

The Insolvency Act 1986

Liquidator's Progress
ReportPursuant to section 192 of the
Insolvency Act 1986

To the Registrar of Companies

S.192

For official use

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Company Number

00224422

Name of Company

(a) Insert full name of
company

(a) T J Hughes Limited (in Creditors' Voluntary Liquidation)

(b) Insert full name(s) and
address(es)I/We, (b) Thomas Andrew Jack
Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EYSimon Allport
Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EYthe liquidator(s) of the company attach a copy of my/our Progress Report under section
192 of the Insolvency Act 1986

Signed

Date

04/02/2015

Presenter's name,
address and reference
(if any)Jordan Warburton
Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

Tel 0161 333 2842

For Official Use

Liquidation Section

Post Room

THURSDAY



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05/02/2015

#294

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INVESTOR GROUP

TO MEMBERS AND ALL KNOWN CREDITORS

4 February 2015

Ref: TJHPT/JWCA/NWM1142/PC1

Direct line: 0161 333 2856
Direct fax: 0161 333 3008

Please ask for Charlotte Avery

Email: cavery1@uk.ey.com

Dear Sirs

T J Hughes Limited ('TJH')
T J Hughes (Properties) Company Limited ('Properties')
(Both in Creditors' Voluntary Liquidation) (together, 'the Companies')

S Allport and I were appointed as Joint Liquidators of the Companies on 24 December 2012. I now write to provide you with our report on the progress of the Liquidations for the period from 24 December 2013 to 23 December 2014 ('the Period') and should be read in conjunction with the Joint Liquidators' previous report dated 20 February 2014.

In accordance with the provisions of the Insolvency Rules 1986 ('the Rules') we are required to provide certain information about the Companies and the Joint Liquidators. This information can be found in Appendix A of this report. A copy of our receipts and payments accounts for the Period is attached at Appendix B.

Summary of progress for the Period

Business rates refunds (TJH)

During the Period, with the assistance of our agents, Jones Lang LaSalle Limited and The Kingford Partnership Limited, business rates refunds of £163,421 were recovered from local authorities in respect of valuation appeals and business disruption compensation.

Other income (TJH)

A further £104,894 of other income was received during the Period, comprising

- £93,656 in respect of a VAT deposit released from the Companies' pre-insolvency legal adviser,
- £9,752 of bank interest,
- £1,181 of sundry income, and
- £305 of prepayments and other debts.

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Other matters

Property

All remaining leases held in the names of the Companies have now been disclaimed, with the final lease disclaimed shortly following the Period

Corporation Tax

As previously reported, we received advice from EY tax specialists that TJH was able to claim certain tax reliefs, enabling a claim for a refund of tax paid in the Liquidation to be made. The tax return was duly re-submitted, and during the Period HMRC issued a refund of Corporation Tax of £39,316

During the Period, a Corporation Tax return was submitted for the year ending 23 December 2013 with no tax liability arising

Administration liabilities

Trading expenses

During the Period we have finalised and paid remaining business rates liabilities of £33,874. This relates to the period of trading during the preceding Administration. We expect no further payments in respect of business rates liabilities

Remaining assets to be realised

As previously reported, our agents continue to work, on a contingent basis, to pursue refunds of business rates in respect of the Companies' property portfolio, but anticipate that no further material realisations will be achieved in this respect

Outcome for creditors

We received claims from 3,262 non-preferential unsecured creditors of which 3,207 were admitted for dividend purposes. In a number of cases, we requested further information from creditors to enable us to adjudicate their claims and subsequently agreed modifications with them.

We are pleased to report that during the Period, we have paid a first interim dividend of 2.15 pence in the pound to non-preferential unsecured creditors who had proved their debts by the final date of proving.

A second and final distribution may be paid to non-preferential creditors following the resolution of a number of outstanding matters (including, but not limited to, finalising post appointment tax returns for the Companies) which will enable us to conclude on the quantum of available funds for distribution. Whilst I am not yet able to confirm the precise timing or quantum of this potential distribution, I estimate that total distributions to non-preferential unsecured creditors in this matter (including the first interim dividend) will be no higher than 2.5 pence in the pound.

As previously reported, Properties has not realised any material assets to date. There will not be sufficient funds available to enable any distribution to the creditors of Properties.



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Joint Liquidators' remuneration and disbursements

In accordance with Rule 4.127(5A) of the Rules, as the Joint Administrators became the Joint Liquidators, the basis of the Joint Liquidators' remuneration is treated as having being fixed on the same basis as that of the Joint Administrators (being time properly spent by the Joint Liquidators and their staff in attending to matters in the Liquidation)

The statutory provisions relating to remuneration are set out in Rules 4.127, 4.49E and 4.131 of the Insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Liquidators' Fees', a copy of which may be accessed from the web site of the Insolvency Practitioners Association at <http://www.insolvency-practitioners.org.uk> (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees' then 'Liquidator's Fees (November 2011)'), or is available in hard copy upon written request to us.

At Appendix C to this report there is an analysis of the time spent in the Liquidations and a statement of our policy in relation to charging time is attached at Appendix D.

As at 23 December 2014, total time costs and disbursements incurred across TJH and Properties are detailed below.

Company	Time cost (£)	Category 1 (£)	Category 2 (£)	Total (£)	Amounts drawn (£)
TJH	966,712	147	5,236	972,095	250,000
Properties	3,833	Nil	Nil	3,833	Nil

During the Period, £352,468 was drawn from TJH in respect of the Joint Administrators' remuneration which had not been drawn before the Administration ended.

An analysis of Category 2 disbursements (i.e. those disbursements incurred by the Joint Liquidators' firm which includes an element of shared overhead) is included within Appendix C to this report.

In certain circumstances, creditors are entitled to request further information about the Joint Liquidators' remuneration or apply to Court if they consider the Joint Liquidators' remuneration is excessive. Further information is provided in Appendix E.

Payments to other professionals

The Joint Liquidators engaged Addleshaw Goddard LLP for legal advice in respect of matters in the Liquidation. Addleshaw Goddard's fees are based on time costs and an amount of £35,306 has been paid during the Period.

Jones Lang LaSalle Limited and The Kingford Partnership Limited have assisted the Joint Liquidators to obtain business rates refunds and are paid on a commission basis. During the period, £4,187 and £7,531 has been paid to Jones Lang LaSalle Limited and The Kingford Partnership Limited respectively.



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Outstanding matters to complete prior to closure

There remain a number of matters to be dealt with before the Liquidation is closed, including, but not limited to, settling all remaining expenses and costs of the Administrations and Liquidations, distributing any remaining funds to non-preferential creditors and obtaining tax clearance from HM Revenue & Customs

Next report

I will report to you again on the progress of the Liquidations in 12 months' time, or on the closure of the case, whichever is earlier

I trust that this report is sufficient for your purposes, if you have any queries in this matter please contact my colleague Charlotte Avery on 0161 333 2856

Yours faithfully



T A Jack
Joint Liquidator

Enclosures

- Appendix A – Statutory information
- Appendix B – Joint Liquidators' abstract of receipts and payments from 24 December 2012 to 23 December 2014
- Appendix C – Summary of Joint Liquidators' time-costs and disbursements from 24 December 2012 to 23 December 2014
- Appendix D – Joint Liquidators' policy for fees and disbursements
- Appendix E – Further information for creditors regarding remuneration and disbursements

T A Jack and S Allport are licensed in the United Kingdom to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales

We may collect, use, transfer, store or otherwise process (collectively "Process") information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998.



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Appendix A

T J Hughes Limited (in Creditors' Voluntary Liquidation)

Summary of statutory information

Company Information

Company Name TJ Hughes Limited

Registered Office Address 100 Barbirolli Square
Manchester
M2 3EY

Registered Number 00224422

Trading Name(s) None

Trading Address(es) Hughes House
London Road
Liverpool
Merseyside
L3 8JA

Details of the Liquidators and of their appointment

Liquidators T A Jack and S Allport

Address 100 Barbirolli Square
Manchester
M2 3EY

Date of Appointment 24 December 2012



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Appendix A

T J Hughes (Properties) Company Limited (in Creditors' Voluntary Liquidation)

Summary of statutory information

Company Information

Company Name: TJ Hughes (Properties) Company Limited

Registered Office Address: 100 Barbirolli Square
Manchester
M2 3EY

Registered Number: 04984416

Trading Name(s): None

Trading Address(es): Hughes House
London Road
Liverpool
Merseyside
L3 8JA

Details of the Liquidators and of their appointment

Liquidators: T A Jack and S Allport

Address: 100 Barbirolli Square
Manchester
M2 3EY

Date of Appointment: 24 December 2012



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Appendix B

T J Hughes Limited (in Creditors' Voluntary Liquidation)

Joint Liquidators' abstract of receipts and payments from 24 December 2012 to 23 December 2014

Note	Statement of Affairs estimated to realise £		£		£
			24 December 2012 to 23 December 2013	24 December 2013 to 23 December 2014	Cumulative total
1 2		Receipts			
4	4 158 509	Administration surplus	4 158 509 07		4 158 509 07
		Rates refunds	27 446 15	183 420 88	190 866 84
		Debtors not subject to fixed charge		93 855 77	93 855 77
		License fee received	40 847 39		40 847 39
		Bank interest	25 087 60	9 751 54	34 839 14
		Subsidy income	942 98	1 181 35	2 124 33
		Insurance claim receipts	600 00		600 00
		Prepayments & other debts		304 94	304 94
		Total receipts	4 234 433 19	268 314 29	4 522 747 48
1 2		Payments			
		Administrators' fees	(650 000 00)	(352 488 00)	(1 002 488 00)
		Liquidators' fees		(250 000 00)	(250 000 00)
		Consultancy fees	(120 000 00)		(120 000 00)
		Legal fees	(33 050 00)	(35 306 12)	(68 356 12)
		Agents' fees	(35 090 23)	(11 717 54)	(46 807 77)
		Business rates		(33 874 30)	(33 874 30)
		Retention of title settlement	(20 000 00)	-	(20 000 00)
		Insurance	(10 249 56)		(10 249 56)
		Storage charges	(3 777 08)	(3 741 88)	(7 518 96)
		Heat & light	(8 710 83)		(8 710 83)
		Sundry expenses	(4 166 00)		(4 166 00)
		Legal disbursements	(377 52)		(377 52)
		Cheque printing costs		(408 43)	(408 43)
		Public notices	(84 60)	(75 50)	(160 10)
		Bank charges	(22 20)	(98 90)	(119 10)
		Corporation tax	(39 316 38)	39 316 38	
		Distributions			
		Non-preferential creditors		(1 699 342 85)	(1 699 342 85)
		Total distributions		(1,699,342.85)	(1,699,342.85)
		Total payments	(923,644.40)	(2 347 712.94)	(3 271,357.34)
		Balances in hand	3 330 788.79	(2 079 398.65)	1 251 390.14
3		Represented by			
		Cash at bank	3 159 344.21	(1 988 304.02)	1 193 040.18
		VAT recoverable / (payable)	171 359.98	(112 112.58)	59 247.40
		TJ Hughes (Properties) Ltd. Loan A/c	84.60		84.60
		Ringfenced funds in respect of unclaimed dividends		(982.04)	(982.04)
			3 330 788.79	(2 079 398.65)	1 251 390.14

Notes:

1. This receipts and payments account is shown net of VAT.
2. This receipts and payments account has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid.
3. All funds are held in interest bearing accounts.
4. The Statement of Affairs, estimated to realise column is a requirement of Statement of Insolvency Practice 7. No Statement of Affairs is required in the Liquidation. Estimated to realise values have been taken at the date of appointment of the Joint Liquidators.



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Appendix B

T J Hughes (Properties) Company Limited (in Creditors' Voluntary Liquidation)

Joint Liquidators' abstract of receipts and payments from 24 December 2012 to 23 December 2014

Statement of Affairs estimated to realise		£	£	£
Notes	C	24 December 2012 to 23 December 2013	24 December 2013 to 23 December 2014	Cumulative total
	Receipts			
	Total			
	Payments			
	Public notices			
	Total	(84 60)		(84 60)
	Balances in hand			
1 2	T J Hughes Ltd Loan A/c	(84 60)		(84 60)
		(84 60)		(84 60)

Notes:

- 1 This receipts and payments account is shown net of VAT
- 2 This receipts and payments account has been prepared on a cash basis and does not reflect debts not collected or liabilities not paid
- 3 The Statement of Affairs estimated to realise column is a requirement of Statement of Insolvency Practice 7. No Statement of Affairs is required in the Liquidation. Estimated to realise values have been taken at the date of appointment of the Joint Liquidators



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Appendix C

T J Hughes Limited (in Creditors' Voluntary Liquidation)

Summary of Joint Liquidators' time-costs and disbursements from 24 December 2012 to 23 December 2014

	Staff Grade						Total Hours	Time Cost (£)	Average Hourly Rate (£)
	Partner	Director	Assistant Director	Senior Executive	Executive	Analyst			
Job Acceptance & Strategy	8.0		5.0	2.0			15.0	7,670.00	511
Bank & Statutory Reporting	51.0		15.0		1.5	0.5	68.0	38,057.50	560
Property	99.0	1.5	145.5	30.8	242.0	45.8	532.6	189,190.00	355
Debtors						2.5	2.5	350.00	140
Retention of Title			14.0		23.5	0.5	38.0	11,267.50	297
Creditors	115.0	9.5	243.5	24.5	359.0	665.0	1,466.5	380,966.00	260
Legal Issues	6.0	-				0.6	6.6	3,681.00	558
Employee Matters	18.5		59.5		116.2	37.2	231.4	78,260.50	338
Accounting & Administration	10.0	1.0	12.2	97.3	382.5	145.5	648.5	156,384.50	241
Environmental Issues			1.5				1.5	645.00	430
Statutory Duties	31.0	2.0	11.0		13.5		57.5	27,597.50	480
VAT & Taxation	18.7	3.0	24.6	21.3	58.7	50.8	177.1	58,915.00	333
Pre Administration matters									
Other Matters	15.0		-		14.0	7.5	36.5	13,727.50	376
Total Hours	372.2	17.0	531.8	233.9	1,170.9	955.9	3,281.7		
Time Cost (£)	225,139.00	6,572.50	235,041.00	77,684.00	281,363.50	140,912.00		966,712.00	
Average Hourly Rate (£)	605	387	442	332	240	147		295	
£									
Category 1 disbursements	147.30								
Category 2 disbursements	5,236.10								
	5,383.40								

Charge out rates (£ per hour)	Grade	From 1 July 2012 to 30 June 2013	From 1 July 2013 to 30 June 2014	From 1 July 2014
Corporate Restructuring	Partner	570-810	600-850	630-895
	Director	470-735	490-815	515-855
	Assistant Director	410-610	430-685	450-675
	Senior Executive	320-420	335-440	350-460
	Executive	230-310	195-330	205-340
	Analyst	85-280	65-295	95-310
	Intern	95	100	105
Indirect Tax	Partner	925	970	1065
	Assistant Director	545	570-630	625-695
	Manager		440	485
	Executive	345	360	395
Transaction Tax	Intern			35
	Partner	1,115	735-1170	815-1290
	Assistant Director	775	475-965	525-1045
	Senior Executive	540	335-565	370-775
Fraud Investigation & Dispute Services	Analyst	170-200	105-315	120-350
	Assistant Director	570	600	615



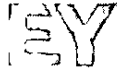
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T J Hughes (Properties) Company Limited (in Creditors' Voluntary Liquidation)

Summary of Joint Liquidators' time costs and disbursements from 24 December 2012 to 23 December 2014

	Staff Grade						Total Hours	Time Cost (£)	Average Hourly Rate (£)
	Partner	Director	Assistant Director	Senior Executive	Executive	Analyst			
Job Acceptance & Strategy									
Bank & Statutory Reporting	1.0		3.0		3.0	2.0	9.0	2,800.0	311.1
Property	-								
Retention of Title									
Creditors									
Employee Matters									
Accounting & Administration					6.0		6.0	900.0	150.0
Environmental Issues									
Statutory Duties									
VAT & Taxation	-		0.1			0.7	0.8	132.5	165.6
Other Matters									
Total Hours	1.0		3.1		9.0	2.7	15.8		
Time Cost (£)	630.00		1,399.50		1,350.00	453.00		3,832.50	
Average Hourly Rate (£)	630		451		150	168		243	
	£								
Category 1 disbursements									
Category 2 disbursements									

Charge out rates (£ per hour)	Grade	From 1 July 2012 to 30 June 2013	From 1 July 2013 to 30 June 2014	From 1 July 2014
Corporate Restructuring	Partner	570-810	600-850	630-895
	Director	470-735	490-815	515-855
	Assistant Director	410-610	430-605	450-675
	Senior Executive	320-420	335-440	350-460
	Executive	230-310	195-330	205-340
	Analyst	85-280	65-295	95-310
Indirect Tax	Intern	95	100	106
	Partner	925	970	1065
	Assistant Director	545	570-630	625-695
	Manager		440	485
	Executive	345	360	395
Transaction Tax	Intern			35
	Partner	1,115	735-1,170	815-1,290
	Assistant Director	775	475-965	525-1,045
	Senior Executive	540	335-565	370-775
Fraud Investigation & Dispute Services	Analyst	170-200	105-315	120-350
	Assistant Director	570	600	615



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Appendix D

**T J Hughes Limited
T J Hughes (Properties) Company Limited
(Both in Creditors' Voluntary Liquidation)
(together, 'the Companies')**

Joint Liquidators' policy for fees and disbursements

Office Holders' Charging Policy for Fees

The Companies' secured and preferential creditors have determined that the Joint Liquidators' remuneration should be fixed on the basis of time properly incurred by the Joint Liquidators and their staff in attending to matters arising in the Liquidations

The Joint Liquidators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Companies' bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Liquidators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown in Appendix 3, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report.

The above time costs are shown in units of pounds and time is recovered to the nearest six minutes.

Office Holders' Charging Policy for Disbursements

Statement of Insolvency Practice No. 9 ('SIP 9') published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories.

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without further approval from the secured and preferential creditors. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as required to support the disbursements drawn.

Category 2 disbursements comprise payments made by the Office Holders' firm which include elements of shared or overhead costs. Such disbursements are subject to approval from the secured and preferential creditors as if they were remuneration. It is our policy, in line with SIP 9, to seek approval for this category of disbursement before they are drawn.



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Appendix E

Creditors' rights to request further information about remuneration or expenses or to challenge a liquidator's remuneration – Rules 4.49E and 4.131 of the Insolvency Rules 1986 (as amended)

4.49E Creditors' request for further information

- 1) If
 - a) within the period mentioned in paragraph (2)
 - i a secured creditor, or
 - ii an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108
- 2) The period referred to in paragraph (1)(a) and (b) is
 - a) 7 business days of receipt of the progress report where it is required by Rule 4.108, and
 - b) 21 days of receipt of the report or draft report in any other case
- 3) The liquidator complies with this paragraph by either
 - a) providing all of the information asked for, or
 - b) so far as the liquidator considers that
 - i the time or cost of preparation of the information would be excessive, or
 - ii disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - iii the liquidator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information
- 4) Any creditor, who need not be the same as the creditors who asked for the information, may apply to the court within 21 days of
 - a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just
- 5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4.131(1B) or 4.148C(2) by such further period as the court thinks just
- 6) This Rule does not apply where the liquidator is the official receiver



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Appendix E

4.131 Creditors' claim that remuneration is or other expenses are excessive

- 1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph(b), inappropriate

- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 Weeks (or, in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the Remuneration or the incurring of the expenses in question ('the relevant report')
- 2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

- 3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- 4) If the court considers the application to be well-founded, it must make one or more of the following orders
 - a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
 - b) an order fixing the basis of remuneration at a reduced rate or amount,
 - c) an order changing the basis of remuneration,
 - d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
 - e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

- 5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation

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