM were closed. Operations were moved from these more expensive locations to a new office in Krakow, Poland. Over 100 Group staff were made redundant from other locations during this process.

Hoteling.com, a new hotel-only brand, was launched in the USA, in an attempt to reduce reliance on Google and the UK market and allow focus on a single product which required significantly less operational and back office support. It was planned that the business would move away from city destination bookings towards a focus on high value family bookings.

The Group entered into negotiations for a number of proposed investment transactions during 2015/16, which explored potential mergers or asset disposals. The directors have informed the administrators that discussions with certain interested parties continued up to the appointment of the administrators, but fell away due to the rapidly deteriorating financial position of the Group, the consequent fall in value of the assets proposed for potential acquisition and the following general factors:

- The referendum decision in June 2016 to exit the European Union contributed to both a reluctance from investors to pursue an acquisition and to decreasing numbers of bookings from customers with concerns regarding currency conversion rates.
- The escalation of terrorism incidents targeting a number of hitherto popular holiday destinations resulted in declining turnover throughout 2016.
- This negative trading environment was compounded by rumours circulating in the marketplace regarding the financial stability of the Group, due to poor payment history with hotels.

Advice was sought from Smith & Williamson LLP and CMB Partners UK Limited on 11 July 2016.

5. Purpose of administration and strategy

The joint administrators must perform their functions with the objective of

- rescuing the Companies as a going concern, or
- achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration), or
- realising property in order to make a distribution to one or more secured or preferential creditors

In this case, the second objective above is being pursued, in accordance with Sch B1 Para 3 (1)(b)

Prior to appointment as joint administrators, our role was to advise the Companies, not the directors or any other party considering acquisition of the business whether by means of a "pre-packaged administration sale" or otherwise. Once appointed, administrators are obliged to perform their functions in the interests of the Companies' creditors as a whole. Where the objective of the administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty to avoid harming unnecessarily the interests of the creditors as a whole.

Section 7 provides details of the actions taken to date in pursuit of our strategy for the administration and section 10 details our proposals to achieve the purpose of the administration and to bring it to a conclusion in due course.

6. Joint administrators' receipts and payments

Summaries of our receipts and payments in respect of the Companies for the administration period from the date of our appointment as administrators to 31 August 2016 are attached at Appendix IV.

7. Conduct of the administration

7.1 Steps taken since appointment

We summarise below the key matters that we have dealt with since our appointment.

- Arranged for the administrators' staff to visit each office where staff were employed, to advise them of the appointment and to provide them with information and assistance with regard to their entitlements.
- The offices in Krakow and Switzerland were vacated, with the Gatwick and Palma premises remaining occupied for a limited period, to manage the orderly wind down of the Group.
- Although the Group ceased to trade with effect from the appointment of administrators of the UK Companies, as at 15 July 2016 there were 27,000 customers who were travelling, with a further 110,000 future bookings, who were departing over the coming days/weeks. It was imperative that support and information was provided to those customers affected by the collapse of the Group.
- We have provided customers who booked their holidays with Spain S L with relevant information with regard to the status of their bookings and assistance with notifying customers of the various avenues by which an application for reimbursement can be pursued.

- A number of staff were retained on a short-term basis to assist with producing critical financial information for the joint administrators
- An IT team was retained to provide the essential support and maintenance for the Company websites, online customer booking system and the preservation of data, in order to assist customers with information regarding their bookings and to provide communication links between the customers and the administrators
- An external call centre was put in place from the date of appointment of administrators of Spain S L , to further assist the many thousands of customers who required information regarding their bookings and who were seeking to obtain refunds
- The administration staff have also dealt with an extremely large volume of enquiries from concerned customers, particularly in the early stages of the administration appointment. Over 30,000 separate email communications have been received to date
- We have appointed independent agents, Wyles Hardy & Co Ltd, to manage the removal of Group assets and third party property from the office locations pending return of control of the various premises to the respective Landlords. Our agents have also undertaken the sale of office furniture and equipment
- The administrators have identified and taken security of records of the Companies from the Gatwick, Krakow and Palma de Mallorca premises, where required for the purposes of the administration and data protection
- The administrators and their staff have also been engaged in addressing numerous media requests for statements and information, generated by the significant impact that the financial failure of the Group would have on the general public
- There has been extensive focus on employee legal matters, across various jurisdictions ensuring that the Companies are compliant with the various laws and protocols applicable to staff based in the UK, Poland, Spain and Switzerland. This has involved, and continues to involve, a considerable amount of time expended by the administrators and their legal advisors, in conjunction with the advisors in the local jurisdictions. These matters have proven to be complex and protracted, particularly in Spain and Poland
- We have liaised extensively with booking agents, travel companies, authorities and regulators, both in obtaining useful information from them for travellers and providing them with data to allow the various parties to reconcile their positions
- The administrators have commenced an investigation into the directors' conduct and a review of the financial records to ascertain whether there were any irregular transactions or asset disposals within the relevant pre-appointment period, as required by statute
- Immediately on appointment the joint administrators sought to preserve value inherent in the fast eroding assets. The Company's website domains and content were sold to a third party purchaser on 22 July 2016 following an accelerated auction process. Considerable interest was expressed in acquiring the rights associated with the customer databases containing personal data (including historic customer information and live/future booking information) ("the Databases"). The joint administrators received legal advice that the data controller of the Databases is Lowcostholidays Spain, S L ("LCH Spain") and is therefore subject to Spanish data protection laws. Despite extensive efforts it was not possible to structure the transfer of the benefit of the Databases to a third party purchaser without exposing the selling company and a purchasing company to the risk of a significant penalty. Consequently the joint administrators were unable to conclude the disposal of the Databases. Efforts to realise value for other assets are on-going

8. Financial position at the date of administration

8.1 Directors' SOAs

Attached at Appendices V and VI are copies of the directors' SOAs for the Companies as at the date of our appointment as joint administrators on 15 July 2016 and 21 July 2016 for Spain S L

We have the following observations to make

Cash at bank: Lloyds Banking Group hold charges over credit balances across the Group. The administrators are reviewing LBG's position.

Intercompany loans/Investments in subsidiaries: Due to the insolvent position across the Group, it is highly unlikely that any realisations or payments will arise from the intercompany balances.

Book debts: Recoveries are expected to be limited, the administrators are currently working to reconcile balances and verify the debts that may be realisable.

Intellectual property (LTCG/Spain S L): a considerable amount of expenditure has been committed to investment in intellectual property, primarily in respect of the IT software programs that were under development. Due to the various projects being incomplete at the date of the administrations, it is likely that only a small proportion of the book value will translate into a realisable asset. It was anticipated that there would be significant value arising from the customer database held in Spain S L, however, a proposed sale of this potential asset by the administrators had to be abandoned, due to the strict data protection regulations in Spain.

VAT recoveries (Beds.com Ltd/Holidays Ltd): There are potential VAT recoveries of some £3.4m that are currently subject to litigation with HMRC in respect of Tour Operators Margin Scheme ("TOMS"). The prospects of a successful outcome are considered by the legal advisors on this matter, Pinsent Masons LLP, to be favourable. The court case is not expected to conclude until later 2017.

8.2 Charges and secured creditors

Lloyds Banking Group hold registered charges, granted by the UK Companies in 2015, which include cross guarantees and set-off agreements that encompass the Group, holding each separate entity liable for any indebtedness to Lloyds Banking Group. At present, the administrators are liaising with Lloyds to establish their position, both in terms of their security and their exposure across the Group.

8.3 Prescribed Part

Where a company has created a qualifying floating charge on or after 15 September 2003, Section 176A of the Insolvency Act 1986 makes provision for a share of the company's net property to be set aside for distribution to unsecured creditors in priority to the floating charge holder. The company's net property is the balance that remains after preferential creditors have been paid and which would then otherwise be available for satisfaction of the claims of any holder of a debenture secured by a floating charge. The funds are referred to as the Prescribed Part.

Although the legal position is uncertain at this time, on balance, the administrators do not consider that the Companies have granted a qualifying floating charge and the Prescribed Part requirements do not, at this time, apply. This will be the subject of further review.

8.4 Preferential creditors

The preferential claims will arise from UK employee claims submitted to the Redundancy Payments Service ("RPS"), currently estimated to be c £144,000. LCTG's preferential debt comprises arrears of wages (a maximum of £800 per employee) at the date of administration and all accrued but untaken holiday at that date. There is the possibility that the preferential debt could increase significantly due to potential claims yet to be submitted by redundant employees in Poland and Spain, dependent on the extent of any contribution from the respective government departments in respect of outstanding contractual obligations. We cannot determine at this stage in proceedings whether there will be sufficient assets to enable a distribution to be made to preferential creditors.

8.5 Unsecured creditors

Unsecured creditors in the directors' SOA of the Companies are estimated to be as follows:

Company name	Intercompany creditors £	Third party creditors £	Total value £
Lowcosttravelgroup Ltd (in administration)	46,467,016	3,640,364	50,107,380
Lowcostholidays Spain, S L (in administration)	272,428,950	16,649,630	289,078,580
Lowcostaviation com Ltd (in administration)	6,691,565	47,804	6,739,369
Lowcostbeds com Ltd (in administration)	2,120,595	25,084	2,145,679
Lowcostholidays Ltd (in administration)	122,324,396	4,386,545	126,710,941

Spain S.L.

At the outset of the administration of Spain S L (the entity which sold the package holidays), the unsecured creditors were largely comprised of customers who were either currently on holiday or had future bookings where one or more elements of their booking would be unfulfilled. The majority of the customers were found to have valid flights that were booked and paid for, but with accommodation and/or transfers unpaid.

As per the advice made available by the administrators on the Group's websites, www.lowcostholidays.com and www.lowcosttravelgroup.com, customers will in the main have access to compensation other than by making claims against the Companies.

A significant proportion of the Companies' customers paid all or part of their holidays via their credit or debit cards or through an online payment provider (e.g. Paypal). Many customers will have rights under statute and/or under the terms with these service providers for compensation for non-delivered services. In this respect it is important for customers to keep all receipts of expenses incurred to help them in making any claims for a refund or compensation in due course.

The administrators have worked with the UK Card Association (UKCA), the trade body for the card payments industry in the UK representing financial institutions which act as card issuers and acquirers, to support their members in processing customer refunds. The UKCA is providing guidance on protections available to consumers who have purchased travel or a holiday package using a debit or credit card, in particular in respect of customers' rights to receive a chargeback for credit and debit card transactions and, for credit card purchases only, entitlement to a refund under Section 75 of the Consumer Credit Act 1974 ("Section 75"). Customers are encouraged to visit the UKCA's website, at <http://www.theukcardsassociation.org.uk/news/LCTGadvice.asp> for further information. We are also supporting acquirer banks directly, these being the financial institutions which maintain the Companies' accounts which process credit and debit card transactions.

The administrators have also liaised closely with Paypal to support it as regards refunds to customers under its buyer protection scheme.

A significant number of customers have already obtained refunds, largely facilitated by applications made to credit card companies under Section 75 and via debit card chargeback schemes etc. The Irish Commission for Aviation Regulation held a bond which enabled customers whose booking originated in the Republic of Ireland, to obtain a refund

Customers who receive refunds will not be creditors of the Group

The institutions that provide refunds to customers will step into the shoes of customers, as creditors under the principle of subrogation. For this reason, it is anticipated by the administrators that there are likely to be relatively few consumers that booked with Spain S L or the Group, who will remain as creditors. However, this process is ongoing.

9. Estimated outcome for creditors

At this stage it is difficult to estimate the quantum of creditors and whether there will be a return to any class of creditors of the Companies.

10. Proposals for achieving the purpose of administration

Our proposals for achieving the purpose of administration for the Companies are as follows:

- i. The administrators will continue to manage the affairs of the Companies in order to achieve the purpose of the administration, namely with the objective of achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration), in accordance with Sch B1 Para 3 (1)(b).
- ii. The joint administrators do not consider that the survival of the existing Companies is achievable. They will take any action they consider necessary to achieve the sale of any remaining assets to maximise returns to the administration estates.
- iii. If having realised the assets of the Companies, the joint administrators think that a distribution will be made to unsecured creditors, other than by way of any applicable Prescribed Part distribution, they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Companies automatically into CVL in order that the distribution can be made.
- iv. If the administrators consider it appropriate and cost effective to do so, they may make an application to court for permission to make any distribution to the unsecured creditors that is not from the Prescribed Part in the administration instead of moving the Companies to CVL and then making a distribution. (Note. If permission is granted, subject to the need for further investigations as detailed in the next section, the Companies will exit into dissolution once the distribution has been made and the administration concluded).
- v. If the joint administrators think that the Companies have no property which might permit a distribution to its creditors, they will file a notice with the court and the Registrar of Companies for the dissolution of the Companies.
- vi. The joint administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 IA86, as they consider desirable or expedient to achieve the purpose of the administration.

- vii. The administrators propose asking creditors to consider establishing a creditors committee. If such a committee is formed the creditors who become members of the committee will be responsible for sanctioning the basis of the joint administrators' remuneration and disbursements, any unpaid pre-administration costs and any proposed act on the part of the joint administrators. The committee will be able to make these decisions without the need to report back to a further meeting of creditors generally

11. Exit route from administration

It is proposed that, at the appropriate time, the joint administrators will use their discretion to exit the administration by way of one of the following means

- i) If having realised the assets of the Companies, the joint administrators think that a distribution will be made to the unsecured creditors other than by virtue of the Prescribed Part, they may file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Companies automatically into CVL in order that the distribution can be made, but only if they consider that the associated incremental costs of a CVL are justified. In these circumstances, it is proposed that the joint administrators will become the joint liquidators of the CVL. The acts of the joint liquidators may be undertaken by either or both of them.

Creditors have the right to nominate alternative liquidators of their choice. To do this, creditors must make their nomination in writing to the joint administrators prior to these proposals being approved in accordance with Sch B1 paragraph 83(7)(a) and I(R)86 2 117A(2)(b). Where this occurs, the joint administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the joint administrators will automatically become the joint liquidators of the Companies in the subsequent CVL.
- ii) If the joint administrators have, with the permission of the court, made a distribution to unsecured creditors in addition to any Prescribed Part distribution, or they think that the Companies otherwise have no property which might permit a distribution to their unsecured creditors, subject to there being a need for further investigations as described below, they will file a notice, together with their final progress report, at court and with the Registrar of Companies for the dissolution of the Companies. The joint administrators will send copies of these documents to the Companies and their creditors. The joint administrators' appointment will end following the registration of the notice by the Registrar of Companies.
- iii) Administrators have the power to bring claims against former officers of the Companies in respect of transactions that may have caused or exacerbated a company's insolvency. Claims with a good prospect of success may indeed be pursued by administrators but there may be cases where it would be more appropriate if a liquidator brought the claim or where the timeframe would not be long enough, given the maximum extension period available to administrators. The proposed exit route would, in these cases, be liquidation.
- iv) The Administrators may, if they consider it appropriate, seek the creditors' or court's consent to an extension of the Administration.
- v) In the case of the Spain S L, an application may be made to the Spanish court as part of the process of dissolving Spain S L. in Spain, and
- vi) In the case of any Company having a foreign branch, an application to court in the relevant jurisdiction in connection with the winding-up and dissolution of that branch.
- vii) In the case of the Spain S.L., the Administrators may take such steps as they consider necessary or desirable to have the Spanish Registered Company dissolved in Spain.
- viii) In the case of any Company having a foreign branch, the Administrators may take such steps as they consider necessary or desirable in the relevant jurisdiction in connection with the winding-up and dissolution of that branch.

- ix) In the case of each Company except Spain S L , in the event that a creditors' committee is not established, and save for the circumstance where an Administrator ceases to be an Administrator by reason of their death, the Administrators be discharged from liability in respect of their conduct as Administrators under Paragraph 98 of Schedule B1 of the Insolvency Act 1986 automatically 14 days after the Administrators cease to act as Administrators of the Company. In any event, the Administrators shall be entitled to apply to the court for their discharge from liability.
- x) In the case of the Spain S.L. only, save for the circumstance where an Administrator ceases to be an Administrator by reason of their death, the Administrators will be discharged from liability in respect of their conduct as Administrators under Paragraph 98 of Schedule B1 of the Insolvency Act 1986 at a time specified by the court and subject to any order the court may make to the contrary, immediately upon the Administrators ceasing to act.

If a creditors' committee is established the joint administrators will consult with the members and agree the most appropriate exit route from administration.

12. Other matters relating to the conduct of the administration

The matters detailed below are not considered to be part of the proposals but are intended to provide creditors with information concerning the remaining statutory and other matters that must be dealt with in the administration.

- Submitting a confidential return or report on the conduct of the directors to the Department for Business, Innovation and Skills. This obligation arises under the Company Directors' Disqualification Act 1986. Creditors should note that the content of any submission is strictly confidential and under no circumstances will discussions be entered into regarding this.
- Agreeing the claims of and making payment to creditors, subject to availability of funds.
- Filing corporation tax returns and obtaining tax clearance in respect of the administration period.
- Paying all costs and expenses of the administration once any required approval has been obtained.
- Further statutory reporting as required by IA86 and IR86.

13. Pre-administration costs and expenses

13.1 Pre-administration costs

Pre-administration costs are defined as fees charged and expenses incurred by the joint administrators or another person qualified to act as an insolvency practitioner before the Companies entered administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the Companies entered administration.

The basis of our pre-administration costs was set out in our engagement letters with the Companies dated 11 July 2016. Our costs were to be charged on a time cost basis.

Our total time costs in assisting the Companies prior to our appointment as joint administrators and their breakdown are given in Appendix VII. As at the date of our appointment, £100,000 of these costs had been paid on Spain S L.

Pre-appointment time costs incurred by Smith & Williamson employees are detailed below

The Company	Number of hours	Total costs £	Average hourly rate £
Lowcosttravelgroup Ltd (in administration)	37 40	11,655 75	311.65
Lowcostholidays Spain, S L (in administration)	260 20	125,982 50	484 18
Lowcostaviation com Ltd (in administration)	4 80	2,104 00	438 33
Lowcostbeds com Ltd (in administration)	25 50	14,327 50	561 86
Lowcostholidays Ltd (in administration)	7 85	3,020 00	384 71

Pre-appointment time costs incurred by CMB Partners UK Limited, of which £33,850 has been paid

The Company	Number of hours	Total costs £	Average hourly rate £
Lowcosttravelgroup Ltd (in administration)	74 20	42,392 50	571 00
Lowcostholidays Spain, S L (in administration)	145 70	79,025 00	542 00
Lowcostaviation com Ltd (in administration)	1 50	600 00	400 00
Lowcostbeds com Ltd (in administration)	1 50	600 00	400 00
Lowcostholidays Ltd (in administration)	1 50	600 00	400 00

13.2 Pre-administration expenses

Pre-appointment time costs incurred by Nabarro LLP

The Company	Total costs £
Lowcosttravelgroup Ltd (in administration)	41,237
Lowcostholidays Spain, S L (in administration)	91,907
Lowcostaviation com Ltd (in administration)	3,903
Lowcostbeds com Ltd (in administration)	4,542
Lowcostholidays Ltd (in administration)	4,542

The costs for the pre-appointment legal fees incurred by Nabarro LLP (as above) have been paid in full
Fees of £23,048 were paid to Cassowary (Solicitors and international lawyers) in relation to legal fees

The payment of the unpaid pre-administration costs set out above as an expense of the administration is subject to the approval of creditors, separately from the approval of the joint administrators' proposals. This approval will be the responsibility of the creditors' committee if one is appointed or alternatively by resolution of a meeting of creditors where there is no committee.

Other than the amounts specifically noted in 13.1 and 13.2 above as paid, the pre-administration costs and expenses are unpaid.

14. Joint administrators' remuneration

Insolvency Practitioners are required to provide stakeholders with details of the work they propose to do and the expenses that are likely to be incurred. Prior to drawing any fees, these details must be provided to creditors and approval given. Alternatively, creditors may form a committee and, if so, it is up to the majority of committee members to give consent.

Where it is proposed that fees are drawn from the insolvent estate on a time costs basis, a fees estimate will also need to be provided. Where it is unrealistic to estimate the work to be done at the outset, an estimate may be provided for a designated period or up to a particular milestone.

Creditors should be aware that the fees estimate is based on information available at present and may change due to unforeseen circumstances arising. If any original fees estimate is exceeded, a revised estimate will need to be provided and approval given before any fees may be drawn.

Some of the work required by Insolvency Practitioners is required by law and may not necessarily result in any financial benefit for creditors (or members). Examples of this work would include investigations required under the Company Directors' Disqualification Act 1986 or dealing with former employees' claims through the Redundancy Payments Service.

On some occasions, third parties may be instructed to provide expert advice on tax, legal or property matters to produce a financial benefit to creditors.

Each aspect of the work undertaken will require different levels of expertise and, therefore, cost. To make it clear, we have given the rates for each grade of staff with estimates of the total hours to be spent on each aspect in the table provided.

The basis of the joint administrators' remuneration may be fixed on one or more of the following bases and different bases may be fixed in respect of different things done by them:

- as a percentage of the value of the assets they have to deal with, or
- by reference to time properly spent by the joint administrators and their staff in attending to matters arising in the administration, or
- as a set amount.

In this case, the joint administrators are seeking approval for the basis of their remuneration as follows:

- By reference to the time properly spent by the joint administrators and their staff in attending to matters arising in the administration.

The Companies have a claim against various credit card companies with regard to over charges. The Administrators are negotiating arrangements with various firms of lawyers with regard to these claims and, as these claims are speculative, wish to agree a contingency fee basis with them. At present, it is likely that the administrators will agree a contingency fee basis of 25% of any recoveries for this work with the chosen law firm. The administrators propose that they also act on a 25% of recoveries contingency fee basis with regard to this potential realisation. Therefore formal resolution on which the basis of the fixing of the joint administrators' remuneration in this matter will be as follows:

- as a percentage of the value of the assets they have to deal with.

- Estimated total fees for the Companies for the first twelve months of the administrations, to include an extension of the administrations, if deemed necessary, are as follows

The Company	Estimated fees £	Estimated* disbursements £
Lowcosttravelgroup Ltd (in administration)	500,000 00	603,986 00
Lowcostonline Spain, S L (in administration)	1,000,000 00	413,373 80
Lowcostaviation com Ltd (in administration)	40,000 00	6,523 80
Lowcostbeds.com Ltd (in administration)	75,000 00	165,723 80
Lowcostonline Ltd (in administration)	50,000 00	165,523 80

*These estimated disbursements included primarily legal costs already incurred post-appointment and the anticipated costs until the end of the first twelve months of the administration. In particular, these are connected with a legal case (TOMS) with HMRC in relation to potential VAT recoveries of some £3.4m

As we will be seeking approval to draw fees on this basis, a fees and costs estimate is attached at Appendix IX. This details the estimated fees according to the grade of staff, expected number of hours to perform specific tasks, some of which are mandatory, irrespective of the company, and some of which are specific to this case, and the average hourly rate.

Where no creditors' committee is appointed, approval of the joint administrators' remuneration shall be fixed by resolution of a meeting of creditors or, where the joint administrators have concluded that the company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with R2.106 IR86.

Included in the total estimate given in Appendix IX are the accrued, joint administrators' time costs which cover the period from the date of the administration order to 31 August 2016. A breakdown is given in Appendix VII. These costs are represented in a table below.

The Company	Number of hours	Total costs £	Average rate per hour £
Lowcosttravelgroup Ltd (in administration)	249.95	83,664.25	334.72
Lowcostonline Spain, S L (in administration)	729.15	265,103.75	363.58
Lowcostaviation com Ltd (in administration)	29.65	10,718.25	361.49
Lowcostbeds.com Ltd (in administration)	34.80	14,315.75	411.37
Lowcostonline Ltd (in administration)	42.15	14,241.00	337.86

Time costs incurred by CMB Partners UK Limited.

The Company	Number of hours	Total costs £	Average rate per hour £
Lowcosttravelgroup Ltd (in administration)	66 50	38,862 50	584 00
Lowcostholidays Spain, S.L. (in administration)	141 40	83,065 00	587 00
Lowcostaviation com Ltd (in administration)	11 00	5,637 50	513 00
Lowcostbeds com Ltd (in administration)	45 60	26,925 00	590 00
Lowcostholidays Ltd (in administration)	7 00	4,037 50	577 00

A copy of the guide "Payments To Insolvency Office Holders and Their Associates", SIP 9, as produced by the Association of Business Recovery Professionals, is available on request or can be downloaded from the R3 website as follows

https://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20Dec%202015.pdf

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix X

14.1 S&WFS - S&WEBC

S&WFS, a company associated with Smith & Williamson LLP, has dealt with the Company's pension affairs. Payments to parties in which joint administrators or their firm have an interest must be disclosed to, and approved by, creditors in a similar way as approval of the joint administrators' remuneration

In this case, the joint administrators are seeking approval for the basis of S&WFS as follows:

- By reference to the time properly spent by the S&WFS staff and their staff in attending to matters arising in the administration. As we will be seeking approval to draw fees on this basis, a fees and costs estimate is attached at Appendix IX. This details the estimated fees according to the grade of staff, expected number of hours to perform specific tasks, some of which are mandatory, irrespective of the company, and some of which are specific to this case, and the average hourly rate.

Details of S&WFS' charge out rates are included at Appendix X

15. Administration expenses

Following the appointments, the administrators retained a number of former employees at the Gatwick and Mallorca premises to assist us with clearing the offices, compiling financial information and maintaining essential IT services. The Group website containing the online booking system was maintained to assist customers of Spain, S.L. to manage their bookings and provided guidance on how to claim for their losses.

Total fees paid to the employees to 31 August 2016 are £43,520.70 and total expenses of £4,164.39.

15.1 Professional advisors

We have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

The following professional advisers were used for LCTG

Professional adviser/service	Basis of fee arrangement	Costs incurred £	Costs paid £
Nabarro LLP (filing documents at court, legal advice re employees, general legal advice)	Hourly rate and disbursements	201,074.10 529.78	120,000.00 62.90
Altitude Business Systems Ltd (accountancy services)	Hourly rate and disbursements	1,800.00	1,800.00
Wardinski & Partners (Polish employees legal advice)	Hourly rate and disbursements	34,399.00	34,399.00
Raczkowski Paruch sp.K (Polish legal advice)	Hourly rate and disbursements	15,371.76	15,371.76
Moorepay Ltd (payroll services)	Rate per employee claim	2,185.00	2,185.00
ERA Solutions Ltd (employees preferential claims services)	Rate per employee claim	120.00	120.00
ADP Polska sp. z o.o. (payroll services)	Rate per employee claim	2,433.82	2,433.82
Roger Parks Consultants (HR Advisors)	Daily rate and expenses	15,000.00 2,211.00	15,000.00 2,211.00
Wyles Hardy & Co Ltd (valuation and assets disposal services)	Percentage of assets realisations and expenses	21,392.50 2,127.52	0.00 0.00
Reddy Siddiqui & Kabani (accountancy services)	Fixed fees	7,000.00	7,000.00
Total		305,655.48	200,583.48

The following professional advisers were used for Spain S.L.

Professional adviser/service	Basis of fee arrangement	Costs incurred £	Costs paid £
Nabarro LLP (filing documents at court, legal advice re employees, general legal advice)	Hourly rate and disbursements	190,236.60 24,686.11	0.00
Counsel fees			15,000.00
*Cassowary LLP (legal advice)	Hourly rate	14,606.00	14,606.00
Antonio Sastre Oliver (legal advice)	Hourly rate	3,673.89	3,673.89
Ruth Lando Ltd (legal advice)	Hourly rate	11,500.00	11,500.00

Professional adviser/service	Basis of fee arrangement	Costs incurred £	Costs paid £
Roca Junyent	Fixed fees	15,629 57	15,629 57
Adoria Consulting SLP	Fixed fees	5,903 36	5,903 36
Reddy Siddiqui & Kabani (accountancy services)	Fixed fees	11,000 00	11,000 00
Andrew Clemence (Services adviser)	Daily rate	10,344 89	10,344 89
Total		287,580 40	87,657.71

*Cassowary - partly represents a payment in advance, leaving a credit balance of £23,394

Professional legal fees incurred by Nabarro LLP while dealing and assisting with filing documents at court, general legal advice) with Aviation, Beds com Ltd and Holidays Ltd are as follows

The Company	Basis of fee arrangement	Costs incurred £	Costs paid £
Lowcostaviation com Ltd (in administration)	Hourly rate and disbursements	8,802 10 50.00	0 00 0 00
Lowcostbeds com Ltd (in administration)	Hourly rate and disbursements	5,734.10 50 00	0 00 0 00
Lowcstholidays Ltd (in administration)	Hourly rate and disbursements	5,006 10 50 00	0 00 0 00

15.2 Administrators' disbursements

We have paid and/or incurred the following disbursements for LCTG in the current period

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Statutory advertising	77 00	77 00	0 00
Joint Administrators' bonds	105 00	0 00	105 00
Insurance	5,732 16	5,732 16	0 00
Internet services	3,500 00	3,500.00	0.00
Network & System services	6,506 77	6,506 77	0 00
Courier	86.90	0 00	86 90
Travel expenses	1,684 76	0 00	1,684 76
Total	17,692.59	15,815.93	1,876.66

We have paid and/or incurred the following disbursements for Spain S L in the current period

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Statutory advertising	77 00	0 00	77 00
Joint Administrators' bonds	105 00	0 00	105 00
Company searches	36 19	0 00	36 19
Insurance	260 11	260 11	0 00
Network & System services	45,189 51	45,189 51	0 00
Customers' email/messages services	767 71	0 00	767 71
Travel expenses	2,242 35	0 00	2,242 35
Total	48,677.87	45,449.62	3,228.25

In relation to the other three UK companies, Aviation, Beds.com Ltd and Holidays Ltd, we have paid incurred the following disbursements for each company in the current period

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Statutory advertising	231 00 (77 00 x 3)	0 00	231 00
Joint Administrators' bonds	315 00 (105 00 x 3)	0 00	315 00
Total	546 00	0.00	546.00

15.3 Category 2 disbursements

In addition to S&WFS's fees, referred to in section 14 1, since our appointment we have incurred the following Category 2 disbursements

Description	Cost incurred £
Business mileage @ HMRC rates	58 50

In accordance with SIP 9, Remuneration of Insolvency Office Holders, the joint administrators will be seeking approval to draw Category 2 disbursements as and when funds are available, in accordance with S & W's disbursement recovery policy

15.4 Policies regarding use of third parties and disbursement recovery

Details of Smith & Williamson's policies regarding the use of subcontractors and professional advisors and the recovery of disbursements are set out at Appendix X

16. Meeting of creditors

An initial meeting of the Company's creditors is being convened. Creditors will be invited to form a Committee, failing which, those present and voting in person or by proxy will be asked to approve the joint administrators' proposals, remuneration and disbursements and payment of unpaid pre-appointment costs and expenses. Creditors will also be asked to approve the joint administrators' discharge from liability. Subject to approval being granted, the joint administrators will be discharged from liability under P98 SchB1 as soon as their appointment ceases to have effect.

The meetings will be held on Thursday 22 September 2016 at City Temple, 31 Holborn Viaduct, London EC1A 2DE. Form 2.20B "Notice of a meeting of Creditors" is annexed to this report. Further information on the meetings is contained in the letter accompanying this report.

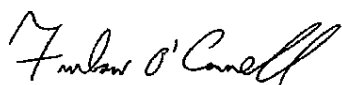
17. Next report and creditors' rights

The joint administrators are required to provide a progress report within one month of the end of the first six months of the administration or earlier if the administration has been finalised.

From receipt of the first progress report, creditors have rights under IR86 to request further information and to challenge the joint administrators' remuneration and/or expenses incurred. In summary:

- Within 21 days of the receipt of a progress 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 joint administrators provide further information about their remuneration or expenses which have been itemised in the 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 a progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the joint administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the joint administrators, as set out in the report, are excessive.

Further information regarding creditors' rights is available on application to the joint administrators.



Finbarr Thomas O'Connell, Henry Anthony Shinnars, Colin Hardman and Lane Bednash

Joint Administrators

Date: 8 September 2016

I Statutory information

Lowcosttravelgroup Limited

Relevant Court	High Court of Justice
Court Reference	CR2016 4079 of 2016
Trading Addresses	Spectrum House, Beehive Ring Road, London Gatwick Airport, RH6 0LG
Former Name	Sparkash Limited
Registered Office	25 Moorgate, London, EC2R 6AY (Formerly Spectrum House, Beehive Ring Road, London Gatwick Airport, RH6 0LG and East House, 109 South Worple Way, London, SW14 8TN)
Registered Number	06725806
Joint Administrators	Finbarr Thomas O'Connell, Henry Anthony Shinnars, Colin Hardman of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and Lane Bednash of CMB Partners UK Limited, 37 Sun Street, London, EC2M 2PL (IP Nos 7931, 9280, 16774 and 8882) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally
Date of Appointment	15 July 2016
Appointor	Directors
Directors	Paul Evans, Salman Rasool and Lawrence Hunt
Extension to period of administration	N/A
EC Regulations	The EC Regulation on Insolvency Proceedings 2000 applies to the administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom

Lowcostholidays Spain, S.L.

Relevant Court	High Court of Justice
Court Reference	CR2016 004200 of 2016
Trading Name	Lowcostholidays
Trading Addresses	C/Ada Byron S/N - Edificia Estel, Local 5A Parc, Palma De Mallorca 01721, Spain
Former Name	None
Registered Office	25 Moorgate, London, EC2R 6AY (Formerly C/Ada on s/n - Edificio Estel, Local 5 A, Parc, Palma de Mallorca, Spain)
Registered Number	B57813248
Joint Administrators	Finbarr Thomas O'Connell, Henry Anthony Shinnars, Colin Hardman of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and Lane Bednash of CMB Partners UK Limited, 37 Sun Street, London, EC2M 2PL (IP Nos 7931, 9280, 16774 and 8882) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally
Date of Appointment	21 July 2016
Appointor	
Director	Paul Evans
Extension to period of administration	N/A
EC Regulations	The EC Regulation on Insolvency Proceedings 2000 applies to the administration The proceedings are main proceedings as defined by Article 3 of the Regulation The Company is based in the United Kingdom

Lowcostaviation.com Limited

Relevant Court	High Court of Justice
Court Reference	CR2016 004079 of 2016
Trading Addresses	Spectrum House, Beehive Ring Road, London Gatwick Airport, RH6 0LG
Former Names	Lowcostibiza com Limited - changed on 5 May 2009 Trail Around Limited - changed on 1 February 2006
Registered Office	25 Moorgate, London, EC2R 6AY (Formerly Spectrum House, Beehive Ring Road, London Gatwick Airport, RH6 0LG and East House, 109 South Worple Way, London, SW14 8TN)
Registered Number	05649075
Joint Administrators	Finbarr Thomas O'Connell, Henry Anthony Shinnars, Colin Hardman of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and Lane Bednash of CMB Partners UK Limited, 37 Sun Street, London, EC2M 2PL (IP Nos 7931, 9280, 16774 and 8882) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally
Date of Appointment	15 July 2016
Appointor	Directors
Directors	Paul Evans and Salman Rasool
Extension to period of administration	N/A
EC Regulations	The EC Regulation on Insolvency Proceedings 2000 applies to the administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom

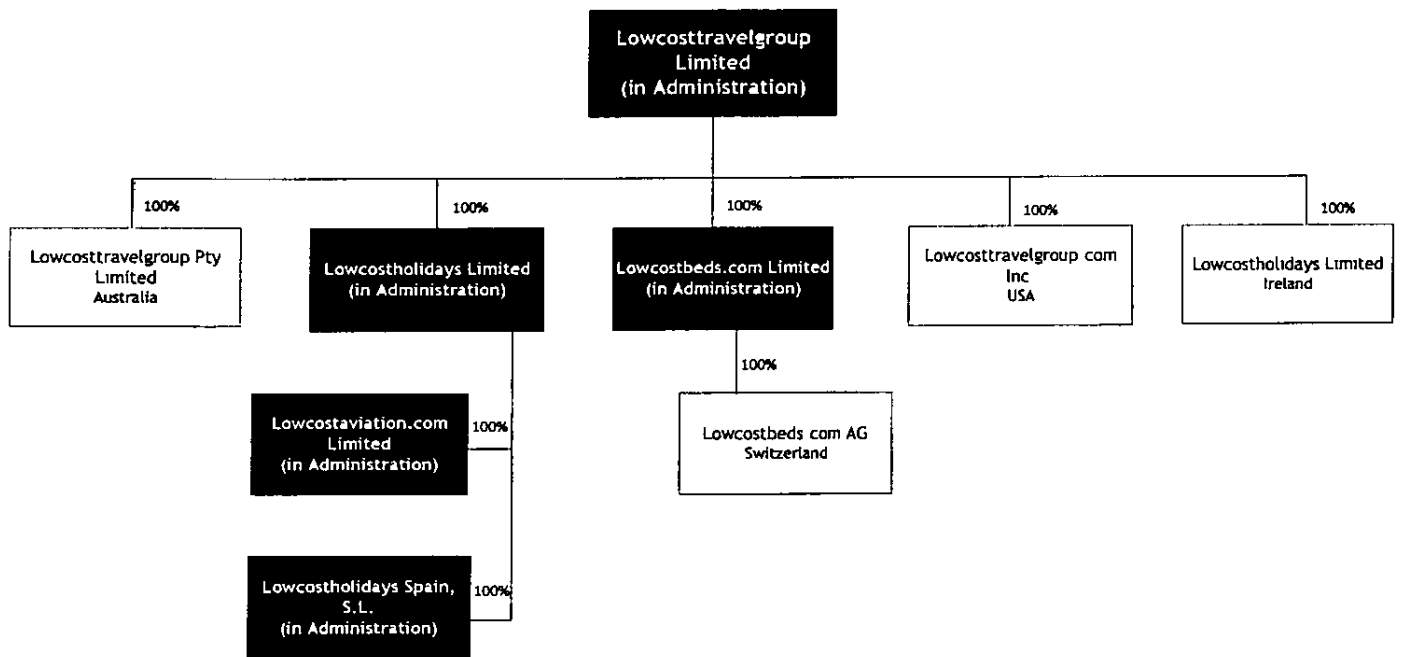
Lowcostbeds.com Limited

Relevant Court	High Court of Justice
Court Reference	CR2016 4080 of 2016
Trading Addresses	Spectrum House, Beehive Ring Road, London Gatwick Airport, RH6 0LG
Former Name	Clemtask Limited - changed on 8 February 2006
Registered Office	25 Moorgate, London, EC2R 6AY (Formerly Spectrum House, Beehive Ring Road, London Gatwick Airport, RH6 0LG and East House, 109 South Worple Way, London, SW14 8TN)
Registered Number	05663370
Joint Administrators	Finbarr Thomas O'Connell, Henry Anthony Shinnars, Colin Hardman of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and Lane Bednash of CMB Partners UK Limited, 37 Sun Street, London, EC2M 2PL (IP Nos 7931, 9280, 16774 and 8882) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally
Date of Appointment	15 July 2016
Appointor	Directors
Directors	Paul Evans and Salman Rasool
Extension to period of administration	N/A
EC Regulations	The EC Regulation on Insolvency Proceedings 2000 applies to the administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom

Lowcostholidays Limited

Relevant Court	High Court of Justice
Court Reference	CR2016 004078 of 2016
Trading Addresses	Spectrum House, Beehive Ring Road, London Gatwick Airport, RH6 0LG
Former Names	Lowcosttravelgroup Limited - changed on 19 January 2009 Lowcostbeds com Limited - changed on 8 February 2006 Twinspan Limited - changed on 5 May 2004
Registered Office	25 Moorgate, London, EC2R 6AY (Formerly Spectrum House, Beehive Ring Road, London Gatwick Airport, RH6 0LG and East House, 109 South Worple Way, London, SW14 8TN)
Registered Number	04371920
Joint Administrators	Finbarr Thomas O'Connell, Henry Anthony Shinnars, Colin Hardman of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and Lane Bednash of CMB Partners UK Limited, 37 Sun Street, London, EC2M 2PL (IP Nos 7931, 9280, 16774 and 8882) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally
Date of Appointment	15 July 2016
Appointor	Directors
Directors	Paul Evans and Salman Rasool
Extension to period of administration	N/A
EC Regulations	The EC Regulation on Insolvency Proceedings 2000 applies to the administration The proceedings are main proceedings as defined by Article 3 of the Regulation The Company is based in the United Kingdom

II Group structure



III Prior professional relationship

Statement of prior professional relationship of Finbarr Thomas O'Connell, Henry Anthony Shinnars, Colin Hardman and Lane Bednash in respect of the appointment of joint administrators

The above insolvency practitioners were introduced to the Companies on 11 July 2016 and since then they have assisted the Companies in preparing to enter into administration. They have not had any other prior professional relationship with the Companies or their directors.

In addition to dealing with the administration of the Companies, we have been acting in an advisory capacity to the following connected companies:

- Lowcostbeds.com AG (Switzerland based subsidiary)
- Lowcosttravelgroup.com Inc. (US based subsidiary)
- Lowcosttravelgroup Pty Limited (Australia based subsidiary)

IV Receipts and payments account

Lowcosttravelgroup Limited

Receipts and payments account to 31 August 2016

Statement of Affairs		From 15/07/2016 To 31/08/2016
(£)		(£)
40,000.00	ASSET REALISATIONS	
1,150,000 00	Furniture & Equipment	-
145,000 00	Cash at Bank	1,150,000 00
	Intellectual Property	-
	Bank Interest Gross	188 12
<u>1,335,000 00</u>		<u>1,150,188.12</u>
	COST OF REALISATIONS	
	Payroll Services	4,618 82
	Managers Fees	10,446 17
	Preparation of S of A	120 00
	Professional Services Fees	178,482 32
	Employees Expenses	6,375 39
	Accountancy Fees	8,800 00
	Legal Fees	49,770 76
	Internet Services	3,500 00
	Network & System Services	6,506 77
	Statutory Advertising	77 00
	Insurance	5,732 16
	Wages & Salaries	70,517 03
	PAYE & NI Contributions	37,747 59
	Bank Charges	330 60
	Employee - Student Loan	417 00
		<u>383,441 61</u>
	PREFERENTIAL CREDITORS	
(70,000 00)	Employees Wage Arrears	-
(74,000 00)	Employees Holiday Pay	-
<u>(144,000 00)</u>		<u>-</u>
	UNSECURED CREDITORS	
(1,977,113 33)	Trade & Expense Creditors	-
(471,319 83)	Social Security (Poland)	-
(1,185,562 90)	Credit Card Companies	-
(6,368 03)	HP Unsecured Creditors	-
(46,467,015.65)	Group/associated Company Loans	-
<u>(50,107,379 74)</u>		<u>-</u>
	DISTRIBUTIONS	
(1,395 00)	Ordinary Shareholders	-
<u>(1,395 00)</u>		<u>-</u>
	REPRESENTED BY	
	VAT Receivable	31,015 18
	Clients Deposit account	735,731 33
<u>(48,917,774 74)</u>		<u>766,746 51</u>

Lowcostholidays Spain, S.L.

Receipts and payments account to 31 August 2016

Statement of Affairs (€)		From 21/07/2016 To 31/08/2016 (€)
	ASSET REALISATIONS	
	Book Debts	31,652 38
1,802,995 80	Cash at Bank	1,629,322 70
	Rent Refund	1,189 88
	Bank Interest Gross	251 65
<u>1,802,995 80</u>		<u>1,662,416 61</u>
	COST OF REALISATIONS	
	Managers Fees	10,344 89
	Professional Services Fees	89,430 93
	Legal Fees	55,173 89
	IT Services	45,189 51
	Insurance	260 11
	Wages & Salaries	2,751 46
	Bank Charges	152 15
		<u>203,302 94</u>
	UNSECURED CREDITORS	
(1,435,397 00)	Trade & Expense Creditors	2,784 00
(53,408 00)	PAYE	-
(2,608,649 00)	Banks /Institutions	-
(12,438,658 00)	Other Creditors	-
(113,518 00)	HMRC - Corporation Tax	-
(272,428,950 00)	Intercompany Creditors	-
<u>(289,078,580 00)</u>		<u>2,784 00</u>
	DISTRIBUTIONS	
(83,333 00)	Ordinary Shareholders	-
<u>(83,333 00)</u>		<u>-</u>
	REPRESENTED BY	
	VAT Receivable	6,407 45
	Clients Deposit account	1,449,922 22
<u>(287,358,917 20)</u>	Balance	<u>1,456,329.67</u>

Lowcostaviation.com Limited

Receipts and payments account to 31 August 2016

Statement of Affairs		From 15/07/2016 To 31/08/2016
(£)		(£)
50,000 00	ASSET REALISATIONS	50,000 00
	Cash at Bank	
	Bank Interest Gross	7 67
<u>50,000 00</u>		<u>50,007.67</u>
	COST OF REALISATIONS	
	Statutory Advertising	77 00
		<u>77 00</u>
	UNSECURED CREDITORS	
(47,804.10)	HMRC - Corporation Tax	-
<u>(6,691,565 42)</u>	Group/associated company loans	-
<u>(6,739,369.52)</u>		<u>-</u>
	DISTRIBUTIONS	
(100,000.00)	Ordinary Shareholders	-
<u>(100,000 00)</u>		<u>-</u>
	REPRESENTED BY	
	VAT Receivable	15 40
	Clients Deposit Account	49,915.27
<u>(6,789,369 52)</u>	Balance	<u>49,930.67</u>

Lowcostbeds.com Limited

Receipts and payments account to 31 August 2016

Statement of Affairs		From 15/07/2016 To 31/08/2016
(£)		(£)
	ASSET REALISATIONS	
	Spanish VAT Refund	-
1,112,513 56	VAT Refund	-
200,000 00	Cash at Bank	200,000 00
	Bank Interest Gross	30 68
<u>1,312,513 56</u>		<u>200,030 68</u>
	COST OF REALISATIONS	
	Statutory Advertising	77 00
		<u>77 00</u>
	UNSECURED CREDITORS	
(25,084.00)	HMRC - Corporation Tax	-
<u>(2,120,595 00)</u>	Group/associated company loans	-
<u>(2,145,679 00)</u>		<u>-</u>
	DISTRIBUTIONS	
(2.00)	Ordinary Shareholders	-
<u>(2 00)</u>		<u>-</u>
	REPRESENTED BY	
	VAT Receivable	15 40
	Clients Deposit account	199,938 28
<u>(833,167 44)</u>	Balance	<u>199,953.68</u>

Lowcostholidays Limited

Receipts and payments account to 31 August 2016

Statement of Affairs (£)		From 15/07/2016 To 31/08/2016 (£)
	ASSET REALISATIONS	
111,057 00	Book Debts	-
200,000.00	Cash at Bank	200,000 00
	Bank Interest Gross	30 68
<u>311,057 00</u>		<u>200,030 68</u>
	COST OF REALISATIONS	
	Accountancy Fees	2,000 00
	Statutory Advertising	77 00
		<u>2,077 00</u>
	UNSECURED CREDITORS	
(17,348 00)	Trade & Expense Creditors	-
(4,356,541 00)	Credit Card Companies	-
(12,656 00)	HP Unsecured Creditors	-
<u>(122,324,396 00)</u>	Group/associated company loans	-
<u>(126,710,941 00)</u>		<u>-</u>
	DISTRIBUTIONS	
(1,281 00)	Ordinary Shareholders	-
<u>(1,281 00)</u>		<u>-</u>
	REPRESENTED BY	
	VAT Receivable	415 40
	Clients Deposit account	197,538 28
<u>(126,401,165 00)</u>	Balance	<u>197,953.68</u>

Notes and further information required by SIP 7

- The joint administrators' remuneration has not yet been approved
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration
- No payments have been made to us from outside the estate
- A significant amount was paid to retained employees who remained on a payroll until 28 July 2016
- 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 disbursements 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.
- 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

V Directors' Statement of Affairs as at 15 July 2016

STATEMENT OF AFFAIRS

Name of Company	Company Number
Lowcosttravelgroup Limited	06725806
In the	Court case number
High Court of Justice	CR2016 4079 / 2016

Statement as to the affairs of

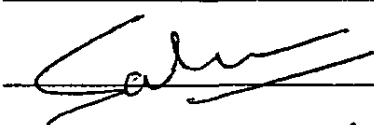
Lowcosttravelgroup Limited
25 Moorgate
London
EC2R 6AY

on the 15 July 2016, the date that the company entered administration

Statement of Truth

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 15 July 2016 the date that the company entered administration

Full Name SALMAN RASOOL

Signed 

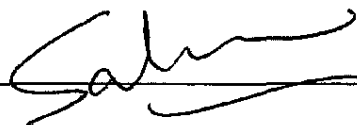
Dated 01-09-2016

Lowcosttravelgroup Limited
Statement Of Affairs as at 15 July 2016

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Uncharged assets:		
Furniture & Office Equipment	557,128 26	40,000 00
Book Debts	292,807 84	
Tax Refund	64,146 06	
Cash at Bank	1,180,932 28	1,150,000 00
Intellectual Property	21,312,862 48	145,000 00
Investments in subsidiaries	121,754 50	
Polish VAT Recovery	141,405 57	
Prepayments	499,517 05	
Inter-company loans	31,919,641 97	
Deferred tax	955,759 00	
Estimated total assets available for preferential creditors		1,335,000 00

Signature



Date

01-09-2016

Lowcosttravelgroup Limited
Statement Of Affairs as at 15 July 2016

A1 - Summary of Liabilities

		Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)		1,335,000 00
Liabilities		
Preferential Creditors -		
Employees Wage Arrears	70,000 00	
Employees Holiday Pay	74,000 00	
		144,000 00
Estimated deficiency/surplus as regards preferential creditors		1,191,000 00
Debts secured by floating charge pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		NIL
		1,191,000 00
Estimated prescribed part of net property where applicable (to carry forward)		NIL
Estimated total assets available for floating charge holders		1,191,000 00
Debts secured by floating charges post 15 September 2003		
		NIL
Estimated deficiency/surplus of assets after floating charges		1,191,000 00
Estimated prescribed part of net property where applicable (brought down)		NIL
Total assets available to unsecured creditors		1,191,000 00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	1,977,113 33	
Social Security (Poland)	471,319 83	
Credit Card Companies	1,185,562 90	
HP Unsecured Claims	6,368 03	
Group/associated loans	46,467,015 65	
		50,107,379 74
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)		(48,916,379 74)
Estimated deficiency/surplus as regards creditors		(48,916,379 74)
Issued and called up capital		
Ordinary Shareholders	1,395 00	
		1,395 00
Estimated total deficiency/surplus as regards members		(48,917,774 74)

Signature



Date

01-09-2016

STATEMENT OF AFFAIRS

Name of Company Lowcostaviation com Limited	Company Number 05649075
In the High Court of Justice	Court case number CR2016 004079 / 2016

Statement as to the affairs of

Lowcostaviation com Limited

25 Moorgate

London

EC2R 6AY

on the 15 July 2016, the date that the company entered administration

Statement of Truth

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 15 July 2016 the date that the company entered administration

Full Name

SALMAN RASOOL

Signed




Dated

07-09-2016

Lowcostaviation.com Limited
Statement Of Affairs as at 15 July 2016

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Uncharged assets:		
Book Debts	3,223 34	
Cash at Bank	60,466 95	50,000 00
Inter-company loans	8,059,986 03	
Estimated total assets available for preferential creditors		50,000 00

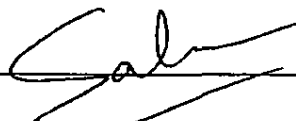
Signature  Date 07-09-16

Lowcostaviation.com Limited
Statement Of Affairs as at 15 July 2016

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	50,000 00
Liabilities	
Preferential Creditors -	
Estimated deficiency/surplus as regards preferential creditors	NIL 50,000 00
Debts secured by floating charge pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	NIL 50,000.00
Estimated prescribed part of net property where applicable (to carry forward)	NIL
Estimated total assets available for floating charge holders	50,000 00
Debts secured by floating charges post 15 September 2003	
Estimated deficiency/surplus of assets after floating charges	NIL 50,000 00
Estimated prescribed part of net property where applicable (brought down)	NIL
Total assets available to unsecured creditors	50,000.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
HMRC - Corporation Tax	47,084 10
Group/assoc company loans	6,691,565 42
IATA - Issued Tickets	299,994 23
	7,038,643.75
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)	(6,988,643 75)
Estimated deficiency/surplus as regards creditors	(6,988,643 75)
Issued and called up capital	
Ordinary Shareholders	100,000 00
	100,000.00
Estimated total deficiency/surplus as regards members	(7,088,643 75)

Signature



Date

07-09-16

STATEMENT OF AFFAIRS

Name of Company	Company Number
Lowcostbeds com Limited	05663370
In the	Court case number
High Court of Justice	CR2016 4080 / 2016

Statement as to the affairs of

Lowcostbeds com Limited

25 Moorgate

London


EC2R 6AY

on the 15 July 2016, the date that the company entered administration

Statement of Truth

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 15 July 2016 the date that the company entered administration

Full Name SALMAN RASOOL

Signed 

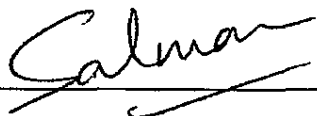
Dated 08-09-2016

Lowcostbeds.com Limited
Statement Of Affairs as at 15 July 2016

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Uncharged assets.		
Spanish VAT Refund	1,340,501 32	
VAT Refund	1,112,513.56	1,112,513 56
Cash at Bank	200,000 00	200,000.00
Investment in subsidiary	156,168 00	
Inter-company loans	86,494 00	
Estimated total assets available for preferential creditors		1,312,513 56

Signature



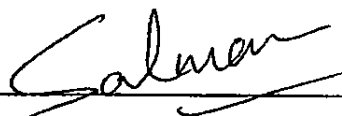
Date

08-09-16

Lowcostbeds com Limited
Statement Of Affairs as at 15 July 2016

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	1,312,513.56
Liabilities	
Preferential Creditors -	
Estimated deficiency/surplus as regards preferential creditors	NIL
Debts secured by floating charge pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	
	NIL
Estimated total assets available for floating charge holders	1,312,513.56
Debts secured by floating charges post 15 September 2003	
Estimated deficiency/surplus of assets after floating charges	NIL
Estimated prescribed part of net property where applicable (brought down)	NIL
Total assets available to unsecured creditors	1,312,513.56
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
HMRC - Corporation Tax	25,084.00
Group/assoc company loans	2,120,595.00
	2,145,679.00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)	(833,165.44)
Estimated deficiency/surplus as regards creditors	(833,165.44)
Issued and called up capital	
Ordinary Shareholders	2.00
	2.00
Estimated total deficiency/surplus as regards members	(833,167.44)

Signature  Date 08-09-16

STATEMENT OF AFFAIRS

Name of Company Lowcostholidays Limited	Company Number 04371920
In the High Court of Justice	Court case number CR2016 004078 / 2016

Statement as to the affairs of

Lowcostholidays Limited

25 Moorgate

London

EC2R 6AY

on the 15 July 2016, the date that the company entered administration

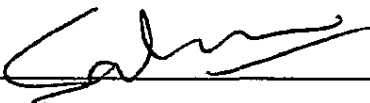
Statement of Truth

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 15 July 2016 the date that the company entered administration

Full Name

SALMAN RASOOL

Signed



Dated

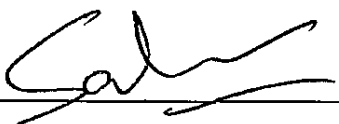
07-09-16

Lowcostholidays Limited
Statement Of Affairs as at 15 July 2016

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Uncharged assets:		
Book Debts	111,057 00	10,000 00
HMRC VAT Reclaim	1,984,767 00	1,984,767 00
Cash at Bank	663,423 00	200,000 00
Investment in subsidiary	287,695 00	
Inter-company loans	126,644,155 00	
Estimated total assets available for preferential creditors		2,194,767 00

Signature



Date

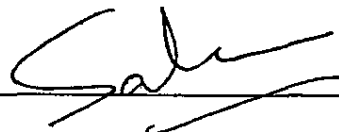
07-09-16

Lowcostholidays Limited
Statement Of Affairs as at 15 July 2016

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	2,194,767 00
Liabilities	
Preferential Creditors -	
	NIL
Estimated deficiency/surplus as regards preferential creditors	2,194,767 00
Debts secured by floating charge pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	NIL
	2,194,767 00
Estimated prescribed part of net property where applicable (to carry forward)	NIL
Estimated total assets available for floating charge holders	2,194,767 00
Debts secured by floating charges post 15 September 2003	
	NIL
Estimated deficiency/surplus of assets after floating charges	2,194,767 00
Estimated prescribed part of net property where applicable (brought down)	NIL
Total assets available to unsecured creditors	2,194,767 00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade & Expense Creditors	17,348.00
Credit card companies	4,356,541 00
HP Unsecured Claims	12,656 00
Group company loans	122,324,396 00
	126,710,941 00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)	(124,516,174 00)
Estimated deficiency/surplus as regards creditors	(124,516,174 00)
Issued and called up capital	
Ordinary Shareholders	1,281.00
	1,281 00
Estimated total deficiency/surplus as regards members	(124,517,455 00)

Signature



Date

07-09-16

VI Director's Statement of Affairs as at 21 July 2016

(Converted for SOA from Euro at 1 20€/£1 as at 21 July 2016)

STATEMENT OF AFFAIRS

Name of Company

Lowcostholidays Spain, S.L.

Company Number

B57813248

In the

High Court of Justice

Court case number

CR2016 - 004200 / 2016

Statement as to the affairs of

Lowcostholidays Spain, S.L.

Spectrum House

Beehive Ring Road

London Gatwick Airport

on the 21 July 2016, the date that the company entered administration

Statement of Truth

I believe the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 21 July 2016 the date that the company entered administration

Full Name

PAUL EVANS

Signed



Dated

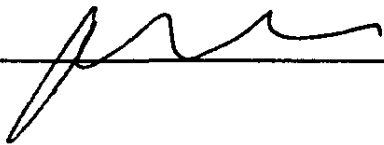
7th September 2016

Lowcostholidays Spain, S.L.
Statement Of Affairs as at 21 July 2016

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Uncharged assets:		
Furniture & Equipment	20,392 00	
Deferred Tax	208,934.00	
Intellectual Property	2,724,210 33	
Book Debts	2,478,708 30	
Intercompany Debtors	235,942,564 00	
VAT Refund	194,055.00	
Cash at Bank	1,904,505.80	1,802,995 80
Sundry debtors	683,626.80	
Prepayments	114,794 00	
Estimated total assets available for preferential creditors		1,802,995.80

Signature



Date

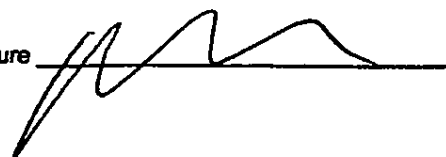
7/Sept/2016

Lowcostholidays Spain, S.L.
Statement Of Affairs as at 21 July 2016

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	1,802,995.80
Liabilities	
Preferential Creditors -	
Estimated deficiency/surplus as regards preferential creditors	NIL
	1,802,995.80
Debts secured by floating charge pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	NIL
	1,802,995.80
Estimated prescribed part of net property where applicable (to carry forward)	NIL
Estimated total assets available for floating charge holders	1,802,995.80
Debts secured by floating charges post 15 September 2003	
	NIL
Estimated deficiency/surplus of assets after floating charges	1,802,995.80
Estimated prescribed part of net property where applicable (brought down)	NIL
Total assets available to unsecured creditors	1,802,995.80
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade & Expense Creditors	1,435,397.00
PAYE	53,408.00
Banks/Institutions	2,608,649.00
Other Creditors	12,438,658.00
Corporation Tax (Spain)	113,518.00
Intercompany Creditors	272,428,950.00
	289,078,580.00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C.'s post 14 September 2003)	(287,275,584.20)
Estimated deficiency/surplus as regards creditors	(287,275,584.20)
Issued and called up capital	
Ordinary Shareholders	83,333.00
	83,333.00
Estimated total deficiency/surplus as regards members	(287,358,917.20)

Signature



Date

7 Sept 2016

VII Time analysis for the pre-appointment period

Lowcosttravelgroup Limited time analysis from 11 July 2016 to 15 July 2016

Breakdown of time spent by Smith & Williamson LLP employees

Classification of work function	Partner / Director	Associate director	Hours		Total hours	Time cost	Average hourly rate
			Manager/ Assistant Manager	Other professional staff			
Pre-Appointment							
AML, Conflict & ethics checks, engagement letters	0 00	0 00	1 00	1 50	2 50	703 75	281 50
General advisory work insolvent	8 00	0 00	0 00	0 00	8 00	5,000 00	625 00
Appointment formalities	0 00	0 00	1 00	0 00	1 00	400 00	400 00
Preparation of pre-appointment documents	0 00	0 50	0 00	0 00	0 50	187 50	375 00
Creditors (inc EE's) queries	0 00	0 00	0 00	4 25	4 25	871 25	205 00
Job planning	0 00	0 00	0 00	0 65	0 65	133 25	205 00
Travelling	10 50	0 00	0 00	4 00	14 50	3,130 00	215 86
Other	0 00	0 00	0 00	6 00	6 00	1,230 00	205 00
Total	18 50	0 50	2 00	16 40	37 40	£11,655 75	£311 65

Time & Chargeout Summary

Breakdown of time spent by CMB Partners UK Limited employees

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Job Planning & review	56 40	15 00	0 00	0 00	71 40	40,867 50	572 37
Sub-total	56 40	15 00	0 00	0 00	71 40	40,867 50	572 37
Realisation of Assets							
Cash at Bank	1 80	0 00	0 00	0 00	1 80	1,125 00	625 00
Sub-total	1 80	0 00	0 00	0 00	1 80	1,125 00	625 00
Total hours	59 20	15 00	0 00	0 00	74 20		
Total Time Costs	36,392 50	6,000 00	0 00	0 00		42,392 50	571

Lowcostholidays Spain, S.L. time analysis from 11 July 2016 to 21 July 2016

Breakdown of time spent by Smith & Williamson LLP employees

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Pre-Appointment								
AML, Conflict & ethics checks, engagement letters	0 00	1 25	5 00	2 50	0 00	8 75	3,168 75	362 14
Initial meetings	0 00	0 00	12 00	0 00	0 00	12 00	4,800 00	400 00
General advisory work insolvent	146 85	0 00	6 00	1 25	0 00	154 10	92,210 00	598 38
Appointment formalities	0 00	0 00	2 00	0 00	0 00	2 00	800 00	400 00
Preparation of pre-appointment documents	0 00	0 00	0 00	0 50	0 00	0 50	102 50	205 00
Pre-pack sale of business	0 00	0 00	0 00	1 00	0 00	1 00	160 00	160 00
Creditors' (inc EE's) queries	0 00	0 00	20 70	5 30	0 00	26 00	7,703 00	296 27
Job planning	1 65	12 80	3 70	9 75	0 00	27 90	9,750 25	349 47
Travelling	1 60	0 00	0 00	2 00	0 00	3 60	762 00	211 67
Other	0 00	6 45	0 25	6 00	11 65	24 35	6,526 00	268 01
Total	150 10	20 50	49 65	28 30	11 65	260 20	£125,982 50	£484 18

Time & Chargeout Summary

Breakdown of time spent by CMB Partners UK Limited employees

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Job Planning & review	89 70	53 50	0 00	0 00	143 20	77,462 50	540 94
Other	1 50	0 00	0 00	0 00	1 50	937 50	625 00
Sub total	91 20	53 50	0 00	0 00	144 70	78,400 00	541 81
Realisation of Assets							
Other	1 00	0 00	0 00	0 00	1 00	625 00	625 00
Sub-total	1 00	0 00	0 00	0 00	1 00	625 00	625 00
Total hours	92 20	53 50	0 00	0 00	145 70		
Total Time Costs	57,625 00	21,400 00	0 00	0 00		79,025 00	542

Explanation of major work activities undertaken

Pre-appointment

This section documents relation to Smith & Williamson and CMB Partners' work in professional services provided to the Companies prior to the appointment of administrators. The work included the following

- Pre-appointment due diligence, case set-up, and fulfilling Anti-Money Laundering requirements
- Assisting the Company in relation to the administration process and filing documents at the Court
- Assisting and advising directors with the insolvency proceedings
- Assisting the Company with the legal and other professional advisers in relation to the employees in the UK and Poland under different jurisdictions

- Administration and insolvency proceeding strategy planning, advising and assisting the directors on the process
- Holding meetings with the directors, conference calls with the lawyers in relation to employees legal advice in Poland and other legal matters

In addition to the above, the work while dealing with Spain S L and LCTG included the following with a significant time spent on

- Attending the Gatwick site for the meetings with the directors
- Travelling to Gatwick offices and the other offices in Krakow and Palma de Mallorca to assist the directors with employees' redundancies
- Preparing the content for the website to assist customers with their bookings and option to make a claim
- Preparing email to customers via PushComms emails to over 150,000 affected customers
- Organising for communication to customers via press release/emails/webpage/Confero call centre
- Dealing with customers' queries, telephone calls, emails and correspondence

Lowcostaviation.com Limited time analysis from 11 July 2016 to 15 July 2016

Breakdown of time spent by Smith & Williamson LLP employees

Classification of work function	Hours				Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff			
Pre-Appointment							
Initial meetings	0 00	0 00	1 00	0 00	1 00	400 00	400 00
Company searches and background checks	0 00	0 00	0 00	0 25	0 25	51 25	205 00
General advisory work insolvent	2 00	0 00	0 00	0 00	2 00	1,250 00	625 00
Preparation of pre-appointment documents	0 00	0 50	0 00	0 50	1 00	290 00	290 00
Job planning	0 00	0 00	0 00	0 55	0 55	112 75	205 00
Total	2 00	0 50	1.00	1.30	4 80	£2,104 00	£438 33

Time & Chargeout Summary

Breakdown of time spent by CMB Partners UK Limited employees

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Job Planning & review	0 00	1 50	0 00	0 00	1 50	600 00	400 00
Sub-total	0 00	1 50	0 00	0 00	1 50	600 00	400 00
Sub-total	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total hours	0 00	1 50	0 00	0 00	1 50		
Total Time Costs	0 00	600 00	0 00	0 00		600 00	400

Lowcostbeds.com Limited time analysis from 11 July 2016 to 15 July 2016

Breakdown of time spent by Smith & Williamson LLP employees

Classification of work function	Partner / Director	Associate director	Hours Manager/ Assistant Manager	Other professional staff	Total hours	Time cost	Average hourly rate
Pre-Appointment							
AML, Conflict & ethics checks, engagement letters	0 00	0 00	0 00	1 35	1 35	276 75	205 00
Initial meetings	0 00	0 00	1 00	0 00	1 00	400 00	400 00
Preparation of pre-appointment documents	0 00	0 50	0 00	0 50	1 00	290 00	290 00
Creditors (inc EE's) queries	0 00	0 00	0 00	1 00	1 00	205 00	205 00
Job planning	0 00	0 00	0 00	0 15	0 15	30 75	205 00
Other	21 00	0 00	0 00	0 00	21 00	13,125 00	625 00
Total	21 00	0 50	1.00	3 00	25 50	£14,327 50	£561 86

Time & Chargeout Summary

Breakdown of time spent by CMB Partners UK Limited employees

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Job Planning & review	0 00	1 50	0 00	0 00	1 50	600 00	400 00
Sub-total	0 00	1 50	0 00	0 00	1 50	600 00	400 00
Total hours	0 00	1 50	0 00	0 00	1 50		
Total Time Costs	0 00	600 00	0 00	0 00		600 00	400

Lowcostholidays Limited time analysis from 11 July 2016 to 15 July 2016

Breakdown of time spent by Smith & Williamson LLP employees

Classification of work function	Hours				Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff			
Pre-Appointment							
AML, Conflict & ethics checks, engagement letters	0 00	0 00	0 00	0 75	0 75	153 75	205 00
Initial meetings	0 00	0 00	1 00	0 00	1 00	400 00	400 00
Company searches and background checks	0 00	0 00	0 00	0 60	0 60	123 00	205 00
General advisory work insolvent	2 00	0 00	0 00	0 00	2 00	1,250 00	625 00
Preparation of pre-appointment documents	0 00	0 50	0 00	0 50	1 00	290 00	290 00
Creditors' (inc EE's) queries	0 00	0 00	0 00	0 50	0 50	102 50	205 00
Job planning	0 00	0 00	1.50	0 50	2 00	700 75	350 38
Total	2 00	0 50	2 50	2.85	7 85	£3,020 00	£384 71

Time & Chargeout Summary

Breakdown of time spent by CMB Partners UK Limited employees

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Job Planning & review	0 00	1 50	0 00	0 00	1 50	600 00	400 00
Sub-total	0 00	1 50	0 00	0 00	1 50	600 00	400 00
Total hours	0 00	1 50	0 00	0 00	1 50		
Total Time Costs	0 00	600 00	0 00	0 00		600 00	400

VIII Time analysis for the period

Lowcosttravelgroup Limited time analysis from 15 July 2016 to 31 August 2016

Breakdown of time spent by Smith & Williamson LLP employees

Classification of work function	Partner / Director	Associate director	Hours			Total hours	Time cost	Average hourly rate
			Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	0 00	0 00	0 25	0 00	0 00	0 25	62 50	250 00
Initial post appointment notification letters, including creditors	0 00	2 00	0 00	4 65	0 00	6 65	1,860 75	279 81
Cashiering general, including bonding	0 00	1 00	0 75	3 50	9 80	15 05	3,327 25	221 08
Job planning, reviews and progression (inc 6 month reviews and planning meetings checkbst & diary	12 00	0 00	13 80	11 30	0 00	37 10	13,275 25	357 82
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	1 10	0 00	0 00	1 00	0 00	2 10	628 50	299 29
Protection of company records (incl electronic)	0 00	0 00	1 55	0 00	0 00	1 55	387 50	250 00
Insurance & general asset protection	0 00	0 00	1 20	0 25	0 00	1 45	351 25	242 24
Travelling	5 50	0 00	0 00	0 40	0 00	5 90	1 292 00	218 98
Filing, file and information management	0 00	0 00	0 00	0 60	0 00	0 60	186 00	310 00
Agents and advisers, general	0 00	0 00	0 00	2 00	0 00	2 00	567 50	283 75
Filing - Administration and planning	0 00	0 00	0 00	0 10	0 00	0 10	16 00	160 00
Director/manager review, approval and signing	0 00	0 00	1 25	0 00	0 95	2 20	600 75	273 07
Other	6 50	0 00	0 00	1 25	0 00	7 75	3,352 50	432 58
Investigations								
Statutory books and accounting records review	0 00	0 00	0 75	0 00	0 00	0 75	187 50	250 00
Investigation of legal claims	0 00	0 20	0 00	0 00	0 00	0 20	75 00	375 00
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	1 80	0 00	0 00	0 00	1 80	675 00	375 00
Realisation of assets								
Fixed charge Property (land and buildings)	0 00	0 00	0 40	0 00	0 00	0 40	100 00	250 00
Debtors not financed (includes reassigned debtors)	0 00	0 00	0 80	0 00	0 00	0 80	200 00	250 00
Liaising with agents (general)	0 00	0 00	1 60	0 00	0 00	1 60	400 00	250 00
Other	0 00	0 00	2 05	0 00	0 00	2 05	512 50	250 00
Trading/Closure								
Purchasing/suppliers (not landlord)	0 00	0 00	4 50	0 00	0 00	4 50	1,672 50	371 67
Accounting	0 00	0 00	1 00	0 00	0 00	1 00	400 00	400 00
Insurances	0 00	0 00	2 00	0 00	0 00	2 00	800 00	400 00
Staff and payroll (inc PAYE/NIC for trading period)	0 00	0 00	6 00	0 00	0 00	6 00	2,400 00	400 00
Premises issues (inc landlord and site clearance)	0 00	0 00	2 00	0 00	0 00	2 00	715 00	357 50
Shutdown or handover	0 00	0 00	0 00	6 00	0 00	6 00	1,230 00	205 00

Creditors								
HP & lease creditors	0 00	0 50	0 00	0 00	0 00	0 50	187 50	375 00
RPO and ERA claims & tribunals	0 00	0 00	0 75	5 15	0 00	5 90	1,374 50	232 97
Employees & pension (other) (Incl Jobcentre/CSA etc)	6 00	0 00	2 50	13 40	0 00	21 90	5,100 00	232 88
Crown (not RPO etc)	2 15	0 00	0 00	0 00	0 00	2 15	1,343 75	625 00
Unsecured creditors	0 05	0 25	3 00	3 85	0 50	7 65	1,816 50	237 45
Director/manager review, approval and signing	0 50	0 00	0 00	0 00	0 00	0 50	312 50	625 00
Other	0 00	0 00	0 00	0 25	0 00	0 25	40 00	160 00
Case-Specific 3, AML/Compliance								
AML if done post appointment	0 00	0 00	0 00	0 25	0 00	0 25	51 25	205 00
Corporate Finance								
Corporate Finance	26 65	0 00	41 25	0 75	0 00	68 65	30,871 25	449 69
Forensics								
Forensics	0 00	0 00	7 75	9 25	0 00	17 00	4,328 75	254 63
Total	60 45	5 75	95 15	63 95	11 25	236 55	£80,701 25	£341 16

Breakdown of time spent by S&WFS Employees Benefits Consultancy

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Smith & Williamson Financial Services								
S&WFS Employee Benefits Consultancy	4 40	0 00	9 00	0 00	0 00	13 40	2,963 00	221 12
Total	4 40	0 00	9 00	0 00	0 00	13 40	£2,963 00	£221 12

Time & Chargeout Summary

Breakdown of time spent by CMB Partners UK Limited employees

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Job Planning & review	45 50	8 50	0 00	0 00	54 00	31837 50	589 58
Sub total	45 50	8 50	0 00	0 00	54 00	31,837 50	589 58
Investigations							
Other	1 50	1 50	0 00	0 00	3 00	1,537 50	512 50
Sub total	1 50	1 50	0 00	0 00	3 00	1,537 50	512 50
Realisation of Assets							
Sale of Business	6 00	0 00	0 00	0 00	6 00	3,750 00	625 00
Other	1 00	0 00	0 00	0 00	1 00	625 00	625 00
Sub total	7 00	0 00	0 00	0 00	7 00	4,375 00	625 00
Creditors							
Unsecured Creditors	0 50	2 00	0 00	0 00	2 50	1,112 50	445 00
Sub-total	0 50	2 00	0 00	0 00	2 50	1,112 50	445 00
Trading							
Total hours	54 50	12 00	0 00	0 00	66 50		
Total Time Costs	34,062 50	4,800 00	0 00	0 00		38,862 50	584

Lowcostholidays Spain, S.L. time analysis from 21 July 2016 to 31 August 2016

Breakdown of time spent by Smith & Williamson LLP employees

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	0 00	0 00	0 50	2 25	0 00	2 75	822 50	299 09
Initial post appointment notification letters, including creditors	0 15	1 90	1 00	2 50	0 00	5 55	1 880 00	338 74
Cashiering general, including bonding	0 00	1 00	0 25	6 00	18 75	26 00	4,873 50	187 44
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	67 70	4 60	50 25	15 00	0 00	137 55	58,721 75	426 91
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	2 25	0 00	0 00	0 50	0 00	2 75	968 75	352 27
Protection of company records (incl electronic)	0 00	0 00	2 65	0 00	0 00	2 65	662 50	250 00
Insurance & general asset protection	0 00	0 00	3 50	0 45	0 00	3 95	967 25	244 87
Filing, file and information management	0 00	0 00	0 50	7 55	0 00	8 05	1 333 00	165 59
Agents and advisers, general	0 00	0 00	4 50	3 50	0 00	8 00	2,373 25	296 66
Filing - Administration and planning	0 00	0 00	0 00	2 85	0 00	2 85	456 00	160 00
Director/manager review, approval and signing	3 00	0 00	3 60	0 00	1 15	7 75	3,175 25	409 71
Other	63 15	0 00	0 00	3 60	14 25	81 00	32,938 50	406 65
Investigations								
Directors' correspondence & conduct questionnaires	0 00	0 00	1 55	0 00	0 00	1 55	387 50	250 00
Investigation of legal claims	2 50	0 20	1 50	0 00	0 00	4 20	2,012 50	479 17
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	2 05	0 00	0 00	0 00	2 05	768 75	375 00
Realisation of assets								
Sale of business as a whole, including liaison with legal advisers agents etc	0 00	0 55	0 00	0 00	0 00	0 55	288 75	525 00
Liaising with agents (general)	0 00	0 00	3 90	0 00	0 00	3 90	975 00	250 00
Sale of business-post completion matters	0 35	0 00	0 00	0 00	0 00	0 35	169 75	485 00
Other	0 75	1 65	2 80	0 00	0 00	5 20	2,095 00	402 88
Trading/Closure								
Purchasing/suppliers (not landlord)	0 00	0 00	10 00	0 00	0 00	10 00	3,660 00	366 00
Accounting	0 00	0 00	7 00	0 00	0 00	7 00	2,630 00	375 71
Insurances	0 00	0 00	2 00	0 00	0 00	2 00	715 00	357 50
Staff and payroll (inc PAYE/NIC for trading period)	0 00	0 00	24 50	0 00	0 00	24 50	9,375 00	382 65
Premises issues (inc landlord and site clearance)	0 00	0 00	5 00	0 00	0 00	5 00	1,660 00	332 00
Shutdown or handover	0 00	0 00	2 00	0 00	0 00	2 00	630 00	315 00
Creditors								
Floating charge creditors	0 00	0 00	0 00	0 55	0 00	0 55	110 00	200 00
RPO and ERA claims & tribunals	0 00	0 00	0 25	0 00	0 00	0 25	62 50	250 00
Employees & pension (other) (Incl Jobcentre/CSA etc)	1 35	0 00	3 55	6 00	0 00	10 90	3,040 00	278 90
Unsecured creditors	63 75	46 20	27 65	43 30	34 95	215 85	76,840 25	355 99
Creditors committee	0 00	0 00	0 25	0 00	0 00	0 25	71 25	285 00
Filing- creditors	0 00	0 00	0 00	2 00	0 00	2 00	320 00	160 00
Other	0 00	0 00	0 00	5 50	0 00	5 50	954 00	173 45

Case-Specific 3, AML/Compliance								
AML - if done post appointment	0 00	0 00	0 00	1 75	0 00	1 75	353 75	202 14
Corporate Finance								
Corporate Finance	22 20	0 00	40 75	0 75	0 00	63 70	28,190 00	442 54
Forensics								
Forensics	0 00	0 00	13 25	9 75	0 00	23 00	6,441 25	280 05
Total	227 15	58 15	240 70	113 80	69 10	708 90	£261,357 50	£368 68

Breakdown of time spent by S&WFS Employees Benefits Consultancy

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Smith & Williamson Financial Services								
SEWFS Employee Benefits Consultancy	0 00	0 00	20 25	0 00	0 00	20 25	3,746 25	185 00
Total	0 00	0 00	20 25	0 00	0 00	20 25	£3,746 25	£185 00

Time & Chargeout Summary

Breakdown of time spent by CMB Partners UK Limited employees

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Job Planning & review	57 70	9 00	0 00	0 00	66 70	39662 50	594 64
Taxation	1 50	0 00	0 00	0 00	1 50	937 50	625 00
Sub-total	59 20	9 00	0 00	0 00	68 20	40,600 00	595 31
Investigations							
Directors Correspondence	5 00	5 00	0 00	0 00	10 00	5,125 00	512 50
Other	40 40	3 50	0 00	0 00	43 90	26,650 00	607 06
Sub-total	45 40	8 50	0 00	0 00	53 90	31,775 00	589 52
Reabsation of Assets							
Sale of Business	1 40	0 00	0 00	0 00	1 40	875 00	625 00
Other	8 00	0 00	0 00	0 00	8 00	5,000 00	625 00
Sub-total	9 40	0 00	0 00	0 00	9 40	5,875 00	625 00
Creditors							
Unsecured Creditors	4 40	4 00	1 50	0 00	9 90	4,815 00	486 36
Sub-total	4 40	4 00	1 50	0 00	9 90	4,815 00	486 36
Total hours	118 40	21 50	1 50	0 00	141 40		
Total Time Costs	74,000 00	8,600 00	465 00	0 00		83,065 00	587

Lowcostaviation.com Limited time analysis from 15 July 2016 to 31 August 2016

Breakdown of time spent by Smith & Williamson LLP employees

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	0 00	0 00	0 25	2 50	0 00	2 75	837 50	304 55
Initial post-appointment notification letters, including creditors	0 00	1 55	0 00	2 90	0 00	4 45	1,175 75	264 21
Cashiering general, including bonding	0 00	0 25	0 00	0 00	1 65	1 90	380 00	200 00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	3 00	1 00	3 00	1 65	0 00	8 65	3,461 25	400 14
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0 00	0 00	0 00	0 45	0 00	0 45	92 25	205 00
Insurance & general asset protection	0 00	0 00	0 30	0 00	0 00	0 30	75 00	250 00
Travelling	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
Director/manager review, approval and signing	0 15	0 50	0 00	0 00	0 00	0 65	281 25	432 69
Other	3 75	0 00	0 00	0 00	0 00	3 75	1,818 75	485 00
Investigations								
Directors' correspondence & conduct questionnaires	0 00	0 00	0 65	0 00	0 00	0 65	162 50	250 00
Statutory books and accounting records review	0 00	0 00	1 00	0 00	0 00	1 00	250 00	250 00
Realisation of assets								
Other	0 00	0 00	0 15	0 00	0 00	0 15	37 50	250 00
Creditors								
Employees & pension (other) (incl Jobcentre/CSA etc)	0 00	0 00	0 00	0 05	0 00	0 05	10 25	205 00
Unsecured creditors	2 40	0 00	1 00	0 00	0 00	3 40	1,750 00	514 71
Case-Specific 3, AML/Compliance								
AML - if done post appointment	0 00	0 00	0 00	1 50	0 00	1 50	386 25	257 50
Total	9 30	3 30	6 35	9 05	1 65	29 65	£10,718 25	£361 49

Time & Chargeout Summary

Breakdown of time spent by CMB Partners UK Limited employees

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Job Planning & review	0 00	5 50	0 00	0 00	5 50	2200 00	400 00
Sub total	0 00	5 50	0 00	0 00	5 50	2,200 00	400 00
Investigations							
Other	5 50	0 00	0 00	0 00	5 50	3,437 50	625 00
Sub total	5 50	0 00	0 00	0 00	5 50	3,437 50	625 00
Total hours	5 50	5 50	0 00	0 00	11 00		
Total Time Costs	3,437 50	2,200 00	0 00	0 00		5,637 50	513

Lowcostbeds.com Limited time analysis from 15 July 2016 to 31 August 2016

Breakdown of time spent by Smith & Williamson LLP employees

Classification of work function	Partner / Director	Associate director	Hours Manager/ Assistant Manager	Other professional staff	Total hours	Time cost	Average hourly rate
Administration and planning							
Statutory returns, reports & meetings	0 00	0 00	0 00	2 50	2 50	775 00	310 00
Initial post-appointment notification letters, including creditors	0 00	1 55	0 00	2 90	4 45	1,175 75	264 21
Cashiering general, including bonding	0 00	0 25	0 00	0 00	1 90	380 00	200 00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	11 50	0 95	0 50	2 50	15 45	8,191 75	530 21
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	2 35	0 00	0 00	0 40	2 75	986 75	358 82
Director/manager review, approval and signing	0 15	0 50	0 00	0 00	0 65	281 25	432 69
Other	2 25	0 50	0 00	0 00	2 75	1,278 75	465 00
Investigations							
Directors' correspondence & conduct questionnaires	0 00	0 00	0 50	0 00	0 50	125 00	250 00
Creditors							
Employees & pension (other) (Incl Jobcentre/CSA etc)	0 00	0 00	0 00	0 05	0 05	10 25	205 00
Unsecured creditors	0 80	0 00	0 00	0 00	0 80	500 00	625 00
Case-Specific 3, AML/Compliance							
AML - if done post appointment	0 00	0 00	0 00	3 00	3 00	611 25	203 75
Total	17 05	3 75	1 00	11 35	34 80	£14,315 75	£411 37

Time & Chargeout Summary

Breakdown of time spent by CMB Partners UK Limited employees

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Job Planning & review	28 20	7 00	0 00	0 00	35 20	20,425 00	580 26
Taxation	1 50	0 00	0 00	0 00	1 50	937 50	625 00
Sub total	29 70	7 00	0 00	0 00	36 70	21,362 50	582 08
Investigations							
Other	6 90	0 00	0 00	0 00	6 90	4,312 50	625 00
Sub-total	6 90	0 00	0 00	0 00	6 90	4,312 50	625 00
Creditors							
Unsecured Creditors	2 00	0 00	0 00	0 00	2 00	1,250 00	625 00
Sub-total	2 00	0 00	0 00	0 00	2 00	1,250 00	625 00
Total hours	38 60	7 00	0 00	0 00	45 60		
Total Time Costs	24,125 00	2,800 00	0 00	0 00		26,925 00	590

Lowcostholidays Limited time analysis from 15 July 2016 to 31 August 2016

Breakdown of time spent by Smith & Williamson LLP employees

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	0 00	0 00	0 25	2 25	0 00	2 50	760 00	304 00
Initial post-appointment notification letters including creditors	0 00	1 55	0 00	2 90	0 00	4 45	1,175 75	264 21
Cashiering general, including bonding	0 00	0 00	0 00	0 25	1 60	1 85	355 50	192 16
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	5 00	1 00	2 60	2 00	0 00	10 60	4,568 75	431 01
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	2 35	0 00	0 00	0 45	0 00	2 80	997 00	356 07
Protection of company records (incl electronic)	0 00	0 00	0 50	0 00	0 00	0 50	125 00	250 00
Director/manager review, approval and signing	0 00	0 50	0 00	0 00	0 00	0 50	187 50	375 00
Other	7 00	0 00	0 00	0 00	0 00	7 00	3,395 00	485 00
Investigations								
Directors correspondence & conduct questionnaires	0 00	0 00	0 40	0 00	0 00	0 40	100 00	250 00
Realisation of assets								
Debtors not financed (includes reassigned debtors)	0 00	0 50	0 00	0 00	0 00	0 50	187 50	375 00
Trading / Closure								
Shutdown or handover	0 00	0 00	1 00	0 00	0 00	1 00	315 00	315 00
Creditors								
Pension scheme / Employees (other) (Incl Jobcentre/CSA etc)	0 00	0 00	0 50	0 05	0 00	0 55	135 25	245 91
Unsecured creditors	0 00	0 00	0 00	5 50	0 75	6 25	1,276 25	204 20
Case-Specific 3, AML/Compliance								
AML - if done post appointment	0 00	0 00	0 00	3 25	0 00	3 25	662 50	203 85
Total	14 35	3 55	5 25	16 65	2 35	42 15	£14,241 00	£337 86

Time & Chargeout Summary

Breakdown of time spent by CMB Partners UK Limited employees

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Job Planning & review	0 00	1 50	0 00	0 00	1 50	600 00	400 00
Sub total	0 00	1 50	0 00	0 00	1 50	600 00	400 00
Investigations							
Other	5 50	0 00	0 00	0 00	5 50	3,437 50	625 00
Sub total	5 50	0 00	0 00	0 00	5 50	3,437 50	625 00
Total hours	5 50	1 50	0 00	0 00	7 00		
Total Time Costs	3,437 50	600 00	0 00	0 00		4,037 50	577

Explanation of major work activities undertaken

Administration and planning

This section of the analysis encompasses the cost of the administrators and their staff in complying with their statutory obligations, and internal compliance requirements. This work includes the following

- Preparation, drafting and dealing with the formalities of our appointment
- Statutory notifications and advertising
- Dealing with routine correspondence
- Calculating the bonding requirement
- General case planning and administration
- Maintaining physical case files and electronics case details on IPS (case management software)
- Securing the Companies' electronic records, including the time that has been incurred by forensic team in relation to preserving, downloading and imaging from the Companies' server, if required to assist in our investigations
- Collecting the Companies' physical books and records, and kept with the storage company
- Preparing the joint administrators' proposals
- Dealing and instructing agents and other professional advisers to assist with the case

Cashiering time

- Maintaining and managing the administrators' cash book and bank accounts
- Reconciliation of bank account
- Correspondence with banks
- Raising cheques/preparing telegraphic transfers, remittances of receipts

Investigations

This section relates to our statutory obligations to investigate the actions of the directors of the Companies and to review the Companies' records with a view to making to asset recoveries. This work includes the following

- Complying with our statutory duties in accordance with the Directors' Disqualification Act 1986
- Investigation the actions of various parties in the lead up to the administration of the Companies
- Reviewing the Companies' books and records in relation to investigations
- Corresponding with previous directors regarding our directors' questionnaire
- Reviewing the Companies' bank statements and noting transactions for further investigation

Realisation of assets

This section is in relation to the realisation of the Company's assets. The work includes the following

- Reviewing the Companies' accounts and debtor records in order to ascertain the book value of the trade debtors and to formulate a recovery strategy
- Liaising with the banks in relation to the funds transfers

Corporate Finance team time.

Work conducted by our Corporate Finance team in relation to the sale of assets included the following

- Supporting the joint administrators in the process of seeking to realise value for the assets
- Liaising with the Companies' management team and the joint administrators in respect of identifying assets available for sale
- Contacting potentially interested parties and monitor and respond to unsolicited expressions of interest received via
 - Joint Administrators
 - The Companies

- Smith & Williamson LLP's website
- Pre-vetting and verification of prospective purchasers Lines of enquiry were followed-up with 62 prospective purchasers
- Issuing of non-disclosure and confidentiality agreements to prospective purchasers and/or their advisers Agreements were put in place with 28 such parties
- Reviewing data provided by the Companies' management in respect of assets available for sale
- Preparation and provision of data to prospective purchasers in order to submit offers for the assets
- Assisting the joint administrators in negotiations with prospective purchasers
- Supporting the joint administrators and their lawyers in preparation of the legal documentation for asset sales
- Assisting the joint administrators and their legal advisers in the process of exploring transaction structures through which the customer databases might be sold to a third party

Trading/Closure

This section relates to any work carried out in regards to the winding down of activities of the Companies during the period after our appointment at the Gatwick, Krakow and Palma de Mallorca premises The work includes the following

- Dealing with clearing the offices at the Gatwick, Krakow and Palma de Mallorca
- Dealing with IT and network system providers to maintain essential IT services to assist customers with their bookings and on how to claim for their losses
- Processing payroll of retained employees and payments of subcontractors invoices and expenses
- Corresponding with landlords and property managers in regards to the premises
- Dealing with utilities providers in relation to their invoices and contracts and HP creditors in relation to collection of their equipment from the premises

Creditors

Work under this section includes correspondence and other contact with the creditors of the Companies The majority of this time corresponds to dealing with employee claims and the RPS and unsecured creditors The work includes the following.

- Dealing with creditor correspondence via email, telephone and letters
- Sending notification letters to creditors
- Uploading and updating creditors' information on to IPS (our computerised case management system)
- Sending the employees of the LCTG redundant and issuing correspondence in relation to this
- Corresponding with employees regarding their claims, and regarding the RPS
- Completing RP14 and RP14a forms for the RPS and various general correspondences with the RPS
- Processing payments to retained employees and PAYE / NIN to HMRC
-

AML / Compliance

Review of Anti-Money Laundering internal requirements and compliance prepared prior to the appointment of the liquidation

- Companies and background searches
- Dealing with queries raised by a compliance department

IX Fees and costs estimate

Lowcosttravelgroup Limited

Lowcosttravelgroup Limited (in Administration) Fees estimate according to number of hours, grade of staff and expected work to be undertaken								
Anticipated case duration	1	Year (s)						
	Partner / Director	Associate Director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Hourly rate (£)	485	380	250	200	90			
	Hours					Total hours	Total estimated time costs (£)	Average hourly rate
Classification of work function								
Administration and planning								
Statutory returns, reports & meetings	15 00	20 00	50 00	60 00	25 00	170 00	41 625 00	244 85
Initial post-appointment notification letters, including creditors	4 00	3 00	5 00	6 30	4 00	22 30	5,950 00	266 82
Cashiering general, including bonding		0 50	2 00	9 00	25 00	36 50	4,740 00	129 86
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary and any costs of extending the administration)	28 00	32 00	72 00	165 00	75 00	372 00	83,490 00	224 44
Post appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	18 80	12 00	15 00	18 00		63 80	21,026 00	329 58
Protection of company records (incl electronic)		-	5 50	8 00	-	13 50	2,975 00	220 37
Insurance & general asset protection			5 50	2 00	-	7 50	1,775 00	236 67
Filing, file and information management			1 00	2 00	4 00	7 00	1,010 00	144 29
Agents and advisers, general	6 00	2 00	6 20	5 00	1 00	20 20	6,310 00	312 38
Pensions review and notification to the relevant bodies	5 00	4 00	2 00	3 00		14 00	5,045 00	360 36
Filing - Administration and planning		-	-	1 50	5 00	6 50	750 00	115 38
Director/manager review, approval and signing	18 00	-	4 50	1 00	0 50	24 00	10,100 00	420 83
Investigations								
Directors correspondence & conduct questionnaires	85 40	44 00	22 00	36 00	14 00	201 40	72,099 00	357 99
Statutory books and accounting records review	15 00	15 00	9 00	48 00	7 00	94 00	25,455 00	270 80
Reviewing directors conduct	2 00	4 00	7 00	3 00	5 00	21 00	5,290 00	251 90
Reporting to the Conduct Assessment Service	1 00		3 00	2 00	-	6 00	1,635 00	272 50
Dealing with and reviewing creditors & shareholders complaints	1 00	1 00	6 00	4 00	2 00	14 00	3,345 00	238 93
Investigation of legal claims	10 00	4 00	12 00	4 00		30 00	10,170 00	339 00
Asset tracing	-	-	-		0 50	0 50	45 00	90 00
Other	1 00	-	-		-	1 00	485 00	485 00
Realisation of assets								
Debtors not financed (includes reassigned debtors)	5 00	9 00	12 00	18 00	4 00	48 00	12,805 00	266 77
Tax refunds	5 00		18 00	8 00	2 00	33 00	8,705 00	263 79
Cash at Bank	5 00	7 00	12 00	8 00		32 00	9,685 00	302 66
Trading (closure)						-	-	
Property issues (inc landlord and site clearance)	-		5 00	4 00	-	9 00	2,050 00	227 78
Shutdown or handover	-	2 00	8 00	3 00	-	13 00	3,360 00	258 46
Creditors								
Fixed charge creditors	-	-	2 00	-	-	2 00	500 00	250 00
Floating charge creditors	38 00	22 00	45 00	16 00	-	121 00	41,240 00	340 83
HP & lease creditors	-	-	4 00	6 00	-	10 00	2,200 00	220 00
Employees claims, dealing with Redundancy Payments Service & tribunals		-	30 00	49 00	16 00	95 00	18,740 00	197 26
Employees & pension (other) (incl Jobcentre/CSA etc)	12 00	28 00	44 00	75 00	-	159 00	42,460 00	267 04
HUARC		-	4 00	8 00	4 00	16 00	2,960 00	185 00
Unsecured creditors	9 00	16 00	16 00	55 00	36 00	132 00	28,685 00	217 31
Director/manager review	4 00	5 00	12 00	5 00	-	26 00	7,840 00	301 54
Distributions								
Initial review and agreement of claims	-	-	3 00	5 00	6 00	14 00	2,290 00	163 57
Notices of intended dividend and claim adjudication		-	2 00	8 00	9 00	19 00	2,910 00	153 16
Forensics - where applicable								
Forensics	-		25 00	20 00	-	45 00	10,250 00	227 78
Total	288 20	230 50	469 70	665 80	245 00	1,899 20	500,000 00	263 27

Lowcosttravelgroup Limited (in Administration)		
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *		
Estimated expenses applicable to all cases		Total
Specific bond		105 00
Statutory advertising costs		231 00
Search costs (HM Land Registry & Companies House)		0 00
Case specific costs - where applicable		
Security & other property costs		1,500 00
Insurance		6,000 00
Pensions - Smith & Williamson Financial Services Limited		5,000 00
Corporate Finance - Smith & Williamson Financial Services Limited		30 000 00
Managers fees		150 00
Professional advisers fees		250 000 00
Agents fees		5 000 00
Legal fees		300 000 00
Legal disbursements		2 000 00
Storage costs		3,000 00
Irrecoverable VAT		0 00
Bank charges		500 00
Business mileage		500 00
Total		603,986 00

Lowcostholidays Spain, S.L.

Lowcostholidays Spain, S.L. (in Administration)								
Fees estimate according to number of hours, grade of staff and expected work to be undertaken								
Anticipated case duration	1	Year						
	Partner / Director	Associate Director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Hourly rate (£)	485	380	250	200	90			
	Hours					Total hours	Total estimated time costs (£)	Average hourly rate
Classification of work function								
Administration and planning								
Statutory returns, reports & meetings	50 00	60 00	120 00	98 00	62 00	390 00	102,230 00	262 13
Initial post-appointment notification letters, including creditors	5 00	4 00	7 00	9 00	6 00	31 00	8,035 00	259 19
Cashiering general, including bonding	-	3 20	4 00	18 00	50 00	75 20	10,316 00	137 18
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary and any costs of extending the administration)	100 00	82 00	85 00	190 00	85 00	542 00	146,560 00	270 41
Post appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	15 00	25 00	18 00	21 00		79 00	25,475 00	322 47
Protection of company records (incl electronic)	-	-	5 00	8 00		13 00	2,850 00	219 23
Insurance & general asset protection	-	8 00	6 00	4 00		18 00	5,340 00	296 67
Filing, file and information management	-		2 00	4 00	8 00	14 00	2,020 00	144 29
Agents and advisers general	11 00	6 00	8 00	8 00	2 00	35 00	11,395 00	325 57
Pensions review and notification to the relevant bodies	5 00	4 00	2 00	3 00		14 00	5,045 00	360 36
Filing Administration and planning		-		3 40	5 50	8 90	1,175 00	132 02
Director/manager review, approval and signing	20 00	-	4 50	1 00	0 50	26 00	11,070 00	425 77
Investigations								
Directors correspondence & conduct questionnaires	130 00	99 87	90 00	105 00	36 00	460 87	147,739 00	320 57
Statutory books and accounting records review	14 00	19 00	12 00	50 00	8 00	103 00	27,730 00	269 22
Reviewing directors conduct	15 00	8 00	14 00	24 00	10 00	71 00	19,515 00	274 86
Reporting to the Conduct Assessment Service	2 00		2 00	2 00		6 00	1,870 00	311 67
Dealing with and reviewing creditors & shareholders complaints	2 00	4 00	8 00	10 00	4 00	28 00	6,850 00	244 64
Investigation of legal claims	35 00	16 00	34 00	18 00		103 00	35,155 00	341 31
Asset tracing		-		-	1 50	1 50	135 00	90 00
Other	2 00	-		-		2 00	970 00	485 00
Realisation of assets								
Debtors not financed (includes reassigned debtors)	9 00	22 00	34 00	12 00	8 00	85 00	24,345 00	286 41
Tax refunds	15 00	19 00	37 00	16 00	8 00	95 00	27,665 00	291 21
Cash at Bank	8 00	14 00	9 00	8 00		39 00	13,050 00	334 62
Trading (closure)						-	-	
Property issues (inc landlord and site clearance)	4 00	11 00	11 00	9 00		35 00	10,670 00	304 86
Shutdown or handover	5 00	1 00	7 00	1 30		14 30	4,815 00	336 71
Creditors								
Fixed charge creditors		-	2 00	-		2 00	500 00	250 00
Floating charge creditors	14 00	26 00	30 00	11 00	5 00	86 00	26,820 00	311 86
HP & lease creditors	14 00	28 00	42 00	12 00		96 00	30,330 00	315 94
Employees claims dealing with Redundancy Payments Service & tribunals		-	26 00	28 00	4 00	58 00	12,460 00	214 83
Employees & pension (other) (Incl Jobcentre/CSA etc)	4 00	-	16 00	18 00		38 00	9,540 00	251 05
HMRC	15 00	20 00	28 00	19 00	4 00	86 00	26,035 00	302 73
Unsecured creditors	98 00	134 00	90 00	250 00	185 00	757 00	187,600 00	247 82
Director/manager review	25 00	22 00	45 00	-		92 00	31,735 00	344 95
Distributions								
Initial review and agreement of claims	-	-	3 00	6 00	7 00	16 00	2,580 00	161 25
Notices of intended dividend and claim adjudication	-	-	3 00	8 00	17 00	28 00	3,880 00	138 57
Forensics where applicable								
Forensics		-	38 00	35 00		73 00	16,500 00	226 03
Total	617 00	636 07	842 50	1,009 70	516 50	3,621 77	1,000,000 00	276 11

Lowcostholidays Spain, S L. (in Administration)		
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *		
Estimated expenses applicable to all cases		Total
Specific bond		105 00
Statutory advertising costs		107 80
Search costs (HM Land Registry & Companies House)		0 00
Case specific costs - where applicable		
Security & other property costs		0 00
Insurance		261 00
Pensions - Smith & Williamson Financial Services Limited		200 00
Agents fees		0 00
Managers fees		12,000 00
Professional advisers fees		100,000 00
Legal fees (Nabarro LLP)		250 000 00
Legal disbursements		50,000 00
Counsel fees		
Storage costs		200 00
Irrecoverable VAT		0 00
Bank charges		500 00
Business mileage		0 00
Total		413,373 80

Lowcostaviation.com Limited

Lowcostaviation.com Limited (in Administration)								
Fees estimate according to number of hours, grade of staff and expected work to be undertaken								
Anticipated case duration	1	Year						
	Partner / Director	Associate Director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff			
Hourly rate (£)	485	380	250	200	90			
						Total hours	Total estimated time costs (£)	Average hourly rate
Classification of work function								
Administration & Planning Statutory compliance, reporting to stakeholders, accounting, protecting company records, travelling, bonding case set up, planning and reviewing and filing and any costs of extending the administration (subject to leave from the Court)	5 00	7 00	13 74	25 00	10 00	42 00	14,420 00	343 33
Realisation of Assets Identifying, securing, insuring assets, dealing with assets subject to retention of title and debt collections collection, Property, business and asset sales	3 00		12 00	20 00	7 00	42 00	9,085 00	216 31
Creditors Communication with creditors, Creditors claims (including employees, other preferential creditors and the Crown) dealing with the Prescribed part (if applicable), adjudicating and distributing	5 00	3 20	6 44	12 00	7 00	33 64	8,281 00	246 17
Investigations Reviewing books, records and antecedent transactions, assessing directors conduct and reporting to the Conduct Assessment Service and liaising with creditors (or the Committee)	2 00	2 30	9 00	15 00	8 00	36 30	7,814 00	215 26
Tax				2 00		2 00	400 00	200 00
Totals	15 00	12 50	41 18	74 00	32 00	155 94	40,000 00	256 51

Lowcostaviation.com Limited (in Administration)		
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *		
Estimated expenses applicable to all cases		Total
Specific bond		105 00
Statutory advertising costs		107 80
Search costs (HM Land Registry & Companies House)		0 00
Case specific costs - where applicable		0 00
Security & other property costs		261 00
Insurance		0 00
Pensions - Smith & Williamson Financial Services Limited		0 00
Agents fees		0 00
Legal fees		6,000 00
Storage costs		50 00
Irrecoverable VAT		0 00
Bank charges		0 00
Business mileage		0 00
Total		6,523 80

Lowcostbeds.com Limited

Lowcostbeds.com Limited (in Administration)								
Fees estimate according to number of hours, grade of staff and expected work to be undertaken								
Anticipated case duration	Partner / Director	Associate Director	Manager / Assistant Manager	Senior Administrator / Administrator	Assistants & support staff			
Hourly rate (£)	485	380	250	200	90			
						Total hours	Total estimated time costs (£)	Average hourly rate
Classification of work function								
Administration & Planning Statutory compliance, reporting to stakeholders, accounting, protecting company records, travelling bonding case set up, planning and reviewing and filing and any costs of extending the administration (subject to leave from the Court)	18 00	21 00	19 72	36 00	18 00	112 72	30 460 00	270 23
Realisation of Assets Identifying securing, insuring assets, dealing with assets subject to retention of title and debt collections collection, Property, business and asset sales, HMRC VAT reclaim	8 00	9 00	21 00	25 00	10 00	73 00	18,450 00	252 74
Creditors Communication with creditors, Creditors claims (including employees, other preferential creditors and the Crown), dealing with the Prescribed part (if applicable), adjudicating and distributing		8 00	11 00	15 00	6 00	40 00	9 330 00	233 25
Investigations Reviewing books, records and antecedent transactions, assessing directors conduct and reporting to the Conduct Assessment Service and liaising with creditors (or the Committee)	8 00	6 00	20 00	25 00		59 00	16,160 00	273 90
Tax				3 00		3 00	600 00	200 00
Totals	34 00	44 00	71 72	104 00	34 00	287 72	75,000 00	260 67

Lowcostbeds.com Limited (in Administration)		
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *		
Estimated expenses applicable to all cases		Total
Specific bond		105 00
Statutory advertising costs		107 80
Search costs (HM Land Registry & Companies House)		0 00
Case specific costs - where applicable		0 00
Security & other property costs		261 00
Insurance		0 00
Pensions Smith & Williamson Financial Services Limited		0 00
Agents fees		0 00
Legal fees (Nabarro LLP)		125 000 00
Counsel fees		
Legal fees (Pinsent Masons LLP)	HMRC VAT reclaim for £1 113m	40,000 00
Storage costs		200 00
Irrecoverable VAT		0 00
Bank charges		50 00
Business mileage		0 00
Total		165,723 80

Lowcostholidays Limited

Lowcostholidays Limited (In Administration)								
Fees estimate according to number of hours, grade of staff and expected work to be undertaken								
Anticipated case duration	Year	Partner / Director	Associate Director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff		
Hourly rate (£)		485	380	250	200	90		
							Total hours	Total estimated time costs (£)
Classification of work function								Average hourly rate
Administration & Planning Statutory compliance, reporting to stakeholders, accounting, protecting company records travelling, bonding case set-up, planning and reviewing and filing and any costs of extending the administration (subject to leave from the Court)		7 00	6 00	17 00	32 00	12 00	74 00	17,405 00
Realisation of Assets Identifying, securing, insuring assets, dealing with assets subject to retention of title and debt collections collection, Property, business and asset sales, HMRC VAT reclaim		6 00	5 00	18 56	18 00	10 00	57 56	13 950 00
Creditors Communication with creditors Creditors claims (including employees other preferential creditors and the Crown), dealing with the Prescribed part (if applicable), adjudicating and distributing				7 02	14 00	6 00	27 02	5,095 00
Investigations Reviewing books, records and antecedent transactions, assessing directors conduct and reporting to the Conduct Assessment Service and liaising with creditors (or the Committee)		6 00	3 00	14 00	28 00	-	51 00	13,150 00
Tax			-		2 00		2 00	400 00
Totals		19 00	14 00	56 58	94 00	28 00	211 58	50,000 00

Lowcostholidays Limited (In Administration)		
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *		
Estimated expenses applicable to all cases		Total
Specific bond		105 00
Statutory advertising costs		107 80
Search costs (HM Land Registry & Companies House)		0 00
Case specific costs - where applicable		0 00
Security & other property costs		261 00
Insurance		0 00
Pensions Smith & Williamson Financial Services Limited		0 00
Agents fees		0 00
Legal fees (Nabarro LLP)		125,000 00
Counsel fees		
Legal fees (Pinsent Masons LLP)	HMRC VAT reclaim for £1 985m	40,000 00
Storage costs		50 00
Irrecoverable VAT		0 00
Bank charges		0 00
Business mileage		0 00
Total		165,523 80

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

Introduction

Detailed below are

- Smith & Williamson LLP's policies in relation to
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson 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 as joint office holders, 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 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 any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

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 value to the assignment

S&WFS

S&WEBC is a pension consultancy firm which specialises in providing advice to Insolvency Practitioners on their appointment in relation to all aspects of pensions. It is a division of S&WFS, a company associated with Smith & Williamson LLP.

S&WEBC may be engaged to deal with the Company's pension affairs. Payments to parties in which the joint administrators or their firm have an interest must be disclosed to, and approved by, creditors. Fees for their services are accrued on a time costs basis. Consequently, details of the charge out rates for S&WEBC are provided to creditors.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement 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 personnel in connection with the case.

Category 2 disbursements 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 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, 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. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

The rates applicable to this appointment are set out below.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2016	London office £/hr	Regional offices £/hr
Partner / Director	485-625	350-375
Associate Director	370-525	295-305
Managers	235-400	190-290
Other professional staff	150-310	120-175
Support & secretarial staff	85-100	60-135

Notes

1. Time is recorded in units representing 3 minutes 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 incorporated within "Other professional staff" rates.

CMB Partners UK Limited	Per hour
Charge out rates from 1 July 2016	£
Partner	625
Manager	400
Administrator	310
Support/Cashier	100

S&WFS Employee Benefits Consultancy	Per hour
Charge out rates from 1 July 2016	£
Director	225 - 420
Associate Director	200 - 240
Manager	185 - 195
Administrator	70 - 145

Forensics	Per hour
Charge out rates from 1 July 2016	£
Partner/Director	300-380
Manager	165-400
Administrator	80-125

www.smithwilliamson.co.uk

Principal offices London, Belfast, Birmingham, Bristol, Dublin, Glasgow, Guildford, Manchester, Salisbury and Southampton

Smith & Williamson LLP is regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. A member of Nexia International. Registered in England at 25 Moorgate, London EC2R 6AY No OC369871

Nexia Smith & Williamson Audit Limited is registered to carry on audit work and regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. A member of Nexia International



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