

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

00744679

Name of Company

(a) Insert full name of
company

(a) Surridge Dawson Limited

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

I/We, (b)

Robert Hunter Kelly

Charles Graham John King

Ernst & Young LLP

Ernst & Young LLP

Bridgewater Place, Water Lane,
Leeds, LS11 5QRBridgewater Place, Water Lane,
Leeds, LS11 5QRthe liquidator(s) of the company attach a copy of my/our Progress Report under section
192 of the Insolvency Act 1986

Signed



Date

2 October 2015

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

For Official Use

SATURDAY



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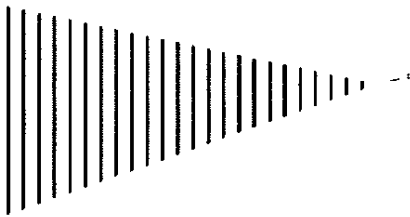
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COMPANIES HOUSE

Surridge Dawson Limited
- In Creditors' Voluntary Liquidation
S.104A Report for the year ended 5 August 2015

1 October 2015

Ernst & Young LLP



**Building a better
working world**

Abbreviations

"The Company"	Surridge Dawson Limited
"Joint Liquidators" or "Liquidators"	R H Kelly and C G J King
"Barclays"	Barclays Bank Plc
"BoS"	Bank of Scotland plc

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1. Introduction

1.1 Information about the Company and the Liquidators

Registered office address of the company	c/o Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Registered number*	00744679
Full names of the liquidators.	Robert Hunter Kelly and Charles Graham John King
Liquidators' address(es)	Ernst & Young LLP 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Date of appointment of the joint liquidators.	6 August 2010
Details of any changes of liquidator	None

R H Kelly and I were appointed Joint Liquidators of the Company on 6 August 2010 following the end of the Administration. Our appointment was made by the creditors pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986 and Rule 2.117 of the Insolvency Rules 1986, in accordance with the Joint Administrators' Proposals dated 17 September 2009.

This report should be read in conjunction with the Joint Administrators' Proposals, dated 17 September 2009, the Joint Administrators' reports to creditors dated 24 February 2010 and 29 July 2010 and the Joint Liquidators reports to creditors dated 4 October 2011, 3 October 2012, 3 October 2013 and 3 October 2014.

This report on the progress of the Liquidation is in accordance with Section 104A of the Insolvency Act 1986.

2. Summary of progress in the Liquidation

2.1 Asset realisations

2.1.1 Customer deposits

As previously advised, at the time of our appointment as Joint Administrators, the Company held deposits provided by c. 1,000 customers in a separately designated bank account. During the Administration, we attempted to return deposits to all customers who had cleared their debts owed to the Company.

At the time of our last report, we had completed our investigative work regarding the residual funds of c. £0.6m and had requested that our legal advisors submit an application to the Court for directions, requesting that these funds be used for the benefit of the general body of creditors.

The application was heard in Court on 7 November 2014, and the Court ruled that the deposit funds held in trust by the Company could be utilised for the benefit of the general body of creditors, following certain further actions to be taken by the Liquidators to locate the original deposit holders.

The Joint Liquidators have subsequently made further attempts to contact deposit holders, making repayments where appropriate, and do not intend to take any further action. The residual funds of c. £0.6m will be included in the final dividend to unsecured creditors.

2.1.2 Interest

Interest since our last report totals £23,673.

2.1.3 Book debts

Receipts from outstanding book debts during the year to 5 August 2015 total £6,600.

In addition, in the period since 5 August 2015, the Joint Liquidators have completed a final settlement with the final outstanding debtor, bringing the asset realisation process to completion.

We anticipate making a final dividend distribution to the unsecured creditors before the end of the calendar year.

3. Creditors

3.1 Secured creditors

3.1.1 Barclays and BoS

Both Barclays and BoS were repaid in full during the Administration

3.1.2 Secured standstill publishers

As previously advised, all standstill creditors were repaid in full during the Administration and have released their prior ranking security over the assets of the Company

3.2 Preferential creditors

All preferential creditors were paid in full during the Administration

3.3 Non- preferential creditors

No further claims from non-preferential creditors have been received since our last report

We estimate the final dividend will be c 3.6p in the pound, and anticipate that this dividend will be paid before the end of the calendar year

3.4 The Prescribed Part

As all secured creditors holding a floating charge have now been paid in full, the Prescribed Part will have no effect on distributions to the unsecured creditors and is therefore not required to be separately accounted for

4. Receipts and payments account

I enclose a receipts and payments account for the Company for the period from 6 August 2014 to 5 August 2015 at Appendix A

Receipts during the period since our last report total £30,303 and include

- ▶ Book debts received of £6,600, and
- ▶ Bank interest received of £23,703

Payments during the period since our last report total £23, 335 and principally include

- ▶ Legal fees of £14,233,
- ▶ Corporation tax for the year to 5 August 2014 of £7,051, and
- ▶ Storage charges of £1,933

5. Joint Liquidators' remuneration and disbursements

The Joint Liquidators' remuneration was fixed by the Liquidation committee at its first meeting held on 20 October 2010. Remuneration is fixed by reference to the time properly given by the Liquidators and their staff in attending to matters arising in the Liquidation.

Time costs of £690,702 have been incurred since our appointment as Joint Liquidators.

Work during the period from 6 August 2014 to 5 August 2015 principally relates to the following areas:

- ▶ Investigation into the treatment of customer deposits,
- ▶ Finalising book debt realisations,
- ▶ Statutory reporting and administrative matters, and
- ▶ Dealing with statutory taxation requirements

Joint liquidators' statement of expenses incurred

Expenses incurred to date totalling £6,043 are summarised below:

Type of expense	Incurred (£)	Paid (£)	Outstanding (£)
Travel	532	-	532
Printing and postage	7,616	-	7,616
Total	8,152	-	8,152

Our current charge out rates are set out in Appendix C. No Liquidators' fees or disbursements have been drawn to date. A summary of our time costs is attached at Appendix B in accordance with Statement of Insolvency Practice No. 9 and the Liquidation charging policy for remuneration is attached at Appendix C.

Creditors' rights to further information regarding 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 D.

Yours faithfully
for the Company



C G J King
Joint Liquidator

The Institute of Chartered Accountants of Scotland in the UK authorises R H Kelly to act as Insolvency Practitioner under section 390(2)(a) of the Insolvency Act 1986 and The Institute of Chartered Accountants of England and Wales in the UK authorises C G J King to act as Insolvency Practitioner under section 390(2)(a) of the Insolvency Act 1986. 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.

Appendix A Joint Liquidators' abstract of receipts and payments from 6 August 2010 to 5 August 2015

SurrIDGE Dawson Limited - CVL
(In Liquidation)

	From 06/08/2010 To 05/08/2014 (£)	From 06/08/2014 To 05/08/2015 (£)	From 06/08/2010 To 05/08/2015 (£)
INCOME			
Administrators Surplus	22,606,360		22,606,360
Deferred Consideration	4 158 498	-	4,158,498
Corporation Tax Refund	3,753,982	-	3,753,982
Bank Interest Received	230,988	23,703	254 691
Sundry Income	88,341	-	88,341
Book Debts	59,083	6,600	65,683
Receipt potentially subject to repayment	48,610		48,610
Unpresented creditor refunds to be repaid	11,242	-	11,242
Unpresented cheques issued by administration	4,973	-	4,973
Fixtures and Fittings	4,317		4 317
Rates Refunds	3,646		3,646
	<u>30,970,039</u>	<u>30,303</u>	<u>31,000,343</u>
EXPENDITURE			
Unsecured creditors	25,668,183	-	25,668,183
Administrators Fees	725,728	-	725,728
Legal Fees	227,476	14,233	241,709
Administrators Costs - Insurance	67,926	-	67,926
Corporation Tax - Administrators Liabilities	66,760	-	66,760
Administrators Costs - other	58,611	-	58 611
Corporation Tax	55,187	7,051	62,238
Agents' Fees	42,871	-	42,871
Administrators Disbursements	12,710	-	12,710
Rates	8,328	-	8,328
Storage Charges	4 797	1,933	6,731
Secured Creditor	4,000	-	4,000
ISA Cheque/Banking Fees	1,484	106	1,590
Repairs and Renewals	1,388	-	1,388
Bank Charges	1,050	12	1,062
Public Notices	228	-	228
Preferential creditors - employees	115	-	115
	<u>26,946,842</u>	<u>23,335</u>	<u>26,970,177</u>
Balance in hand	<u>4,023,197</u>	<u>6,968</u>	<u>4,030,166</u>

Summary of Joint Liquidators' Time-Costs from 6 August 2010 to 5 August 2015

Appendix B Summary of Joint Liquidators' Time-Costs from 6 August 2010 to 5 August 2015

Time costs incurred 6 August 2010 to 5 August 2015

	Partner	Executive Director	Assistant Director	Senior Executive	Executive	Assistants and Support	Total Hours	Total Time cost EY rates
Accounting and administration			19.7	13.5	76.6	658.7	768.5	£103,554
Bank and statutory reporting		10.0	25.5	28.5	29.0	30.3	123.3	£35,186
Creditors	85.0	169.0	361.5	83.5	282.0	637.4	1,618.4	£411,847
Debtors	4.0	6.0	9.0	2.0	8.5		29.5	£11,373
Employee Matters			0.5			1.0	1.5	£285
Property			1.0	3.0		3.0	7.0	£1,590
Immediate tasks					11.0		11.0	£2,310
Legal issues		8.0	3.1		0.5		11.6	£5,707
Other assets			76.4	10.0			86.4	£35,886
Other matters	10.0	3.0	25.6	5.0	17.5	4.0	65.1	£24,461
Statutory duties			20.8	1.0	12.0	24.7	58.5	£13,299
VAT and Taxation	0.4	0.5	17.7	21.5	54.7	91.4	186.2	£45,203
	<u>99.4</u>	<u>196.5</u>	<u>560.8</u>	<u>168.0</u>	<u>491.8</u>	<u>1,450.5</u>	<u>2,967.0</u>	<u>£690,702</u>
Total time cost EY rates	<u>£53,194</u>	<u>£95,190</u>	<u>£221,951</u>	<u>£52,787</u>	<u>£113,520</u>	<u>£154,060</u>		<u>£690,702</u>
Average rate per hour at EY Rates	£535.2	£484.4	£395.8	£314.2	£230.8	£106.2		£228

Appendix C Statement of Liquidators' charging policy for remuneration pursuant to Statement of Insolvency Practice No. 9

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

The 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 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 below, 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. Time is recorded in units of six minutes.

Grade Description	From July 2010	From July 2011	From July 2012	From July 2013	From July 2014	From July 2015
<i>Restructuring</i>						
Partner	520	545	570	600	630	660
Executive Director	425	520	545	570	600	630
Assistant Director	370	390	410	430	450	475
Senior Executive	290	305	320	335	350	370
Executive	210	220	230	240	250	265
Business Trainee Level 3	125	175	185	195	205	215
Business Trainee Level 2	105	135	140	145	150	106
Business Trainee Level 1	90	125	130	135	140	145
Accounting and treasury executive	105	110	115	120	125	130
<i>Specialist</i>						
Tax Partner	840	880	n/a	n/a	1070	1125
Tax Senior Manager	490	470	n/a	n/a	735	950
Tax Manager	380	400	n/a	n/a	620	650
Tax Executive	285	315	n/a	n/a	370	390
Tax Assistant	125-160	140-175	n/a	n/a	200-230	175

Appendix D Creditor's 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 subparagraph

(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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