

# Joint liquidators' progress report from 31 May 2020 to 30 May 2021

21 July 2021

**Fixi Plc - in liquidation**

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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
<b>Axicorp</b>	AxiCorp Financial Services Pty Limited
<b>Australian entities</b>	Drapac and Talberry Pty Ltd
<b>Company, Fixi</b>	Fixi Plc
<b>CDDA</b>	Companies Directors Disqualification Act 1986
<b>CVL</b>	Creditors' voluntary liquidation
<b>Dentons Australia</b>	Dentons Australia Limited
<b>Dentons UK and ME</b>	Dentons UK and Middle East LLP
<b>Drapac</b>	Drapac Financial Pty Limited (in liquidation)
<b>FCA</b>	Financial Conduct Authority
<b>Firm</b>	PricewaterhouseCoopers LLP
<b>FSCS</b>	Financial Services Compensation Scheme
<b>HMRC</b>	HM Revenue and Customs
<b>IA86</b>	Insolvency Act 1986
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>Mr Drapac</b>	Mr Goran Drapac
<b>Preferential creditors</b>	Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
<b>Prescribed part</b>	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
<b>Reporting period</b>	31 May 2020 to 30 May 2021
<b>RPS</b>	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
<b>Secured creditors</b>	Creditors with security in respect of their debt, in accordance with Section 248 IA86
<b>Segregated clients</b>	Any party for whom Fixi undertook to receive or hold segregated Client Money (whether or not on trust and whether or not that undertaking has been complied with)
<b>The Liquidators, we, our</b>	Douglas Nigel Rackham and Michael John Andrew Jervis
<b>Unsecured creditors</b>	Creditors who are neither secured nor preferential
<b>VREQ</b>	Voluntary application for the imposition of requirements

This report has been prepared by Douglas Nigel Rackham and Michael John Andrew Jervis as Joint Liquidators of the Company, solely to comply with the Joint Liquidators' statutory duty to report to creditors under IR16 on the progress of the liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Liquidators' previous reports issued to the Company's creditors, which can be found at [www.pwc.co.uk/fixi](http://www.pwc.co.uk/fixi). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Douglas Nigel Rackham and Michael John Andrew Jervis have been appointed as Joint Liquidators of the Company. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Liquidators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. Further details are available in the privacy statement on the [PwC.co.uk](http://PwC.co.uk) website or by contacting the Joint Liquidators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

# Key messages

## Why we've sent you this report

We are writing to update you on the progress of the liquidation of Fixi plc in the 12 months since our last report dated 16 July 2020.

You can still view our previous report on our website at [www.pwc.co.uk/fixi](http://www.pwc.co.uk/fixi)

## How much creditors might receive

The following table summarises the possible outcome for creditors, based on what we currently know.

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
Preferential creditors	100	100
Unsecured creditors	At least 10	Unknown
Segregated creditors	Not applicable	Unknown

Please note that there are no Segregated creditors as a decision was made to treat claims from segregated clients as ordinary unsecured claims. Please refer to the "Outcome for Creditors" section for more details.

## What you need to do

This report is for your information and you don't need to do anything. However, we've asked for outstanding claims from unsecured creditors so that we can agree them for dividend purposes.

If you are a creditor and haven't already done so, please send your claim to us so that we can agree it. A claim form can be downloaded from our website at [www.pwc.co.uk/fixi](http://www.pwc.co.uk/fixi) or you can get one by emailing [uk\\_fixi.creditors@pwc.com](mailto:uk_fixi.creditors@pwc.com).

Please note that should you wish to vote in relation to any decision procedure during the liquidation or object to a decision sought by deemed consent, you'll need to submit a proof of debt, even if one is not required for dividend purposes.

# Overview of what we've done to date

This is our second progress report. You may wish to refer to our previous report which can be found at [www.pwc.co.uk/fixi](http://www.pwc.co.uk/fixi). As explained in our earlier report, following the appointment of Nigel Rackham and Michael Jervis as liquidators on 31 May 2019, we secured and took control of the Company's assets, which included:

- Cash at bank
- Non intercompany/connected party book debts
- A rent deposit
- Software licences
- Investments in subsidiary companies
- The claim against the Australian entities, including intercompany debts, a claim for unpaid share capital from Mr Drapac and claims under the guarantee given by Mr Drapac and Drapac.

We set out below a summary of the key areas of work following our appointment on 31 May 2019. Please see our previous reports for full details of each aspect of this work which is not repeated in detail in this report.

- We recovered cash balances from the Company's various bank accounts, electronic wallet accounts and funds held by solicitors and secured these funds in the liquidation bank accounts.
- We recovered a rent deposit paid on a flat rented for one of the Company's directors.
- We determined that the Company's three subsidiaries were not actively trading or had realisable value.
- We concluded that the Company's two software licences, listed as assets in the Company's records, were not assignable and we did not have permission to sell these licences.
- We continued to work with our legal advisors to execute a settlement deed between the Company, Mr Drapac and Drapac, resulting in the Company now being the sole creditor of Drapac.
- We have continued to liaise with the Australian liquidator of Drapac to push forward with the Drapac liquidation and realise value for the Company.
- We agreed with the FSCS that the most cost effective approach to deal with any claims from Segregated clients was to treat all claims as ordinary unsecured claims so all clients and other Unsecured creditors would receive a dividend pari passu. Accordingly we transferred all segregated funds to the general liquidation account. We concluded that this would give rise to the best outcome for those Segregated clients.
- We developed a protocol with the FSCS to facilitate compensation payments of up to £85,000 to investment creditors that met the relevant criteria.
- We liaised with our specialist employee team to determine the most appropriate treatment of both UK and Georgia based employee claims.
- We have continued to fulfil our statutory and regulatory obligations as administrators of the Company.

# Outcome for creditors

## Preferential creditors (mainly employees)

In their statement of affairs, the directors thought that there were no Preferential creditors as the Company's employees were made redundant and the majority had been paid everything owed to them prior to the liquidation. However, we have received a small number of claims from former employees both in the UK and Georgia. Since we last reported, we have agreed preferential claims totalling £2,918 in relation to two former Georgian employees.

We are currently looking into the validity of a further claim made by a former director. Should this claim be valid and no further information comes to light regarding preferential claims, we should be in a position to pay the Preferential creditors in full. Based on current information, we think that the level of total preferential claims will be no more than £5,000. We intend to pay a first and final dividend to preferential creditors in the next 3-4 months. We will invite creditors with preferential claims, which will be specifically employee related, to confirm their claim in the coming weeks.

## Unsecured creditors

Dividends become available for Unsecured creditors when there are sufficient funds (after costs of the liquidation) to pay the Preferential creditors in full, with an amount left over. The prescribed part provisions do not apply as there is no floating charge registered against the Company.

We think that a dividend of at least 10p in the £ will be paid to the Unsecured creditors based on what we know currently, however, the quantum is highly dependent on asset realisations, particularly the outcome of the liquidation of Drapac.

As the liquidation progresses we will be able to advise creditors of future dividend prospects with more certainty. The precise amount of the dividend will depend on the final level of submitted claims, future realisations and liquidation costs. As detailed below, some creditors are entitled to compensation from the FSCS and many have received that compensation.

To date we have received 79 claims from clients and creditors with a total claim value of £4.7m. 6 claims are still to be agreed and 73 claims have now been agreed with a total agreed value of £3.45m. This includes 42 claims which have been compensated by the FSCS (see below for more details). 110 potential claims with a value of £1.17m as per the Statement of Affairs are currently awaited.

	No. of claims	SoA (£)	Claim (£)	Agreed (£)	Payment made (£)
<b>Claims received</b>					
Claim agreed	30	1,150,400	1,160,123	1,532,751	-
FSCS claim - where compensation has been paid	42	1,297,462	1,899,592	1,877,951	1,270,337
FSCS claim - in progress	1	31,851	36,000	36,000	-
Claim not agreed	6	980,774	1,170,284	-	-
<b>Total claims received</b>	<b>79</b>	<b>3,460,487</b>	<b>4,716,000</b>	<b>3,446,702</b>	<b>1,270,337</b>
<b>Potential claims awaited</b>					
Awaited claims	110	1,172,903	-	-	-
<b>Total awaited claims</b>	<b>110</b>	<b>1,172,903</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: Due to FSCS compensation being capped at £85k per claimant, the FSCS compensation paid of £1.27m does not agree to the agreed claim value of FSCS claims as per the table above.



## Financial Services Compensation Scheme

As Fixi was authorised by the FCA and provided FSCS protected financial products, the FSCS has agreed to pay compensation of up to £85,000 to investment creditors that meet the relevant criteria.

If you believe that you are entitled to compensation under this scheme, please submit a proof of debt, with supporting evidence, to us at [uk\\_fixi.creditors@pwc.com](mailto:uk_fixi.creditors@pwc.com).

Under the FSCS terms and conditions as compensation is paid to creditors the original claimant assigns their rights as creditor in full to the FSCS. Where the FSCS has advised that it has paid compensation to a creditor we will replace the original claimant's claim on our system with the FSCS's claim. The effect of this is that the FSCS (as a creditor) will receive any future distributions payable from the liquidation in respect of the original claimant's claim. Any recoveries the FSCS receives in excess of the compensation it has paid will be paid to the original claimant subject to allowance for costs. As a creditor receiving compensation from the FSCS has already agreed to these terms, we will not be writing to creditors individually to confirm assignment of their claim in the liquidation.

Further details regarding this matter can be found at the website [www.pwc.co.uk/fixi](http://www.pwc.co.uk/fixi).

So far 42 claims have been reviewed, agreed and compensated by the FSCS and payments totalling £1.27m have been made by them in respect of these claims. One further claim has been determined to be eligible for compensation by the FSCS, however, as at the time of writing this report, no compensation has yet been paid to the creditor in respect of this claim.

## Segregated clients

It had previously been agreed with the FSCS that the most cost effective approach to deal with segregated clients was to treat all claims as ordinary unsecured claims and to aggregate the segregated funds with the house assets so that all clients and creditors would receive a dividend *pari passu*. Accordingly, all segregated funds were transferred into the general liquidation account in the period. We concluded that this would be in the best interests of Segregated clients.

Most creditors who thought their funds would be classed as segregated funds are likely to be eligible for compensation by the FSCS and protected in any event.

# Progress since we last reported

## Realisation of assets

### Non intercompany/connected party book debts

We identified a small number of non-intercompany debtor balances totalling less than £20,000 and wrote to the parties involved to request payment. The debts were either disputed or we received no response. Due to a lack of supporting evidence and the costs involved in pursuing these balances no further action will now be taken.

### Claim against Australian entities and Mr Drapac

When we last reported, the key outstanding matters in the liquidation were ongoing negotiations with Mr Drapac and Drapac. Drapac entered liquidation in Australia in June 2019. The purpose of the negotiations was to reach a full and final settlement with both in relation to a potential contribution to the liquidation under the guarantee Mr Drapac and Drapac had provided to the Company to support any solvency shortfall. We are pleased to confirm that a settlement deed has now been successfully executed resulting in Fixi being the sole creditor of Drapac. We continue to liaise with the liquidator of Drapac in relation to this matter and in particular with a view to recovering funds from that liquidation via a disposal of certain assets held by Drapac. We are not currently in a position to confirm quantum or timing in relation to this matter.

## Connected party transactions

The settlement deed between Mr Drapac and the Australian entities finalised in the period covered by this report constitutes a connected party transaction. The settlement deed was beneficial as it has resulted in Fixi being the sole creditor of Drapac.

## Statutory and compliance

We have continued to engage with our specialist VAT, tax and pension specialists in this case to ensure that we comply with the applicable statutory and regulatory requirements.

### Tax matters

We continue to liaise with the tax team in relation to the Company's tax position.

The post appointment tax return for the year ended 28 May 2020 has been prepared and submitted in advance of the statutory deadline. No payment to HMRC is due in relation to this return.

### VAT matters

The Company was deregistered for VAT from 1 January 2020. During the reporting period, we have prepared and will shortly submit a VAT833 form to declare and pay output VAT arising from legal fees charged by Dentons Australia and which are subject to the reverse charge system. We will also seek to reclaim input tax incurred by the Company from HMRC shortly after the period covered by this report.

## Liquidation committee

As we have previously advised, on 25 June 2019 creditors agreed by deemed consent to a Committee being formed. The Committee members are as follows:

1. Simon Williams;
2. Jacob Ben Zaken;
3. Fortinbras Asset Management GmbH;
4. Star Hat Solutions Limited;
5. FSCS (as from 18 May 2020).

We have held regular meetings and correspondence with the Committee since its formation and continue to keep them updated as to the progress of the liquidation. To date the liquidators have convened and held a number of both informal and formal meetings with the Committee members.

We have actively engaged with the Committee regarding the progress and overall strategy of the liquidation. We have regularly updated them and sought their views on our negotiations with Mr Drapac and the Australian entities. We have also communicated with the members of the Committee on an ad hoc basis when necessary.

## Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

## Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the liquidation from 31 May 2020 to 30 May 2021.

## Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as a liquidation expense in due course because amounts due will depend on the position at the end of the tax accounting period.

## Our fees

The Committee approved the basis of our fees on 13 August 2020 and a remuneration report was issued at that time. The report can be found at [www.pwc.co.uk/fixi](http://www.pwc.co.uk/fixi).

We set out in Appendix C an update on our fees, disbursements and other related matters.

## Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

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

You can also get a copy free of charge by telephoning Harmeet Harish on 0207 583 5000.

## What we still need to do

We are liaising with the liquidator of Drapac with a view to realising value for the Company. We are hopeful of a positive result and anticipate that we will be able to pay a dividend to creditors in due course.

Other main outstanding tasks are outlined below. We will:

- Agree Preferential creditors claims and distribute funds accordingly;
- Agree Unsecured claims and distribute funds accordingly;
- File tax returns and pay any tax due to HMRC; and
- Complete closure tasks (final report, closing internal systems, closure of bank accounts).

## Next report

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is sooner.

If you have any questions, please email [uk\\_fixi.creditors@pwc.com](mailto:uk_fixi.creditors@pwc.com).

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Nigel', with a horizontal line extending to the right.

Nigel Rackham  
Joint Liquidator

# Appendices

# Appendix A: Receipts and payments

Fixi Plc - Sterling account

Receipts and payments account from 31 May 2019 to 30 May 2021

Directors' statement of affairs (£)	31 May 2019 to 30 May 2020 (£)	Movements in the period	Total as at 30 May 2021 (£)
<b>Receipts</b>			
- Sundry debts and refunds	1,934.00	-	1,934.00
80,000 Intangible assets	-	-	-
- Cash in hand (segregated)	2,835.63	-	2,835.63
866,799 Cash in hand (non segregated)	843,640.33	-	843,640.33
Transfers from Non-Sterling accounts	-	58,194.56	58,194.56
- Bank interest	2,611.92	-	2,611.92
<b>946,799 Total Receipts</b>	<b>851,021.88</b>	<b>58,194.56</b>	<b>909,216.44</b>
<b>Payments</b>			
- Legal fees and expenses	(24,000.02)	(10,417.13)	(34,417.15)
- IT services	(3,373.60)	-	(3,373.60)
- Storage costs	(1,560.16)	-	(1,560.16)
- Statutory advertising	(154.00)	-	(154.00)
- Property/asset expenses	(3,726.66)	-	(3,726.66)
- Employee/subcontractor expenses	(2,520.00)	-	(2,520.00)
- Bank charges	(144.00)	(155.00)	(299.00)
- Joint Liquidators' remuneration	-	(250,000.00)	(250,000.00)
- Joint Liquidators' disbursements	-	(2,526.62)	(2,526.62)
- <b>Total Payments</b>	<b>(35,478.44)</b>	<b>(263,098.75)</b>	<b>(298,577.19)</b>
<b>946,799 Net Floating Charge Realisations</b>	<b>815,543.44</b>	<b>(204,904.19)</b>	<b>610,639.25</b>
VAT Control Account	(312.00)	(50,505.32)	(50,817.32)
<b>Balance held in Interest Bearing Account</b>	<b>815,231.44</b>	<b>(255,409.51)</b>	<b>559,821.93</b>

Fixi Plc - USD account

Receipts and payments account from 31 May 2019 to 30 May 2021

Directors' statement of affairs (£)		31 May 2019 to 30 May 2020 (\$)	Movements in the period	Total as at 30 May 2021 (\$)
	<b>Receipts</b>			
-	Cash in hand (segregated)	69,204.38	-	69,204.38
-	Bank interest	589.61	-	589.61
-	<b>Total Receipts</b>	<b>69,793.99</b>	-	<b>69,793.99</b>
	<b>Payments</b>			
-	Bank charges	(36.83)	-	(36.83)
-	Transfer to GBP account	-	(69,757.16)	(69,757.16)
-	<b>Total Payments</b>	<b>(36.83)</b>	<b>(69,757.16)</b>	<b>(69,793.99)</b>
	<b>Net Floating Charge Realisations</b>	<b>69,757.16</b>	<b>(69,757.16)</b>	<b>-</b>
-	VAT Control Account	-	-	-
	<b>Balance held in Interest Bearing Account</b>	<b>69,757.16</b>	<b>(69,757.16)</b>	<b>-</b>

Fixi Plc - AUD account

Receipts and payments account from 31 May 2019 to 30 May 2021

Directors' statement of affairs (£)		31 May 2019 to 30 May 2020 AU\$	Movements in the period AU\$	Total as at 30 May 2021 AU\$
	<b>Receipts</b>			
-	Cash in hand (segregated)	4,765.83		4,765.83
-	<b>Total Receipts</b>	<b>4,765.83</b>	-	<b>4,765.83</b>
	<b>Payments</b>			
-	Transfer to GBP account	-	(4,765.83)	(4,765.83)
-	<b>Total Payments</b>	<b>-</b>	<b>(4,765.83)</b>	<b>(4,765.83)</b>
-	<b>Net Floating Charge Realisations</b>	<b>4,765.83</b>	<b>(4,765.83)</b>	<b>-</b>
	VAT Control Account	-	-	-
-	<b>Balance</b>	<b>4,765.83</b>	<b>(4,765.83)</b>	<b>-</b>

# Fixi Plc - JPY account

## Receipts and payments account from 31 May 2019 to 30 May 2021

Directors' statement of affairs (£)		31 May 2019 to 30 May 2020 (¥)	Movement in the period (¥)	Total as at 30 May 2021 (¥)
	<b>Receipts</b>			
-	Cash in hand (segregated)	80,546.00	-	80,546.00
-	<b>Total Receipts</b>	<b>80,546.00</b>	-	<b>80,546.00</b>
	<b>Payments</b>			
-	Transfer to GBP account	-	(80,546.00)	(80,546.00)
-	<b>Total Payments</b>	-	-	<b>(80,546.00)</b>
-	<b>Net Floating Charge Realisations</b>	<b>80,546.00</b>	-	-
	VAT Control Account	-	-	-
	<b>Balance</b>	<b>80,546.00</b>	-	-

## Notes to the R&P

1. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or exclude monies which will be received in due course.
2. The Company paid invoices prior to our appointment which account for the difference between the cash in hand figure and cash as per the statement of affairs figure.
3. The cash balance from the Directors' statement of affairs includes balances in all currencies. We have presented the figures as at the progress report date, in their original currency.
4. The GBP funds are held in an interest bearing account. The balances in the USD, JPY and AUD accounts totalling £58,194.56 have been transferred to the GBP account. The USD, JPY and AUD accounts are now closed. Due to current low base rates set by the Bank of England, no interest has been paid into the GBP account during the reporting period.
5. As explained further in this report, Joint Liquidators' remuneration paid in the period is based on time costs subject to a cap of £250,000. The receipts and payments account shows the amount paid in the period and total to date.
6. Included within our disbursements is £2,526.62 paid in the period. Of this total, £621.53 relates to 'Category 2' disbursements in accordance with the policy explained later in this report.



# Appendix B: Expenses

Expenses are amounts properly payable by us as liquidators from the estate, but excludes our fees and distributions to creditors. These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	Definition
<b>Category 1</b>	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
<b>Category 2</b>	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees, the Creditors' Committee ("the Committee"), also has the responsibility for agreeing the policies for payment of Category 2 expenses.

The following table provides a breakdown of the Category 2 expenses have been incurred by us as administrators or our associates, together with details of the Category 1 expenses that have been incurred by PwC and will be recharged to the case:

Category	Cost incurred by	Policy	Costs incurred (£)
2	PwC	<b>Photocopying</b> – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	156
2	PwC	<b>Mileage</b> – At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	PwC	<b>Other disbursements reimbursed at cost</b> Archiving costs Postage / Courier Other	4,075 161 4
<b>Total</b>			4,396

We will seek approval for Category 2 expenses as set out above in due course.

The following table provides details of our expenses. The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date. The table also excludes any potential tax liabilities that we may need to pay as a liquidation expense because amounts becoming due will depend on the position at the end of the tax accounting period.

Category of expense	Brought forward from preceding period £	Incurred in the period under review	Cumulative £	Estimated future £	Anticipated total £	Initial estimate £	Variance £
Legal fees and expenses	24,000	22,127	46,127	10,000	56,127	33,000	23,127
IT services	3,374	-	3,374	-	3,374	3,374	-
Storage costs	1,560	-	1,560	7,308	8,868	8,868	-
Statutory advertising	154	-	154	154	308	308	-
Property / asset expenses	3,727	-	3,727	-	3,727	3,727	-
Employee / subcontractor expenses	2,520	-	2,520	-	2,520	2,520	-
Bank charges	144	155	299	200	499	330	169
Joint Liquidators' disbursements	2,214	4,396	6,610	2,000	8,610	3,446	5,164
<b>Total</b>	<b>37,692</b>	<b>26,678</b>	<b>64,371</b>	<b>19,662</b>	<b>84,033</b>	<b>55,573</b>	<b>28,460</b>

## Notes

- Storage costs previously reported as at 30 May 2020 were £2,219. Following a review of expenses, the brought forward figure has been reduced by £659 relating to disbursements to £1,560. As such, the brought forward figure for Joint Liquidators' disbursements has been increased by this amount from £1,555 and adjusted to £2,214.
- Joint Liquidators disbursements incurred in the period total £4,396 of which £156 relate to Category 2 disbursements.
- Joint Liquidators' remuneration billed in the period totals £250,000 on a time cost basis but this category of expense has been omitted from the above table. This is because future fees are contingent on the level of future asset recoveries. Please see the next section for further details.

Our expenses to date have exceeded the original estimate provided to all creditors before the basis of our fees was fixed. This is largely due to greater legal fees than anticipated, due to advice we have required from our legal advisers in respect of UK employment law and dealing with an assertion from a creditor regarding the segregation of client funds by the Company prior to the liquidation.

# Appendix C: Remuneration update

Our fees were approved by the Committee in August 2020 on the following bases:

- For the period from appointment to 30 April 2020, by reference to the time properly given by the liquidators and the various grades of their staff at 50% their firm's usual charge out rates for work done, and;
- For the period from 1 May 2020 in relation to all work, other than work defined as "Excluded Work" per the liquidators' remuneration report dated 16 July 2020, by reference to the time properly given by the liquidators and the various grades of their staff at 50% of their firm's usual charge out rates for work done.

This approval allows us to draw fees by reference to the time properly given by us and our staff in dealing with the liquidation, at a reduced recovery rate, and subject to a limit of £250,000.

We have drawn fees of £250,000 (see Appendix A for our receipts and payments account for the reporting period) in line with the approval given.

Excluded Work refers to the work carried out from 1 May 2020 investigating claims against the Australian entities and realising value from them; all other work can be categorised as "included". For Excluded Work, the Committee has agreed that we may draw fees on a percentage basis. The percentage is calculated as follows:

- 25% of the first AUD \$1m\* realised from the Australian entities, and;
- 50% of any realisations from the Australian entities, over AUD \$1m.

\*AUD \$1m = £543,656 based on the Bank of England exchange rate as at 30 May 2021 being £1 = AUD \$1.8394 but the fee will be determined based on the exchange rate when any funds are realised.

At present, there have been no realisations from the Australian entities and therefore no fees have been drawn on a percentage basis. Total fees are subject to a separate cap agreed with the Committee which states that the total fees billed in accordance with the above basis will not exceed 150% of the total value of time costs incurred by us and our various grades of staff at the firm's undiscounted charge out rates.

The total time costs incurred in the period covered by this report at 100% of our usual hourly rates are £411,620 representing 808.25 hours at an average hourly rate of £509 (including Excluded Work totalling £41,780 representing 57.75 hours). As explained above, this amount does not necessarily reflect how much we will eventually draw as fees for this period.

Our time costs have exceeded our initial estimate of £613,318 as detailed in our remuneration report dated 16 July 2020. However, future fees are contingent upon the amounts realised from the Australian entities as detailed above. Should there be no further realisations from the Australian entities, then we will not draw more than the £250,000 fees already drawn in the period covered by this report.

We set out later in this Appendix details of our work to date, anticipated future work, subcontracted work and payments to associates.

## Our hours and average rates

The below table shows the time costs incurred in the reporting period together with the cumulative time costs to 30 May 2021.

Time costs for the period 31 May 2020 to 30 May 2021.									Hours incurred to 30 May 2020	Costs incurred to 30 May 2020 (£)	Cumulative hours to 30 May 2021	Cumulative cost to 30 May 2021 (£)	Average Hourly Cost (£)
Category of work	Partner	Director	Senior Manager	Manager	Senior Associate	Associate / Other	Total Hours	Total Cost (£)					
Accounting and Treasury	-	-	-	3.10	8.35	8.75	20.20	6,287	78.10	23,958	98.30	30,245	308
Assets	-	-	-	0.30	0.95	0.10	1.35	594	42.30	19,043	43.65	19,637	450
Committee	-	2.20	-	8.75	0.95	-	11.90	6,760	105.20	53,573	117.10	60,333	515
Creditors	-	6.50	6.90	263.40	106.45	3.15	386.40	204,851	226.00	98,539	612.40	303,390	495
Employees and Pensions	-	-	0.60	2.25	3.00	0.10	5.95	2,832	88.00	30,461	93.95	33,293	354
Investigations ("excluded" work)	-	33.80	-	23.95	-	-	57.75	41,780	113.30	46,548	171.05	88,328	516
Statutory and Compliance	1.60	17.60	2.05	56.15	87.65	0.15	165.20	79,892	188.90	70,516	354.10	150,408	425
Strategy and Planning	-	0.10	0.40	22.05	30.20	18.80	71.55	29,795	179.10	75,810	250.65	105,605	421
Tax and VAT	-	0.70	5.05	8.10	59.85	14.25	87.95	38,831	61.10	19,400	149.05	58,231	391
Other	-	-	-	-	-	-	-	-	12.20	5,869	12.20	5,869	481
<b>Grand Total</b>	<b>1.60</b>	<b>60.90</b>	<b>15.00</b>	<b>388.05</b>	<b>297.40</b>	<b>45.30</b>	<b>808.25</b>	<b>411,620</b>	<b>1094.20</b>	<b>443,717</b>	<b>1,902.45</b>	<b>855,337</b>	<b>450</b>

We have provided below a comparison of the total time costs incurred to 30 May 2021 with the estimate provided to creditors in our July 2020 remuneration report. However, as detailed above future remuneration is contingent on realisations from the Australian entities.

Category of work	Total Hours to 30 May 2021	Total cost incurred to 30 May 2021 (£)	Estimate of total hours	Estimate of total cost (£)	Estimate of average hourly rate (£/hour)	Variance - hours	Variance - cost (£)
Accounting and Treasury	98.30	30,245	124.60	41,641	334	(26.30)	(11,397)
Assets	43.65	19,637	47.80	21,423	448	(4.15)	(1,786)
Committee	117.10	60,333	158.70	81,118	511	(41.60)	(20,785)
Creditors	612.40	303,390	365.50	148,808	407	246.90	154,582
Employees and Pensions	93.95	33,293	108.00	42,836	397	(14.05)	(9,543)
Investigations ("excluded" work)	171.05	88,328	113.30	46,548	411	57.75	41,780
Statutory and Compliance	354.10	150,408	282.40	106,544	377	71.70	43,864
Strategy and Planning	250.65	105,605	217.10	94,610	436	33.55	10,995
Tax and VAT	149.05	58,231	71.10	23,923	336	77.95	34,308
Other	12.20	5,869	12.20	5,869	481	-	-
<b>Total</b>	<b>1,902.45</b>	<b>855,337</b>	<b>1,500.70</b>	<b>613,320</b>	<b>409</b>	<b>401.75</b>	<b>242,017</b>

Our time costs to date have exceeded our original estimate in some work categories but are less in others. Overall, our time costs have exceeded the estimated budget for the following reasons:

- Adjudicating and agreeing a substantial number of claims that required greater correspondence with claimants to corroborate claim values;
- Dealing with an assertion from a creditor regarding the segregation of client funds by the Company prior to the liquidation;
- Extra work carried out by our tax specialists assessing VAT recoverable and determining an appropriate partial exemption special method, seeking clarification and approval from HMRC and preparation and submission of relevant forms to HMRC;

- Liaising with the Drapac liquidator to expedite the Drapac liquidation; and
- Negotiating and executing a settlement deed between Mr Drapac, Drapac and the Australian entities.

## Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the liquidation. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the liquidation (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the liquidation.

Grade	From 1 Jul 2019 to 30 June 2020 £	From 1 July 2020 to 30 June 2021 £
<b>Partner</b>	910	955
<b>Director</b>	800	840
<b>Senior Manager</b>	605	665
<b>Manager</b>	525	575
<b>Senior Associate</b>	435	465
<b>Associate</b>	270	297
<b>Support staff</b>	140	155
<b>Offshore professionals</b>	235	240

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	From 1 Jul 2019 to 30 June 2020	From 1 July 2020 to 30 June 2021
<b>Partner</b>	1,520	1,600
<b>Director</b>	1,395	1,465
<b>Senior Manager</b>	1,290	1,355
<b>Manager</b>	775	815
<b>Senior Associate</b>	575	605
<b>Associate</b>	307	325
<b>Support staff</b>	250	250

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

# Payments to associates

We have not made any payments to associates during the period covered by this report and no such payments are expected in the future.

## Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
<b>Accounting and treasury</b>	<ul style="list-style-type: none"> <li>Processing receipts, payments and journals</li> <li>Carrying out periodic bank reconciliations.</li> <li>Dealing with receipts, payments and journals</li> <li>Following protocols for approval of suppliers before payment</li> <li>Corresponding with bank regarding specific transfers</li> <li>Closing foreign currency accounts and transferring balances to the Sterling account</li> </ul>	<ul style="list-style-type: none"> <li>Ensures regular and accurate maintenance of accounting records</li> </ul>	<ul style="list-style-type: none"> <li>Ensures proper financial control of cash.</li> <li>Required by statute and regulations.</li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>Checking publicly available records and Company records for existence of further assets</li> </ul>	<ul style="list-style-type: none"> <li>In order to realise assets for the benefit of the liquidation estate</li> </ul>	<ul style="list-style-type: none"> <li>Should we realise assets in the liquidation the creditors will benefit directly should there be sufficient funds available for an Unsecured creditor distribution</li> </ul>
<b>Creditors</b>	<ul style="list-style-type: none"> <li>Receiving and filing proof of debt forms</li> <li>Reviewing and adjudicating claims, including requesting further information from claimants</li> <li>Receiving and following up creditor enquiries via telephone, email and post</li> <li>Corresponding with the FSCS and creditors in line with the protocol</li> <li>Liaising with Dentons UK and ME in respect of an assertion from a creditor regarding the segregation of client funds by the Company prior to the liquidation</li> <li>Reviewing and preparing correspondence to other creditors and their representatives</li> </ul>	<ul style="list-style-type: none"> <li>To keep all creditors updated as to the progress of the liquidation</li> </ul>	<ul style="list-style-type: none"> <li>Potential direct benefit to creditors as this work will ensure creditors receive compensation if due</li> </ul>

	<ul style="list-style-type: none"> <li>Maintaining and updating the creditor database</li> </ul>		
<b>Employees and pensions</b>	<ul style="list-style-type: none"> <li>Correspondence with employee specialists regarding claims from former employees</li> <li>Seeking legal advice in respect of claims received</li> </ul>	<ul style="list-style-type: none"> <li>This work is required by statute</li> </ul>	<ul style="list-style-type: none"> <li>The benefit will be to the Preferential creditors should their claims be admitted and to creditors generally as only</li> </ul>
<b>Investigations</b>	<ul style="list-style-type: none"> <li>Correspondence with Mr Drapac's solicitor</li> <li>Correspondence with Dentons Australia</li> <li>Review, update and finalising the Settlement Deed</li> <li>Correspondence with the Australian liquidator of Drapac</li> <li>Internal email correspondence regarding strategy</li> </ul>	<ul style="list-style-type: none"> <li>To comply with mandatory statutory and other obligations</li> <li>In order to realise assets for the benefit of the liquidation estate</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute</li> <li>Should we realise assets in the liquidation the creditors will benefit directly should there be sufficient funds available for an Unsecured creditor distribution</li> </ul>
<b>Statutory and Compliance</b>	<ul style="list-style-type: none"> <li>Preparation and circulating to creditors the remuneration report detailing the work we expect to carry out, our fees estimate and expenses that are likely to be incurred</li> <li>Preparing documents and information for the purposes of obtaining approval to fees and Category 2 disbursements</li> <li>Preparing and issuing the first annual report to creditors and the Registrar of Companies</li> <li>Conducting six monthly case reviews and preparing associated documents</li> <li>Maintaining case records</li> <li>Updating case checklists and diary management system</li> <li>Reviewing and allocating incoming post</li> </ul>	<ul style="list-style-type: none"> <li>To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute and regulatory body</li> </ul>
<b>Strategy and Planning</b>	<ul style="list-style-type: none"> <li>Monitoring case costs against budgets.</li> <li>Holding team meetings, discussions regarding status of the liquidation</li> <li>Reviewing and analysing strategic options for liquidation</li> <li>Ongoing management of the case</li> <li>Strategy discussions with legal advisers</li> </ul>	<ul style="list-style-type: none"> <li>Work is required for the proper administration of the case</li> </ul>	<ul style="list-style-type: none"> <li>No direct financial benefit to creditors</li> </ul>
<b>Committee</b>	<ul style="list-style-type: none"> <li>Managing membership of the committee</li> <li>Engaging with committee around strategy for the liquidation and next steps</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory and regulatory obligations</li> </ul>	<ul style="list-style-type: none"> <li>No direct financial benefit to creditors however the Committee acts on behalf of the general body of creditors</li> </ul>

	<ul style="list-style-type: none"> <li>• Collating resolutions to agree the basis of our fees</li> <li>• Ad hoc correspondence with Committee members</li> </ul>		
<b>Tax and VAT</b>	<ul style="list-style-type: none"> <li>• Enquiries with HMRC regarding procedure to reclaim and pay VAT on Dentons Australia invoices</li> <li>• Preparation of VAT426 form to reclaim VAT paid during the liquidation</li> <li>• Preparation of VAT833 form to declare and pay VAT to HMRC</li> <li>• Ensuring compliance with tax legislation</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with legal requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute or other legal requirement.</li> <li>• Potential benefit to creditors as the work done ensures any available tax and VAT recoveries are made for the benefit of the liquidation</li> </ul>

## Our previous work

As this progress report is the first to be issued following the approval of the basis of our fees, below are details of work carried out by the Liquidators in previous periods.

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
<b>Accounting and treasury</b>	<ul style="list-style-type: none"> <li>• Opening bank accounts and arranging facilities</li> <li>• Lengthy correspondence with the Company's former bankers and online banks to obtain segregated and non-segregated cash held in pre appointment accounts</li> <li>• Dealing with receipts, payments and journals</li> <li>• Following protocols for approval of suppliers before payment</li> <li>• Corresponding with bank regarding specific transfers</li> <li>• Arranging to close foreign currency accounts</li> <li>• Arranging bonds for appointees</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures regular and accurate maintenance of accounting record</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures proper financial control of cash</li> <li>• Required by statute and regulation</li> </ul>
<b>Assets Debtors</b>	<ul style="list-style-type: none"> <li>• Reviewing information provided by the directors on debtor balance</li> <li>• Reviewing the Company's books and records to assess the collectability of the debtors</li> <li>• Liaising with debtors in response to letters</li> </ul>	<ul style="list-style-type: none"> <li>• In order to realise assets for the benefit of the liquidation estate</li> </ul>	<ul style="list-style-type: none"> <li>• Should we realise assets in the liquidation the creditors will benefit directly should there be sufficient funds available for an Unsecured creditor distribution</li> </ul>



Other assets	<ul style="list-style-type: none"> <li>• Initial assessment of intercompany balances and whether any realisations are likely from this source</li> <li>• Considering merits of instructing an external firm to collect the independent debtors</li> <li>• Initial contact with the liquidators of Drapac</li> <li>• Initial contact with Mr Drapac and the Australian entities to establish value of assets and likelihood of early settlement</li> <li>• Corresponding with landlord of leasehold property to obtain rent deposit refund</li> <li>• Reviewing Company's asset position in their Georgia branch</li> <li>• Researching status of subsidiary companies</li> <li>• Reconciling cash received with the company's accounting information</li> <li>• Review of the statement of affairs and company accounts to identify potential assets</li> <li>• Corresponding with licence providers to determine if the licences held had value</li> </ul>		
Insurance	<ul style="list-style-type: none"> <li>• Liaising with insurers to agree what insurance cover was required</li> <li>• Identifying potential issues requiring attention of insurance specialists</li> <li>• Reviewing pre appointment insurance policies</li> </ul>		
<b>Creditors</b>	<ul style="list-style-type: none"> <li>• Setting up a dedicated website for delivery of initial and ongoing communications and reports</li> <li>• Liaising with the FSCS to agree a protocol for claims agreement, processing and payment</li> <li>• Dealing with creditor queries</li> <li>• Processing claims and providing details to the FSCS where appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>• To keep all creditors updated as to the progress of the liquidation</li> </ul>	<ul style="list-style-type: none"> <li>• Potential direct benefit to creditors as this work will ensure creditors receive compensation if due.</li> </ul>
<b>Employees and pensions</b>	<ul style="list-style-type: none"> <li>• Preparing letters to employees advising of their entitlements and options available</li> <li>• Corresponding with the Company's accountants to obtain details of redundancy</li> </ul>	<ul style="list-style-type: none"> <li>• This work is required by statute</li> </ul>	<ul style="list-style-type: none"> <li>• The benefit will be to the Preferential creditors should their claims be admitted to ensure creditors receive compensation if due.</li> </ul>

	<ul style="list-style-type: none"> <li>related payments made to employees</li> <li>Researching employment law in Georgia to understand the impact on claims made in the liquidation</li> <li>Reviewing pension scheme information</li> <li>Calculating contributions and requesting payments to the relevant scheme or policy</li> </ul>		
<b>Investigations (to 30 April 2020)</b> Preserving company records, review and storage  CDDA reporting  Initial steps to realise assets from the Australian entities	<ul style="list-style-type: none"> <li>Liaising with external suppliers to ensure continued service</li> <li>Liaising with our forensics team to locate and preserve records</li> <li>Data back up</li> <li>Locating company paper records</li> <li>Arranging transfer of records</li> <li>Review of available records</li> <li>Preparing an investigation file and lodging findings through the Director Conduct Reporting Service</li> <li>Initial review of information</li> <li>Planning strategy</li> <li>Land registry search</li> <li>Correspondence with Dentons Australia</li> <li>Considering where assets may lie</li> <li>Correspondence with Mr Drapac's solicitors</li> </ul>	<ul style="list-style-type: none"> <li>To comply with mandatory statutory and other obligations</li> <li>In order to realise assets for the benefit of the liquidation estate</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute</li> <li>Should we realise assets in the liquidation the creditors will benefit directly should there be sufficient funds available for an Unsecured creditor distribution</li> </ul>
<b>Statutory and compliance</b>	<ul style="list-style-type: none"> <li>Preparing and issuing all necessary initial letters and notices regarding the liquidation and our appointment</li> <li>Collecting company books and records where not related to investigatory work</li> </ul>	<ul style="list-style-type: none"> <li>To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute</li> </ul>
<b>Liquidation committee</b>	<ul style="list-style-type: none"> <li>Establishing a creditors' committee and holding an initial meeting</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory and regulatory obligations</li> </ul>	<ul style="list-style-type: none"> <li>No direct financial benefit to creditors however the Committee acts on behalf of the general body of creditors</li> </ul>
<b>Tax and VAT</b>	<ul style="list-style-type: none"> <li>Advising tax colleagues of the appointment</li> <li>Gathering information for the initial tax review</li> </ul>	<ul style="list-style-type: none"> <li>To comply with legal requirements</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute or other legal requirement.</li> <li>Potential benefit to creditors as the work done ensures any</li> </ul>

<ul style="list-style-type: none"> <li>• Carrying out tax review and subsequent enquiries</li> <li>• Gathering information for the initial VAT review</li> </ul>	available tax and VAT recoveries are made for the benefit of the liquidation
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## Our future work

We still need to do the following work in the liquidation.

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute	Anticipated costs £
<b>Accounting and treasury</b>	<ul style="list-style-type: none"> <li>• Dealing with receipts, payments and journals</li> <li>• Carrying out bank reconciliations and managing investment of funds</li> <li>• Corresponding with bank regarding specific transfers</li> <li>• Following protocols for approval of suppliers before payment</li> <li>• Closure of bank account and accounting systems</li> <li>• Filing and administration</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures regular and accurate maintenance of accounting record</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures proper financial control of cash</li> <li>• Required by statute and regulation</li> </ul>	6,200
<b>Assets</b>  Debtors	<ul style="list-style-type: none"> <li>• Reconciling records in relation to book debts and other assets</li> </ul>	<ul style="list-style-type: none"> <li>• In order to realise assets for the benefit of the liquidation estate</li> </ul>	<ul style="list-style-type: none"> <li>• Should we realise assets in the liquidation the creditors will benefit directly should there be sufficient funds available for an Unsecured creditor distribution</li> </ul>	1,100
<b>Creditors</b>	<ul style="list-style-type: none"> <li>• Receiving and following up creditor enquiries via telephone, email and post</li> <li>• Reviewing and preparing correspondence to creditors and their representatives</li> <li>• Receipting and filing proofs of debt</li> </ul>	<ul style="list-style-type: none"> <li>• To keep all creditors updated as to the progress of the liquidation</li> </ul>	<ul style="list-style-type: none"> <li>• Potential direct benefit to creditors as this work will ensure creditors receive compensation if due.</li> </ul>	62,000

	<ul style="list-style-type: none"> <li>• Corresponding with the FSCS and creditors in line with the protocol</li> <li>• Corresponding with the RPS regarding proof of debt</li> <li>• Calculating dividend rate and preparing dividend file</li> <li>• Advertising dividend notices</li> <li>• Preparing and paying preferential distribution</li> <li>• Ensuring PAYE/NIC is deducted and remitted to HMRC</li> <li>• Preparing correspondence to potential creditors inviting lodgment of proof of debt</li> <li>• Corresponding with and agreeing the claims of former employees based in the UK</li> <li>• Adjudicating claims, including requesting further information from claimants</li> <li>• Preparing correspondence to claimant advising outcome of adjudication and advising of intention to declare dividend</li> <li>• Preparing correspondence to creditors announcing declaration of dividend</li> <li>• Preparing and paying distribution</li> <li>• Dealing with post distribution queries and unclaimed dividends</li> <li>• Responding to any shareholder queries</li> </ul>			
<b>Employees and pensions</b>	<ul style="list-style-type: none"> <li>• Preparing, issuing and receiving employee preferential claim agreement forms</li> <li>• Corresponding with employees re claims and potential dividends</li> <li>• Receiving and following up employee enquiries via telephone, post and email</li> </ul>	<ul style="list-style-type: none"> <li>• This work is required by statute</li> </ul>	<ul style="list-style-type: none"> <li>• The benefit will be to the Preferential creditors should their claims be admitted</li> </ul>	3,500

	<ul style="list-style-type: none"> <li>Establishing the status of some claimants</li> <li>Liaising with the RPS and external agencies</li> <li>Checking books and records to verify employee claims</li> <li>Issuing statutory notices</li> <li>Filing any required statutory notices</li> </ul>			
<b>Investigations</b>	<ul style="list-style-type: none"> <li>Correspondence with Dentons Australia and Australian liquidator of Drapac</li> <li>Realising assets from the liquidation of Drapac</li> <li>Pursuing matters which will enable asset realisations into the liquidation estate</li> </ul>	<ul style="list-style-type: none"> <li>To comply with mandatory statutory and other obligations</li> <li>In order to realise assets for the benefit of the liquidation estate</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute</li> <li>Should we realise assets in the liquidation the creditors will benefit directly should there be sufficient funds available for an Unsecured creditor distribution</li> </ul>	Contingent on asset realisations
<b>Statutory and compliance</b>	<ul style="list-style-type: none"> <li>Preparing and issuing further annual progress reports</li> <li>Preparing six monthly case management review documents</li> <li>Filing all case related documents and correspondence</li> <li>Managing a case information database</li> <li>Updating case checklists and diary management system</li> <li>Reviewing and allocating incoming post</li> <li>Closure tasks such as closure checklists and closing internal systems</li> </ul>	<ul style="list-style-type: none"> <li>To comply with mandatory statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute</li> </ul>	63,700
<b>Committee</b>	<ul style="list-style-type: none"> <li>Managing membership of the Committee</li> <li>Corresponding with members of the committee</li> <li>Convening and holding committee meetings as required by statute and at the request of the committee members</li> <li>Engaging with committee around strategy for the liquidation and next steps</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory and regulatory obligations</li> </ul>	<ul style="list-style-type: none"> <li>No direct financial benefit to creditors however the Committee acts on behalf of the general body of creditors</li> </ul>	7,700

	<ul style="list-style-type: none"> <li>• Drafting minutes of meetings</li> <li>• Preparing updates and reports</li> </ul>			
<b>Strategy and Planning</b>	<ul style="list-style-type: none"> <li>• Monitoring case costs against budgets.</li> <li>• Holding team meetings, discussions regarding status of the liquidation</li> <li>• Reviewing and analysing strategic options for liquidation</li> <li>• Ongoing management of the case</li> <li>• Strategy discussions with legal advisers</li> </ul>	<ul style="list-style-type: none"> <li>• Work is required for the proper administration of the case</li> </ul>	<ul style="list-style-type: none"> <li>• No direct financial benefit to creditors</li> </ul>	21,000
<b>Tax and VAT</b>	<ul style="list-style-type: none"> <li>• Drafting and submitting periodic VAT426 and VAT 833 returns</li> <li>• Drafting and submitting annual tax returns</li> <li>• Drafting and submitting the tax returns as required and obtaining corporation tax clearance</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with legal requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute or other legal requirement.</li> <li>• Potential benefit to creditors as the work done ensures any available tax and VAT recoveries are made for the benefit of the liquidation</li> </ul>	25,400

## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the liquidation where the relationship could give rise to a conflict of interest.

## Details of subcontracted work

We asked Erik Franx, a director of the Company, to assist with gathering book debt information and agreement of some creditor claims in the early stages of the liquidation. Our staff or the liquidators would normally do this work but we felt that it would be more cost effective to ask Mr Franx to do it, as we had limited access to company records. We have continued with this work subsequent to ending the arrangement with Mr Franx.

## Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm/organisation	Reason selected	Basis of fees
<b>Legal services, including:</b> Advice relating to Mr Drapac and the Australian entities and potential realisation of value from the entities.	Dentons Australia	Legal knowledge	<ul style="list-style-type: none"> <li>• Time costs and disbursements</li> </ul>
<b>Legal advice, including:</b>	Dentons UK and ME	Legal Knowledge	<ul style="list-style-type: none"> <li>• Time costs and disbursements</li> </ul>

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Advice relating to recoveries and potential realisation of value to Fixi, UK employment law and assistance with negligence claim

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<b>Consultancy work by a director of the Company:</b> Debtor collection. Ad hoc information to enable us to progress matters	F.W. Franx	Knowledge of the company	• Fixed fee
<b>Property agents, including:</b> Rent payments	Chase Evans	Existing contract with Fixi	• Set fee in payment of rent due

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We require all third party professionals to submit time costs analyses and narrative or a schedule of realisations achieved in support of invoices rendered. We undertake the following steps to review professional firms' costs:

- comparison with upfront budgets;
- review of time costs analysis;
- review of disbursements claimed; and
- ongoing dialogue with regards to the work being performed.

# Appendix D: Other information

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<b>Company's registered name:</b>	Fixi plc
<b>Trading name:</b>	Fixi plc
<b>Registered number:</b>	05577579
<b>Registered address:</b>	8th Floor Central Square, 29 Wellington Street, Leeds LS1 4DL
<b>Date of the Liquidators' appointment:</b>	31 May 2019
<b>Liquidators' names, addresses and contact details:</b>	Douglas Nigel Rackham of PwC, 7 More London, Riverside, London, SE1 2RT Michael John Andrew Jervis of PwC, 7 More London, Riverside, London, SE1 2RT Tel: 0207 583 5000

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# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 5 5 7 7 5 7 9

Company name in full FIXI PLC

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Douglas Nigel

Surname Rackham

### 3 Liquidator's address

Building name/number PricewaterhouseCoopers LLP

Street 7 More London

Riverside

Post town London

County/Region

Postcode S E 1 2 R T

Country UK

### 4 Liquidator's name ①

Full forename(s) Michael John Andrew

Surname Jervis

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number PricewaterhouseCoopers LLP

Street 7 More London

Riverside

Post town London

County/Region

Postcode S E 1 2 R T


Country UK

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>															
From date	d	3	d	1	m	0	m	5	y	2	y	0	y	2	y	0
To date	d	3	d	0	m	0	m	5	y	2	y	0	y	2	y	1
<b>7</b>	<b>Progress report</b>															
<input checked="" type="checkbox"/> The progress report is attached																
<b>8</b>	<b>Sign and date</b>															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	d	2	d	1	m	0	m	7	y	2	y	0	y	2	y	1

# 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 **Harmeet Harish**

Company name **PricewaterhouseCoopers LLP**

Address **7 More London**

**Riverside**

Post town **London**

County/Region

Postcode **S E 1 2 R T**

Country **UK**

DX

Telephone **020 7583 5000**



### 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)**