

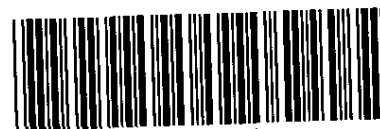
# LIQ03

## Notice of progress report in voluntary winding up



Companies House

FRIDAY



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A24

20/09/2019

#171

COMPANIES HOUSE

### 1 Company details

Company number 0 4 3 7 1 9 2 0

Company name in full Lowcostholidays Limited

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

### 2 Liquidator's name

Full forename(s) Finbarr Thomas

Surname O'Connell

### 3 Liquidator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

### 4 Liquidator's name ①

Full forename(s) Henry Anthony

Surname Shinnars

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

### 5 Liquidator's address ②

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

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

# Continuation page

Name and address of insolvency practitioner

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

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

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

## 1 Appointment type

Tick to show the nature of the appointment:

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

① You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14,  
- WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)

Colin

Surname

Hardman

## 3 Insolvency practitioner's address

Building name/number

25 Moorgate

Street

London

Post town

EC2R 6AY

County/Region

Postcode

Country

# Continuation page

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- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)

Lane

Surname

Bednash

## 3 Insolvency practitioner's address

Building name/number 37 Sun Street

Street

Post town

London

County/Region

Postcode

E C 2 M 2 P L

Country

# LIQ03

## Notice of progress report in voluntary winding up

### 6 Period of progress report

|           |                |                |                |                |                |                |                |                |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| From date | <sup>d</sup> 2 | <sup>d</sup> 4 | <sup>m</sup> 0 | <sup>m</sup> 7 | <sup>y</sup> 2 | <sup>y</sup> 0 | <sup>y</sup> 1 | <sup>y</sup> 8 |
| To date   | <sup>d</sup> 2 | <sup>d</sup> 3 | <sup>m</sup> 0 | <sup>m</sup> 7 | <sup>y</sup> 2 | <sup>y</sup> 0 | <sup>y</sup> 1 | <sup>y</sup> 9 |

### 7 Progress report

☒ The progress report is attached

### 8 Sign and date

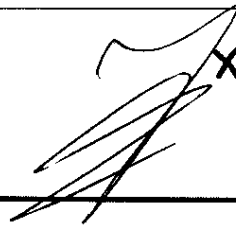
Liquidator's signature

Signature

X

Signature date

|                |                |                |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <sup>d</sup> 1 | <sup>d</sup> 8 | <sup>m</sup> 0 | <sup>m</sup> 9 | <sup>y</sup> 2 | <sup>y</sup> 0 | <sup>y</sup> 1 | <sup>y</sup> 9 |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|

 X

LIQ03

Notice of progress report in voluntary winding up



**Presenter information**

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

|               |                            |
|---------------|----------------------------|
| Contact name  | Clare Lloyd                |
| Company name  | Smith & Williamson LLP     |
|               |                            |
| Address       | 25 Moorgate                |
|               | London                     |
|               |                            |
| Post town     | EC2R 6AY                   |
| County/Region |                            |
| Postcode      |                            |
| Country       |                            |
| px            | 119507 Finsbury Square EC2 |
| Telephone     | 020 7131 4000              |



**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



**Important information**

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



**Where to send**

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

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



**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)



Lowcosttravelgroup Limited  
Lowcostholidays Spain, S.L.  
Lowcostaviation.com Limited  
Lowcostbeds.com Limited  
Lowcostholidays Limited  
(all in creditors' voluntary  
liquidation)

Joint liquidators' annual progress report

18 September 2019



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# Contents

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# 1. Glossary

| Abbreviation                      | Description  |
|-----------------------------------|--|
| the Companies                     | <p>UK Companies: Lowcosttravelgroup Limited (“LCTG”)<br/>Lowcostaviation.com Limited (“Aviation”)<br/>Lowcostbeds.com Limited (“Beds.com Ltd”)<br/>Lowcostholidays Limited (“Holidays Ltd”)</p> <p>Spanish Company: Lowcostholidays Spain, S.L. (“Spain S.L.”)</p> <p>Also known collectively as “the Group”</p> |
| the liquidators/joint liquidators | 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>   |
| IR16                              | <p>Insolvency (England and Wales) Rules 2016</p> <p>If preceded by R this denotes a rule number</p>  |
| IR86                              | <p>Insolvency Rules 1986, as revoked by IR16</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  |



## 2. Introduction and Summary

This report provides an update on the progress of the liquidations of the Companies for the period ended 23 July 2019 in respect of the UK Companies and 2 September in respect of Spain S.L. and 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, Craftwork Studios, 1-3 Dufferin Street, London, EC1Y 8NA were appointed liquidators of the Company on 24 July 2018 following exit from administration.

Creditors will be aware that we were appointed joint liquidators following exit from Administration. Our final progress report in the administration covered the period ended 30 June 2018 and, from that date to the dates of our appointment as joint liquidators of the Companies, nothing arose.

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

## 3. Realisation of assets

Attached at Appendix III is our receipts and payments account for the final period of the administration being from 1 July 2018 to 23 July 2018 for the UK Companies and 1 July 2018 to 3 September 2019 for Spain S.L..

Also attached at Appendix IV is our receipts and payments account for the first year of the liquidation being from 24 July 2018 to 23 July 2019 for the UK Companies and 3 September 2018 to 2 September 2019 for Spain S.L..

### 3.1 Assets still to be realised

#### 3.1.1 HMRC VAT TOMS

Prior to the Companies' insolvencies, Beds.com Ltd and Holidays Ltd had an outstanding claim against HMRC in respect of VAT recoveries in the region of £3m. Pinsent Masons LLP had been engaged by the directors to represent Beds.com Ltd and Holidays Ltd in this matter and was subsequently retained to continue to act on behalf of the former joint administrators, now joint liquidators.

The First Tier Tribunal ("FTT") was held in late May 2017 and judgement was passed in favour of Beds.com Ltd and Holidays Ltd on all points presented. £986,484 was paid out to Holidays Ltd in October 2017 in respect of pre 2011 VAT, sums which HMRC conceded on. The continuing action is in respect of post 2011 VAT for Holidays Ltd and Beds.com. This amounts to approximately £2.1million. In March 2018, HMRC confirmed that they have not sought permission to appeal the UK law decision, leaving HMRC's application for permission for a reference to the EU courts to be determined. A hearing was held in November 2018, to determine whether HMRC can refer the case before the European Courts and a decision which found in favour of Beds.com Ltd and Holidays was released on 12 March 2019.

In May 2019, the joint liquidators were made aware that HMRC had made an application to the FTT for permission to appeal this decision to the Upper Tribunal ("UT"), which has very recently been granted. HMRC have until 2 October 2019 to submit their notice of appeal to the UT. As a consequence, this matter remains ongoing.

#### 3.1.2 Intercompany loans/Investments in subsidiaries

Recoveries in respect of the intercompany loans will be dealt with at such time that any distributions are made in the liquidations of the Companies. It should be noted that the intercompany loans constitute a significant percentage of the unsecured debts of the Group.

#### 3.1.3 Cash at bank

The joint liquidators have recently been made aware that there may be cash held in foreign currency bank accounts, with overseas banking institutions, in respect of Beds.com Ltd and LCTG. We are currently

corresponding with the banks in question in order to confirm the quantum of any funds held and facilitate the transfer of these monies to the respective liquidation accounts.

## 4. Investigations

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

We complied with our duty in this regard in the preceding administration. Our investigations in this regard have not revealed any issues requiring further reporting. As all submissions are strictly confidential we are unable to disclose their content.

The joint liquidators have continued to conduct a detailed investigation into the circumstances leading to the Companies' insolvencies and are reviewing possible actions that may be taken, under relevant insolvency legislation, to recover funds to the estates for the benefit of the Companies' creditors. Due to the complexity of the investigations and the exceptional volume of material that had to be examined this has necessarily taken some time.

The joint liquidators' investigation remains confidential, however the joint liquidators have now reached a stage in their investigations where we will be discussing potential actions to be taken with the Creditors' Committee on Spain S.L. and the majority creditor across the Companies, JP Morgan, to ensure that the outcome of any litigation is cost-beneficial to the creditors as a whole. It is expected that these discussions will take place shortly, following which the joint liquidators can make a decision as to which claims, if any, should be pursued.

## 5. Creditors

Please note that, where creditors have submitted claims in foreign currency, they have been converted to £Sterling at the rate of:

- €0.83879 for the UK Companies
- €0.83798 for Spain S.L.,

being the exchange rate at the commencement date of the administrations. If any creditor considers the rate to be unreasonable, they may apply to court for determination.

### 5.1 Secured creditors

Lloyds Banking Group ("Lloyds") 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. Lloyds have submitted their claim in the administrations of £564,367.

### 5.2 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 the satisfaction of the claims of any holder of a debenture secured by a floating charge. The funds are referred to as the Prescribed Part.

The Companies have not granted a qualifying floating charge and the Prescribed Part requirements do not, therefore, apply.

### 5.3 Preferential creditors

We set out below a summary of preferential claims received:

| Preferential creditor                                 | SOA<br>claims<br>£ | Claims<br>received<br>£ |
|---|--------------------|-------------------------|
| Employee claims                                       | 144,000            | Nil                     |
| Department for Business, Energy & Industrial Strategy | Nil                | 73,242                  |
| <b>Total</b>  | <b>144,000</b>     | <b>73,242</b>           |

The joint liquidators are hopeful that there will eventually be sufficient funds to declare a dividend to unsecured creditors, should LCTG and/ or Spain S.L. be in a position to pay such a dividend, the preferential claims will be settled in full.

## 5.4 Unsecured creditors

Dependent on the outcome of the ongoing investigation into the circumstances leading to the Companies' insolvent positions, it is expected that possible future realisations could give rise to a dividend in some or all of the Group companies. The timing and quantum of any such dividend cannot be determined at this juncture.

A summary of unsecured claims received and agreed is set out below:

|   |                      | SOA<br>claims<br>£ | Intercompany<br>Creditors<br>£ | Claims<br>received<br>£ | Claims<br>agreed<br>£ |
|---|----------------------|--------------------|--------------------------------|-------------------------|-----------------------|
| Lowcosttravelgroup Ltd (in administration)        | Amount of claims (£) | 50,107,380         | 46,467,016                     | 145,696,200             | Nil                   |
|   | Number of claims     |                    |                                | 90                      |                       |
| Lowcostonholidays Spain, S.L. (in administration) | Amount of claims (£) | 289,078,580        | 272,428,950                    | 363,465,144             | Nil                   |
|   | Number of claims     |                    |                                | 82                      |                       |
| Lowcostaviation.com Ltd (in administration)       | Amount of claims (£) | 7,038,644          | 6,691,565                      | 76,790,603              | Nil                   |
|   | Number of claims     |                    |                                | 5                       |                       |
| Lowcostbeds.com Ltd (in administration)           | Amount of claims (£) | 2,145,679          | 2,120,595                      | 72,487,105              | Nil                   |
|   | Number of claims     |                    |                                | 6                       |                       |
| Lowcostonholidays Ltd (in administration)         | Amount of claims (£) | 126,710,941        | 122,324,396                    | 193,447,293             | Nil                   |
|   | Number of claims     |                    |                                | 11                      |                       |

Adjudication of unsecured claims will be undertaken at such time that a dividend has been confirmed.

The credit card acquirer dealing with the Group has submitted a claim for £69,533,671 in each of the liquidations and this is included in the figures above.

We are aware, however, that despite receiving a large number of customer claims against Spain S.L. (which have not been 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 have continued to provide creditors with support to assist with this refund process. The value of these claims is included in the claim of the credit card acquirer mentioned above.

## 6. Liquidators' remuneration

During the administration period, the creditors of 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 administrations. This approval 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 Beds.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 time costs plus 30%.

A further fee resolution was passed at the original creditors' meetings for LCTG and Spain S.L. in respect of any actions relating to the Interchange matter, 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 Interchange realisations in this matter, i.e. the identical contingent basis upon which the solicitors agreed 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 of Spain S.L.. This approval was obtained following the joint administrators providing a fees' and expenses' estimate and the creditors' committee granting approval at a meeting held on 17 October 2016.

The joint administrators requested an increase to their original fee estimate from £1million to £1.5million with regard to Spain S.L., which was duly agreed by the creditors' committee on 30 January 2017.

The above fee resolutions remain valid for the period of the liquidation and further fee approval will not be sought from the creditors of the Companies unless they wish to draw funds in excess of the previously agreed fee estimates, outlined above.

The liquidators' time costs are:

| The Company  | Period                               | Total<br>hours<br>hrs | Total<br>costs<br>£ | Average<br>hourly rate<br>£/hr | Fees<br>drawn<br>£ |
|--------------|--------------------------------------|-----------------------|---------------------|--------------------------------|--------------------|
| LCTG         | 24 July 2018 to 23 July 2019         | 126                   | 43,282              | 453                            | Nil*               |
| Spain S.L.   | 3 September 2018 to 2 September 2019 | 145                   | 64,362              | 521                            | Nil**              |
| Aviation     | 24 July 2018 to 23 July 2019         | 14                    | 4,621               | 473                            | Nil                |
| Beds.com Ltd | 24 July 2018 to 23 July 2019         | 21                    | 7,516               | 484                            | Nil                |
| Holidays Ltd | 24 July 2018 to 23 July 2019         | 26                    | 9,532               | 489                            | Nil                |

\* No fees have been drawn against the joint liquidators' costs of £43,282 on LCTG, however, as detailed within the joint liquidators' receipts and payments account at Appendix IV, the sum of £48,550 has been drawn against the fees incurred during the administration period.

\* No fees have been drawn against the joint liquidators' costs of £64,362 on Spain S.L., however, as detailed within the joint liquidators' receipts and payments account at Appendix IV, the sum of £149,323 has been drawn against the fees incurred during the administration period.

Attached as Appendix V, is a time analysis which provides details of the activity costs incurred by staff grade during the final period of the administration; between the joint administrators' final report and the commencement of the liquidations of the Companies in respect of the costs fixed by reference to time properly spent by the liquidators and their staff.

Also attached as Appendix VI, is a time analysis for the liquidation period from 24 July 2018 to 23 July 2019 in respect of the UK Companies and from 3 September 2018 to 2 September 2019 in respect of Spain S.L. which provides details of the liquidators' time costs since appointment. No fees have been drawn on account of these costs.

The joint liquidators' costs to date in respect of all Companies are detailed above and a comparison to our estimate provided in our last progress report and details of estimated future fees can be found at section 8.

Due to insufficient funds, the joint administrators do not consider it appropriate to seek additional fee approval at present. Any sum in excess of the original approved estimated time costs will not be recovered by the joint liquidators without the relevant authority being granted by the creditors of the Companies.

Please note that these estimates are based on present information and may change due to unforeseen circumstances arising. As the fees estimate has been 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.

A detailed narrative explanation of these costs can be found in the 'Outstanding matters' section of this report.

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 preparing and issuing the joint liquidators' annual progress reports.

A copy of "A Creditor's Guide to Liquidator's Fees" can be downloaded free of charge from the ICAEW's website at the following address:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>

Alternatively, a hard copy is available on request, free of charge.

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix VII. On a general note, please be aware that the charge out rates are subject to an annual review.

## 6.1 Smith & Williamson Employee Benefit Consultants, a division of Smith & Williamson Financial Services Limited (S&WFS)

S&WFS, a company associated with Smith & Williamson LLP, has dealt with the Company's pension affairs. Payments to parties in which liquidators or their firm have an interest are classified as Category 2 disbursements in SIP 9, referred to above, and must be disclosed to and approved by creditors or the Creditors' Committee, where appropriate.

S&WFS' remuneration was approved on a time costs basis by the creditors of the UK Companies and the creditors' committee for Spain S.L.. S&WFS' time costs in respect of LCTG for the reporting period to 23 July 2019 are £4,222. This represents 10 hours at an average rate of £433 per hour. No fees have been paid on account of these costs.

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

# 7. Liquidation expenses

## 7.1 Subcontractors

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

## 7.2 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:

| Name of professional adviser            | Basis of fee arrangement      | Costs incurred in current period<br>£ | Costs paid in current period<br>£ | Total costs outstanding at period end<br>£ |
|---|-------------------------------|---------------------------------------|-----------------------------------|--|
| Roger Parks Consultants                 | Hourly rate and disbursements | 6,231                                 | 6,231                             | Nil  |
|   |                               | 39                                    | 39                                | Nil  |
| CMS Cameron McKenna Nabarro Olswang LLP | Hourly rate and disbursements | Nil                                   | 3,508*                            | Nil  |
| Tonucci & Partners                      | Hourly rate and disbursements | 481                                   | 481                               | Nil  |
| <b>Total</b>                            |                               | <b>6,751</b>                          | <b>10,259</b>                     | <b>Nil</b>                                 |

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

\* These costs were incurred in the administration period.

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

| Name of professional adviser                           | Basis of fee arrangement      | Costs incurred in current period<br>£ | Costs paid in current period<br>£ | Total costs outstanding at period end<br>£ |
|--|-------------------------------|---------------------------------------|-----------------------------------|--|
| Roger Parks Consultants                                | Hourly rate and disbursements | 11,077                                | 11,077                            | Nil  |
| CMS Cameron McKenna Nabarro Olswang LLP (Legal advice) | Hourly rate and disbursements | 28,042                                | 36,130*                           | Nil  |
|  |                               | Nil                                   | Nil                               | Nil  |
| Mr O T Lowry (Notary Fees)                             | Hourly rate and disbursements | 1,309                                 | 1,309                             | Nil  |
|  |                               | 36                                    | 36                                | Nil  |
| <b>Total</b>   |                               | <b>40,464</b>                         | <b>48,552</b>                     | <b>Nil</b>                                 |

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

\*£8,088 of these costs were incurred during the administration period.

The following professional advisers were used for Spain S.L. Euro Account:

| Name of professional adviser | Basis of fee arrangement      | Costs incurred in current period<br>€ | Costs paid in current period<br>€ | Total costs outstanding at period end<br>€ |
|------------------------------|-------------------------------|---------------------------------------|-----------------------------------|--|
| Alalia Asesores SL           | Hourly rate and disbursements | 484                                   | 484                               | Nil  |
| Garrigues SLP                | Hourly rate and disbursements | 4,840                                 | 4,840                             | Nil  |
|                              |                               | 4                                     | 4                                 | Nil  |
| <b>Total</b>                 |                               | <b>5,328</b>                          | <b>5,328</b>                      | <b>Nil</b>                                 |

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

The following professional advisers were used for Holidays Ltd:

| Name of professional adviser            | Basis of fee arrangement      | Costs incurred in current period<br>£ | Costs paid in current period<br>£ | Total costs outstanding at period end<br>£ |
|---|-------------------------------|---------------------------------------|-----------------------------------|--|
| CMS Cameron McKenna Nabarro Olswang LLP | Hourly rate and disbursements | Nil                                   | 2,508*                            | Nil  |
| Pinsent Masons LLP                      | Capped fee                    | 3,125                                 | 3,125                             | Nil  |
| <b>Total</b>                            |                               | <b>3,125</b>                          | <b>5,634</b>                      | <b>Nil</b>                                 |

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

\*These costs were incurred during the administration period.

### 7.3 Liquidators' disbursements

We have paid and/or incurred the following disbursements in the current period in respect of LCTG:

| Description   | Incurred in current period<br>£ | Paid in current period<br>£ | Total costs outstanding at period end<br>£ |
|---------------|---------------------------------|-----------------------------|--|
| Storage costs | 1,639                           | 1,639                       | Nil  |
| <b>Total</b>  | <b>1,639</b>                    | <b>1,639</b>                | <b>Nil</b>                                 |

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

We have paid and/or incurred the following disbursements in the current period in respect of Spain S.L:

| Description       | Incurring in<br>current period<br>£ | Paid in<br>current period<br>£ | Total costs<br>outstanding at<br>period end<br>£ |
|-------------------|-------------------------------------|--------------------------------|--|
| Travel            | 1,316                               | 1,316                          | 1,316  |
| Subsistence       | 93                                  | 93                             | 93   |
| Network costs     | 846                                 | 846                            | 846  |
| Postage & Courier | 34                                  | 34                             | 34   |
| <b>Total</b>      | <b>2,289</b>                        | <b>Nil</b>                     | <b>2,289</b>                                     |

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

#### 7.4 Category 2 disbursements

No category 2 disbursements have been incurred during the period.

#### 7.5 Policies regarding use of third parties and disbursement recovery

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

## 8. Outstanding matters

The remaining actions to be concluded in the liquidation are as follows:

#### **TOMS VAT Tribunal**

As detailed in section 3.1.1, the joint liquidators are continuing to pursue these claims as they potentially provide a financial benefit to the estates of Beds.com Ltd and Holidays Ltd. This work will include attending further court hearings and the preparation of all statutory documents and witness statements. This remaining action is specific to Holidays Ltd and Beds.com.

#### **General administration and planning**

Some work conducted by the joint liquidators and their staff must be done in order to comply with statutory obligations and internal compliance requirements. This work includes general case maintenance, reporting to creditors, conducting case reviews and time incurred by cashiers.

#### **Intercompany realisations**

The joint liquidators are continuing to pursue the realisation of intercompany debts as detailed at section 3.1.2 of this report. The viability of realisations being made in respect of these intercompany debts is dependent upon the success of any potential actions being taken in respect of the joint liquidators investigations. If realisations are made, this will provide a direct financial benefit to the creditors of each respective company.

#### **Investigation**

This includes the work undertaken by the joint liquidators and their staff in respect of the ongoing investigations across the Group. As detailed at section 4 of this report, it is expected that a decision on which, if any claims, are pursued by the liquidators will take place shortly. Should any of these claims prove successful, this work will provide a direct financial benefit to the creditors of the companies who initiate the claims.



#### Distribution to creditors (if applicable)

The joint liquidators can confirm that they expect that there will be a distribution to the unsecured creditors of Holidays Ltd. We are continuing to work to realise assets in all other Group Companies for the purposes of declaring dividends in as many of the Group Companies as possible. Ultimately, further distributions are dependent upon the finalisation of outstanding matters detailed above. At such time that a dividend is declared, the joint administrators and their staff will incur some time dealing with the adjudication of claims and the distribution itself. This may include having to deal with HMRC regarding certain tax deductions.

#### Conclusion of the liquidations

At the appropriate time, once the joint liquidators are satisfied that they have realised all available assets, discharged all costs and distributed funds to the creditors of the respective companies (if applicable), the closure of the liquidation will commence. At this point, a final report is required to be issued to all creditors of the Companies.

As a reminder the current approved cumulative fee estimate for their time costs for each of the Companies is as follows:

- LCTG - £500,000
- Spain S.L. - £1,500,000
- Aviation - £40,000
- Beds.com Ltd - £75,000
- Holidays Ltd - £50,000

To date, the following fees have been drawn against the authorised fee estimates:

- LCTG - £438,525
- Spain S.L. - £1,164,647
- Aviation - £25,244
- Beds.com Ltd - £13,734
- Holidays Ltd - £22,728

The table below highlights the difference between the estimated costs to be incurred and the actual costs incurred across the Companies. Further fee approval will be obtained in respect of each of the Companies, when appropriate.

| Entity       | administrators'<br>fee estimate<br>£ | Total costs<br>incurred in<br>administration<br>£ | Total costs<br>incurred in<br>liquidation<br>£ | Total costs<br>incurred<br>£ | Difference<br>£ |
|--------------|--------------------------------------|---|--|------------------------------|-----------------|
| LCTG         | 1,000,000                            | 598,933   | 43,282   | 642,215                      | (357,785)       |
| Spain S.L.   | 1,500,000                            | 1,334,700   | 64,362   | 1,399,062                    | (100,938)       |
| Aviation     | 100,000                              | 86,420  | 4,621  | 91,041                       | (8,959)         |
| Beds.com Ltd | 155,000                              | 115,175   | 7,516  | 122,691                      | (32,309)        |
| Holidays Ltd | 165,000                              | 131,742   | 9,532  | 141,274                      | (23,726)        |

At present, there are insufficient fees across the Group to justify the joint liquidators seeking further fee approval (with the exception of Holidays Ltd). The joint liquidators will not draw additional fees without further recourse to the creditors of the Companies, or the Creditors' Committee, where appropriate.

The joint liquidators expect that the following fees will be incurred going forward:

| Entity       | Total costs incurred<br>in liquidation<br>£ | Future estimated<br>costs<br>£ | Total estimated<br>costs<br>£ |
|--------------|---|--------------------------------|-------------------------------|
| LCTG         | 43,282                                      | 156,718                        | 200,000                       |
| Spain S.L.   | 64,362                                      | 185,638                        | 250,000                       |
| Aviation     | 4,621                                       | 15,379                         | 20,000                        |
| Beds.com Ltd | 7,516                                       | 42,484                         | 50,000                        |
| Holidays Ltd | 9,532                                       | 40,468                         | 50,000                        |

Please note that these fee estimates assume that the joint liquidators proceed with pursuing any potential actions that have arisen from their investigations.

## 9. Privacy and Data Protection

As part of our role as joint liquidators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rsgdpr>. If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact Camilla Mulholland of our office if you believe this applies.

## 10. 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 liquidators 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 liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the liquidators, 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:

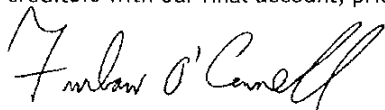
i) Email: [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk)

ii) Telephone number: +44 300 678 0015

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

## 11. Next report

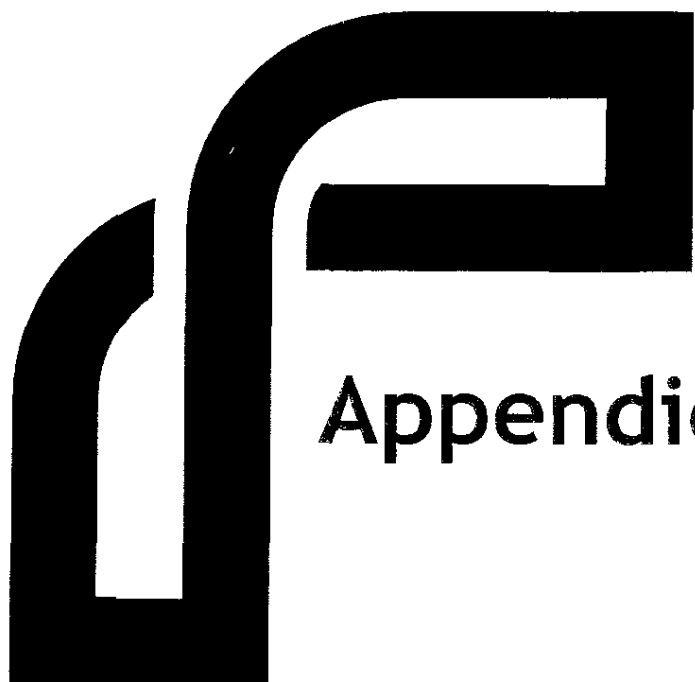
We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors with our final account, prior to vacating office.



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

Joint Liquidators

Date: 18 September 2019



# Appendices

# I Statutory information

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## 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<br>(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 Liquidators   | 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<br>(IP Nos 7931, 9280, 16774 and 8882) |
| Date of Appointment | 24 July 2018   |

## Lowcostonholidays Spain, S.L.

|                      |  |
|----------------------|--|
| Relevant Court       | High Court of Justice  |
| Court Reference      | CR2016 - 004200 of 2016  |
| Trading Name         | Lowcostonholidays  |
| 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<br>(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<br>(IP Nos 7931, 9280, 16774 and 8882) |
| Date of Appointment  | 3 September 2018   |

## 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<br>Trail Around Limited - changed on 1 February 2006  |
| Registered Office   | 25 Moorgate, London, EC2R 6AY<br>(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 Liquidators   | 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<br>(IP Nos 7931, 9280, 16774 and 8882) |
| Date of Appointment | 24 July 2018   |

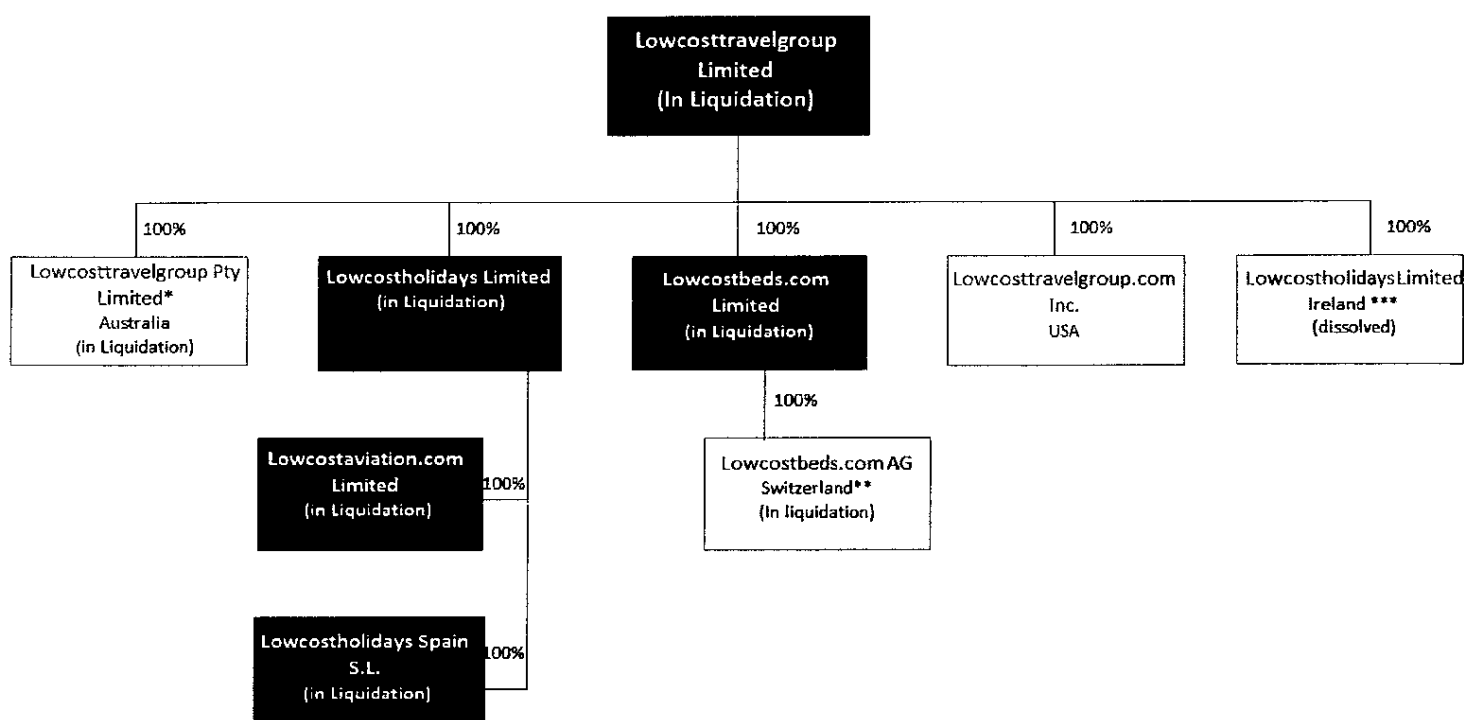
## Lowcostbeds.com Limited

|                     |  |
|---------------------|--|
| 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<br>(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 Liquidators   | 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<br>(IP Nos 7931, 9280, 16774 and 8882) |
| Date of Appointment | 24 July 2018   |

## Lowcostholidays Limited

|                      |  |
|----------------------|--|
| Relevant Court       | High Court of Justice  |
| Court Reference      | CR2016 004078 of 2016  |
| Trading Addresses    | Spectrum House, Beehive Ring Road, London Gatwick Airport, RH6 0LG   |
| Former Names         | Lowcosttravelgroup Limited - changed on 19 January 2009<br>Lowcostbeds.com Limited - changed on 8 February 2006<br>Twinspan Limited - changed on 5 May 2004  |
| Registered Office    | 25 Moorgate, London, EC2R 6AY<br>(Formerly Spectrum House, Beehive Ring Road, London Gatwick Airport, RH6 0LG and East House, 109 South Worple Way, London, SW14 8TN)  |
| Registered Number    | 04371920   |
| Joint Administrators | Finbarr Thomas O'Connell, Henry Anthony Shinnars, Colin Hardman of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY and Lane Bednash of CMB Partners UK Limited, 37 Sun Street, London, EC2M 2PL<br>(IP Nos 7931, 9280, 16774 and 8882) |
| Date of Appointment  | 24 July 2018   |

## II Group Structure



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

\*\*Lowcostbeds.com AG ("AG") was placed into an insolvency process in Switzerland under the local jurisdiction on 23 August 2016. The joint administrators have now successfully obtained an appointment as UK liquidators of AG through the UK Courts, by the winding up of AG as an unregistered UK entity. The UK Courts granted the winding up order on 27 July 2017 and Finbarr O'Connell and Colin Hardman of Smith & Williamson LLP, Lane Bednash of CMB Partners UK Limited and Simon Underwood of Menzies LLP were appointed as joint liquidators on 22 August 2017.

\*\*\* Lowcstholidays Limited Ireland is in the process of being struck off from the Irish Register.



Lowcosttravelgroup Limited

Lowcosttravelgroup Limited (in creditors' voluntary liquidation)

|                 |                           |             |      |
|-----------------|---------------------------|-------------|------|
|                 | PREFERENTIAL CREDITORS    |             |      |
| (74,000.00)     | Employees Holiday Pay     | NIL         | NIL  |
| (70,000.00)     | Employees Wage Arrears    | NIL         | NIL  |
|                 |                           | NIL         | NIL  |
|                 | UNSECURED CREDITORS       |             |      |
| (1,185,562.90)  | Credit Card Companies     | NIL         | NIL  |
| (46,467,015.65) | Group/associated loans    | NIL         | NIL  |
| (6,368.03)      | HP Unsecured Claims       | NIL         | NIL  |
| (471,319.83)    | Social Security (Poland)  | NIL         | NIL  |
| (1,977,113.33)  | Trade & Expense Creditors | NIL         | NIL  |
|                 |                           | NIL         | NIL  |
|                 | DISTRIBUTIONS             |             |      |
| (1,395.00)      | Ordinary Shareholders     | NIL         | NIL  |
|                 |                           | NIL         | NIL  |
| (48,917,774.74) |                           | (16,022.94) | 0.00 |
|                 | REPRESENTED BY            |             |      |
|                 |                           |             | NIL  |

## Lowcostholidays Spain S.L.

| Statement<br>of Affairs | From 06/07/2018<br>To 03/09/2018     | From 21/07/2016<br>To 03/09/2018 |
|-------------------------|--------------------------------------|----------------------------------|
| £                       | £                                    | £                                |
|                         |                                      |                                  |
|                         | ASSET REALISATIONS                   |                                  |
|                         | Bank Interest Gross                  | 41.11 1,306.47                   |
|                         | Book Debts                           | NIL 4,004.29                     |
| 1,802,995.80            | Cash at Bank                         | NIL 1,595,272.20                 |
|                         | Interchange Settlement               | NIL 227,464.00                   |
|                         | IT Refund                            | NIL 27,648.09                    |
|                         | Rent Refund                          | NIL 1,189.88                     |
|                         |                                      | 41.11 1,856,884.93               |
|                         | COST OF REALISATIONS                 |                                  |
|                         | Bank Charges                         | NIL 685.85                       |
|                         | Cat 2 Mileage                        | NIL 205.20                       |
|                         | Creditors' Meeting Cost              | NIL 815.67                       |
|                         | Helpline & Telecom Service           | NIL 30,005.29                    |
|                         | Insurance                            | NIL 260.11                       |
|                         | IT Services                          | NIL 45,189.51                    |
|                         | Joint Administrators' Expenses       | NIL 2,482.23                     |
|                         | Joint Administrators' Fees           | NIL 1,072,190.50                 |
|                         | Joint Administrators Pre-Appointment | NIL 60,007.50                    |
|                         | Legal Expenses                       | NIL 19,898.45                    |
|                         | Legal Fees                           | NIL 414,161.10                   |
|                         | Managers Fees                        | NIL 10,344.89                    |
|                         | Pre-Appointment Legal Fees           | NIL 15,629.57                    |
|                         | Professional Services Expenses       | NIL 377.79                       |
|                         | Professional Services Fees           | NIL 56,316.73                    |
|                         | Specific Bond                        | NIL 105.00                       |
|                         | Statutory Advertising                | NIL 184.80                       |
|                         | Transfer to CVL                      | 119,095.15 119,095.15            |
|                         | Travel                               | NIL 2,773.11                     |
|                         | Wages & Salaries                     | NIL 3,372.48                     |
|                         |                                      | (119,095.15) (1,854,100.93)      |

|                  |                           |              |            |
|------------------|---------------------------|--------------|------------|
|                  | UNSECURED CREDITORS       |              |            |
| (2,608,649.00)   | Banks/Institutions        | NIL          | NIL        |
| (113,518.00)     | Corporation Tax (Spain)   | NIL          | NIL        |
| (272,428,950.00) | Intercompany Creditors    | NIL          | NIL        |
| (12,438,658.00)  | Other Creditors           | NIL          | NIL        |
| (53,408.00)      | PAYE                      | NIL          | NIL        |
| (1,435,397.00)   | Trade & Expense Creditors | NIL          | 2,784.00   |
|                  |                           | NIL          | (2,784.00) |
|                  | DISTRIBUTIONS             |              |            |
| (83,333.00)      | Ordinary Shareholders     | NIL          | NIL        |
|                  |                           | NIL          | NIL        |
| (287,358,917.20) |                           | (119,054.04) | 0.00       |
|                  | REPRESENTED BY            |              |            |
|                  |                           |              | NIL        |

## Lowcostholidays Spain S.L. - Euro Account

| Statement<br>of Affairs | From 06/07/2018<br>To 03/09/2018 | From 21/07/2016<br>To 03/09/2018 |
|-------------------------|----------------------------------|----------------------------------|
| £                       | £                                | £                                |
| ASSET REALISATIONS      |                                  |                                  |
| Interchange Settlement  | NIL                              | 525,616.05                       |
|                         | NIL                              | 525,616.05                       |
| COST OF REALISATIONS    |                                  |                                  |
| Administrators' Fees    | NIL                              | 65,702.00                        |
| Bank Charges            | NIL                              | 54.83                            |
| Legal Expenses          | NIL                              | 4,160.60                         |
| Legal Fees              | NIL                              | 140,188.23                       |
| Transfer to CVL         | 315,510.39                       | 315,510.39                       |
|                         | (315,510.39)                     | (525,616.05)                     |
|                         | (315,510.39)                     | NIL                              |
| REPRESENTED BY          |                                  |                                  |
|                         |                                  | NIL                              |

# Lowcostaviation.com Limited

| Statement of Affairs |                                  | From 06/07/2018<br>To 24/07/2018 | From 15/07/2016<br>To 24/07/2018 |
|----------------------|----------------------------------|----------------------------------|----------------------------------|
| £                    |                                  | £                                | £                                |
|                      | ASSET REALISATIONS               |                                  |                                  |
|                      | Bank Interest Gross              | NIL                              | 34.55                            |
| 50,000.00            | Cash at Bank                     | NIL                              | 50,702.23                        |
|                      | Sundry Debtors                   | NIL                              | 39.90                            |
|                      |                                  | NIL                              | 50,776.68                        |
|                      | COST OF REALISATIONS             |                                  |                                  |
|                      | Accountants Fees                 | NIL                              | 2,000.00                         |
|                      | Administrators' Expenses         | NIL                              | 25.00                            |
|                      | Administrators' Fees             | NIL                              | 25,243.50                        |
|                      | Bank Charges                     | NIL                              | 4.60                             |
|                      | Irrecoverable VAT                | NIL                              | 8,208.28                         |
|                      | Legal Expenses                   | NIL                              | 50.00                            |
|                      | Legal Fees                       | NIL                              | 6,953.50                         |
|                      | Pre-Appoint. Administrators Fees | NIL                              | 2,704.00                         |
|                      | Pre-Appointment Legal Fees       | NIL                              | 3,902.60                         |
|                      | Specific Bond                    | NIL                              | 105.00                           |
|                      | Statutory Advertising            | NIL                              | 107.80                           |
|                      | Transfer of funds to liquidation | 1,472.40                         | 1,472.40                         |
|                      |                                  | (1,472.40)                       | (50,776.68)                      |
|                      | UNSECURED CREDITORS              |                                  |                                  |
| (6,691,565.42)       | Group/assoc company loans        | NIL                              | NIL                              |
| (47,084.10)          | HMRC - Corporation Tax           | NIL                              | NIL                              |
| (299,994.23)         | IATA - Issued Tickets            | NIL                              | NIL                              |
|                      |                                  | NIL                              | NIL                              |
|                      | DISTRIBUTIONS                    |                                  |                                  |
| (100,000.00)         | Ordinary Shareholders            | NIL                              | NIL                              |
|                      |                                  | NIL                              | NIL                              |
| (7,088,643.75)       |                                  | (1,472.40)                       | 0.00                             |
|                      | REPRESENTED BY                   |                                  |                                  |
|                      |                                  |                                  | NIL                              |

Lowcostbeds.com Limited

| Statement<br>of Affairs | From 06/07/2019<br>To 24/07/2018 | From 15/07/2016<br>To 24/07/2018 |
|-------------------------|----------------------------------|----------------------------------|
| £                       | £                                | £                                |
|                         |                                  |                                  |
|                         | ASSET REALISATIONS               |                                  |
|                         | Bank Interest Gross              | 201.62                           |
| 200,000.00              | Cash at Bank                     | 200,000.00                       |
| 1,112,513.56            | VAT Refund                       | NIL                              |
|                         |                                  | 200,201.62                       |
|                         | COST OF REALISATIONS             |                                  |
|                         | Accountants Fees                 | 2,000.00                         |
|                         | Administrators' Fees             | 13,732.50                        |
|                         | Bank Charges                     | 1.00                             |
|                         | Legal Expenses                   | 60,054.03                        |
|                         | Legal Fees                       | 70,436.74                        |
|                         | Pre-Appoint. Administrators Fees | 14,927.50                        |
|                         | Pre-Appointment Legal Fees       | 4,541.60                         |
|                         | Ransom Payments                  | 26,653.65                        |
|                         | Specific Bond                    | 105.00                           |
|                         | Statutory Advertising            | 107.80                           |
|                         | Transfer to CVL                  | 1,016.80                         |
|                         | VAT transfer to CVL              | 6,625.00                         |
|                         |                                  | (200,201.62)                     |
|                         | UNSECURED CREDITORS              |                                  |
| (2,120,595.00)          | Group/assoc company loans        | NIL                              |
| (25,084.00)             | HMRC - Corporation Tax           | NIL                              |
|                         |                                  | NIL                              |
|                         | DISTRIBUTIONS                    |                                  |
| (2.00)                  | Ordinary Shareholders            | NIL                              |
|                         |                                  | NIL                              |
|                         |                                  |                                  |
| (833,167.44)            |                                  | 0.00                             |
|                         | REPRESENTED BY                   |                                  |
|                         |                                  | NIL                              |

## Lowcostholidays Limited

| Statement<br>of Affairs<br>£ |                                  | From 06/07/2019<br>To 24/07/2018<br>£ | From 15/07/2016<br>To 24/07/2018<br>£ |
|------------------------------|----------------------------------|---------------------------------------|---------------------------------------|
|                              | ASSET REALISATIONS               |                                       |                                       |
|                              | Bank Interest Gross              | NIL                                   | 1,165.59                              |
| 10,000.00                    | Book Debts                       | NIL                                   | 5,149.49                              |
| 200,000.00                   | Cash at Bank                     | NIL                                   | 200,000.00                            |
| 1,984,767.00                 | HMRC VAT TOMS                    | NIL                                   | 986,483.81                            |
|                              | VAT Compensation                 | NIL                                   | 186.87                                |
|                              |                                  | NIL                                   | 1,192,985.76                          |
|                              | COST OF REALISATIONS             |                                       |                                       |
|                              | Accountancy Fees                 | NIL                                   | 2,000.00                              |
|                              | Administrators' Fees             | NIL                                   | 22,727.50                             |
|                              | Bank Charges                     | NIL                                   | 44.80                                 |
|                              | Counsels Fees                    | NIL                                   | 69,000.00                             |
|                              | Legal Expenses                   | NIL                                   | 10,068.41                             |
|                              | Legal Fees                       | NIL                                   | 269,428.92                            |
|                              | Pre-Appoint. Administrators Fees | NIL                                   | 3,620.00                              |
|                              | Pre-Appointment Legal Fees       | NIL                                   | 4,541.60                              |
|                              | Specific Bond                    | NIL                                   | 105.00                                |
|                              | Statutory Advertising            | NIL                                   | 107.80                                |
|                              | Transfer of funds to liquidation | NIL                                   | 810,716.73                            |
|                              | Transfer of VAT to CVL           | NIL                                   | 625.00                                |
|                              |                                  | NIL                                   | (1,192,985.76)                        |
|                              | UNSECURED CREDITORS              |                                       |                                       |
| (4,356,541.00)               | Credit Card Companies            | NIL                                   | NIL                                   |
| (122,324,396.00)             | Group company loans              | NIL                                   | NIL                                   |
| (12,656.00)                  | HP Unsecured Claims              | NIL                                   | NIL                                   |
| (17,348.00)                  | Trade & Expense Creditors        | NIL                                   | NIL                                   |
|                              |                                  | NIL                                   | NIL                                   |
|                              | DISTRIBUTIONS                    |                                       |                                       |
| (1,281.00)                   | Ordinary Shareholders            | NIL                                   | NIL                                   |
|                              |                                  | NIL                                   | NIL                                   |
| (124,517,455.00)             |                                  | NIL                                   | 0.00                                  |
|                              | REPRESENTED BY                   |                                       |                                       |
|                              |                                  |                                       | NIL                                   |

# IV Receipts and payments account for the liquidation period

Lowcosttravelgroup Limited

| Statement<br>of Affairs<br>£         | From 24/07/2018<br>To 23/07/2019<br>£ | From 24/07/2018<br>To 23/07/2019<br>£ |
|--------------------------------------|---------------------------------------|---------------------------------------|
| ASSET REALISATIONS                   |                                       |                                       |
| Bank Interest Gross                  | 53.02                                 | 53.02                                 |
| Lowcostbeds.com AG petitioning costs | 50,066.50                             | 50,066.50                             |
| Transfer Funds from Admin            | 14,050.97                             | 14,050.97                             |
| Transfer VAT from ADM                | 548.29                                | 548.29                                |
|                                      | <u>64,718.78</u>                      | <u>64,718.78</u>                      |
| COST OF REALISATIONS                 |                                       |                                       |
| Bank Charges                         | 28.20                                 | 28.20                                 |
| Joint Administrators' Expenses       | 4,011.28                              | 4,011.28                              |
| Joint Administrators' Fees           | 48,550.25                             | 48,550.25                             |
| Legal Fees                           | 3,988.16                              | 3,988.16                              |
| Professional Service Fees            | 6,230.71                              | 6,230.71                              |
| Professional Service Expenses        | 38.76                                 | 38.76                                 |
| Storage Costs                        | 1,638.98                              | 1,638.98                              |
|                                      | <u>(64,486.34)</u>                    | <u>(64,486.34)</u>                    |
|                                      | <u>232.44</u>                         | <u>232.44</u>                         |
| REPRESENTED BY                       |                                       |                                       |
| Clients Deposit (Interest Bearing)   |                                       | 232.33                                |
| FLT Vat Control Account              |                                       | 0.11                                  |
|                                      |                                       | <u>232.44</u>                         |

## Lowcostholidays Spain S.L.

| Statement<br>of Affairs<br>£        | From 03/09/2018<br>To 02/09/2019<br>£ | From 03/09/2018<br>To 02/09/2019<br>£ |
|-------------------------------------|---------------------------------------|---------------------------------------|
| ASSET REALISATIONS                  |                                       |                                       |
| Bank Interest Gross                 | 358.78                                | 358.78                                |
| Cash Transfer from Administration   | 119,095.15                            | 119,095.15                            |
| Transfer from Euro account          | 201,630.97                            | 201,630.97                            |
|                                     | <u>321,084.90</u>                     | <u>321,084.90</u>                     |
| COST OF REALISATIONS                |                                       |                                       |
| Bank Charges                        | 1.40                                  | 1.40                                  |
| Irrecoverable VAT                   | 2,076.91                              | 2,076.91                              |
| Joint administrators' fees          | 149,322.84                            | 149,322.84                            |
| Joint administrators' disbursements | 11,952.52                             | 11,952.52                             |
| Legal Expenses                      | 35.50                                 | 35.50                                 |
| Legal Fees                          | 37,439.40                             | 37,439.40                             |
| Professional service fees           | 10,384.51                             | 10,384.51                             |
|                                     | <u>(211,213.08)</u>                   | <u>(211,213.08)</u>                   |
|                                     | <u><b>109,871.82</b></u>              | <u><b>109,871.82</b></u>              |
| REPRESENTED BY                      |                                       |                                       |
| Clients Deposit (Interest Bearing)  |                                       | 109,871.82                            |
|                                     |                                       | <u><b>109,871.82</b></u>              |



## Lowcostholidays Spain S.L. - Euro Account

| Statement<br>of Affairs           | From 03/09/2018<br>To 02/09/2019 | From 03/09/2018<br>To 02/09/2019 |
|-----------------------------------|----------------------------------|----------------------------------|
| £                                 | £                                | £                                |
| ASSET REALISATIONS                |                                  |                                  |
| Cash Transfer from Administration | 315,510.39                       | 315,510.39                       |
|                                   | <u>315,510.39</u>                | <u>315,510.39</u>                |
| COST OF REALISATIONS              |                                  |                                  |
| Administrator's Fees              | 65,702.00                        | 65,702.00                        |
| Bank Charges                      | 56.74                            | 56.74                            |
| Cash Transfer to Sterling A/c     | 225,000.00                       | 225,000.00                       |
| Legal Expenses                    | 3.69                             | 3.69                             |
| Legal Fees                        | 4,840.00                         | 4,840.00                         |
| Professional Services Fees        | 484.00                           | 484.00                           |
|                                   | <u>(296,086.43)</u>              | <u>(296,086.43)</u>              |
|                                   | <u><b>19,423.96</b></u>          | <u><b>19,423.96</b></u>          |
| REPRESENTED BY                    |                                  |                                  |
| NIB EURO Current A/c              |                                  | 19,423.96                        |
|                                   |                                  | <u><b>19,423.96</b></u>          |

The joint liquidators are currently holding funds in the Euro currency as they have continued to instruct foreign professional and legal advisors in Spain whose fees are settled in Euros. It has been more cost-effective to retain a small amount of Euros in order to settle these costs as and when they arise, as opposed to incurring bank charges for making payments in Euros from the Spain S.L. Sterling account. Due to the recent weak performance of Sterling against the Euro, the joint liquidators do not believe this decision has had a negative impact of the creditors of Spain, S.L. and this decision may have benefitted the estate. At present, the Sterling value of these funds is approximately £17,540.

## Lowcostaviation.com Limited

| Statement<br>of Affairs<br>£       | From 24/07/2018<br>To 23/07/2019<br>£ | From 24/07/2018<br>To 23/07/2019<br>£ |
|------------------------------------|---------------------------------------|---------------------------------------|
| ASSET REALISATIONS                 |                                       |                                       |
| Bank Interest Gross                | 3.64                                  | 3.64                                  |
| Transfer from Admin                | 1,472.40                              | 1,472.40                              |
|                                    | <u>1,476.04</u>                       | <u>1,476.04</u>                       |
| COST OF REALISATIONS               |                                       |                                       |
| Bank Charges                       | 0.20                                  | 0.20                                  |
| Corporation Tax                    | 200.00                                | 200.00                                |
|                                    | <u>(200.20)</u>                       | <u>(200.20)</u>                       |
|                                    | <u>1,275.84</u>                       | <u>1,275.84</u>                       |
| REPRESENTED BY                     |                                       |                                       |
| Clients Deposit (Interest Bearing) |                                       | 1,275.84                              |
|                                    |                                       | <u>1,275.84</u>                       |

## Lowcostbeds.com Limited

| Statement<br>of Affairs<br>£       | From 24/07/2018<br>To 23/07/2019<br>£ | From 24/07/2018<br>To 23/07/2019<br>£ |
|------------------------------------|---------------------------------------|---------------------------------------|
| ASSET REALISATIONS                 |                                       |                                       |
| Bank Interest Gross                | 8.72                                  | 8.72                                  |
| Transfer from Admin                | 1,016.80                              | 1,016.80                              |
| VAT transfer from ADM              | 6,625.00                              | 6,625.00                              |
|                                    | <u>7,650.52</u>                       | <u>7,650.52</u>                       |
| COST OF REALISATIONS               |                                       |                                       |
| Legal Fees                         | 3,125.00                              | 3,125.00                              |
|                                    | <u>(3,125.00)</u>                     | <u>(3,125.00)</u>                     |
|                                    | <u>4,525.52</u>                       | <u>4,525.52</u>                       |
| REPRESENTED BY                     |                                       |                                       |
| Clients Deposit (Interest Bearing) |                                       | 3,900.52                              |
| VAT Receivable                     |                                       | 625.00                                |
|                                    |                                       | <u>4,524.52</u>                       |

## Lowcostholidays Limited

| Statement<br>of Affairs<br>£         | From 24/07/2018<br>To 23/07/2019<br>£ | From 24/07/2018<br>To 23/07/2019<br>£ |
|--------------------------------------|---------------------------------------|---------------------------------------|
| ASSET REALISATIONS                   |                                       |                                       |
| Bank Interest Gross                  | 2,306.30                              | 2,306.30                              |
| Lowcostbeds.com AG petitioning costs | 48,066.15                             | 48,066.15                             |
| Transfer from Admin                  | 810,716.73                            | 810,716.73                            |
| Transfer of VAT from ADM             | 625.00                                | 625.00                                |
|                                      | <u>861,714.18</u>                     | <u>861,714.18</u>                     |
| COST OF REALISATIONS                 |                                       |                                       |
| Legal Fees                           | 5,632.50                              | 5,632.50                              |
|                                      | <u>(5,632.50)</u>                     | <u>(5,632.50)</u>                     |
|                                      | <u><b>856,081.68</b></u>              | <u><b>856,081.68</b></u>              |
| REPRESENTED BY                       |                                       |                                       |
| Clients Deposit (Interest Bearing)   |                                       | 855,456.68                            |
| VAT Receivable                       |                                       | 625.00                                |
|                                      |                                       | <u><b>856,081.68</b></u>              |

### Notes and further information required by SiP 7

- 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 the liquidators' remuneration and disbursements incurred is provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- All bank accounts are interest bearing.
- Spain S.L holds a foreign currency account as detailed above.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is an expense of the liquidation and shown as irrecoverable VAT.

### Notes and further information required by SIP 9

The principal payments in the R&P relate to both administrators' fees and legal fees.

The administrators' fees have been drawn in accordance with the previously authorised fee approval which is detailed at section 8 of the report.

The payments made to legal advisors relate to work undertaken in respect of the joint liquidators' investigations. This work has been necessary in order to identify potential claims that the liquidators may have against third parties for the benefit of the Companies creditors. It is anticipated that this work will provide a financial benefit to creditors if any claims pursued by the joint liquidators are successful.

The joint liquidators have also made payments to legal advisors in respect of the ongoing VAT TOMS tribunal as detailed at section 3.1.1. If successful, these claims could provide a direct financial benefit to the creditors of Beds.com and Holidays Ltd and, if dividends are declared in these companies, to the wider group through intercompany debt realisations.

# V Time analysis for the period of the administration

lowcosttravelgroup Limited time analysis from 1 July 2018 to 23 July 2018

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   | 0.50               | 0.00               | 1.25                       | 4.95                     | 0.05                       | 6.75        | 2,156.00  | 319.41              |
| Cashiering general, including bonding   | 0.00               | 0.00               | 0.00                       | 0.00                     | 0.90                       | 0.90        | 215.50    | 239.44              |
| Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary | 0.00               | 0.00               | 0.00                       | 0.35                     | 0.05                       | 0.40        | 111.00    | 277.50              |
| Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)                    | 0.10               | 0.00               | 0.75                       | 1.70                     | 0.00                       | 2.55        | 843.50    | 330.78              |
| Agents and advisers, general  | 0.00               | 0.00               | 1.00                       | 0.60                     | 0.00                       | 1.60        | 616.00    | 385.00              |
| Director/manager review, approval and signing   | 0.20               | 0.00               | 0.25                       | 0.00                     | 0.10                       | 0.55        | 285.00    | 518.18              |
| Investigations  |                    |                    |                            |                          |                            |             |           |                     |
| Investigation of legal claims   | 2.25               | 0.00               | 0.00                       | 0.00                     | 0.00                       | 2.25        | 1,271.25  | 565.00              |
| Creditors   |                    |                    |                            |                          |                            |             |           |                     |
| Employees & pension (other) (Incl Jobcentre/CSA etc)  | 0.00               | 0.00               | 0.00                       | 0.25                     | 0.00                       | 0.25        | 65.00     | 260.00              |
| AML/Compliance  |                    |                    |                            |                          |                            |             |           |                     |
| AML - if done post appointment  | 0.00               | 0.00               | 0.00                       | 0.25                     | 0.00                       | 0.25        | 65.00     | 260.00              |
| Corporate Tax   |                    |                    |                            |                          |                            |             |           |                     |
| Corporate Tax   | 0.00               | 0.00               | 4.20                       | 5.50                     | 0.00                       | 9.70        | 1,900.50  | 195.93              |
| Total   | 3.05               | 0.00               | 7.45                       | 13.60                    | 1.10                       | 25.20       | £7,528.75 | £298.76             |

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 |
|-------------------------|-----------------|---------------|----------------------------------|----------------------------------|-------------|-----------------|--------------------------|
| <b>Investigations</b>   |                 |               |                                  |                                  |             |                 |                          |
| Legal Claims            | 6.00            | 0.00          | 0.00                             | 0.00                             | 6.00        | 3,750.00        | 625.00                   |
| Other                   | 1.00            | 0.00          | 0.00                             | 0.00                             | 1.00        | 625.00          | 625.00                   |
| <b>Sub-total</b>        | <b>7.00</b>     | <b>0.00</b>   | <b>0.00</b>                      | <b>0.00</b>                      | <b>7.00</b> | <b>4,375.00</b> | <b>625.00</b>            |
| <b>Total hours</b>      | <b>7.00</b>     | <b>0.00</b>   | <b>0.00</b>                      | <b>0.00</b>                      | <b>7.00</b> |                 |                          |
| <b>Total Time Costs</b> | <b>4,375.00</b> | <b>0.00</b>   | <b>0.00</b>                      | <b>0.00</b>                      |             | <b>4,375.00</b> | <b>625</b>               |

| Total liquidators' time costs | Total Hours | Time Costs<br>£ | Average Hourly<br>Rate<br>£/hr |
|-------------------------------|-------------|-----------------|--------------------------------|
| 1 July 2018 to 23 July 2018   | 32.2        | 11,904          | 462                            |

| Classification of work function       | Hours                 |                       |                                  |                                |                                     | Total<br>hours | Time cost | Average<br>hourly<br>rate |
|---------------------------------------|-----------------------|-----------------------|----------------------------------|--------------------------------|-------------------------------------|----------------|-----------|---------------------------|
|                                       | Partner /<br>Director | Associate<br>director | Manager/<br>Assistant<br>Manager | Other<br>professional<br>staff | Assistants<br>&<br>support<br>staff |                |           |                           |
| Smith & Williamson Financial Services |                       |                       |                                  |                                |                                     |                |           |                           |
| S&WFS Employee Benefits Consultancy   | 9.10                  | 0.00                  | 0.65                             | 0.00                           | 0.00                                | 9.75           | 4,221.75  | 433.00                    |
| Total                                 | 9.10                  | 0.00                  | 0.65                             | 0.00                           | 0.00                                | 9.75           | £4,221.75 | £433.00                   |

## Lowcostholidays Spain S.L. Limited time analysis from 1 July 2018 to 2 September 2018

Time incurred by employees of Smith & Williamson LLP

| Classification of work function   | Hours                 |                       |                                  |                                |                                     | Total<br>hours | Time cost  | Average<br>hourly<br>rate |
|---|-----------------------|-----------------------|----------------------------------|--------------------------------|-------------------------------------|----------------|------------|---------------------------|
|   | Partner /<br>Director | Associate<br>director | Manager/<br>Assistant<br>Manager | Other<br>professional<br>staff | Assistants<br>&<br>support<br>staff |                |            |                           |
| Administration and planning   |                       |                       |                                  |                                |                                     |                |            |                           |
| Statutory returns, reports & meetings   | 0.75                  | 0.00                  | 1.75                             | 5.00                           | 0.00                                | 7.50           | 2,528.75   | 337.17                    |
| Initial post-appointment notification letters, including creditors                                  | 0.00                  | 0.00                  | 0.00                             | 0.60                           | 0.00                                | 0.60           | 156.00     | 260.00                    |
| Cashiering general, including bonding   | 0.00                  | 0.00                  | 0.00                             | 0.35                           | 1.15                                | 1.50           | 355.50     | 237.00                    |
| Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary | 21.30                 | 0.00                  | 2.50                             | 3.75                           | 0.00                                | 27.55          | 15,817.00  | 574.12                    |
| Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)                    | 0.25                  | 0.00                  | 0.50                             | 0.00                           | 0.00                                | 0.75           | 371.25     | 495.00                    |
| Filing, file and information management   | 0.00                  | 0.00                  | 0.25                             | 0.00                           | 0.00                                | 0.25           | 115.00     | 460.00                    |
| Pre-appointment non creditor tax  | 0.00                  | 0.00                  | 0.50                             | 0.00                           | 0.00                                | 0.50           | 230.00     | 460.00                    |
| Agents and advisers, general  | 0.00                  | 0.00                  | 0.75                             | 0.00                           | 0.00                                | 0.75           | 345.00     | 460.00                    |
| Director /manager review, approval and signing  | 0.00                  | 0.00                  | 0.75                             | 0.00                           | 0.10                                | 0.85           | 385.00     | 452.94                    |
| Investigations  |                       |                       |                                  |                                |                                     |                |            |                           |
| Investigation of legal claims   | 27.50                 | 0.00                  | 0.00                             | 4.50                           | 0.00                                | 32.00          | 18,365.00  | 573.91                    |
| Other   | 0.00                  | 0.00                  | 1.50                             | 0.00                           | 0.00                                | 1.50           | 690.00     | 460.00                    |
| Creditors   |                       |                       |                                  |                                |                                     |                |            |                           |
| Unsecured creditors   | 0.20                  | 0.00                  | 0.00                             | 4.25                           | 0.00                                | 4.45           | 1,235.00   | 277.53                    |
| Creditors' committee  | 0.00                  | 0.00                  | 5.00                             | 0.00                           | 0.00                                | 5.00           | 2,300.00   | 460.00                    |
| AML/Compliance  |                       |                       |                                  |                                |                                     |                |            |                           |
| AML - if done post appointment  | 0.00                  | 0.00                  | 0.50                             | 0.85                           | 0.00                                | 1.35           | 373.50     | 276.67                    |
| General compliance, e.g. review ethics checks, update AML etc (internal)                            | 0.00                  | 0.00                  | 0.25                             | 0.00                           | 0.00                                | 0.25           | 115.00     | 460.00                    |
| Corporate Tax   |                       |                       |                                  |                                |                                     |                |            |                           |
| Corporate Tax   | 0.00                  | 2.00                  | 0.00                             | 0.00                           | 0.00                                | 2.00           | 1,050.00   | 525.00                    |
| Total   | 50.00                 | 2.00                  | 14.25                            | 19.30                          | 1.25                                | 86.80          | £44,432.00 | £511.89                   |

# Time incurred by employees of CMB Partners UK Limited

| Classification          | Partner<br>Hours | Manager<br>Hours | Other Senior<br>Professionals<br>Hours | Assistants &<br>Support Staff<br>Hours | Total Hours | Time Costs<br>£ | Average<br>Hourly Rate<br>£/hr |
|-------------------------|------------------|------------------|--|--|-------------|-----------------|--------------------------------|
| <b>Investigations</b>   |                  |                  |  |  |             |                 |                                |
| Asset Tracing/Searches  | 0.50             | 0.00             | 0.00                                   | 0.00                                   | 0.50        | 312.50          | 625.00                         |
| Sub-total               | 0.50             | 0.00             | 0.00                                   | 0.00                                   | 0.50        | 312.50          | 625.00                         |
| <b>Total hours</b>      | 0.50             | 0.00             | 0.00                                   | 0.00                                   | 0.50        |                 |                                |
| <b>Total Time Costs</b> | 312.50           | 0.00             | 0.00                                   | 0.00                                   |             | 312.50          | 625                            |

## Lowcostaviation.com Limited time analysis from 1 July 2018 to 23 July 2018

Time incurred by employees of Smith & Williamson LLP

| Classification of work function   | Hours                 |                       |                                  |                                 |                                     | Total<br>hours | Time cost        | Average<br>hourly<br>rate |
|---|-----------------------|-----------------------|----------------------------------|---------------------------------|-------------------------------------|----------------|------------------|---------------------------|
|   | Partner /<br>Director | Associate<br>director | Manager/<br>Assistant<br>Manager | Other<br>professiona<br>l staff | Assistants<br>&<br>support<br>staff |                |                  |                           |
| <b>Administration and planning</b>  |                       |                       |                                  |                                 |                                     |                |                  |                           |
| Statutory returns, reports & meetings   | 0.00                  | 0.00                  | 0.75                             | 3.30                            | 0.05                                | 4.10           | 1,214.50         | 296.22                    |
| Cashiering general, including bonding   | 0.00                  | 0.00                  | 0.00                             | 0.00                            | 0.20                                | 0.20           | 54.50            | 272.50                    |
| Job planning, reviews and progression (inc<br>6 month reviews and planning meetings,<br>checklist & diary | 0.00                  | 0.00                  | 0.00                             | 0.00                            | 0.05                                | 0.05           | 20.00            | 400.00                    |
| Director/manager review, approval and<br>signing  | 0.00                  | 0.00                  | 0.00                             | 0.00                            | 0.05                                | 0.05           | 20.00            | 400.00                    |
| <b>Investigations</b>   |                       |                       |                                  |                                 |                                     |                |                  |                           |
| Investigation of legal claims   | 0.50                  | 0.00                  | 0.00                             | 0.00                            | 0.00                                | 0.50           | 282.50           | 565.00                    |
| <b>AML/Compliance</b>   |                       |                       |                                  |                                 |                                     |                |                  |                           |
| AML - if done post appointment  | 0.00                  | 0.00                  | 0.00                             | 0.25                            | 0.00                                | 0.25           | 65.00            | 260.00                    |
| <b>Total</b>  | <b>0.50</b>           | <b>0.00</b>           | <b>0.75</b>                      | <b>3.55</b>                     | <b>0.35</b>                         | <b>5.15</b>    | <b>£1,656.50</b> | <b>£321.65</b>            |

No time has been incurred by employees of CMB Partners UK Limited during the period.

| Total liquidators' time costs | Total Hours | Time Costs<br>£ | Average Hourly<br>Rate<br>£/hr |
|-------------------------------|-------------|-----------------|--------------------------------|
| 1 July 2018 to 23 July 2018   | 5           | 1,657           | 322                            |

## Lowcostbeds.com Limited time analysis from 1 July 2018 to 23 July 2018

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   | 0.55               | 0.00               | 0.75                       | 3.30                     | 0.05                       | 4.65        | 1,525.25  | 328.01              |
| Cashiering general, including bonding   | 0.00               | 0.00               | 0.00                       | 0.00                     | 0.20                       | 0.20        | 54.50     | 272.50              |
| Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary | 0.00               | 0.00               | 0.00                       | 0.00                     | 0.05                       | 0.05        | 20.00     | 400.00              |
| Director/manager review, approval and signing   | 0.00               | 0.00               | 0.00                       | 0.00                     | 0.05                       | 0.05        | 20.00     | 400.00              |
| Investigations  |                    |                    |                            |                          |                            |             |           |                     |
| Investigation of legal claims   | 0.75               | 0.00               | 0.00                       | 0.00                     | 0.00                       | 0.75        | 423.75    | 565.00              |
| AML/Compliance  |                    |                    |                            |                          |                            |             |           |                     |
| AML - if done post appointment  | 0.00               | 0.00               | 0.00                       | 0.25                     | 0.00                       | 0.25        | 65.00     | 260.00              |
| Total   | 1.30               | 0.00               | 0.75                       | 3.55                     | 0.35                       | 5.95        | £2,108.50 | £354.37             |

No time has been incurred by employees of CMB Partners UK Limited during the period.

| Total liquidators' time costs | Total Hours | Time Costs<br>£ | Average Hourly Rate<br>£/hr |
|-------------------------------|-------------|-----------------|-----------------------------|
| 1 July 2018 to 23 July 2018   | 6           | 2,109           | 354                         |

## Lowcostonline Limited time analysis from 1 July 2018 to 23 July 2018

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   | 0.55               | 0.00               | 0.75                       | 3.30                     | 0.05                       | 4.65        | 1,521.50  | 327.20              |
| Cashiering general, including bonding   | 0.00               | 0.00               | 0.00                       | 0.00                     | 0.35                       | 0.35        | 84.60     | 254.74              |
| Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary | 0.00               | 0.00               | 0.00                       | 0.00                     | 0.05                       | 0.05        | 20.00     | 400.00              |
| Director/manager review, approval and signing   | 0.00               | 0.00               | 0.00                       | 0.00                     | 0.05                       | 0.05        | 20.00     | 400.00              |
| Investigations  |                    |                    |                            |                          |                            |             |           |                     |
| Investigation of legal claims   | 1.50               | 0.00               | 0.00                       | 0.00                     | 0.00                       | 1.50        | 847.50    | 565.00              |
| AML/Compliance  |                    |                    |                            |                          |                            |             |           |                     |
| AML - if done post appointment  | 0.00               | 0.00               | 0.00                       | 0.25                     | 0.00                       | 0.25        | 65.00     | 260.00              |
| Corporate Tax   |                    |                    |                            |                          |                            |             |           |                     |
| Corporate Tax   | 1.00               | 0.00               | 0.00                       | 0.00                     | 0.00                       | 1.00        | 630.00    | 630.00              |
| Total   | 3.05               | 0.00               | 0.75                       | 3.55                     | 0.50                       | 7.85        | £3,193.00 | £406.75             |

## Time incurred by employees of CMB Partners UK Limited

| Classification          | Partner<br>Hours | Manager<br>Hours | Other Senior<br>Professionals<br>Hours | Assistants &<br>Support Staff<br>Hours | Total Hours | Time Costs<br>£ | Average<br>Hourly Rate<br>£/hr |
|-------------------------|------------------|------------------|--|--|-------------|-----------------|--------------------------------|
| Administration/Planning |                  |                  |  |  |             |                 |                                |
| Job Planning & review   | 0.60             | 0.00             | 0.00                                   | 0.00                                   | 0.60        | 375.00          | 625.00                         |
| Sub-total               | 0.60             | 0.00             | 0.00                                   | 0.00                                   | 0.60        | 375.00          | 625.00                         |
| Total hours             | 0.60             | 0.00             | 0.00                                   | 0.00                                   | 0.60        |                 |                                |
| Total Time Costs        | 375.00           | 0.00             | 0.00                                   | 0.00                                   |             | 375.00          | 625                            |

| Total liquidators' time costs | Total Hours | Time Costs<br>£ | Average Hourly<br>Rate<br>£/hr |
|-------------------------------|-------------|-----------------|--------------------------------|
| 1 July 2018 to 23 July 2018   | 8           | 3,568           | 516                            |

## Explanation of major work activities undertaken

### Administration and planning

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

- Dealing with all matters in relation to the conversion of the Companies from administration to liquidation
- 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)
- Preparing and issuing the joint administrators' final report in respect of the Companies
- Filing the appropriate documents with the registrar and Court
- Dealing with solicitors and other professional advisors in respect of the Companies

### Cashiering time:

- Maintaining and managing the administrators' cash book and bank accounts
- Reconciliation of bank accounts
- Correspondence with banks
- Raising cheques/preparing telegraphic transfers, remittances of receipts
- Transfer of funds from the administration accounts to the liquidation accounts for the Companies

### 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:

- Investigating circumstances which might give rise to claims against various parties and hence potential realisations of assets for the benefit of the creditors.



### **Creditors**

- Dealing with correspondence from Creditors including both customers of the Companies and trade and expense creditors.
- Dealing with routine correspondence from the creditors' committee on Spain S.L.

### **Corporate Tax**

Work conducted by our Corporate Tax team is in relation to the following:

- Review of the Tax position for the UK Companies

### **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

# VI Time analysis for the period of the liquidation

lowcosttravelgroup Limited time analysis from 24 July 2018 to 23 July 2019

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   | 0.00               | 0.00               | 0.00                       | 1.00                     | 0.00                       | 1.00        | 300.00     | 300.00              |
| Initial post-appointment notification letters, including creditors                                  | 0.00               | 0.00               | 0.00                       | 0.30                     | 0.00                       | 0.30        | 78.00      | 260.00              |
| Cashiering general, including bonding   | 0.05               | 0.00               | 0.00                       | 0.60                     | 9.40                       | 10.05       | 2,400.50   | 238.86              |
| Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary | 2.50               | 0.00               | 1.50                       | 23.00                    | 0.00                       | 27.00       | 8,140.75   | 301.51              |
| Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)                    | 1.60               | 0.00               | 0.00                       | 7.65                     | 0.00                       | 9.25        | 2,983.50   | 322.54              |
| Filing, file and information management   | 0.00               | 0.00               | 0.00                       | 0.25                     | 0.00                       | 0.25        | 65.00      | 260.00              |
| Agents and advisers, general  | 0.00               | 0.00               | 0.00                       | 0.85                     | 0.00                       | 0.85        | 221.00     | 260.00              |
| Director/manager review, approval and signing   | 1.55               | 0.00               | 1.25                       | 0.00                     | 0.25                       | 3.05        | 1,682.50   | 551.64              |
| Investigations  |                    |                    |                            |                          |                            |             |            |                     |
| Statutory books and accounting records review   | 0.00               | 0.00               | 0.00                       | 0.50                     | 0.00                       | 0.50        | 130.00     | 260.00              |
| Investigation of legal claims   | 2.75               | 0.00               | 0.00                       | 0.15                     | 0.00                       | 2.90        | 1,598.75   | 551.29              |
| Asset tracing (e.g. Land Registry and Company Searches)   | 0.00               | 0.00               | 0.00                       | 2.50                     | 0.00                       | 2.50        | 674.00     | 269.60              |
| Enquiries of advisers   | 0.00               | 0.00               | 0.00                       | 0.50                     | 0.00                       | 0.50        | 130.00     | 260.00              |
| Creditors   |                    |                    |                            |                          |                            |             |            |                     |
| Employees & pension (other) (Incl Jobcentre/CSA etc)  | 0.00               | 0.00               | 0.00                       | 0.35                     | 0.00                       | 0.35        | 91.00      | 260.00              |
| Crown (not RPO etc)   | 0.00               | 0.00               | 0.00                       | 0.00                     | 0.00                       | 0.00        | 0.00       |                     |
| Unsecured creditors   | 0.30               | 0.00               | 0.50                       | 1.30                     | 0.00                       | 2.10        | 763.00     | 363.33              |
| Other   | 0.00               | 0.00               | 0.00                       | 0.50                     | 0.00                       | 0.50        | 130.00     | 260.00              |
| AML/Compliance  |                    |                    |                            |                          |                            |             |            |                     |
| AML - if done post appointment  | 0.00               | 0.00               | 0.50                       | 0.85                     | 0.10                       | 1.45        | 418.50     | 288.62              |
| General compliance, e.g. review ethics checks, update AML etc (internal)                            | 0.00               | 0.00               | 0.25                       | 0.00                     | 0.00                       | 0.25        | 115.00     | 460.00              |
| Corporate Tax   |                    |                    |                            |                          |                            |             |            |                     |
| Corporate Tax   | 3.00               | 0.00               | 16.55                      | 21.50                    | 0.00                       | 41.05       | 9,360.75   | 228.03              |
| Total   | 11.75              | 0.00               | 20.55                      | 61.80                    | 9.75                       | 103.85      | £29,282.25 | £281.97             |

Time incurred by employees of CMB Partners UK Limited

| Classification                 | Partner<br>Hours | Manager<br>Hours | Other Senior<br>Professionals<br>Hours | Assistants &<br>Support Staff<br>Hours | Total Hours | Time Costs<br>£ | Average Hourly<br>Rate £/hr |
|--------------------------------|------------------|------------------|--|--|-------------|-----------------|-----------------------------|
| <b>Administration/Planning</b> |                  |                  |  |  |             |                 |                             |
| Statutory Reports & Returns    | 0.70             | 0.00             | 0.00                                   | 0.00                                   | 0.70        | 437.50          | 625.00                      |
| Job Planning & review          | 4.50             | 0.00             | 0.00                                   | 0.00                                   | 4.50        | 2812.50         | 625.00                      |
| <i>Sub-total</i>               | 5.20             | 0.00             | 0.00                                   | 0.00                                   | 5.20        | 3,250.00        | 625.00                      |
| <b>Investigations</b>          |                  |                  |  |  |             |                 |                             |
| Legal Claims                   | 12.40            | 0.00             | 0.00                                   | 0.00                                   | 12.40       | 7,750.00        | 625.00                      |
| Asset Tracing/Searches         | 0.60             | 0.00             | 0.00                                   | 0.00                                   | 0.60        | 375.00          | 625.00                      |
| Other                          | 4.20             | 0.00             | 0.00                                   | 0.00                                   | 4.20        | 2,625.00        | 625.00                      |
| <i>Sub-total</i>               | 17.20            | 0.00             | 0.00                                   | 0.00                                   | 17.20       | 10,750.00       | 625.00                      |
| <b>Total hours</b>             | 22.40            | 0.00             | 0.00                                   | 0.00                                   | 22.40       |                 |                             |
| <b>Total Time Costs</b>        | 14,000.00        | 0.00             | 0.00                                   | 0.00                                   |             | 14,000.00       | 625                         |

| Total liquidators' time costs | Total Hours | Time Costs<br>£ | Average Hourly<br>Rate<br>£/hr |
|-------------------------------|-------------|-----------------|--------------------------------|
| 24 July 2018 to 23 July 2019  | 126         | 43,282          | 453                            |

## Lowcostholidays Spain S.L. Limited time analysis from 3 September to 2 September 2019

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   | 0.00               | 0.00               | 0.00                       | 2.75                     | 0.10                       | 2.85        | 812.00     | 284.91              |
| Initial post-appointment notification letters, including creditors                                  | 0.00               | 0.00               | 0.00                       | 0.50                     | 0.00                       | 0.50        | 130.00     | 260.00              |
| Cashiering general, including bonding   | 0.15               | 0.00               | 0.00                       | 0.45                     | 8.75                       | 9.35        | 2,304.75   | 246.50              |
| Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary | 16.55              | 0.00               | 6.35                       | 20.00                    | 0.00                       | 42.90       | 18,121.75  | 422.42              |
| Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)                    | 0.00               | 0.00               | 0.00                       | 1.55                     | 0.00                       | 1.55        | 403.00     | 260.00              |
| Travelling  | 0.00               | 0.00               | 1.00                       | 0.00                     | 0.00                       | 1.00        | 460.00     | 460.00              |
| Filing, file and information management   | 0.00               | 0.00               | 0.25                       | 0.00                     | 0.00                       | 0.25        | 115.00     | 460.00              |
| Agents and advisers, general  | 0.00               | 0.00               | 4.25                       | 4.25                     | 0.00                       | 8.50        | 3,064.50   | 360.53              |
| Director/manager review, approval and signing   | 2.10               | 0.00               | 2.50                       | 0.00                     | 0.80                       | 5.40        | 2,853.75   | 528.47              |
| Other   | 0.00               | 0.00               | 0.50                       | 0.00                     | 0.00                       | 0.50        | 230.00     | 460.00              |
| Investigations  |                    |                    |                            |                          |                            |             |            |                     |
| Statutory books and accounting records review   | 0.00               | 0.00               | 0.00                       | 0.50                     | 0.00                       | 0.50        | 130.00     | 260.00              |
| Investigation of legal claims   | 35.90              | 0.00               | 0.00                       | 0.50                     | 0.00                       | 36.40       | 21,552.50  | 592.10              |
| Asset tracing (e.g. Land Registry and Company Searches)   | 0.00               | 0.00               | 0.00                       | 4.55                     | 0.00                       | 4.55        | 1,277.50   | 280.77              |
| Realisation of assets   |                    |                    |                            |                          |                            |             |            |                     |
| Debtors not financed (includes reassigned debtors)  | 0.00               | 0.00               | 0.00                       | 0.35                     | 0.00                       | 0.35        | 91.00      | 260.00              |
| Liaising with agents (general)  | 0.00               | 0.00               | 0.00                       | 0.75                     | 0.00                       | 0.75        | 195.00     | 260.00              |
| Other   | 0.00               | 0.00               | 8.00                       | 1.60                     | 0.00                       | 9.60        | 4,147.75   | 432.06              |
| Creditors   |                    |                    |                            |                          |                            |             |            |                     |
| Employees & pension (other) (Incl Jobcentre/CSA etc)  | 0.00               | 0.00               | 0.00                       | 0.35                     | 0.00                       | 0.35        | 91.00      | 260.00              |
| Unsecured creditors   | 1.50               | 0.00               | 1.00                       | 4.30                     | 0.00                       | 6.80        | 2,455.25   | 361.07              |
| Creditors' committee  | 0.50               | 0.00               | 6.75                       | 2.15                     | 0.00                       | 9.40        | 3,967.50   | 422.07              |
| Director/manager review, approval and signing   | 0.00               | 0.00               | 1.00                       | 0.00                     | 0.00                       | 1.00        | 460.00     | 460.00              |
| Total   | 56.70              | 0.00               | 31.60                      | 44.55                    | 9.65                       | 142.50      | £62,862.25 | £441.14             |

Time incurred by employees of CMB Partners UK Limited

| Classification                 | Partner<br>Hours | Manager<br>Hours | Other Senior<br>Professionals<br>Hours | Assistants &<br>Support Staff<br>Hours | Total Hours | Time Costs<br>£ | Average<br>Hourly Rate<br>£/hr |
|--------------------------------|------------------|------------------|--|--|-------------|-----------------|--------------------------------|
| <b>Administration/Planning</b> |                  |                  |  |  |             |                 |                                |
| Job Planning & review          | 0.60             | 0.00             | 0.00                                   | 0.00                                   | 0.60        | 375.00          | 625.00                         |
| <i>Sub-total</i>               | 0.60             | 0.00             | 0.00                                   | 0.00                                   | 0.60        | 375.00          | 625.00                         |
| <b>Investigations</b>          |                  |                  |  |  |             |                 |                                |
| Legal Claims                   | 0.20             | 0.00             | 0.00                                   | 0.00                                   | 0.20        | 125.00          | 625.00                         |
| Asset Tracing/Searches         | 0.10             | 0.00             | 0.00                                   | 0.00                                   | 0.10        | 62.50           | 625.00                         |
| <i>Sub-total</i>               | 0.30             | 0.00             | 0.00                                   | 0.00                                   | 0.30        | 187.50          | 625.00                         |
| <b>Realisation of Assets</b>   |                  |                  |  |  |             |                 |                                |
| Debt Collection                | 1.60             | 0.00             | 0.00                                   | 0.00                                   | 1.60        | 937.50          | 585.94                         |
| <i>Sub-total</i>               | 1.60             | 0.00             | 0.00                                   | 0.00                                   | 1.60        | 937.50          | 585.94                         |
| <b>Total hours</b>             | 2.50             | 0.00             | 0.00                                   | 0.00                                   | 2.50        |                 |                                |
| <b>Total Time Costs</b>        | 1,500.00         | 0.00             | 0.00                                   | 0.00                                   |             | 1,500.00        | 600                            |

| Total liquidators' time costs        | Total Hours | Time Costs<br>£ | Average Hourly<br>Rate<br>£/hr |
|--------------------------------------|-------------|-----------------|--------------------------------|
| 3 September 2018 to 2 September 2019 | 145         | 64,362          | 521                            |

## Lowcostaviation.com Limited time analysis from 24 July 2018 to 23 July 2019

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   |                    |                    |                            |                          |                            |             |           |                     |
| Initial post-appointment notification letters, including creditors                                  | 0.00               | 0.00               | 0.00                       | 0.85                     | 0.00                       | 0.85        | 221.00    | 260.00              |
| Cashiering general, including bonding   | 0.00               | 0.00               | 0.00                       | 0.75                     | 2.45                       | 3.20        | 788.00    | 246.25              |
| Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary | 0.65               | 0.00               | 0.35                       | 4.45                     | 0.00                       | 5.45        | 1,743.50  | 319.91              |
| Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)                    | 0.15               | 0.00               | 0.00                       | 0.75                     | 0.00                       | 0.90        | 292.50    | 325.00              |
| Director/manager review, approval and signing   | 0.10               | 0.00               | 0.00                       | 0.00                     | 0.10                       | 0.20        | 105.00    | 525.00              |
| Investigations  |                    |                    |                            |                          |                            |             |           |                     |
| Investigation of legal claims   | 1.00               | 0.00               | 0.00                       | 0.00                     | 0.00                       | 1.00        | 565.00    | 565.00              |
| Asset tracing (e.g. Land Registry and Company Searches)   | 0.00               | 0.00               | 0.00                       | 0.35                     | 0.00                       | 0.35        | 91.00     | 260.00              |
| Case-Specific 3, AML/Compliance   |                    |                    |                            |                          |                            |             |           |                     |
| AML - if done post appointment  | 0.00               | 0.00               | 0.50                       | 0.25                     | 0.10                       | 0.85        | 262.50    | 308.82              |
| General compliance, e.g. review ethics checks, update AML etc (internal)                            | 0.00               | 0.00               | 0.25                       | 0.00                     | 0.00                       | 0.25        | 115.00    | 460.00              |
| Total   | 1.90               | 0.00               | 1.10                       | 7.40                     | 2.65                       | 13.05       | £4,183.50 | £320.57             |

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 |
|--------------------------------|---------------|---------------|----------------------------------|----------------------------------|-------------|---------------|--------------------------|
| <b>Administration/Planning</b> |               |               |                                  |                                  |             |               |                          |
| Job Planning & review          | 0.60          | 0.00          | 0.00                             | 0.00                             | 0.60        | 375.00        | 625.00                   |
| <b>Sub-total</b>               | <b>0.60</b>   | <b>0.00</b>   | <b>0.00</b>                      | <b>0.00</b>                      | <b>0.60</b> | <b>375.00</b> | <b>625.00</b>            |
| <b>Investigations</b>          |               |               |                                  |                                  |             |               |                          |
| Asset Tracing/Searches         | 0.10          | 0.00          | 0.00                             | 0.00                             | 0.10        | 62.50         | 625.00                   |
| <b>Sub-total</b>               | <b>0.10</b>   | <b>0.00</b>   | <b>0.00</b>                      | <b>0.00</b>                      | <b>0.10</b> | <b>62.50</b>  | <b>625.00</b>            |
| <b>Total hours</b>             | <b>0.70</b>   | <b>0.00</b>   | <b>0.00</b>                      | <b>0.00</b>                      | <b>0.70</b> |               |                          |
| <b>Total Time Costs</b>        | <b>437.50</b> | <b>0.00</b>   | <b>0.00</b>                      | <b>0.00</b>                      |             | <b>437.50</b> | <b>625</b>               |

| Total liquidators' time costs | Total Hours | Time Costs £ | Average Hourly Rate £/hr |
|-------------------------------|-------------|--------------|--------------------------|
| 24 July 2018 to 23 July 2019  | 14          | 4,621        | 473                      |

## Lowcostbeds.com Limited time analysis from 24 July 2018 to 23 July 2019

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   | 0.00               | 0.00               | 0.00                       | 0.25                     | 0.00                       | 0.25        | 65.00     | 260.00              |
| Initial post-appointment notification letters, including creditors                                  | 0.00               | 0.00               | 0.00                       | 0.60                     | 0.00                       | 0.60        | 156.00    | 260.00              |
| Cashiering general, including bonding   | 0.00               | 0.00               | 0.00                       | 1.20                     | 2.75                       | 3.95        | 971.00    | 245.82              |
| Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary | 0.65               | 0.00               | 0.85                       | 4.85                     | 0.00                       | 6.35        | 2,077.50  | 327.17              |
| Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)                    | 0.15               | 0.00               | 0.00                       | 0.75                     | 0.00                       | 0.90        | 292.50    | 325.00              |
| Director/manager review, approval and signing   | 0.30               | 0.00               | 0.75                       | 0.00                     | 0.05                       | 1.10        | 560.00    | 509.09              |
| Investigations  |                    |                    |                            |                          |                            |             |           |                     |
| Statutory books and accounting records review   | 0.00               | 0.00               | 0.00                       | 1.35                     | 0.00                       | 1.35        | 351.00    | 260.00              |
| Investigation of legal claims   | 0.85               | 0.00               | 0.00                       | 0.00                     | 0.00                       | 0.85        | 480.25    | 565.00              |
| Asset tracing (e.g. Land Registry and Company Searches)   | 0.00               | 0.00               | 0.00                       | 1.45                     | 0.00                       | 1.45        | 401.00    | 276.55              |
| Realisation of assets   |                    |                    |                            |                          |                            |             |           |                     |
| Debtors not financed (includes reassigned debtors)  | 0.70               | 0.00               | 0.00                       | 0.00                     | 0.00                       | 0.70        | 420.00    | 600.00              |
| Cash at Bank  | 0.00               | 0.00               | 0.00                       | 0.50                     | 0.00                       | 0.50        | 150.00    | 300.00              |
| Other   | 0.50               | 0.00               | 0.00                       | 0.00                     | 0.00                       | 0.50        | 282.50    | 565.00              |
| Creditors   |                    |                    |                            |                          |                            |             |           |                     |
| Unsecured creditors   | 0.40               | 0.00               | 0.00                       | 0.00                     | 0.00                       | 0.40        | 260.00    | 650.00              |
| AML/Compliance  |                    |                    |                            |                          |                            |             |           |                     |
| AML - if done post appointment  | 0.00               | 0.00               | 0.45                       | 0.25                     | 0.10                       | 0.80        | 246.75    | 308.44              |
| General compliance, e.g. review ethics checks, update AML etc (internal)                            | 0.00               | 0.00               | 0.25                       | 0.00                     | 0.00                       | 0.25        | 115.00    | 460.00              |
| Total   | 3.55               | 0.00               | 2.30                       | 11.20                    | 2.90                       | 19.95       | £6,828.50 | £342.28             |

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 |
|-------------------------|---------------|---------------|----------------------------------|----------------------------------|-------------|---------------|--------------------------|
| <b>Investigations</b>   |               |               |                                  |                                  |             |               |                          |
| Legal Claims            | 0.50          | 0.00          | 0.00                             | 0.00                             | 0.50        | 312.50        | 625.00                   |
| Asset Tracing/Searches  | 0.60          | 0.00          | 0.00                             | 0.00                             | 0.60        | 375.00        | 625.00                   |
| <b>Sub-total</b>        | <b>1.10</b>   | <b>0.00</b>   | <b>0.00</b>                      | <b>0.00</b>                      | <b>1.10</b> | <b>687.50</b> | <b>625.00</b>            |
| <b>Total hours</b>      | <b>1.10</b>   | <b>0.00</b>   | <b>0.00</b>                      | <b>0.00</b>                      | <b>1.10</b> |               |                          |
| <b>Total Time Costs</b> | <b>687.50</b> | <b>0.00</b>   | <b>0.00</b>                      | <b>0.00</b>                      |             | <b>687.50</b> | <b>625</b>               |

| Total liquidators' time costs | Total Hours | Time Costs £ | Average Hourly Rate £/hr |
|-------------------------------|-------------|--------------|--------------------------|
| 24 July 2018 to 23 July 2019  | 21          | 7,516        | 484                      |

## Lowcostholidays Limited time analysis from 24 July 2018 to 23 July 2019

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   | 0.00               | 0.00               | 0.00                       | 0.50                     | 0.00                       | 0.50        | 130.00    | 260.00              |
| Initial post-appointment notification letters, including creditors                                  | 0.00               | 0.00               | 0.00                       | 0.85                     | 0.00                       | 0.85        | 221.00    | 260.00              |
| Cashiering general, including bonding   | 0.00               | 0.00               | 0.00                       | 0.85                     | 3.75                       | 4.60        | 1,109.25  | 241.14              |
| Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary | 2.05               | 0.00               | 1.35                       | 7.15                     | 0.00                       | 10.55       | 3,698.50  | 350.57              |
| Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)                    | 0.15               | 0.00               | 0.00                       | 0.75                     | 0.00                       | 0.90        | 292.50    | 325.00              |
| Director/manager review, approval and signing   | 0.20               | 0.00               | 0.50                       | 0.00                     | 0.05                       | 0.75        | 380.00    | 506.67              |
| Investigations  |                    |                    |                            |                          |                            |             |           |                     |
| Statutory books and accounting records review   | 0.00               | 0.00               | 0.00                       | 0.75                     | 0.00                       | 0.75        | 195.00    | 260.00              |
| Investigation of legal claims   | 2.50               | 0.00               | 0.00                       | 0.55                     | 0.00                       | 3.05        | 1,558.50  | 510.98              |
| Realisation of assets   |                    |                    |                            |                          |                            |             |           |                     |
| Debtors not financed (includes reassigned debtors)  | 0.50               | 0.00               | 0.00                       | 0.00                     | 0.00                       | 0.50        | 290.00    | 580.00              |
| Other   | 0.50               | 0.00               | 0.00                       | 0.00                     | 0.00                       | 0.50        | 282.50    | 565.00              |
| Creditors   |                    |                    |                            |                          |                            |             |           |                     |
| Unsecured creditors   | 0.00               | 0.00               | 0.00                       | 0.95                     | 0.00                       | 0.95        | 247.00    | 260.00              |
| Distributions for prefs and unsecured   | 0.00               | 0.00               | 0.50                       | 0.00                     | 0.00                       | 0.50        | 230.00    | 460.00              |
| AML/Compliance  |                    |                    |                            |                          |                            |             |           |                     |
| AML - if done post appointment  | 0.00               | 0.00               | 0.50                       | 0.25                     | 0.15                       | 0.90        | 282.50    | 313.89              |
| General compliance, e.g. review ethics checks, update AML etc (internal)                            | 0.00               | 0.00               | 0.25                       | 0.00                     | 0.00                       | 0.25        | 115.00    | 460.00              |
| Total   | 5.90               | 0.00               | 3.10                       | 12.60                    | 3.95                       | 25.55       | £9,031.75 | £353.49             |



Time incurred by employees of CMB Partners UK Limited

| Classification               | Partner<br>Hours | Manager<br>Hours | Other Senior<br>Professionals<br>Hours | Assistants &<br>Support Staff<br>Hours | Total Hours | Time Costs<br>£ | Average<br>Hourly Rate<br>£/hr |
|------------------------------|------------------|------------------|--|--|-------------|-----------------|--------------------------------|
| <b>Investigations</b>        |                  |                  |  |  |             |                 |                                |
| Asset Tracing/Searches       | 0.60             | 0.00             | 0.00                                   | 0.00                                   | 0.60        | 375.00          | 625.00                         |
| Sub-total                    | 0.60             | 0.00             | 0.00                                   | 0.00                                   | 0.60        | 375.00          | 625.00                         |
| <b>Realisation of Assets</b> |                  |                  |  |  |             |                 |                                |
| Other                        | 0.20             | 0.00             | 0.00                                   | 0.00                                   | 0.20        | 125.00          | 625.00                         |
| Sub-total                    | 0.20             | 0.00             | 0.00                                   | 0.00                                   | 0.20        | 125.00          | 625.00                         |
| Total hours                  | 0.80             | 0.00             | 0.00                                   | 0.00                                   | 0.80        |                 |                                |
| Total Time Costs             | 500.00           | 0.00             | 0.00                                   | 0.00                                   |             | 500.00          | 625                            |

| Total liquidators' time costs | Total Hours | Time Costs<br>£ | Average Hourly<br>Rate<br>£/hr |
|-------------------------------|-------------|-----------------|--------------------------------|
| 24 July 2018 to 23 July 2019  | 26          | 9,532           | 489                            |

## Explanation of major work activities undertaken

### Administration and planning

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

- Dealing with all matters in relation to the conversion of the Companies from administration to liquidation
- *Dealing with routine correspondence*
- Completing initial notification letters in respect of the liquidations
- Calculating the bonding requirement
- General case planning and administration
- Maintaining physical case files and electronics case details on IPS (case management software)
- Preparing and issuing the joint administrators' final report in respect of the Companies
- Completing statutory six month case reviews
- Filing the appropriate documents with the registrar and Court
- Dealing with solicitors and other professional advisors in respect of the Companies
- Dealing with taxation matters in respect of the UK Companies
- Dealing with taxation matters in respect of Spain S.L.
- Reviewing the Group's financial position

### Cashiering time:

- Maintaining and managing the administrators' cash book and bank accounts
- Reconciliation of bank accounts
- Correspondence with banks
- Raising cheques/preparing telegraphic transfers, remittances of receipts
- Transfer of funds from the administration accounts to the liquidation accounts for the Companies

### 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:

- Investigating circumstances which might give rise to claims against various parties and hence potential realisations of assets for the benefit of the creditors
- Review of the Companies' financial records for the purposes of the joint liquidators' investigations

### Realisation of assets

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

- Liaising with the banks in relation to potential cash at bank balances for LCTG and Beds.com Ltd

### Creditors

- Dealing with correspondence from Creditors including both customers of the Companies and trade and expense creditors.
- Dealing with routine correspondence from the creditors' committee on Spain S.L.
- Holdings meetings in respect of the creditors' committee on Spain S.L.

### Corporate Tax

Work conducted by our Corporate Tax team is in relation to the following:

- Review of the Tax position for the UK Companies
- Dealing with corporation tax returns in respect of the UK Companies

### **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 Staffing, charging, subcontractor and adviser policies and charge out rates

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## Introduction

Detailed below are:

- Smith & Williamson LLP's policy 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 liquidators 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 liquidators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2019.

| Smith & Williamson LLP<br>Restructuring & Recovery Services<br>Charge out rates | London office<br>£/hr |             | Regional offices<br>£/hr |             |
|---|-----------------------|-------------|--------------------------|-------------|
|   | From 1/7/16           | From 1/7/17 | From 1/7/16              | From 1/7/17 |
| Partner / Director (from 1 January 2016)  | 485-625               | 565 - 625   | 350-375                  | 350-375     |
| Associate Director  | 370-525               | 520         | 295-305                  | 295-315     |
| Managers  | 235-400               | 365 - 455   | 190-290                  | 190-310     |
| Other professional staff  | 150-310               | 205 - 285   | 120-175                  | 120-180     |
| Support & secretarial staff   | 85-100                | 110 - 395   | 60-135                   | 60-135      |

| Smith & Williamson LLP<br>Restructuring & Recovery Services<br>Charge out rates as at 1 July 2018 | London office<br>£/hr | Regional offices<br>£/hr |
|---|-----------------------|--------------------------|
| Partner / Director  | 565-650               | 360-380                  |
| Associate Director  | 525                   | 290-320                  |
| Managers  | 250-365               | 225-310                  |
| Other professional staff  | 170-400               | 140-185                  |
| Support & secretarial staff   | 115                   | 60-140                   |

| <b>Smith &amp; Williamson LLP</b>            | <b>London office</b> | <b>Regional offices</b> |
|--|----------------------|-------------------------|
| <b>Restructuring &amp; Recovery Services</b> | <b>£/hr</b>          | <b>£/hr</b>             |
| <b>Charge out rates as at 1 July 2019</b>    |                      |                         |
| Partner / Director                           | 580-675              | 376-432                 |
| Associate Director                           | 550                  | 352                     |
| Managers                                     | 340-475              | 216-304                 |
| Other professional staff                     | 225-475              | 144-192                 |
| Support & secretarial staff                  | 125                  | 80                      |

### 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.

| <b>CMB Partners UK Limited</b>                         | <b>Per hour</b> |
|--|-----------------|
| <b>Charge out rates from 1 July 2016 - 1 July 2019</b> | <b>£</b>        |
| Partner  | 625             |
| Manager  | 400             |
| Administrator  | 310             |
| Support/Cashier  | 100             |

| <b>S&amp;WFS Employee Benefits Consultancy</b> | <b>Per hour</b> |
|--|-----------------|
| <b>Charge out rates from 1 July 2018</b>       | <b>£</b>        |
| Director                                       | 245-349         |
| Associate Director                             | 204-244         |
| Manager  | 139-195         |
| Administrator                                  | 88-170          |

| <b>S&amp;WFS Employee Benefits Consultancy</b> | <b>From 1/7/16</b> | <b>From 1/7/17</b> |
|--|--------------------|--------------------|
| <b>Charge out rates</b>                        | <b>£/hr</b>        | <b>£/hr</b>        |
| Director                                       | 225-420            | 245-349            |
| Associate Director                             | 200-240            | 204-244            |
| Manager  | 185-195            | 139-195            |
| Administrator                                  | 70-145             | 88-170             |

| <b>S&amp;WFS Employee Benefits Consultancy</b> | <b>Per hour</b> |
|--|-----------------|
| <b>Charge out rates from 1 July 2019</b>       | <b>£</b>        |
| Director                                       | 245-349         |
| Associate Director                             | 204-244         |
| Manager  | 139-195         |
| Administrator                                  | 88-170          |

| <b>Smith &amp; Williamson LLP</b>         | <b>London office</b> |
|---|----------------------|
| <b>Corporate Tax</b>                      | <b>£/hr</b>          |
| <b>Charge out rates as at 1 July 2019</b> |                      |
| Partner / Director                        | 575-690              |
| Associate Director                        | 460                  |
| Managers                                  | 245-400              |
| Other professional staff                  | 115-210              |
| Support & secretarial staff               | 60                   |

| <b>Smith &amp; Williamson LLP</b>         | <b>London office</b> |
|---|----------------------|
| <b>Forensics</b>                          | <b>£/hr</b>          |
| <b>Charge out rates as at 1 July 2019</b> |                      |
| Partner / Director                        | 470                  |
| Associate Director                        | -                    |
| Managers                                  | 320-410              |
| Other professional staff                  | 240                  |
| Support & secretarial staff               | -                    |

[www.smithandwilliamson.com](http://www.smithandwilliamson.com)

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

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