

## The Insolvency Act 1986

Liquidator's Progress  
Report**S.192**Pursuant to section 192 of the  
Insolvency Act 1986

To the Registrar of Companies

For official use

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Company Number

00710790

Name of Company

(a) Insert full name of  
company

(a) Nortel Networks Properties Limited

(b) Insert full name(s) and  
address(es)

We, (b)

Kerry Lynne Trigg  
Ernst & Young LLP  
One More London Place  
London  
SE1 2AF

Samantha Jane Keen  
Ernst & Young LLP  
One More London Place  
London  
SE1 2AF

the liquidator(s) of the company attach a copy of our Progress Report under section 192 of  
the Insolvency Act 1986

The Progress report covers the period from 24 February 2015 to 23 February 2016

Signed

*Kerry Trigg*

Date

22 April 2016

Presenter's name,  
address and reference  
(if any)

Sophie Hyde  
Ernst & Young LLP  
1 More London Place  
London SE1 2AF  
Ref ML&E/KT/YG/KH

For Official Use

Liquidation Section

Post Room



LD3

22/04/2016

#104

COMPANIES HOUSE

FRIDAY

TO ALL MEMBERS AND CREDITORS

20 April 2016

Ref ML7E/KLT/AS/YG/KH/LO-5549  
Direct line 020 7951 3427 – Katya Vasileva  
Direct fax – 020 7951 9234

Email – [shyde1@uk.ey.com](mailto:shyde1@uk.ey.com)

Dear Sir or Madam

**Nortel Networks Properties Limited  
(In Creditors' Voluntary Liquidation) ("NNPL" or "the Company")**

As you are aware, Samantha Jane Keen and I were appointed as Joint Liquidators of NNPL on 24 February 2012 and our appointment was subsequently ratified by the creditors of the Company at a creditors meeting convened in accordance with Section 98 of the Insolvency Act 1986 (as amended) ("the Act") on the same day. I now write to provide you with our fourth report on the progress of the Liquidation for the period from 24 February 2015 to 23 February 2016. Please note, this report should be read in conjunction with the previous progress reports dated 25 March 2015, 16 April 2014 and 11 April 2013.

In accordance with the provisions of the Insolvency Rules 1986 ("the Rules") we are required to provide certain information about the Company and the Joint Liquidators. The information can be found in Appendix A of this report. A copy of our receipts and payments account for the period from 24 February 2015 to 23 February 2016 is at Appendix B.

**Receipts and payments**

There have been no receipts or payments during the period.

The Joint Liquidators' remuneration for the period will be paid by Nortel Networks UK Limited ("NNUK"), the sole shareholder of NNPL (further details are provided in the section headed 'Joint Liquidators' remuneration' below).

**Progress during the period of the report**

**Statutory matters**

The Joint Liquidators' third progress report was sent to all known creditors on 25 March 2015 and all required filings at Companies House were completed within the relevant statutory timeline as prescribed by the Act and the Rules.

**Assets**

As detailed in the Statement of Affairs, the Company's only assets were the intercompany receivables and an indemnity from the sister company Nortel Networks Optical Components Limited (In Creditors' Voluntary Liquidation) ("NNOCL").

As detailed in my last progress report, the Company has two receivables balances due from NNUK, a £100 historic receivable balance and £11,700 in relation to rent received from a sub tenant. The Joint

Liquidators received the rent receivable and the actual receipt totalled £12,010. Details of the non preferential unsecured claim in NNUK's insolvency, business and asset transfer agreement with NNOCL and indemnity to the Company can also be found in my previous progress report.

### **Liabilities**

The Company did not have any secured creditors and as the Company ceased trading in 1995, there were no known preferential employee claims.

Creditors were asked to submit their claims and a notice to submit claims by 13 April 2012 was advertised in the London Gazette. Notwithstanding this and as I am yet to adjudicate the claims, I would ask the creditors to submit their completed Proof of Debt form together with supporting documents evidencing their claim to me as soon as possible. Please find below a summary of known significant liabilities.

As stated in my last progress report, the Company was named lessee on three leases, one in Dublin, one in Wakefield and one in Burgess Hill. Please refer to my previous progress report for details of the leases and landlord claims.

### **Other matters**

There is uncertainty in both timing and quantum of the distributions to be made from NNUK to NNOCL and hence from NNOCL to its creditors (including NNPL). The Joint Liquidators therefore continue to pursue the strategy previously adopted by the Directors of NNPL, whereby if NNOCL's liabilities were quantified then there could potentially be a negotiated settlement agreement with the Joint Administrators of NNUK as the main debtor of NNOCL.

As reported previously, due to the potential for further direct claims from former employees of NNOCL in relation to personal injury claims, and in particular in relation to asbestosis, the process of quantifying the potential liabilities of NNOCL is complex. The Joint Liquidators continue to work to value NNOCL's liabilities in this regard with a view to reaching a settlement with NNUK in due course.

However a settlement is unlikely to be reached with NNUK until NNUK has certainty with regard to the amount it will receive in settlement from the allocation of global purchase price proceeds. The Joint Liquidators are monitoring the settlement discussions and will update creditors with any significant developments.

### **Taxation**

The latest corporation tax return for the period ending 23 February 2013 was submitted with the assistance of NNUK's tax team. The cost of preparing the return was also borne by NNUK. No further returns have been submitted since this date as the Company is of dormant status for tax purposes and therefore there is no requirement to submit a return.

As advised previously, the Company was not VAT registered and did not have any employees. As such, I am not aware of or expecting any liabilities in this regard.

### **Joint Liquidators' remuneration**

The creditors resolved at the meeting held on 24 February 2012 that the Joint Liquidators' remuneration be fixed by reference to the time properly given by the Joint Liquidators and their staff in attending to matters arising in the winding up. NNUK, as sole shareholder, has agreed to bear the Liquidation costs.

of NNPL. Any remuneration paid to the Joint Liquidators by the Administrators of NNUK in this regard may be subject to approval from NNUK's creditors' committee.

The Joint Liquidators' time costs incurred for the period from 24 February 2015 to 23 February 2016 totalled £15,918 plus VAT bringing total time costs for the period from 24 February 2012 to 23 February 2016 to £74,930.

During this reporting period, the Joint Liquidators were paid the total sum of £8,245 plus VAT as remuneration for the period from 18 April 2015 to 2 October 2015. The total amount paid as remuneration from 24 February 2012 is £70,955 plus disbursements of £318 plus VAT. At the start of the liquidation, the Joint Liquidators also received £10,000 plus VAT in relation to pre-liquidation advice. The outstanding fees for the period from 3 October 2015 will be paid in due course by NNUK.

In accordance with Statement of Insolvency Practice No 9, we are required to provide you with the following information relating to the Joint Liquidators' fees -

- |            |   |
|------------|---|
| Appendix D | A summary of time spent by the Joint Liquidators and their staff in the period from 24 February 2015 to 23 February 2016, |
| Appendix E | A summary of work carried out by the Joint Liquidators and their staff,   |
| Appendix F | A summary of our policy in relation to charging time and disbursements  |

A copy of the "Creditors Guide to Liquidators' Fees", issued by the Association of Business Recovery Professionals, which sets out provisions relating to liquidators' fees, is available from us free on request, or can be accessed at [www.r3.org.uk](http://www.r3.org.uk)

### **Creditors' rights to further information about, and challenge, remuneration and expenses**

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if members consider the costs to be excessive. Further information is provided in Appendix C.

### **Outstanding issues for the Liquidation to be concluded**

For ease of reference, we outline below the key outstanding issues that need to be completed before we are in a position to make a distribution to creditors and conclude the Liquidation.

- a) Realise the remaining assets of the Company (as detailed above),
- b) Adjudicate creditor claims and distribute available funds (see below for dividend prospect), and
- c) Convene final general meeting of the Company

### **Dividend Prospects**

The Statement of Affairs indicated that there are no secured or preferential creditors and there are currently insufficient assets to pay unsecured creditors. However, the quantum of any dividend to non-preferential unsecured creditors is dependent upon realisations made in respect of the claim under the indemnity in the Liquidation of NNOCL.

The Joint Liquidators will review the position with regards to the indemnity and the claims of creditors and will report in due course to all creditors in respect of the likely timing and quantum of any dividend payment or in approximately 12 months, whichever is sooner.



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Should you have any questions please do not hesitate to contact my colleague, Katya Vasileva, on the above direct line

Yours faithfully  
for Nortel Networks Properties Limited

K L Trigg  
Joint Liquidator

S J Keen and K L Trigg are licensed in the United Kingdom to act as Insolvency Practitioners by the Insolvency Practitioners Association

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

**Nortel Networks Properties Limited  
(In Creditors' Voluntary Liquidation)****Information about the Company and the Joint Liquidators**

Registered office address of the Company	One More London Place, London, SE1 2AF
Registered number	00710790
Full names of the Joint Liquidators	Kerry Lynne Trigg and Samantha Jane Keen
Joint Liquidators' address(es)	Ernst & Young LLP, One More London Place, London, SE1 2AF
Date of appointment of the Joint Liquidators	24 February 2012
Details of any changes of liquidator	None

**Nortel Networks Properties Limited**  
**(In Creditors' Voluntary Liquidation)**

**Joint Liquidators' receipts and payments account for the period from**  
**24 February 2015 to 23 February 2016**

Statement of Affairs Estimated to Realise Values (24/02/2012) £		Period 24/02/2012 to 23/02/2015 £	Report Period 24/02/2015 to 23/02/2016 £	Total 24/02/2012 to 23/02/2016 £
	<b>Receipts</b>			
11,700	Intercompany Receivables	12,010	NIL	12,010
		<b>12,010</b>	<b>NIL</b>	<b>12,010</b>
	<b>Payments</b>	NIL	NIL	NIL
	Balance at bank at 23 February 2016			<b>12,010</b>

**Notes**

1 Receipts and payments are stated net of VAT

2 The balance in hand is held as follows

Current Account	£12,010
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**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
    - (iii)(b) with the permission of the court upon an application made within the period mentioned in paragraph (2)—
      - (i) any unsecured creditor, or
      - (ii) 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

**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

Rules 4 49E and 4 131 are reproduced from the Insolvency (Amendment) Rules 2010 under the terms of Crown Copyright Guidance issued by HMSO

## Ernst & Young LLP

Nortel Networks Properties Limited (In Creditors' Voluntary Liquidation)  
SIP 9 Analysis for the period 24 February 2015 to 23 February 2016

Classification of work function	Partner / Director	Manager	Other Senior Professionals	Assistants & Support	Total hours this reporting period	Average Hourly Rate	Time Costs for period 24/02/2015 to 23/02/2016
Property			19		19	325 00	617 50
Statutory Duties	10	15	20		45	481 11	2,165 00
VAT & Taxation		02	07		09	377 22	339 50
Accounting and Administration	01	38	154	01	194	362 09	7,024 50
Creditors (Mandatory)		62	67	25	154	374 81	5,772 00
Grand Total	11	117	267	26	421	378 11	15,918 50

Job title	Charge out rate per hour (£) 2015	Charge out rate per hour (£) 2016
Partner	895	940
Executive Director	855	900
Director	810	850
Assistant Director	675	710
Senior Executive	460	485
Executive	340	355
Assistant Executive	310	325
Business Trainee	190	200
Accounting & Treasury Execs	240	255

## **Nortel Networks Properties Limited (In Creditors' Voluntary Liquidation)**

**A summary of work carried out by the Joint Liquidators and their staff for the period from 24 February 2015 to 23 February 2016**

### *Statutory Duties*

- Completing statutory requirements under the Insolvency Act 1986 and the Insolvency Rules 1986
- Preparing and sending annual progress report for period ending 23 February 2014

### *Accounting & Administration*

- Cashiering functions, maintaining statutory receipts and payment system
- Internal update and case action point / strategy discussions
- General case administration and filing

### *Property*

- Correspondence in relation to property related claims
- Liaising with property legal advisors and landlords

### *Creditors*

- Liaising and corresponding with creditors
- Responding to creditor queries
- Reviewing indemnities and responding to the queries
- Dealing with employee claims

## **Nortel Networks Properties Limited (In Creditors' Voluntary Liquidation)**

### **Joint Liquidators' time costs for the period from 24 February 2015 to 23 February 2016**

#### ***Joint Liquidators' charging policy for remuneration***

The creditors have determined that the Joint Liquidators' remuneration should be fixed on the basis of time properly spent by the Joint Liquidators and their staff in attending to matters arising in the Liquidation

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 Company's 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 included in Appendix D alongside the summary of time spent by the Joint Liquidators and their staff. The current hourly rates may be higher than the average rates if hourly rates have increased over the period covered by this report.