

The Insolvency Act 1986

Administrator's progress report

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)

I/We (a)
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administrator(s) of the above company attach a progress report for the period

(b) Insert date

From (b) 15 July 2016	To (b) 14 January 2017
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Signed

Joint / Administrator(s)

Dated

13/2/17

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

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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

TUESDAY



A19 14/02/2017 #317
COMPANIES HOUSE



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

Joint administrators' progress report

10 February 2017



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1. Glossary

Abbreviation	Description
the Companies	<p>UK Companies Lowcosttravelgroup Limited ("LCTG") Lowcostaviation com Limited ("Aviation") Lowcostbeds com Limited ("beds com Ltd") Lowcstholidays Limited ("holidays Ltd")</p> <p>Spain Company Lowcstholidays Spain, S L ("Spain S L ")</p> <p>Also known collectively as "the Group"</p>
the joint administrators	Finbarr Thomas O'Connell, Henry Anthony Shinnars and Colin Hardman of Smith & Williamson LLP and Lane Bednash of CMB Partners UK Limited
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
HMRC	HM Revenue & Customs
RPS	Redundancy Payments Service
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

This report provides an update on the progress in the administrations of the Companies for the six month period ended 14 January 2017 for the UK Companies, and to 20 January 2017 for Spain S L. It should be read in conjunction with any previous reports. By way of reminder, we, Finbarr Thomas O'Connell, Henry Anthony Shinnars and Colin Hardman of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and Lane Bednash of CMB Partners UK Limited were appointed joint administrators of the UK Companies on 15 July 2016 and for Spain S L on 21 July 2016.

Statutory information in respect of the Companies and the administrations is set out at Appendix I.

3. Key points

- LCTG is the management and holding company of the Group
- The other Companies are subsidiaries of LCTG
- Spain S L's registered office and its main operating centre was based in Palma de Mallorca, Balearic Islands, Spain
- The principal realisable assets of the Companies were the IT systems and database, cash balances and debtors
- Other assets include inter-company loans
- Any substantial realisations from the inter-company debtors are unlikely as the Companies are also in administration
- LCTG had around 125 employees based at the Gatwick premises, 264 based in Poland and 18 in Palma
- The joint administrators continue to liaise with the UK Cards Association, the credit card acquirers and the buyer protection schemes to assist the customers of the Companies to receive any compensations available to them
- The prospects of a dividend being available to any class of creditor are dependent on the outcome of several outstanding matters on certain cases. There are currently insufficient asset realisations to enable a dividend to be made to creditors
- Meetings of creditors were held for the UK Companies on 22 September 2016 and on 29 September 2016 for Spain S L
- A Creditors' Committee was formed and duly constituted for Spain S L following the creditors' meeting. The creditors for the UK Companies did not elect to form Committees
- The basis for fixing the remuneration of the joint administrators was agreed by the unsecured creditors at the meetings for the UK Companies on 22 September 2016 and for Spain S L at the first formal meeting of the creditors' committee held on 17 October 2016
- Lowcostbeds.com AG ("AG"), the Swiss entity, which held the business through trade partners ("B2B"), was placed in a insolvency process in Switzerland under the local jurisdiction on 23 August 2016. The joint administrators are currently seeking an appointment as UK liquidators of AG through the UK Courts, by the winding up of AG as an unregistered entity in England & Wales

4. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period from 15 July 2016 to 14 January 2017 for the UK Companies and for the period 21 July 2016 to 20 January 2017 for Spain S L

The receipts and payments accounts also include a comparison with the directors' SOA values

4.1 Cash at Bank/ material realisations

The joint administrators recovered the following cash balances during the period

LCTG - £1,150,000

Spain S L - £1,595,272

Holidays Ltd - £200,000

Beds com Ltd - £200,000

Aviation - £50,000

The administrators recovered a pre-appointment VAT refund on LCTG in the sum of £60,507

A refund in respect of an IT licence agreement was obtained for Spain S L in the sum of £27,648

4.2 Intellectual Property

As previously reported, 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 asset by the administrators had to be abandoned, due to the strict data protection regulations in Spain

Three sales were made by LCTG in respect of the Company website and part-completed IT projects, for a total sum of £165,000, with an estimated realisable value in the SOA of £145,000

4.3 Sales to connected parties

There were no sales to connected parties during the period

4.4 Assets still to be realised

Chattel assets

Our agents Wyles Hardy & Co Limited have concluded the sale of chattel assets by way of an online auction and will shortly be remitting net proceeds of approximately £25,000 to the administration account of LCTG. The sale comprised mainly of IT equipment, which was located at the office premises of Gatwick, Krakow and Palma. Shipping costs and data erasure costs were incurred in the retrieval and security of the IT equipment.

Interchange case

With the exception of Aviation, the Companies have a potential claim against MasterCard and Visa with regard to alleged overcharges on Interchange fees (the fee that a card issuing bank deducts from a card transaction from the amount it pays the acquiring bank, who handles the transaction for the merchant, i.e. the Companies).

The Administrators have agreed a contingency fee arrangement with Strange and Butler, a law firm experienced with litigation in this field, who are also acting for a large number of other claimants. The anticipated quantum and timeframe of recovery is uncertain at this stage in proceedings.

TOMS ("Tour Operators Margin Scheme") Tribunal

Prior to the appointment of administrators, Beds.com Ltd and Holidays Ltd had an outstanding claim against HMRC in respect of VAT recoveries in the region of £3m. Pinsent Mason LLP had formerly been engaged by the directors to represent Beds.com Ltd and Holidays Ltd at the forthcoming VAT Tribunal and have been retained by the administrators to continue to act on their behalf. This matter is expected to be concluded this year.

Intercompany loans/investments in subsidiaries

Recoveries are uncertain and are expected to be limited due to the insolvent position across the Group.

4.5 Administration strategy

The objective of the administrations was 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). We summarise below the key matters that we have dealt with since our appointment as joint administrators, following on from those matters disclosed in our last report.

- A number of key personnel were retained on a short-term basis to assist with producing critical financial information and HR support for the joint administrators.
- The administration staff has continued to deal with an extremely large volume of enquiries from concerned customers, particularly in the early stages of the administration appointment. Over 40,000 separate email communications have been received to date.
- We 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.
- There has been extensive efforts to support employees regarding 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.
- The administrators have also been obliged to close branches of the Group that had not been properly dealt with and were previously undisclosed to them, namely in Italy and Ireland.
- We have liaised extensively with booking agents, travel companies, authorities and regulators (including the Civil Aviation Authority and the Commission for Aviation Regulation Ireland), both in obtaining useful information from them for travellers and providing them with data to allow the various parties to reconcile their positions.
- The joint administrators continue to liaise with the UK Cards Association, the credit card acquirers and the buyer protection schemes to ensure that the customers of the Companies receive any compensations available to them.
- 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.
- We have maintained the main IT server for LCTG, to assist with our investigations and the retrieval of key documentation.
- Lowcostbeds.com AG ("AG"), the Swiss entity, which held the business through trade partners ("B2B"), was placed in a insolvency process in Switzerland under the local jurisdiction on 23 August 2016. The joint administrators are currently seeking an appointment as liquidators of AG through the UK Courts, by the winding up of AG as an unregistered entity in England & Wales.

5. Investigations

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

We have complied with our duty in this regard. As all submissions are strictly confidential we are unable to disclose their content

Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the benefit to the creditors and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial creditors' meeting (where held) or as a response to our request to complete an investigation questionnaire

The administrators have determined that there is sufficient cause for a detailed investigation into the circumstances leading to the Companies' insolvency and are currently reviewing a number of possible actions that may be taken under relevant insolvency legislation, to recover funds to the estates for the benefit of the creditors. Due to the complexity of the investigation and the exceptional volume of material that is subject to examination, it is anticipated to be some time before this reaches a conclusion

The investigation remains confidential, due to its sensitive nature and to avoid prejudicing any potential legal actions that the administrators may wish to take. Any proposed legal action will be put to the Creditors' Committee (if applicable) before proceedings commence, to ensure that the outcome of any litigation is cost-beneficial to the creditors as a whole

6. Pre-administration costs and expenses

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)	36.65	11,505.75	313.94
Lowcostonholidays Spain, S L (in administration)	366.95	153,713.75	418.90
Lowcostaviation com Ltd (in administration)	4.80	2,104	438.33
Lowcostbeds com Ltd (in administration)	25.50	14,327.50	561.86
Lowcostonholidays Ltd (in administration)	5.85	2,333.25	398.85

Pre-appointment time costs incurred by CMB Partners UK Limited

The Company	Number of hours	Total costs £	Average hourly rate £
Lowcosttravelgroup Ltd (in administration)	74 20	42,392 50	571 00
Lowcostontholidays 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
Lowcostontholidays Ltd (in administration)	1 50	600 00	400 00

6.1 Pre-administration expenses

Pre-appointment time costs incurred by Nabarro LLP

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

On 17 October 2016 the following amounts in respect of pre-administration costs were approved for Spain S L

Recipient	Brief description of services provided	Amount paid £
Nabarro LLP	Legal fees	146,131
Roca Junyent	Legal fees	15,629 57

Fees of £23,048 were paid to Cassowary (Solicitors and international lawyers) in relation to legal fees, incurred prior to the date of administration

7. Administrators' remuneration

The creditors for the UK Companies approved that the basis of the administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising in the administration. This was granted following the joint administrators providing a fees and expenses estimate, by means of a resolution passed at the respective creditor meetings held on 22 September 2016.

An amendment to the time cost fee resolution above was passed at the meetings of creditors for Bed com Ltd and Holidays Ltd, whereby the remuneration of the joint administrators in dealing with the TOMS VAT recoveries be fixed at 30% discount to time costs, subject to an uplift on a successful recovery of full time costs plus 30%.

A further fee resolution was passed at the creditors' meeting for LCTG, in respect of any actions relating to the Interchange matter (see 4.4 of this report), whereby it was approved that the joint administrators' remuneration be fixed as a percentage of asset realisations to the estate, being calculated at 25% of total realisations in this matter, i.e. the identical contingent basis upon which the solicitors are to be remunerated.

The creditors' committee for Spain S.L. approved that the basis of the administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration. This was obtained following the joint administrators providing a fees' and expenses' estimate and the requisite majority of members of the committee granting approval at a meeting held on 17 October 2016.

The joint administrators' time costs for the first 6 months of the administrations are

The Company	Total hours	Total costs £	Average hourly rate £/hr	Fees drawn £
Lowcosttravelgroup Ltd (in administration)	993.35	465,225.20	486.73	305,432.63
Lowcostonholidays Spain, S.L. (in administration)	2,364.24	1,109,212.30	458.86	916,002.75
Lowcostaviation com Ltd (in administration)	117.55	55,288.50	484.34	25,243.50
Lowcostbeds com Ltd (in administration)	151.60	72,558.75	488.51	13,732.50
Lowcostonholidays Ltd (in administration)	144.75	61,784.25	479.86	22,727.50
Total	3,771.49	1,764,068.90	479.66	1,283,138.80

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

Appendix VI also provides a detailed breakdown of the current period's costs, together with the previously authorised time cost estimate breakdown.

Appendix VII provides a detailed breakdown of our anticipated future costs.

As our original time costs estimate for Spain S.L. was exceeded within the first 12 months of the administration we have sought and have been granted the appropriate authority from the Committee to draw an additional amount of fees, as shown in Appendix VII.

Further explanation with regard to these costs can be found in the 'Outstanding matters' section of this report.

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

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and investigating the former officers of the companies as required by the Company Directors' Disqualification Act 1986.

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

http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2015/guide_to_administrators_fees_oct_2015.ashx?la=en

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

7.1 S&WFS & S&WEBC

S&WFS and S&WEBC are companies associated with Smith & Williamson LLP, and have dealt with the proposed sale of the Group's intellectual property and the Company's pension affairs respectively. Payments to parties in which administrators or their firm have an interest must be disclosed to, and approved by, creditors.

The creditors for the UK Companies and the creditors' committee for Spain S.L. approved S&WFS' remuneration on a time costs basis. S&WFS' total time costs for the period are £48,631.25. This represents 133.7 hours at an average rate of £367.38. S&WEBC's total time costs for the period are £14,030.13. This represents 55.15 hours at an average rate of £360.

These fees have been paid in full in the period.

Details of S&WFS and S&WEBC charge out rates are included at Appendix VIII.

8. Administration expenses

8.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

8.2 Professional advisers

On this assignment 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	211,365.10	211,365.10
Wardynski & Partners (Polish employees' legal advice)	Hourly rate and disbursements	77,747.30	77,747.30
Raczkowski Paruch sp.K (Polish legal)	Hourly rate and disbursements	18,839.36	18,839.36

Professional adviser/service	Basis of fee arrangement	Costs incurred £	Costs paid £
advice)			
Moorepay Ltd (payroll services)	Rate per employee claim	2,185 00	2,185 00
ADP Polska sp Zo o (payroll services)	Rate per employee claim	7,957 89	7,957 89
Roger Parks Consultants (HR Advisors)	Daily rate and expenses	42,857 22	42,857 22
Reddy Siddiqui & Kabani (accountancy services)	Fixed fee	7,000 00	7,000 00
Altitude Business Systems Ltd (accountancy services)	Hourly rate and disbursements	1,800 00	1,800 00
Wyles Hardy & Co Ltd (valuation agents)	Hourly rate and disbursements	57,438 45	0 00
Blackstones SP zoo SP K	Hourly rate and disbursements	250 00	250 00
ABT Treuhandgesellschaft AG (legal advice)	Hourly rate and disbursements	12,087 61	12,087 61
Refidar Moore Stephens AG (accountancy)	Hourly rate and disbursements	4,036 34	4,036 34
Mr OT Lowry - Notary Public	Fixed fee	345 00	345 00
Total		443,909.27	386,470 82

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	168,181 16	168,181 16
Counsel fees		15,000.00	15,000 00
Cassowary LLP (legal advice)	Hourly rate	75,549 20	75,549 20
Antonio Sastre Oliver (legal advice)	Hourly rate	22,488 22	22,488 22
Adoria Consulting SLP	Fixed fees	5,930 36	5,930 36
Reddy Siddiqui & Kabani (accountancy services)	Fixed fees	12,650 00	12,650 00
Roca Junyent	Hourly rate and disbursements	38,402 58	38,402 58
Ruth Lando Ltd	Hourly rate and disbursements	29,600 00	29,600 00

<i>Professional adviser/service</i>	<i>Basis of fee arrangement</i>	<i>Costs incurred</i> £	<i>Costs paid</i> £
Devonshire Solicitors LLP	Hourly rate and disbursements	3,026 00	3,026 00
Gomez-Acebo & Pombo	Hourly rate and disbursements	4,614 13	4,614 13
Bosch Batle Consultoria	Hourly rate and disbursements	2,115 12	2,115 12
Addmustard Ltd	Hourly rate and disbursements	3,817 28	3,817 28
Three Stone Buildings (Counsel's fees)	Hourly rate and disbursements	5,300 00	5,300 00
Total		221,811.49	221,811.49

The following professional advisers were used for Aviation

<i>Professional adviser/service</i>	<i>Basis of fee arrangement</i>	<i>Costs incurred</i> £	<i>Costs paid</i> £
Nabarro LLP (filing documents at court, general legal advice)	Hourly rate and disbursements	4,899 50	4,899 50
Reddy Siddiqui & Kabani (accountancy service)	Hourly rate and disbursements	2,000 00	2,000 00
Total		6,899.50	6,899 50

The following professional advisers were used for Beds com Ltd

<i>Professional adviser/service</i>	<i>Basis of fee arrangement</i>	<i>Costs incurred</i> £	<i>Costs paid</i> £
Nabarro LLP (filing documents at court, general legal advice)	Hourly rate and disbursements	36,950 48	36,950 48
Pinsent Masons LLP	Hourly rate and disbursements	1,192 50	1,192 50
Ms Nicola Shaw QC	Set fee	30,000 00	30,000 00
Reddy Siddiqui & Kabani (accountancy service)	Hourly rate and disbursements	2,000 00	2,000 00
Total		68,142 98	68,142 98

The following professional advisers were used for Holidays Ltd

Professional adviser/service	Basis of fee arrangement	Costs incurred £	Costs paid £
Nabarro LLP (filing documents at court, general legal advice)	Hourly rate and disbursements	464 50	464 50
Pinsent Masons LLP	Hourly rate and disbursements	34,450 48	34,450 48
Ms Nicola Shaw QC	Set fee	30,000 00	30,000 00
Reddy Siddiqui & Kabani (accountancy service)	Hourly rate and disbursements	2,000 00	2,000 00
Total		66,914 98	66,914 98

Note Total costs outstanding may include costs incurred in prior periods, but not yet paid

8.3 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	107 80	107 80	0 00
Joint Administrators' bonds	105 00	105 00	0 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
Cleaning services	1,605 04	1,605 04	0 00
Courier	289 00	86 90	202 10
Travel expenses	1,692 76	1684 76	8 00
Storage costs	8,262 40	8,262 40	0 00
Total	28,889.28	28,889 28	210.10

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	184 80	184 80	0 00
Joint Administrators' bonds	105 00	105 00	0 00
Company searches	36 19	36 19	0 00
Insurance	260 11	260 11	0 00
Network & System services	45,189 51	45,189 51	0 00
Customers' email/messages services	767 71	767 71	0 00
Travel expenses	2,781 11	2773 11	8 00
Helpline & telecom services	30,005 29	30,005 29	0 00
Total	79,320 92	79,320.92	0 00

In relation to the other three UK companies, Aviation, Beds com ltd and Holidays ltd, we have paid and/or incurred the following disbursements in the current period

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Statutory advertising	323 40 (107 80 x 3)	323 40	0 00
Joint Administrators' bonds	315 00 (105 00 x 3)	315 00	0 00
Total	638 40	638 40	0.00

Note Total costs outstanding may include costs incurred in prior periods, but not yet paid

8.4 Category 2 disbursements

In addition to S&WFS's fees, referred to in section 7 1, the following Category 2 disbursements have been incurred and/or paid in the current period

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Business mileage @ HMRC rates	400 50	400 50	0 00
Total	1,740 50	1,740 50	0 00

Note Total costs outstanding may include costs incurred in prior periods, but not yet paid

Approval to recover the Category 2 disbursements shown above was given by the creditors for the UK Companies at the respective meetings held on 22 September 2016 and by the creditors' committee for Spain S L on 17 October 2016

8.5 Other expenses

Other expenses (i.e. those not detailed in the preceding sections) paid during the period covered by this report are shown in the receipts and payments summary at Appendix II. Detailed below are those expenses which we consider to be significant in the context of this case. Also detailed below are expenses incurred but not paid in the current period.

Supplier/Service Provider	Nature of expense incurred	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
The City Temple	Room hire for Creditors meetings on 22 & 29 September 2016	1,340	1,340	0.00
Royal Mail Group Ltd	Redirection of mail	1,040	1,040	0.00

Note Total costs outstanding may include costs incurred in prior periods, but not yet paid

8.6 Policies regarding use of third parties and disbursement recovery

Appendix V provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

9. Estimated outcome for creditors

9.1 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. The administrators are continuing to liaise with Lloyds to establish their position, both in terms of their security and their exposure across the Group.

9.2 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 a 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. However, should the position change, the net property is currently estimated to be nil, there being insufficient funds to allow a dividend to unsecured creditors, were it to be determined that the Prescribed Part should apply.

9.3 Preferential creditors

We set out below a summary of preferential claims received on LCTG

Preferential creditor	SOA claims £	Claims received £
Employee claims	144,000	0
Department for Business, Energy & Industrial Strategy	0	73,243
Total	144,000	73,243

The UK employees have been paid their statutory entitlements from the RPS, in respect of wage arrears, holiday pay and compensatory notice.

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

We have not received and do not expect to receive, preferential claims from the remainder of the Group Companies.

9.4 Unsecured creditors

Due to insufficient realisations from the Companies' assets at this time, we confirm that it is unlikely that a dividend to unsecured creditors will be made. However this is dependent in certain cases on the outcome of the TOMS VAT tribunal, the Interchange case and the on-going investigation into the circumstances leading to the Companies' insolvent positions.

A summary of unsecured claims received is set out below

Company name		SOA claims £	Interco Creditors £	Claims received £	Claims agreed £
Lowcosttravelgroup Ltd (in administration)	Amount of claims (£)	50,107,380	46,467,016	89,707,861	0
	Number of claims			75	0
Lowcostholidays Spain, S L (in administration)	Amount of claims (£)	289,078,580	272,428,950	82,801,350	0
	Number of claims			58	

Company name		SOA claims £	Interco Creditors £	Claims received £	Claims agreed £
Lowcostaviation.com Ltd (in administration)	Amount of claims (£)	7,038,644	6,691,565	69,533,671	0
	Number of claims			2	
Lowcostbeds.com Ltd (in administration)	Amount of claims (£)	2,145,679	2,120,595	69,802,143	0
	Number of claims			4	
Lowcstholidays Ltd (in administration)	Amount of claims (£)	126,710,941	122,324,396	70,270,384	0
	Number of claims			6	

The credit card acquirer dealing with the Group has submitted a claim for £69,533,671 across all five Companies and this is included in the figures above

The joint administrators have not yet adjudicated on any claims, as at this stage in proceedings, realisations in the administrations are expected to be insufficient to pay a dividend to unsecured creditors

We are aware however, that despite receiving a large number of customer claims against Spain S L (which have yet to be processed until there is a possibility of a dividend), the majority of customers have been successful in obtaining refunds for the value of their claims, via the chargeback scheme under VISA, MasterCard and AMEX, or from applications under Section 75 of the Consumer Credit Act 1974. We continue to provide support to assist with this refund process

10. Outstanding matters

A comparison of the joint administrators' costs to date and original fee estimates are summarised in the table in this section of the report, as detailed in section 6 and only the incurred time costs within the approved estimates will be drawn, unless a revised fee estimate is put to the creditors/Committee to seek approval, before drawing any additional sums

Appendix VII provides a comparison of these two sums for each Company and a narrative explanation

In addition to the original estimates, Appendix VII provides a detailed breakdown of our anticipated future costs

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

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and investigating the former officers of the companies as required by the Company Directors' Disqualification Act 1986.

Company name	Original administrators' fee estimate for 12 months £	Current fee costs £	Outstanding matters	Estimated total costs to 12 months £
LCTG	500,000	465,225	<ul style="list-style-type: none"> Investigation Potential Terminal Loss Relief claims Employee issues - UK & Poland Statutory matters 	500,000
Spain S L	1,000,000	1,122,529	<ul style="list-style-type: none"> Interchange Investigation Employee issues Co Registration/tax & accounting 	1,500,000
Aviation	40,000	51,995	<ul style="list-style-type: none"> Statutory matters Investigation 	70,000
Beds com Ltd	75,000	67,063	<ul style="list-style-type: none"> Interchange TOMS VAT Tribunal Statutory matters 	115,000
Holidays Ltd	50,000	94,253	<ul style="list-style-type: none"> Interchange TOMS VAT Tribunal Statutory matters 	110,000

Investigation - This work includes, but is not limited to, reviewing the Companies' books and records, interviewing key personnel, investigating certain financial transactions and the general conduct of the directors. We anticipate that this work will be in the region of £150,000 with estimated expenses of £100,000. This work could potentially provide a financial benefit to creditors by way of restitution to the estates via pre-existing insurance policies or legal actions that may be taken by the administrators.

TOMS VAT Tribunal - There is a pending VAT tribunal which could potentially provide a financial benefit to the estates of Beds com Ltd and Holidays Ltd of c £3m. This work will include attending court hearings and the preparation of all statutory documents and witness statements. We anticipate that this work will be in the region of £30,000 with estimated expenses attributable to legal costs (Pinsent Masons LLP) of £80,000 and Counsel fees of £30,000.

Interchange - This work relates to the on-going investigations into a potential realisation of funds from the Interchange claim. This work has a contingency fee arrangement. We have obtained a separate resolution in respect of our remuneration for this matter and this falls outside of our estimated cost budget for the first 12 months of the administrations.

Potential Terminal Loss Relief ("TLR") claims - LCTG may be entitled to submit TLR claims as they have paid Corporate Tax prior to becoming insolvent. We are investigating the likelihood of LCTG being eligible for TLR. We expect that this will cost approximately £10,000.

Employee/Regulatory issues - UK, Poland, Spain - There are still outstanding matters relating to the former employees that are yet to be finalised which include but are not limited to, the Polish employees' entitlements, the UK employees' tribunal and the statutory accounting/tax filings in Spain.

We have incurred considerable time and expense corresponding with the Polish statutory office ("the Fund"), the government office that would ordinarily make statutory payments to redundant employees, but the Fund has not as yet done so on this occasion. The joint administrators are working for the benefit of the Polish workers to do all that is possible to endeavour to secure the statutory monies to which they are entitled. We anticipate that this work will be in the region of £5,000 with estimated legal expenses of £15,000.

We have been obliged, in order to maintain the company registration of Spain S.L., to bring the accounting and tax filings up to date. To this end, we have engaged professional advisors in Mallorca to assist with meeting the statutory requirements. We anticipate that this work will be in the region of £5,000 with estimated expenses of £10,000.

The remaining actions, other than those set out in detail above, to be concluded across all of the administrations are as follows:

- Obtaining tax clearance
- Fulfilling the statutory requirements of the administrations
- Obtaining an extension to the administrations, by consent of the creditors, for a further 12 month period, if appropriate
- Closure of the administrations, including preparing and issuing the final report

Work to conclude the statutory matters outlined above are estimated to be in the region of £100,000 across the Group.

11. Ending the administration

It is anticipated that several, if not all of the administrations will not be ready to close by the end of the first year of the administration, due to the unresolved matters outlined above. Consent will be sought from the creditors (or Committee if applicable) to extend the period of administration for a further twelve months, if so required.

The administrators will be discharged from liability under P98(3) of Sch B1 immediately upon their appointment as administrators ceasing to have effect.

Authorisation for discharge from liability was granted by the creditors in respect of the UK Companies at the creditors' meeting held on 22 September 2016 and by the creditors' committee for Spain S.L. at the first formal meeting held on 17 October 2016.

In the case of Spain S.L., 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.

12. Creditors' rights

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

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

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

On a general note, if you have any comments or concerns in connection with our conduct, please contact Finbarr Thomas O'Connell or Henry Anthony Shinnars in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows

i) Email ip_complaints@insolvency.gsi.gov.uk

ii) Telephone number +44 300 678 0015

iii) Postal address The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA

13. Next report

We are required to provide a further report on the progress of the administration within one month of the end of the next six month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report



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

Joint Administrators

Date 10 February 2017

I Statutory information

Lowcosttravelgroup Limited

Relevant Court	High Court of Justice
Court Reference	CR2016 4081 of 2016
Trading Addresses	Spectrum House, Beehive Ring Road, London Gatwick Airport, RH6 0LG
Former Name(s)	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
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
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
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

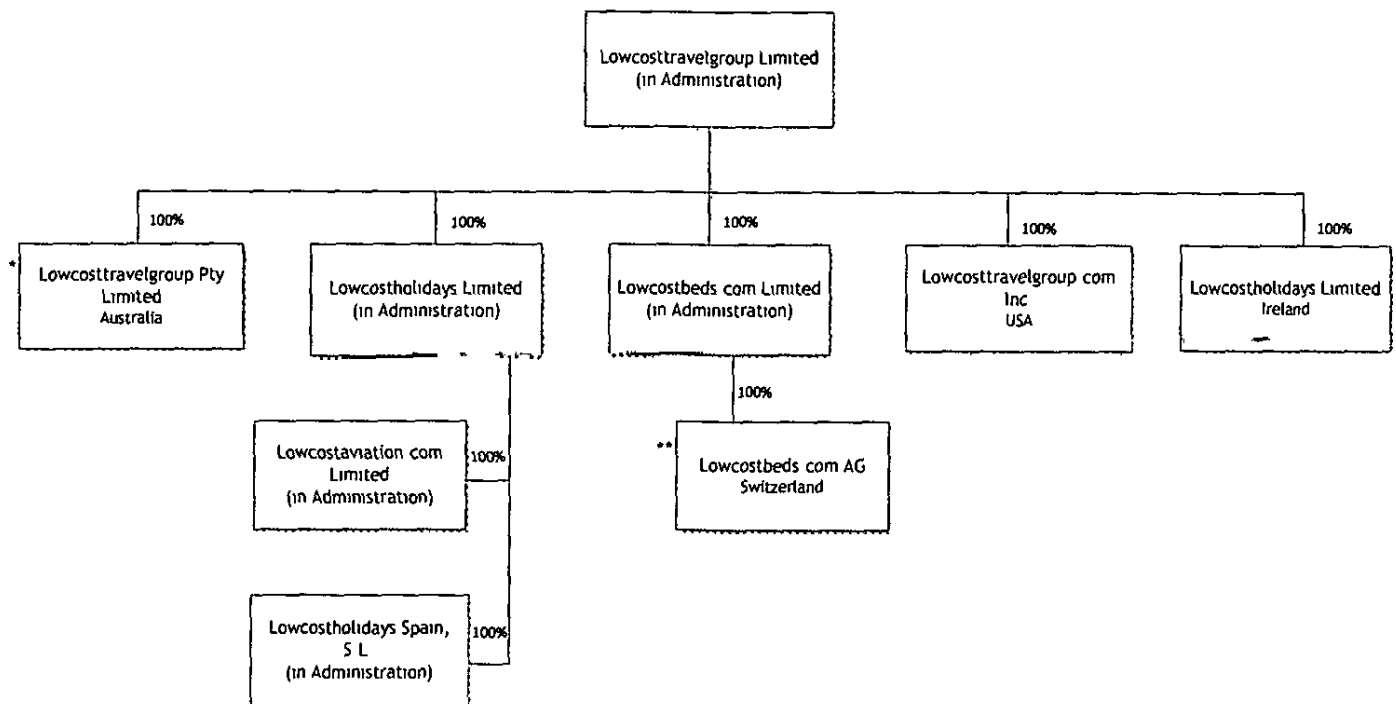
Lowcostbeds.com Limited

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
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 OLG
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 OLG 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
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



*Lowcosttravelgroup Pty Limited is now subject to an Australian insolvency process

**Lowcostbeds com AG is now subject to a Swiss insolvency process and also to an application that it be wound up in the UK as an unregistered UK company

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

We have not had a prior professional relationship with the Companies or their directors

In addition to dealing with the administration of the Companies, we have been advising 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 from 15 July 2016 to 14 January 2017

Statement of Affairs (£)		(£)
	ASSET REALISATIONS	
40,000 00	Furniture & Office Equipment	-
	Petty Cash	114 50
	VAT Refund	60,507 48
1,150,000 00	Cash at Bank	1,150,000 00
145,000 00	Intellectual Property	165,000 00
	Bank Interest Gross	653 35
<u>1,335,000 00</u>		<u>1,376,275 33</u>
	COST OF REALISATIONS	
	Payroll Services	(10,142 89)
	Specific Bond	(105 00)
	Managers Fees	(101 28)
	Pre Appointment professional service fees	(120 00)
	Joint Admin Pre-appointment fees	(54,047 75)
	Joint Administrators' Fees	(305,432 63)
	Joint Administrators' Expenses	(1,896 29)
	Professional Services Fees	(112,227 47)
	Employees Expenses	(9,786 34)
	Accountancy Fees	(8,800 00)
	Legal Fees	(308,296 76)
	Legal Expenses	(6,338 68)
	Trademark Renewal	(933 91)
	Pre-Appointment Legal Fees	(41,237 00)
	Internet Services	(3,500 00)
	Telephone, Network & System Service	(16,464 20)
	Cat 2 Disbursements	(195 30)
	Storage Costs	(8,262 40)
	Re-Direction of Mail	(1,040 00)
	Statutory Advertising	(107 80)
	Rent & Other Property Costs	(30,101 75)
	Cleaning Services	(1,605 04)
	Insurance	(7,582 91)
	Creditors' Meeting Costs	(790 00)
	Wages & Salaries	(70,517 03)
	PAYE & NI	(37,747 59)
	Bank Charges	(1,104 40)
	Polish Social Security	(1,105 97)
	Employee - Student Loan	(417 00)
		<u>(1,040,007 39)</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 Claims	-
(46,467,015 65)	Group/associated loans	-
<u>(50,107,379 74)</u>		<u>-</u>
	DISTRIBUTIONS	
(1,395 00)	Ordinary Shareholders	-
<u>(1,395 00)</u>		<u>-</u>
	REPRESENTED BY	
	Clients Deposit account	340,752 71
	VAT Payable Flt Chg	(4,484 77)
<u>(48,917,774.74)</u>		<u>336,267.94</u>

Lowcostholidays Spain SL

Receipts and payments account from 21 July 2016 to 20 January 2017

Statement of Affairs (£)		(£)
	ASSET REALISATIONS	
	Book Debts	4,004 29
1,802,995 80	Cash at Bank	1,595,272 20
	Rent Refund	1,189 88
	IT Refund	27,648 09
	Bank Interest Gross	1,043 55
<u>1,802,995 80</u>		<u>1,629,158 01</u>
	COST OF REALISATIONS	
	Travel	(2,773 11)
	Cat 2 Mileage	(205 20)
	Specific Bond	(105 00)
	Managers Fees	(10,344 89)
	Joint Administrators' Fees	(916,002 75)
	Joint Administrators' Expenses	(2,482 23)
	Joint Administrators Pre-Appointment	(60,007 50)
	Professional Services Fees	(49,329 60)
	Helpline & Telecom Service	(30,005 29)
	Legal Fees	(343,577 17)
	Legal Expenses	(17,547 74)
	Professional Services Expenses	(65 00)
	IT Services	(45,189 51)
	Statutory Advertising	(184 80)
	Insurance	(260 11)
	Creditors' Meeting Cost	(815 67)
	Wages & Salaries	(3,372 48)
	Bank Charges	(549 40)
		<u>(1,482,817 45)</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)	Corporation Tax (Spain)	-
(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>		-
	REPRESENTED BY	
	VAT Receivable Flt Chg	12,457.47
	Clients Deposit account	131,099 09
<u>(287,358,917.20)</u>		<u>143,556.56</u>

Lowcostaviation.com Limited

Receipts and payments account from 15 July 2016 to 14 January 2017

Statement of Affairs (£)		(£)
	ASSET REALISATIONS	
50,000 00	Cash at Bank	50,000 00
	Bank Interest Gross	31 92
	Sundry Debtors	39 90
<u>50,000 00</u>		<u>50,071.82</u>
	COST OF REALISATIONS	
	Specific Bond	(105 00)
	Pre-Appoint Administrators Fees	(2,704 00)
	Administrators' Fees	(25,243 50)
	Administrators' Expenses	(25 00)
	Accountants Fees	(2,000 00)
	Pre-Appointment Legal Fees	(3,902 60)
	Legal Fees	(4,899 50)
	Legal Expenses	(50 00)
	Statutory Advertising	(107 80)
	Bank Charges	(0 40)
	Irrecoverable VAT	(7,797 48)
		<u>(39,037 80)</u>
	UNSECURED CREDITORS	
(47,084 10)	HMRC - Corporation Tax	-
(6,691,565 42)	Group/assoc company loans	-
(299,994 23)	IATA - Issued Tickets	-
<u>(7,038,643 75)</u>		<u>-</u>
	DISTRIBUTIONS	
(100,000 00)	Ordinary Shareholders	-
<u>(100,000 00)</u>		<u>-</u>
<u>(7,088,643.75)</u>		<u>3,236.54</u>

Lowcostbeds.com Limited

Receipts and payments account from 15 July 2016 to 14 January 2017

Statement of Affairs (£)		(£)
	ASSET REALISATIONS	
10,000.00	Book Debts	-
1,984,767 00	HMRC VAT Reclaim	-
200,000 00	Cash at Bank	200,000 00
	Bank Interest Gross	134 96
<u>2,194,767 00</u>		<u>200,134 96</u>
	COST OF REALISATIONS	
	Accountancy Fees	(2,000 00)
	Specific Bond	(105 00)
	Pre-Appoint Administrators Fees	(3,620 00)
	Administrators' Fees	(22,727 50)
	Pre-Appointment Legal Fees	(4,541 60)
	Legal Fees (1)	(34,914 98)
	Legal Expenses	(2,550 00)
	Counsels Fees	(30,000 00)
	Statutory Advertising	(107 80)
	Bank Charges	(0 40)
		<u>(100,567 28)</u>
	UNSECURED CREDITORS	
(17,348 00)	Trade & Expense Creditors	-
(4,356,541 00)	Credit Card Companies	-
(12,656 00)	HP Unsecured Claims	-
(122,324,396 00)	Group company loans	-
<u>(126,710,941 00)</u>		<u>-</u>
	DISTRIBUTIONS	
(1,281 00)	Ordinary Shareholders	-
		<u>-</u>
	REPRESENTED BY	
	VAT Receivable Flt Chg	(6 16)
	Clients Deposit (Interest Bearing)	86,887 08
	FLT Vat Control Account	12,686 76
<u>(124,517,455 00)</u>		<u>99,567.68</u>

Lowcostholidays Limited

Receipts and payments account from 15 July 2016 to 14 January 2017

Statement of Affairs (£)		(£)
	ASSET REALISATIONS	
10,000.00	Book Debts	-
1,984,767 00	HMRC VAT Reclaim	-
200,000 00	Cash at Bank	200,000 00
	Bank Interest Gross	134 96
<u>2,194,767 00</u>		<u>200,134 96</u>
	COST OF REALISATIONS	
	Accountancy Fees	(2,000 00)
	Specific Bond	(105 00)
	Pre-Appoint Administrators Fees	(3,620 00)
	Administrators' Fees	(22,727 50)
	Pre-Appointment Legal Fees	(4,541 60)
	Legal Fees	(34,914 98)
	Legal Expenses	(2,550 00)
	Counsels Fees	(30,000 00)
	Statutory Advertising	(107 80)
	Bank Charges	(0 40)
		<u>(100,567 28)</u>
	UNSECURED CREDITORS	
(17,348 00)	Trade & Expense Creditors	-
(4,356,541 00)	Credit Card Companies	-
(12,656 00)	HP Unsecured Claims	-
(122,324,396 00)	Group company loans	-
<u>(126,710,941 00)</u>		<u>-</u>
	DISTRIBUTIONS	
(1,281 00)	Ordinary Shareholders	-
		<u>-</u>
	REPRESENTED BY	
	VAT Receivable Flt Chg	(6 16)
	Clients Deposit (Interest Bearing)	86,887 08
	FLT Vat Control Account	12,686 76
<u>(124,517,455.00)</u>		<u>99,567.68</u>

Notes and further information required by SIP 7

- 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
- 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 Pre-appointment time analysis

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

Time incurred by Smith & Williamson LLP

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	0 00	1 00	0 75	0 00	1 75	553 75	316 43
General advisory work insolvent	8 00	0 00	0 00	0 00	0 00	8 00	5,000 00	625 00
Appointment formalities	0 00	0 00	1 00	0 00	0 00	1 00	400 00	400 00
Preparation of pre appointment documents	0 00	0 50	0 00	0 00	0 00	0 50	187 50	375 00
Creditors (inc EE's) queries	0 00	0 00	0 00	4 25	0 00	4 25	871 25	205 00
Job planning	0 00	0 00	0 00	0 65	0 00	0 65	133 25	205 00
Travelling	0 00	0 00	10 50	4 00	0 00	14 50	3 130 00	215 86
Other	0 00	0 00	0 00	6 00	0 00	6 00	1,230 00	205 00
Total	8 00	0 50	12 50	15 65	0 00	36 65	£11,505 75	£313 94

Time incurred by CMB Partners (UK) Limited

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	46,392 50	6,000 00	0 00	0 00		42,392 50	571

Lowcostholidays Spain SL time analysis from 11 July 2016 to 20 July 2016

Time incurred by Smith & Williamson LLP

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	4 25	0 00	10 50	3,522 50	335 48
Initial meetings	0 00	0 00	12 00	0 00	0 00	12 00	4,800 00	400 00
General advisory work insolvent	129 85	0 00	11 50	1 25	0 00	142 60	85,022 50	596 23
Appointment formalities	0 50	2 15	16 05	5 75	0 00	24 45	8,609 00	352 11
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	3 30	33 05	14 45	17 00	67 80	16,002 50	236 03
Job planning	13 20	14 05	11 85	10 60	0 00	49 70	21,380 25	430 19
Travelling	0 00	0 00	1 60	2 00	0 00	3 60	762 00	211 67
Corporate Tax	0 00	0 75	0 00	0 00	0 45	1 20	311 25	259 38
Corporate Finance	9 25	0 00	4 50	2 25	0 00	16 00	7,671 25	479 45
Other	0 00	5 15	0 00	15 25	0 00	20 40	5,370 00	263 24
Total	162 05	27 40	100 05	60 00	17 45	366 95	£153,713 75	£418 90

Time incurred by CMB Partners (UK) Limited

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

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

Time incurred by Smith & Williamson LLP

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								
Initial meetings	0 00	0 00	1 00	0 00	0 00	1 00	400 00	400 00
Company searches and background checks	0 00	0 00	0 00	0 25	0 00	0 25	51 25	205 00
General advisory work insolvent	2 00	0 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	0 00	1 00	290 00	290 00
Job planning	0 00	0 00	0 00	0 55	0 00	0 55	112 75	205 00
Total	2 00	0 50	1 00	1 30	0 00	4 80	£2,104 00	£438 33

Time incurred by CMB Partners (UK) Limited

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

Time incurred by Smith & Williamson LLP

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	0 00	0 00	1 35	0 00	1 35	276 75	205 00
Initial meetings	0 00	0 00	1 00	0 00	0 00	1 00	400 00	400 00
Preparation of pre appointment documents	0 00	0 50	0 00	0 50	0 00	1 00	290 00	290 00
Creditors (inc EE's) queries	0 00	0 00	0 00	1 00	0 00	1 00	205 00	205 00
Job planning	0 00	0 00	0 00	0 15	0 00	0 15	30 75	205 00
Other	21 00	0 00	0 00	0 00	0 00	21 00	13 125 00	625 00
Total	21 00	0 50	1 00	3 00	0 00	25 50	£14 327 50	£561 86

Time incurred by CMB Partners (UK)

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

Time incurred by Smith & Williamson LLP

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	0 00	0 00	0 75	0 00	0 75	153 75	205 00
Initial meetings	0 00	0 00	1 00	0 00	0 00	1 00	400 00	400 00
Company searches and background checks	0 00	0 00	0 00	0 60	0 00	0 60	123 00	205 00
General advisory work insolvent	2 00	0 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	0 00	1 00	290 00	290 00
Job planning	0 00	0 00	0 00	0 50	0 00	0 50	116 50	233 00
Total	2 00	0 50	1 00	2 35	0 00	5 85	£2 333 25	£398 83

Time incurred by CMB

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

VI Time analysis for the period

Lowcosttravelgroup Limited time analysis from 15 July 2016 to 14 January 2017

Time incurred by employees of Smith & Williamson LLP

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	6 10	3 25	12 25	22 30	0 00	43 90	17,082 50	389 12
Initial post appointment notification letters including creditors	0 00	2 00	0 00	5 15	0 00	7 15	2,646 50	370 14
Cashiering general, including bonding	0 00	1 85	0 75	40 60	0 00	43 20	13,229 20	306 23
Job planning, reviews and progression (inc 6 month reviews and planning meetings checklist & diary	100 50	2 85	15 55	21 65	0 00	140 55	76,809 00	546 49
Post appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0 30	0 00	5 75	1 35	0 00	7 40	2,900 00	391 89
Protection of company records (incl electronic)	0 35	0 00	3 55	0 80	0 00	4 70	1,755 00	373 40
Insurance & general asset protection	0 35	0 00	1 20	0 25	0 00	1 80	674 25	374 58
Travelling	0 00	0 00	5 50	1 25	0 00	6 75	1,546 50	229 11
Filing file and information management	0 00	0 00	0 00	2 10	0 00	2 10	618 00	294 29
Pre appointment non creditor tax	0 00	0 00	1 00	0 00	0 00	1 00	400 00	400 00
Agents and advisers, general	0 00	0 00	6 50	2 00	0 00	8 50	3,220 00	378 82
Correspondence with joint liquidator	0 00	0 00	0 00	1 25	0 00	1 25	312 50	250 00
Filing Administration and planning	0 00	0 00	0 00	22 65	0 00	22 65	5,561 75	245 55
Director/manager review approval and signing	4 10	0 00	15 00	3 40	0 00	22 50	9,595 25	426 46
Other	0 30	0 00	0 00	0 00	0 00	0 30	187 50	625 00
Investigations								
Directors correspondence & conduct questionnaires	114 20	0 00	2 25	8 60	0 00	125 05	74 871 00	598 73
Statutory books and accounting records review	0 00	0 75	0 75	0 15	0 00	1 65	676 50	410 00
Investigation of legal claims	0 75	13 15	1 50	0 00	0 00	15 40	7,972 50	517 69
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	2 90	3 75	4 80	0 00	11 45	4,510 50	393 93
Asset tracing (e.g Land Registry and Company Searches)	0 00	0 00	0 75	0 00	0 00	0 75	236 25	315 00
Enquiries of advisers	0 00	0 00	2 00	0 00	0 00	2 00	800 00	400 00
Realisation of assets								
Fixed charge Property (land and buildings)	0 00	0 00	0 40	0 00	0 00	0 40	126 00	315 00
Debtors not financed (includes reassigned debtors)	1 45	0 00	0 80	0 00	0 00	2 25	1,158 25	514 78
Other chattel assets	0 00	0 00	1 50	0 00	0 00	1 50	600 00	400 00
Cash at Bank	0 00	0 00	0 00	1 25	0 00	1 25	312 50	250 00
Liaising with agents (general)	0 00	0 00	2 60	0 00	0 00	2 60	904 00	347 69
Director/manager review, approval and signing	0 35	0 00	0 00	0 00	0 00	0 35	218 75	625 00
Other	0 00	0 00	3 05	0 00	0 00	3 05	1,045 75	342 87
Trading								
Purchasing/suppliers (not landlord)	0 00	0 00	6 75	0 00	0 00	6 75	2,700 00	400 00
Accounting	0 00	0 00	1 00	0 00	0 00	1 00	400 00	400 00
Insurances	0 00	0 00	2 50	0 00	0 00	2 50	1,000 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	6 25	0 00	0 00	6 25	2,500 00	400 00
Shutdown or handover	0 00	0 00	0 50	6 00	0 00	6 50	2,060 00	316 92

Creditors								
Floating charge creditors	0 25	0 00	0 00	0 00	0 00	0 25	156 25	625 00
HP & lease creditors	0 00	0 50	0 00	0 00	0 00	0 50	262 50	525 00
RPO and ERA claims & tribunals	0 00	2 25	7 75	5 55	0 00	15 55	5,929 00	381 29
Employees & pension (other) (Incl Jobcentre/CSA etc)	1 95	3 00	20 00	16 55	0 00	41 50	14,547 75	350 55
Crown (not RPO etc)	2 40	0 00	0 00	0 25	0 00	2 65	1 562 50	589 62
Unsecured creditors	13 30	10 50	18 20	24 75	0 50	67 25	27,845 75	414 06
Client Money (CASS Obligations) & Regulatory Reporting (FCA, HMRC & FSCS)	0 00	0 00	6 00	0 00	0 00	6 00	2,400 00	400 00
Client Correspondence / Communications	0 00	0 00	1 00	0 00	0 00	1 00	400 00	400 00
Director/manager review, approval and signing	0 50	0 00	1 00	0 00	0 00	1 50	712 50	475 00
Other	0 00	0 00	1 00	14 20	0 00	15 20	3,950 00	259 87
AML/Compliance								
AML if done post appointment	0 00	0 00	0 00	1 25	0 00	1 25	372 50	298 00
Corporate Tax								
Corporate Tax	29 65	5 15	0 00	0 00	0 00	34 80	20,474 50	588 35
Corporate Finance								
Corporate Finance	0 00	0 00	72 50	0 75	0 00	73 25	24,122 50	329 32
Forensics								
Forensics	0 00	0 00	7 75	10 25	0 00	18 00	4,791 25	266 18
Total	276 80	48 15	244 60	219 10	0 50	789 15	£348,556 95	£441 69

Breakdown of time spent by Smith & Williamson Financial Services 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			
Smith & Williamson Financial Services								
S&WFS Employee Benefits Consultancy	6 90	0 00	0 00	0 00	0 00	6 90	3,053 25	442 50
Total	6 90	0 00	0 00	0 00	0 00	6 90	£3,053 25	£442 50

Time incurred by staff of CMB Partners (UK) Limited

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Statutory Reports & Returns	0 00	1 50	0 00	0 00	1 50	800 00	480 00
Cashiering	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Job Planning & review	53 20	15 50	0 00	0 00	68 70	38450 00	574 24
Taxation	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Company Records	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Agents/Advisors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Partner/Manager Review	3 00	0 00	0 00	0 00	3 00	1875 00	625 00
Other	1 50	2 40	0 00	0 00	3 90	1897 50	488 34
Sub-total	57 70	19 40	0 00	0 00	77 10	43,822 50	568 39
Investigations							
Directors Correspondence	25 00	5 00	0 00	0 00	30 00	17 825 00	587 50
Books and Records Review	23 00	0 40	0 00	0 00	23 40	14 535 00	621 15
Legal Claims	11 00	0 00	0 00	0 00	11 00	6 875 00	625 00
CDDA 1988 Obligations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Asset Tracing/Searches	9 50	3 50	0 00	0 00	13 00	7 337 50	564 42
Other	14 00	11 80	0 00	0 00	25 80	13 470 00	522 09
Sub-total	82 50	20 70	0 00	0 00	103 20	56,842 50	579 67
Realisation of Assets							
Debt Collection	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Sale of Business	8 50	0 00	0 00	0 00	8 50	4 062 50	625 00
Cash at Bank	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Property	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Motor Vehicles	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Partner/Manager Review	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Other	1 00	0 00	0 00	0 00	1 00	625 00	625 00
Sub-total	7 50	0 00	0 00	0 00	7 50	4,687 50	625 00
Creditors							
Pension Schemes	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Secured Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Preferential Creditors/Employees	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Unsecured Creditors	0 50	0 00	0 00	0 00	0 50	312 50	625 00
Shareholders	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors Committee	8 00	3 00	0 00	0 00	9 00	4 950 00	550 00
Sub-total	8 50	3 00	0 00	0 00	9 50	5 292 50	553 85
Trading							
On Site	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Employees	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Director meetings	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Invoicing	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Purchasing	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Other	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Sub-total	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total hours	154 20	43 10	0 00	0 00	197 30		
Total Time Costs	98 375 00	17 240 00	0 00	0 00		113 615 00	578

Lowcostholidays Spain SL time analysis from 21 July 2016 to 20 January 2017

Time incurred by employees of Smith & Williamson LLP

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	7 75	0 00	17 00	56 45	0 00	81 20	31,985 75	393 91
Initial post appointment notification letters, including creditors	0 15	0 00	1 00	2 40	0 00	3 55	1,135 00	319 72
Cashiering general, including bonding	0 00	0 00	4 00	36 90	0 00	40 90	11,565 75	282 78
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	133 70	0 00	42 00	29 25	0 00	204 95	109,227 50	532 95
Post appointment taxation (VAT, PAYE/NIC Corp Tax that are not trading related)	0 00	0 00	1 00	0 65	0 00	1 65	601 50	364 55
Protection of company records (incl electronic)	0 00	0 00	5 15	0 55	0 00	5 70	2,005 25	351 80
Insurance & general asset protection	0 00	0 00	3 50	0 45	0 00	3 95	1,242 00	314 43
Filing file and information management	0 00	0 00	0 50	10 05	0 00	10 55	2,700 00	255 92
Company searches	0 00	0 00	0 00	0 30	0 00	0 30	87 00	290 00
Agents and advisers, general	0 00	0 00	13 50	2 90	0 00	16 40	6,256 50	381 49
Correspondence with joint liquidator	0 00	0 00	0 00	0 40	0 00	0 40	100 00	250 00
Filing Administration and planning	0 00	0 00	0 00	38 50	0 00	38 50	9,505 00	246 88
Director/manager review, approval and signing	9 90	0 00	9 10	3 45	0 00	22 45	10,868 50	484 12
Other	6 60	0 00	1 00	0 85	0 25	8 70	4,762 50	547 41
Investigations								
Directors correspondence & conduct questionnaires	0 40	0 00	8 05	117 60	0 00	126 05	39,895 50	316 51
Statutory books and accounting records review	0 00	0 00	0 00	4 55	0 00	4 55	1,571 75	345 44
Investigation of legal claims	2 50	0 00	2 70	18 35	0 00	23 55	12,174 25	516 95
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	0 00	3 50	9 90	0 00	13 40	5,729 50	427 57
Enquiries of advisers	0 00	0 00	2 00	0 40	0 00	2 40	924 00	385 00
Other	0 00	0 00	4 00	0 20	0 00	4 20	1,662 00	395 71
Realisation of assets								
Debtors not financed (includes reassigned debtors)	0 00	0 00	0 00	0 95	0 00	0 95	294 50	310 00
Sale of business as a whole including liaison with legal advisers agents etc	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
Cash at Bank	0 00	0 00	0 00	2 50	0 00	2 50	625 00	250 00
Liaising with agents (general)	0 00	0 00	3 90	0 00	0 00	3 90	1,228 50	315 00
Sale of business post completion matters	0 35	0 00	0 00	0 00	0 00	0 35	218 75	625 00
Other	0 75	0 00	3 80	3 20	0 00	7 75	3,643 25	470 10
Trading								
Purchasing/suppliers (not landlord)	0 00	0 00	5 50	0 00	0 00	5 50	2,200 00	400 00
Accounting	0 00	0 00	3 00	0 00	0 00	3 00	1,200 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	12 50	0 00	0 00	12 50	5,000 00	400 00
Premises issues (inc landlord and site clearance)	0 00	0 00	5 00	0 00	0 00	5 00	2,000 00	400 00
Shutdown or handover	0 00	0 00	2 00	0 00	0 00	2 00	800 00	400 00
Creditors								
Floating charge creditors	0 00	0 00	0 00	0 20	0 00	0 20	62 00	310 00
RPO and ERA claims & tribunals	0 00	0 00	0 25	0 00	0 00	0 25	78 75	315 00
Employees & pension (other) (incl Jobcentre/CSA etc)	1 55	0 00	12 05	6 20	0 00	19 80	7,430 50	375 28
Crown (not RPO etc)	0 30	0 00	0 00	0 00	0 00	0 30	187 50	625 00
Unsecured creditors	96 25	0 50	73 25	326 30	75 25	571 55	214,004 50	374 43
Creditors committee	0 00	0 00	12 75	6 05	0 00	18 80	8,038 00	427 55
Client Money (CASS Obligations) & Regulatory Reporting (FCA, HMRC & FSCS)	0 00	0 00	26 00	0 00	0 00	26 00	10,400 00	400 00
Filing creditors	0 00	0 00	0 00	2 75	0 00	2 75	687 50	250 00
Director/manager review approval and signing	0 00	0 00	7 25	0 00	0 00	7 25	2,900 00	400 00

AML/Compliance							
AML - if done post appointment	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Corporate Tax							
Corporate Tax	0 00	1 75	0 00	0 00	0 00	1 75	673 75
Corporate Finance							
Corporate Finance	12 95	0 00	46 75	0 75	0 00	60 45	24,508 75
Forensics							
Forensics	1 00	0 00	19 25	23 95	0 00	44 20	12,351 75
Total	274 15	2 25	353 25	706 95	75 50	1,412 10	£553,332 25

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	0 00	0 00	48 25	0 00	0 00	48 25	10,976 88	227 50
Total	0 00	0 00	48 25	0 00	0 00	48 25	£10,976 88	£227 50

Breakdown of time spent by Smith & Williamson employees in relation to the Interchange claim

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			
Interchange Claim								
Interchange Claim	255 90	0 00	0 30	9 45	0 00	265 65	164,993 25	621 09
Total	255 90	0 00	0 30	9 45	0 00	265 65	£164,993 25	£621 09

Time incurred by employees of CMB Partners (UK) Limited

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administrative/Planning							
Statutory Reports & Returns	1 00	2 50	0 00	0 00	3 50	1625 00	464 29
Cashflow	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Job Planning & review	101 84	16 50	0 00	0 00	118 34	70250 00	593 63
Taxation	1 50	0 00	0 00	0 00	1 50	637 50	625 00
Company Records	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Agents/Advisors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Partner/Manager Review	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Other	10 80	7 50	0 00	0 00	18 30	9750 00	532 79
Sub-total	115 14	26 50	0 00	0 00	141 64	82,562 50	582 90
Investigations							
Directors Correspondence	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Books and Records Review	40 00	12 00	0 00	0 00	52 00	29 800 00	573 08
Legal Claims	0 00	0 00	0 00	0 00	0 00	0 00	0 00
CDOA 1986 Obligations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Asset Tracing/Searches	2 00	8 00	0 00	0 00	10 00	4 450 00	445 00
Other	371 50	27 00	0 00	0 00	398 50	242 087 50	809 78
Sub-total	413 50	47 00	0 00	0 00	460 50	277,237 50	602 04
Realisation of Assets							
Debt Collection	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Sale of Business	0 00	0 00	0 00	0 00	0 00	582 50	625 00
Cash at Bank	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Property	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Motor Vehicles	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Partner/Manager Review	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Other	12 00	0 00	0 00	0 00	12 00	7 500 00	625 00
Sub-total	12 00	0 00	0 00	0 00	12 00	8,082 50	625 00
Creditors							
Pension Schemes	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Secured Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Preferential Creditors/Employees	1 50	0 00	0 00	0 00	1 50	637 50	625 00
Unsecured Creditors	4 40	5 80	1 50	0 00	11 70	5 535 00	473 08
Shareholders	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors Committee	7 00	3 00	0 00	0 00	10 00	5 575 00	557 50
Sub-total	12 90	8 80	1 50	0 00	23 20	12,047 50	519 29
Trading							
On Site	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Employees	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Director meetings	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Invoicing	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Purchasing	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Other	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Sub-total	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total hours	554 44	82 30	1 50	0 00	638 24		
Total Time Costs	348 525 00	32 920 00	465 00	0 00		378,910 00	595

Lowcostaviation.com Limited time analysis from 15 July 2016 to 14 January 2017

Time incurred by employees of Smith & Williamson LLP

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	3 85	3 25	6 75	17 20	0 00	31 05	13,922 50	448 39
Initial post appointment notification letters, including creditors	0 00	1 55	0 00	3 05	0 00	4 60	2 066 75	449 29
Cashiering general including bonding	0 00	0 55	0 00	4 65	0 00	5 20	2,039 50	392 21
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	11 70	1 40	4 50	4 85	0 00	22 45	10 368 25	461 84
Post appointment taxation (VAT PAYE/NIC Corp Tax that are not trading related)	0 00	0 00	0 25	0 80	0 00	1 05	404 75	385 48
Insurance & general asset protection	0 00	0 00	0 30	0 00	0 00	0 30	141 00	470 00
Filing, file and information management	0 00	0 00	0 00	0 45	0 00	0 45	112 50	250 00
Pre appointment non creditor tax	0 00	0 00	0 50	0 00	0 00	0 50	312 50	625 00
Company searches	0 00	0 00	0 00	0 10	0 00	0 10	31 00	310 00
Filing Administration and planning	0 00	0 00	0 00	3 80	0 00	3 80	1 822 25	479 54
Director/manager review, approval and signing	0 65	0 50	0 50	0 15	0 00	1 80	1,037 50	576 39
Investigations								
Directors correspondence & conduct questionnaires	11 30	0 00	0 65	0 35	0 00	12 30	5 893 25	479 13
Statutory books and accounting records review	0 00	0 50	1 00	0 25	0 00	1 75	936 25	535 00
Investigation of legal claims	0 00	2 25	0 00	0 00	0 00	2 25	1,391 25	618 33
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	0 10	0 75	2 75	0 00	3 60	1 545 00	429 17
Cash at Bank	0 00	0 00	0 00	2 00	0 00	2 00	732 50	366 25
Other Creditors	0 00	0 00	0 15	0 00	0 00	0 15	47 25	315 00
Employees & pension (other) (Incl Jobcentre/CSA etc)	0 00	0 00	0 00	0 05	0 00	0 05	15 50	310 00
Unsecured creditors	3 85	2 30	1 00	0 40	0 00	7 55	4 370 25	578 84
Other	0 00	0 00	0 00	0 50	0 00	0 50	125 00	250 00
AML/Compliance								
AML if done post appointment	0 00	0 00	0 00	1 50	0 00	1 50	626 25	417 50
Total	31 35	12 40	16 35	42 85	0 00	102 95	£47,941 00	£465 67

Time incurred by employees of CMB Partners (UK) Limited

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Statutory Reports & Returns	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Cashiering	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Job Planning & review	0 00	5 50	0 00	0 00	5 50	2200 00	400 00
Taxation	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Company Records	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Agents/Advisors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Partner/Manager Review	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Other	1 20	2 40	0 00	0 00	3 60	1710 00	475 00
Sub-total	1 20	7 90	0 00	0 00	9 10	3,910 00	429 67
Investigations							
Directors Correspondence	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Books and Records Review	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Legal Claims	0 00	0 00	0 00	0 00	0 00	0 00	0 00
CDDA 1986 Obligations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Asset Tracing/Searches	0 00	0 00	0 00	0 00	0 00	0 00	0 00
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	6 70	7 90	0 00	0 00	14 60		
Total Time Costs	4,187 50	3,160 00	0 00	0 00		7,347 50	503

Lowcostbeds.com Limited time analysis from 15 July 2016 to 14 January 2017

Time incurred by employees of Smith & Williamson LLP

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	4 10	2 75	6 50	20 30	0 00	33 65	12,809 25	380 66
Initial post appointment notification letters, including creditors	0 00	1 55	0 00	2 90	0 00	4 45	1 712 75	384 89
Cashiering general including bonding	0 00	0 55	0 00	4 65	0 00	5 20	1,466 25	281 97
Job planning reviews and progression (inc 6 month reviews and planning meetings checklist & diary)	16 75	1 10	2 00	5 95	0 00	25 80	13,600 25	527 14
Post appointment taxation (VAT PAYE/NIC Corp Tax that are not trading related)	0 00	0 00	0 25	0 65	0 00	0 90	301 50	335 00
Filing file and information management	0 00	0 00	0 00	0 40	0 00	0 40	124 00	310 00
Pre appointment non creditor tax	0 00	0 00	0 50	0 00	0 00	0 50	200 00	400 00
Company searches	0 00	0 00	0 00	0 10	0 00	0 10	25 00	250 00
Filing Administration and planning	0 00	0 00	0 00	2 35	0 00	2 35	587 50	250 00
Director/manager review, approval and signing	0 65	0 50	0 25	0 15	0 00	1 55	815 25	525 97
Investigations								
Directors correspondence & conduct questionnaires	24 70	0 00	0 50	0 15	0 00	25 35	15,641 50	617 02
Statutory books and accounting records review	0 00	1 00	0 00	0 00	0 00	1 00	525 00	525 00
Investigation of legal claims	14 80	4 00	0 00	0 00	0 00	18 80	11,350 00	603 72
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	0 10	0 75	2 75	0 00	3 60	1,205 00	334 72
Realisation of assets								
Cash at Bank	0 00	0 00	0 00	1 25	0 00	1 25	312 50	250 00
Other	0 00	0 25	1 00	0 00	0 00	1 25	531 25	425 00
Creditors								
Employees & pension (other) (incl Jobcentre/CSA etc)	0 00	0 00	0 00	0 05	0 00	0 05	15 50	310 00
Crown (not RPO etc)	0 00	0 00	0 00	0 15	0 00	0 15	46 50	310 00
Unsecured creditors	1 20	0 40	0 00	0 30	0 00	1 90	1,053 00	554 21
Other	0 00	0 00	0 00	0 50	0 00	0 50	125 00	250 00
AML/Compliance								
AML if done post appointment	0 00	0 00	0 00	3 00	0 00	3 00	930 00	310 00
Corporate Tax								
Corporate Tax	0 00	3 75	0 00	0 00	0 00	3 75	1,121 75	299 13
Total	62 20	15 95	11 75	45 60	0 00	135 50	£64,498 75	£476 01

Time incurred by employees of CMB Partners (UK) Limited

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Statutory Reports & Returns	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Cashiering	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Job Planning & review	0 50	8 50	0 00	0 00	7 00	2912 50	418 07
Taxation	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Company Records	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Agents/Advisors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Partner/Manager Review	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Other	1 20	2 40	0 00	0 00	3 60	1710 00	475 00
Sub-total	1 70	8 90	0 00	0 00	10 60	4,622 50	438 08
Investigations							
Directors' Correspondence	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Books and Records Review	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Legal Claims	0 00	0 00	0 00	0 00	0 00	0 00	0 00
CDDA 1986 Obligations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Asset Tracing/Searches	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Other	5 50	0 00	0 00	0 00	5 50	3,437 50	825 00
Sub-total	5 50	0 00	0 00	0 00	5 50	3,437 50	825 00
Total hours	7 20	8 90	0 00	0 00	16 10		
Total Time Costs	4 500 00	3 560 00	0 00	0 00		8,060 00	501

Lowcostholidays Limited time analysis from 15 July 2016 to 14 January 2017

Time incurred by employees of Smith & Williamson LLP

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	4 10	3 25	6 75	20 00	0 00	34 10	13,063 50	383 09
Initial post appointment notification letters including creditors	0 00	1 55	0 00	2 90	0 00	4 45	1,637 75	368 03
Cashiering general, including bonding	0 00	0 30	0 00	6 20	0 00	6 50	1,753 75	269 81
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	15 00	2 15	5 60	5 40	0 00	28 15	14,169 75	503 37
Post appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0 30	0 00	1 25	1 55	0 00	3 10	1,126 00	363 23
Protection of company records (incl electronic)	0 00	0 00	0 50	0 00	0 00	0 50	157 50	315 00
Filing file and information management	0 00	0 00	0 00	0 40	0 00	0 40	124 00	310 00
Pre appointment non creditor tax	0 00	0 00	0 50	0 00	0 00	0 50	200 00	400 00
Company searches	0 00	0 00	0 00	0 10	0 00	0 10	25 00	250 00
Filing Administration and planning	0 00	0 00	0 00	4 50	0 00	4 50	1,125 00	250 00
Director/manager review approval and signing	0 90	0 50	0 25	0 15	0 00	1 80	972 25	540 14
Investigations								
Directors correspondence & conduct questionnaires	8 25	0 00	0 40	0 40	0 00	9 05	5,397 25	596 38
Statutory books and accounting records review	0 00	0 50	0 00	0 00	0 00	0 50	262 50	525 00
Investigation of legal claims	0 00	9 30	0 00	0 00	0 00	9 30	4,882 50	525 00
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	0 10	0 75	2 75	0 00	3 60	1 205 00	334 72
Realisation of assets								
Debtors not financed (includes reassigned debtors)	0 00	0 50	0 00	0 00	0 00	0 50	262 50	525 00
Cash at Bank	0 00	0 00	0 00	2 75	0 00	2 75	687 50	250 00
Other	0 00	2 00	1 00	0 00	0 00	3 00	1 450 00	483 33
Trading								
Shutdown or handover	0 00	0 00	1 00	0 00	0 00	1 00	400 00	400 00
Creditors								
Employees & pension (other) (Incl Jobcentre/CSA etc)	0 00	0 00	0 50	0 05	0 00	0 55	173 00	314 55
Unsecured creditors	0 35	3 05	0 70	9 60	0 00	13 70	4,924 75	359 47
Other	0 00	0 00	0 00	0 50	0 00	0 50	125 00	250 00
AML/Compliance								
AML if done post appointment	0 00	0 00	0 00	3 25	0 00	3 25	1,007 50	310 00
Corporate Tax								
Corporate Tax	0 00	2 35	0 00	0 00	0 00	2 35	904 75	385 00
Total	28 90	25 55	19 20	60 50	0 00	134 15	£56,036 75	£417 72

Time incurred by employees of CMB Partners (UK) Limited

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administration/Planning							
Statutory Reports & Returns	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Cashiering	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Job Planning & review	0 00	1 50	0 00	0 00	1 50	600 00	400 00
Taxation	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Company Records	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Agents/Advisors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Partner/Manager Review	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Other	1 20	2 40	0 00	0 00	3 60	1710 00	475 00
Sub-total	1 20	3 90	0 00	0 00	5 10	2 310 00	452 94
Investigations							
Directors Correspondence	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Books and Records Review	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Legal Claims	0 00	0 00	0 00	0 00	0 00	0 00	0 00
CDDA 1986 Obligations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Asset Tracing/Searches	0 00	0 00	0 00	0 00	0 00	0 00	0 00
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	6 70	3 90	0 00	0 00	10 60		
Total Time Costs	4,187 50	1 560 00	0 00	0 00		5 747 50	542

Lowcosttravelgroup Limited (in administration)

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

- 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 an agent forensic team in relation to preserving, downloading and imaging from the Companies' server on to a format in which it may be searched for our investigations
- Collecting the Companies' physical books and records, and organising storage of these records
- Preparing the administrators' proposals and other statutory reports
- 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
- Investigating circumstances which might give rise to claims against various parties and hence potential realisations of assets for the benefit of the creditors

Trading

This section is in relation to the evacuation of the Company's trading premises. The work includes the following

- Accounting
- Property issues

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

Creditors

- Dealing with correspondence from Creditors including both customers of the Company and trade and expense creditors

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

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 our compliance department

VII Fees and costs estimate

Lowcosttravelgroup Limited comparison between fees estimate and actual time costs from 15 July 2016 to 14 January 2017 and future estimate

Classification of work function	Time cost (£)		
	Estimate	Actual	Future
Administration and planning			
Statutory returns, reports & meetings	41,625 00	17,082 50	15,000 00
Initial post appointment notification letters, including creditors	5,950 00	2,646 50	0 00
Cashiering general, including bonding	4,740 00	13,229 20	8,500 00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	83,490 00	76,809 00	25,000 00
Post appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	21,026 00	2,900 00	3,000 00
Protection of company records (incl electronic)	2,975 00	1,755 00	0 00
Insurance & general asset protection	1,775 00	674 25	0 00
Travelling	0 00	1,546 50	0 00
Filing, file and information management	1,010 00	618 00	500 00
Pre appointment non creditor tax	0 00	400 00	0 00
Agents and advisers, general	6,310 00	3,220 00	2,000 00
Correspondence with joint liquidator	0 00	312 50	0 00
Pensions review and notification to the relevant bodies	5,045 00	0 00	0 00
Filing Administration and planning	750 00	5,561 75	3,000 00
Director/manager review, approval and signing	10,100 00	9,595 25	7,500 00
Other	0 00	187 50	0 00
Investigations			
Directors correspondence & conduct questionnaires	72,099 00	74,871 00	1,500 00
Creditor & shareholder complaints	3,345 00	0 00	0 00
Reporting to the Conduct Assessment Service	1,635 00	0 00	0 00
Reviewing directors conduct	5,290 00	0 00	0 00
Statutory books and accounting records review	25,455 00	676 50	500 00
Investigation of legal claims	10,170 00	7,972 50	30,000 00
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	4,510 50	0 00
Asset tracing (e g Land Registry and Company Searches)	45 00	236 25	0 00
Other	485 00	0 00	0 00
Realisation of assets			
Fixed charge Property (land and buildings)	0 00	126 00	0 00
Debtors not financed (includes reassigned debtors)	12,805 00	1,158 25	300 00
Other chattel assets	0 00	600 00	0 00
Cash at Bank	9,685 00	312 50	500 00
Liaising with agents (general)	0 00	904 00	1,000 00
Tax Refunds	8,705 00	0 00	0 00
Director/manager review, approval and signing	0 00	218 75	200 00
Other	0 00	1,045 75	0 00
Trading			
Purchasing/suppliers (not landlord)	0 00	2,700 00	0 00
Accounting	0 00	400 00	0 00
Insurances	0 00	1,000 00	0 00
Staff and payroll (inc PAYE/NIC for trading period)	0 00	2,400 00	0 00
Premises issues (inc landlord and site clearance)	2,050 00	2,500 00	2,000 00
Shutdown or handover	3,360 00	2,060 00	0 00

Creditors			
Fixed charge creditors	500 00	0 00	0 00
Floating charge creditors	41,240 00	156 25	0 00
HP & lease creditors	2,200 00	262 50	0 00
RPO and ERA claims & tribunals	18,740 00	5,929 00	7,500 00
Employees & pension (other) (Incl Jobcentre/CSA etc)	42,460 00	14,547 75	4,000 00
Crown (not RPO etc)	2,960 00	1,562 50	2,000 00
Unsecured creditors	28,685 00	27,845 75	20,000 00
Creditors (Case Specific 1)	0 00	2,400 00	2,000 00
Creditors (Case Specific 2)	0 00	400 00	0 00
Director/manager review, approval and signing	7,840 00	712 50	500 00
Other	0 00	3,950 00	0 00
Distributions			
Initial review and agreement of claims	2,290 00	0 00	0 00
Notices of intended dividend and claim adjudication	2,910 00	0 00	0 00
AML/Compliance			
AML - if done post appointment	0 00	372 50	0 00
Corporate Tax			
Corporate Tax	0 00	20,474 50	15,000 00
Corporate Finance			
Corporate Finance	0 00	24,122 50	0 00
Forensics			
Forensics	10,250 00	4,791 25	1,000 00
Total	£500,000 00	348,556 95	152,500 00

Lowcosttravelgroup Limited (in administration)
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *

	Historic Total	Accrued & Paid to date	Future Estimate	Current Overall Estimate	Difference
Estimated expenses applicable to all cases	Total	Total	Total	Total	Total
Specific bond	105 00	105 00	0 00	105 00	0 00
Statutory advertising costs	231 00	107 80	150 00	257 80	26 80
Search costs (HM Land Registry & Companies House)	0 00	0 00	10 00	10 00	10 00
Case specific costs - where applicable					
Security & other property costs	1,500 00	0 00	0 00	0 00	(1,500 00)
Insurance	6,000 00	7,582 91	0 00	7,582 91	1,582 91
Pensions - Smith & Williamson Financial Services Limited	5,000 00	3,053 25	2,000 00	5,053 25	53 25
Agents fees	5,000 00	57,438 00	0 00	57,438 00	52,438 00
Managers fees	150 00	101 28	0 00	101 28	(48 72)
Professional advisers fees	250,000 00	132,023 83	50,000 00	182,023 83	(67,976 17)
Legal fees	300,000 00	308,296 76	100,000 00	408,296 76	108,296 76
Legal disbursements	2 000 00	6,338 68	4,000 00	10,338 68	8,338 68
Counsel fees					
Corporate Finance - S&WFS	30,000 00	24,122 50		24,122 50	(5,877 50)
Storage costs	3,000 00	8,262 40		8,262 40	5,262 40
Bank charges	500 00	549 40	100 00	649 40	149 40
Business mileage	500 00	195 30	0 00	195 30	(304 70)
Total	£603,986 00	£548,177 11	£156,260 00	£704,437.11	£100,451 11

* Category 1 expenses, in accordance with Statement of Insolvency Practice 9 are specific costs payable to an independent third party and relate directly to the case in question. Category 2 expenses are payable to the office holder's firm and are shared or allocated costs, most notably business mileage.

Lowcostholidays Spain SL comparison between fees estimate and actual time costs from 21 July 2016 to 20 January 2017 and future estimate

Classification of work function	Time cost (£)		
	Estimate	Actual	Future
Administration and planning			
Statutory returns, reports & meetings	102,230 00	32,032 25	50,000 00
Initial post appointment notification letters, including creditors	8,035 00	1,212 50	0 00
Cashiering general, including bonding	10,316 00	11,565 75	14,000 00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	146,560 00	114,443 50	97,000 00
Post appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	25,475 00	601 50	3,500 00
Protection of company records (incl electronic)	2,850 00	2,005 25	975 00
Insurance & general asset protection	5,340 00	1,242 00	0 00
Filing, file and information management	2,020 00	2,700 00	4,000 00
Company searches	0 00	87 00	0 00
Agents and advisers, general	11,395 00	6,256 50	8,500 00
Pensions review and notification to the relevant bodies	5,045 00	0 00	0 00
Correspondence with joint liquidator	0 00	100 00	0 00
Filing Administration and planning	1,175 00	9,505 00	13,000 00
Director/manager review, approval and signing	11,070 00	10,868 50	14,000 00
Other	0 00	5,207 50	4,500 00
Investigations			
Directors correspondence & conduct questionnaires	147,739 00	39,501 75	6,000 00
Creditor & shareholder complaints	6,850 00	0 00	0 00
Statutory books and accounting records review	27,730 00	1,571 75	50,000 00
Reviewing directors conduct	19,515 00	0 00	8,750 00
Reporting to the Conduct Assessment Service	1,870 00	0 00	3,000 00
Investigation of legal claims	35,155 00	12,174 25	275,000 00
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	5,729 50	3,500 00
Asset tracing (e.g. Land Registry and Company Searches)	135 00	0 00	0 00
Enquiries of advisers	0 00	924 00	7,500 00
Other	970 00	1,662 00	20,000 00
Realisation of assets			
Debtors not financed (includes reassigned debtors)	24,345 00	294 50	900 00
Sale of business as a whole, including liaison with legal advisers agents etc	0 00	288 75	0 00
Cash at Bank	13,050 00	625 00	975 00
Liaising with agents (general)	0 00	1,228 50	4,500 00
Sale of business-post completion matters	0 00	218 75	0 00
Tax refunds	27,665 00	0 00	0 00
VAT (TOMS claim)	0 00	0 00	45,000 00
Other	0 00	3,643 25	0 00
Trading			
Purchasing/suppliers (not landlord)	0 00	2,800 00	0 00
Accounting	0 00	1,600 00	0 00
Insurances	0 00	800 00	0 00
Staff and payroll (inc PAYE/NIC for trading period)	0 00	6,600 00	0 00
Premises issues (inc landlord and site clearance)	10,670 00	2,000 00	0 00
Shutdown or handover	4,815 00	800 00	0 00

Creditors			
Fixed charge creditors	500 00	0 00	0 00
Floating charge creditors	26,820 00	62 00	0 00
HP & lease creditors	30,330 00	0 00	0 00
RPO and ERA claims & tribunals	12,460 00	78 75	5,500 00
Employees & pension (other) (Incl Jobcentre/CSA etc)	9,540 00	7,430 50	7,500 00
Crown (not RPO etc)	26,035 00	187 50	5,000 00
Unsecured creditors	187,600 00	214,004 50	195,500 00
Creditors committee	0 00	8,038 00	30,000 00
Creditors (Case Specific 1)	0 00	10,400 00	27,500 00
Filing- creditors	0 00	687 50	1,500 00
Director/manager review, approval and signing	31,735 00	2,900 00	6,000 00
Distributions			
Initial review and agreement of claims	2,580 00	0 00	3,200 00
Notices of intended dividend and claim adjudication	3,880 00	0 00	5,000 00
AML/Compliance			
AML if done post appointment	0 00	0 00	0 00
Corporate Tax			
Corporate Tax	0 00	673 75	2,550 00
Corporate Finance			
Corporate Finance	0 00	24,508 75	
Forensics			
Forensics	16,500 00	12,351 75	9,500 00
Total	£1,000,000 00	553,332 25	933,350 00

LowcostHolidays Spain, S.L. (limited in administration)
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *

	Historic Total	Accrued & Paid to date	Future Estimate	Current Overall Estimate	Difference
Estimated expenses applicable to all cases	Total	Total	Total	Total	Total
Specific bond	105 00	105 00	0 00	105 00	0 00
Statutory advertising costs	107 80	184 80	200 00	384 80	277 00
Search costs (HM Land Registry & Companies House)	0 00	0 00	10 00	10 00	10 00
Case specific costs - where applicable		0 00			
Insurance	261 00	260 11	0 00	260 11	(0 89)
Agents fees		0 00	0 00	0 00	0 00
Managers' fees	12,000 00	10,344 89	0 00	10,344 89	(1,655 11)
Professional advisers fees	100,000 00	60,239 60	20,000 00	80,239 60	(19,760 40)
Legal fees	250,000 00	343,577 17	50,000 00	393,577 17	143,577 17
Legal disbursements	50,000 00	17,547 74	10,000 00	27,547 74	(22,452 26)
Storage costs	200 00	0 00	1,000 00	1,000 00	800 00
Irrecoverable VAT	12,457 47	12,457 47	0 00	12,457 47	0 00
Bank charges	500 00	549 40	500 00	1,049 40	549 40
Business mileage	0 00	205 20	0 00	205 20	205 20
Total	£425,631 27	£445,471 38	£81,710 00	£527,181 38	£101,550 11

* Category 1 expenses, in accordance with Statement of Insolvency Practice 9 are specific costs payable to an Independent third party and relate directly to the case in question. Category 2 expenses are payable to the office holder's firm and are shared or allocated costs, most notably business mileage

Lowcostaviation.com Limited comparison between fees estimate and actual time costs from 15 July 2016 to 14 January 2017 and future estimate

Classification of work function	Time cost (£)		
	Estimate	Actual	Future
Administration and planning	14,420 00		
Statutory returns, reports & meetings	0 00	13,922 50	7,000 00
Initial post appointment notification letters, including creditors	0 00	2,066 75	0 00
Cashiering general, including bonding	0 00	2,039 50	1,200 00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	0 00	10,368 25	4,800 00
Post appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0 00	404 75	300 00
Insurance & general asset protection	0 00	141 00	0 00
Filing, file and information management	0 00	112 50	150 00
Pre appointment non creditor tax	0 00	312 50	0 00
Company searches	0 00	31 00	0 00
Filing - Administration and planning	0 00	1,822 25	800 00
Director/manager review, approval and signing	0 00	1,037 50	700 00
Other	0 00	0 00	0 00
Investigations	7,814 00		
Directors correspondence & conduct questionnaires	0 00	5,893 25	500 00
Statutory books and accounting records review	0 00	936 25	500 00
Investigation of legal claims	0 00	1,391 25	1,000 00
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	1,545 00	0 00
Realisation of assets	9,085 00		
Cash at Bank	0 00	732 50	50 00
Other	0 00	47 25	0 00
Creditors	8,281 00		
Employees & pension (other) (Incl Jobcentre/CSA etc)	0 00	15 50	0 00
Unsecured creditors	0 00	4,370 25	3,000 00
Other	0 00	125 00	0 00
AML/Compliance			
AML if done post appointment	0 00	626 25	0 00
Corporate Tax	400 00		
Corporate Tax		0 00	0 00
Total	£40,000 00	47,941 00	20,000 00

Lowcostaviation.com Limited (In administration)
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *

	Historic Total	Accrued & Paid to date	Future Estimate	Current Overall Estimate	Difference
Estimated expenses applicable to all cases	Total	Total	Total	Total	Total
Specific bond	105 00	105 00	0 00	105 00	0 00
Statutory advertising costs	107 80	107 80	200 00	307 80	200 00
Search costs (HM Land Registry & Companies House)	0 00	0 00	10 00	10 00	10 00
Case specific costs - where applicable					
Managers fees		101 28	0 00	101 28	101 28
Professional advisers fees		2,000 00	0 00	2,000 00	2,000 00
Legal fees	6,000 00	4,899 50	1,000 00	5,899 50	(100 50)
Legal disbursements		50 00	0 00	50 00	50 00
Irrecoverable VAT		7,797 48	0 00	7,797 48	7,797 48
Storage costs	50 00	0 00		0 00	(50 00)
Bank charges		0 40	2 00	2 40	2 40
Total	£6,262 80	£15,061 46	£1,212 00	£16,273 46	£10,010 66

* Category 1 expenses in accordance with Statement of Insolvency Practice 9 are specific costs payable to an independent third party and relate directly to the case in question. Category 2 expenses are payable to the office holder's firm and are shared or allocated costs, most notably business mileage.

Lowcostbeds.com Limited comparison between fees estimate and actual time costs from 15 July 2016 to 14 January 2017 and future estimate

Classification of work function	Time cost (£)		
	Estimate	Actual	Future
Administration and planning	11,188 00		
Statutory returns, reports & meetings		12,809 25	7,500 00
Initial post appointment notification letters, including creditors		1,712 75	0 00
Cashiering general, including bonding		1,466 25	1,200 00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary		13,600 25	6,500 00
Post appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)		301 50	175 00
Filing, file and information management		124 00	150 00
Pre appointment non creditor tax		200 00	0 00
Company searches		25 00	0 00
Filing Administration and planning		587 50	600 00
Director/manager review, approval and signing		815 25	600 00
Investigations	6,387 00		
Directors correspondence & conduct questionnaires		15,641 50	1,000 00
Statutory books and accounting records review		525 00	525 00
Investigation of legal claims		11,350 00	9,500 00
SIP2 and SIP4 obligations (inc CDDA86 forms)		1,205 00	0 00
Realisation of assets	2,835 00		
Cash at Bank		312 50	0 00
VAT (TOMS) tribunal		0 00	20,000 00
Other		531 25	0 00
Creditors	1,190 00		
Employees & pension (other) (Incl Jobcentre/CSA etc)		15 50	0 00
Crown (not RPO etc)		46 50	0 00
Unsecured creditors		1,053 00	1,250 00
Other		125 00	0 00
AML/Compliance			
AML if done post appointment		697 50	0 00
Corporate Tax	400 00		
Corporate Tax		1,121 75	1,000 00
Total	£22,000 00	64,266 25	50,000 00

Lowcostbeds.com Limited (in administration)
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *

	Historic Total	Accrued & Paid to date	Future Estimate	Current Overall Estimate	Difference
Estimated expenses applicable to all cases	Total	Total	Total	Total	Total
Specific bond	105 00	105 00	0 00	105 00	0 00
Statutory advertising costs	107 80	107 80	0 00	107 80	0 00
Search costs (HM Land Registry & Companies House)	0 00	0 00	10 00	10 00	10 00
Case specific costs - where applicable		0 00			
Security & other property costs	261 00	0 00	0 00	0 00	(261 00)
Legal fees (Nabarro LLP)	125,000 00	11,489 33		11,489 33	(113,510 67)
Legal Fees (Pinsent Masons LLP)	40,000 00	10,296 83		10,296 83	(29,703 17)
Legal disbursements		30,050 00		30,050 00	30,050 00
Counsel fees					
Storage costs	200 00	0 00		0 00	(200 00)
Bank charges	50 00	0 60	0 00	0 60	(49 40)
Total	£165,723 80	£52,049 56	£10 00	£52,059 56	(£113,664 24)

* Category 1 expenses, in accordance with Statement of Insolvency Practice 9 are specific costs payable to an independent third party and relate directly to the case in question. Category 2 expenses are payable to the office holder's firm and are shared or allocated costs, most notably business mileage.

Lowcostholidays Limited comparison between fees estimate and actual time costs from 15 July 2016 to 14 January 2017 and future estimate

Classification of work function	Time cost (£)		
	Estimate	Actual	Future
Administration and planning	11,188 00		
Statutory returns, reports & meetings		13,063 50	6,000 00
Initial post appointment notification letters, including creditors		1,637 75	0 00
Cashiering general, including bonding		1,753 75	1,500 00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary		13,569 75	6,000 00
Post appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)		1,126 00	1,000 00
Protection of company records (incl electronic)		157 50	0 00
Filing, file and information management		124 00	150 00
Pre appointment non creditor tax		200 00	0 00
Company searches		25 00	0 00
Filing Administration and planning		1,125 00	1,000 00
Director/manager review, approval and signing		972 25	850 00
Investigations	6,387 00		
Directors correspondence & conduct questionnaires		5,397 25	2,000 00
Statutory books and accounting records review		262 50	300 00
Investigation of legal claims		4,882 50	5,000 00
SIP2 and SIP4 obligations (inc CDDA86 forms)		1,205 00	0 00
Realisation of assets	2,835 00		
Debtors not financed (includes reassigned debtors)		262 50	0 00
Cash at Bank		687 50	200 00
VAT (Toms tribunal)		0 00	20,000 00
Other		1,450 00	0 00
Trading			
Shutdown or handover		400 00	0 00
Creditors	2,190 00		
Employees & pension (other) (incl Jobcentre/CSA etc)		173 00	0 00
Unsecured creditors		4,924 75	5,000 00
Other		125 00	0 00
AML/Compliance			
AML - if done post appointment		1,007 50	0 00
Corporate Tax	400 00		
Corporate Tax		904 75	1,000 00
Total	£23,000 00	55,436 75	50,000 00

LowcostHolidays Limited (in administration)					
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *					
	Historic Total	Accrued & Paid to date	Future Estimate	Current Overall Estimate	Difference
Estimated expenses applicable to all cases	Total	Total	Total	Total	Total
Specific bond	105 00	105 00	0 00	105 00	0 00
Statutory advertising costs	107 80	107 80	0 00	107 80	0 00
Search costs (HM Land Registry & Companies House)	0 00	0 00	10 00	10 00	10 00
Case specific costs - where applicable					
Security & other property costs	261 00	0 00	0 00	0 00	(261 00)
Professional advisers fees		2,000 00		2 000 00	2,000 00
Legal fees (Habarro LLP)	125,000 00	464 50		464 50	(124,535 50)
Legal Fees (Pinsent Masons LLP)	40,000 00	34,450 48		34,450 48	(5,549 52)
Legal disbursements		2,550 00		2,550 00	2,550 00
Counsel fees					
Storage costs	50 00	0 00		0 00	(50 00)
Bank charges		0 40	0 00	0 40	0 40
Total	£165,523 80	£39,678 18	£10 00	£39,688 18	(£125,835 62)

* Category 1 expenses, in accordance with Statement of Insolvency Practice 9 are specific costs payable to an independent third party and relate directly to the case in question. Category 2 expenses are payable to the office holder's firm and are shared or allocated costs most notably business mileage

Explanation of additional work undertaken in comparison to historic estimate

The material differences between our original estimates and what has actually been incurred over all 5 Companies can be explained as follows

Administration and planning

Administration and planning has been underestimated due to the following reasons

- Work involving the Company's Tax affairs was more complex
- 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 an agent forensic team in relation to preserving, downloading and imaging from the Companies' server on to a format in which it may be searched for our investigations
- Collecting the Companies' physical books and records, and organising storage of these records
- Preparing the administrators' proposals and other statutory reports
- 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

Additional work has been required regarding investigations into numerous areas including,

- Interchange claim
- VAT (TOMS tribunals)
- Potential TLR claims
- Investigation of the directors conduct
- Investigating circumstances which might give rise to claims against various parties and hence potential realisations of assets for the benefit of the creditors

This work will continue throughout the course of the administration over all 5 Companies. It is possible that this work will provide a financial benefit to creditors

Creditors

- Due to the vast number of customers involved in this case, it has involved a considerable amount of time and expense in dealing with creditor and customer queries
- Due to the volume of correspondence received from creditors, additional members of staff have been assisting on the case to ensure that creditors receive responses from the administrators
- Work involving creditors will continue throughout the course of the administration. This work includes communicating with creditors, dealing with HMRC claims and dealing with employee matters that remain outstanding

Corporate Finance

Our Corporate Finance team have been assisting on the realisation of assets aspect of the case. The work that they have done includes:

- 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

VIII 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 including S&WFS
 - Disbursement recovery
- Smith & Williamson LLP's and S&WFS' 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 pensions 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 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

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the administrators' remuneration was approved. Charge out rates for S&WFS were also provided to creditors at the time the basis of their fees was approved.

The rates applicable to this appointment are set out below. There have been no changes to the charge out rates during the period of this report.

Smith & Williamson LLP	London office	Regional offices
Restructuring & Recovery Services	£/hr	£/hr
Charge out rates as at 1 July 2016		
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

Corporate Tax	Per hour
Charge out rates	£
Partner/Director	465-585
Associate Director	385
Manager	205 - 330
Administrator	95 - 170

Forensics	From 1/7/15	From 1/7/16
Charge out rates	£/hr	£/hr
Partner/Director	290-370	300-380
Manager	160-350	165-400
Administrator	80-120	80-125

Corporate Finance	Per hour
Charge out rates	£
Partner	625
Senior Manager	350
Other professional staff	250-525

www.smithandwilliamson.com

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

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