

## The Insolvency Act 1986

Liquidator's Progress Report  
Pursuant to Section 192 of  
The Insolvency Act 1986**S.192**

To the Registrar of Companies

For Official Use

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Company Number

2422770

Name of Company

Turnstyle Group Limited

I / We  
Freddy Khalastchi FCA FABRP  
2 Mountview Court  
310 Friern Barnet Lane  
Whetstone  
London  
N20 0YZ

the liquidator(s) of the company attach a copy of my/our progress report  
under section 192 of the Insolvency Act 1986

Signed



Date

3/6/11

Harris Lipman LLP  
2 Mountview Court  
310 Friern Barnet Lane  
Whetstone  
London  
N20 0YZ

Ref L3013/FXK/MXG

For Official Use

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TUESDAY



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07/06/2011  
COMPANIES HOUSE

**Turnstyle Group Limited  
(In Liquidation)  
Liquidator's Abstract of Receipts & Payments**

<b>Statement of Affairs</b>		<b>From 07/05/2010 To 06/05/2011</b>
	<b>ASSET REALISATIONS</b>	
10,500 00	Book Debts	NIL
1,246,914 00	Cash in hand	1,248,457 55
	Royalties	170 00
		<u>1,248,627 55</u>
	<b>COST OF REALISATIONS</b>	
	DTI Cheque/BACS Fees	40 00
	Specific Bond	1,300 00
	Preparation of S of A	4,000 00
	Liquidators Fees	10,056 15
	Accountancy Fees	3,950 00
	Statutory Advertising	187 51
	Bank Charges	45 00
		<u>(19,578 66)</u>
	<b>UNSECURED CREDITORS</b>	
(243,500 00)	HM Revenue and Customs - CT	235,797 89
(8,926 00)	HM Revenue and Customs - VAT	NIL
(7,500 00)	Accruals	NIL
		<u>(235,797 89)</u>
	<b>DISTRIBUTIONS</b>	
	Ordinary Shareholders	<u>990,000 00</u>
		<u>(990,000 00)</u>
<b>997,488.00</b>		<b><u>3,251 00</u></b>
	<b>REPRESENTED BY</b>	
	VAT Receivable	(188 77)
	Brown Shipley - Floating Account	3,439 77
		<u>3,251.00</u>

our ref FXK/MXG/L3013

your ref

date 3 June 2011

please reply to Matthew Galloway

**HARRIS  
LIPMAN**

**TO THE MEMBERS**

2 Mountview Court  
310 Friern Barnet Lane  
Whetstone London N20 0YZ  
tel 020 8446 9000  
fax 020 8446 9537  
DX 132890 Whetstone 2  
e-mail mail@harris-lipman.co.uk  
website www.harris-lipman.co.uk

Dear Sirs

**TURNSTYLE GROUP LIMITED - IN LIQUIDATION**

This is my progress report ("the report") for the first year of the Liquidation to 6 May 2011

**1. Statutory information**

The company's registered name is Turnstyle Group Limited and traded in Artistic & Literary Creation

The company was incorporated on 14 September 1989 under company number 2422770

The registered office of the company was formerly Lion House, Red Lion Street, London WC1R 4GB and was changed on 20 May 2010 to 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London, N20 0YZ for the purposes of the Liquidation

I, Freddy Khalastchi FCA FABRP of Harris Lipman LLP, 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London, N20 0YZ was appointed Liquidator of the above-named company by a resolution of the members of the company on 7 May 2010

There have been no changes of Liquidator in the period to which this report relates

**2 Pre Appointment remuneration**

At the meeting of members held on 7 May 2010 I was authorised to draw remuneration of £4,000 + VAT for assisting with the preparation of the Declaration of Solvency and for convening the meeting of members to place the company into liquidation and preparing the necessary documentation in that regard. This amount was paid from realisations and is shown on the attached receipts and payments account

**3. Liquidator's remuneration**

At the meeting of members held on 7 May 2010, my remuneration was fixed by reference to time properly spent by myself and my staff in attending to matters arising in the Liquidation

For your information, the charge out value of time costs incurred during the period to which this report relates presently amounts to £20,373.43 made up of 124.63 hours at an average charge out rate of £163.47 per hour. This cost has primarily been incurred in the administration of the liquidation, full details of which are covered in section 4 below.

I attach at Appendix 1 a breakdown of the time costs between the grades of staff allocated to this case, which includes details of the current charge out rates of myself and my team who have been and will be dealing with the Liquidation.

You will note from the attached breakdown of time costs that I have recovered £10,056.15 in respect of my time costs to date.

A copy of "A Creditors' Guide to Liquidator's Fees", issued by the Association of Business Recovery Professionals, which sets out the basis of fixing the Liquidator's Remuneration, is available on our website at

<http://www.harris-lipman.co.uk/r3-insolvency-guides.htm>

Please let me know if you do not have access to the internet and would prefer a hard-copy of this guide.

#### **4. Liquidator's expenses**

The payments made from the estate during the period of this progress report are largely self-explanatory. These expenses total £22,829.66 in the period, inclusive of the amount paid to professional advisors as below.

The following agents or professional advisors have been utilised in this matter:

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Fee Arrangement</b>	<b>Paid in Period</b>
Saffrey Champness	Accountancy & Tax	Time costs	£3,950.00

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. In addition, the firm was familiar with the company and its affairs and thus it was more cost efficient to utilise their services than any other firm. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

I have incurred expenses in respect of search fees of £38.00, but which have not been paid from the estate due to a lack of funds and will be written off accordingly.

A statement with regard to my disbursements recovery policy is attached at Appendix 2.

#### **5 Liquidator's progress during the period of this report**

The Declaration of Solvency sworn by the directors detailed the company assets as book debts of £10,500 and cash in hand of £1,246,914. The book debts were actually received by the company prior to liquidation and as such were included in the amount realised as cash at bank.

A sum of cash has been realised for £1,248,457.55 from the company's bank account.

The only other realisation has been an amount of £170 received from the Rocky Horror Show in respect of royalties. It is not envisaged that any further payments from this source will be forthcoming.

There are no assets remaining to be realised.

The liabilities of the company were listed as totalling £259,926, of which £252,426 related to estimated tax liabilities including VAT and £7,500 related to accruals. In the event, no accruals arose and tax of £235,797.89 has been paid over to HM Revenue and Customs. I have also received a claim from HM Revenue & Customs for £3,251 in respect of VAT, such an amount will be paid over to settle the matter.

#### **General matters**

In addition to the work undertaken to result in the asset realisations referred to above, throughout the period of my administration I have responded to the queries of members as appropriate.

Specific tasks such as the agreement of creditor claims, VAT and tax issues, cashing, statutory returns and specific penalty bonding, have been allocated to team members who have specialist knowledge in the relevant areas.

Additionally, I have complied with obligations imposed by statute and my regulatory body which include, but are not limited to, the submission of returns to Companies House, HM Revenue and Customs and specific penalty bonding.

#### **6. Abstract of the Liquidator's receipts and payments**

I attach at Appendix 3 an abstract of my receipts and payments for the period of this report.

#### **7. Assets which remain to be realised**

There are no assets remaining to be realised. I intend to settle the VAT liability and apply for tax clearance prior to issuing my final progress report and notice convening the final meeting pursuant to s94 of the Insolvency Act 1986.

#### **8. Return to creditors pursuant to Section 176A**

The provisions of Section 176A of the Act require a calculation to be made of the prescribed part of the company's net property for distribution to unsecured creditors. The prescribed part must be calculated and provided for where debentures of the company have been created after 15th September 2003.

As this is a solvent Liquidation and the creditors have been or will be paid in full, the provisions of Section 176A will not apply in this matter. In any event, there was no relevant debenture in respect of this matter.

#### **9. Outcome for members and creditors**

I have distributed £990,000, equivalent to £4.79 per share, to the members. There will be no further distributions in respect of this matter. There have been no known preferential or unsecured creditors other than the payment of Corporation Tax liability and a VAT liability of £3,251 which will be paid in full prior to my concluding this matter as discussed at section 5 above.

#### **10. Members' right to information**

A member may make a request for further information regarding my remuneration and expenses. Any such request must be in writing and should be made within 21 days of receipt of this report. It must be supported by at least 5% of the total voting

rights of all the members having the right to vote at general meetings of the company, or with the permission of the Court

If the information requested is either prejudicial to my conduct of this case, might lead to violence against any person, may be confidential or the costs of preparing the requested information would be excessive, I may not be obliged to provide it

Any member may make an application to the Court in respect of any information provided following such a request, or my failure to provide same, after 14 days of my receipt of that request

Additionally, members may make an application to Court to challenge the amount or basis of my remuneration and expenses, which must be supported by at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company. The application must be made with 8 weeks of receipt of this report. The costs of the application must also be paid the creditors making the application

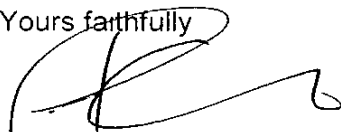
Further details with regard to these provisions form part of the guidance notes relating to fees referred to previously

#### **11. Next report**

I am required to provide a further progress report within two months of the end of the next anniversary of the Liquidation. However, as the Liquidation of the above company has largely concluded and I anticipate that I will be in a position to formally conclude my administration and convene a final meeting within the next two months, and a final report will be issued

Should you have any further queries in relation to the contents of this report, or with regard to other matters arising, please do not hesitate to contact me

Yours faithfully



**Freddy Khalastchi FCA FABRP**

Licensed as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

**Liquidator**

**Turnstyle Group Limited  
(In Liquidation)  
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Turnstyle Group Limited

APPENDIX I

TIME CHARGE OUT SUMMARY FOR THE PERIOD ENDED 06 MAY 2011

Classification of work function	HOURS						Total Hours	Time Costs	Average Hourly Rate
	Partner	Senior Manager	Manager	Senior	Semi-Senior	Junior			
Admin and Planning	9 00	0 10	0 00	88 90	0 40	9 33	0 00	107 73	18,247 23
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 20	0 00	0 00	6 10	0 00	0 00	0 00	6 30	1,034 00
Support	0 00	0 00	0 00	0 00	10 60	0 00	0 00	10 60	1,092 20
Total Hours	9 20	0 10	0 00	95 00	11 00	9 33	0 00	124 63	
Total Costs	3,846 50	24 70	0 00	14,643 00	1,133 40	725 83	0 00		20,373 43
Total Fees claimed (£)	2,493 04	16 01	0 00	9,490 58	734 59	470 43	0 00		10,056 15

CURRENT CHARGE OUT RATE OF INSOLVENCY TEAM MEMBERS

Partner	£
Senior Manager	265-480
Manager	255
Senior	210
Semi-Senior	160
Junior	105
Support Staff	80
	50-100

**Note 1** There may have been a number of promotions through the various grades during the period of the administration

**Note 2** It is the policy of this firm to account for secretarial staff as an overhead cost Overhead costs are reflected in the charge out rates detailed

**Note 3** The charge-out rate of the Insolvency Practitioner for this assignment is currently £430 per hour, and the administrator is £160 per hour



## **APPENDIX 2**

### **DISBURSEMENTS RECOVERY POLICY**

#### **Category 1 Disbursements**

Specific expenditure relating to the administration of insolvent estate and payable to an independent third party are recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include statutory advertising, insurance of assets, search fees, specific penalty bonding, telephone calls, postage, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

All such disbursements that have been paid from the estate are shown on the enclosed summary of my receipts and payments.

#### **Category 2 Disbursements**

Expenditure incidental to the administration of the insolvent estate, which by its nature includes an element of shared or allocated cost, are recoverable with creditor approval.

There have been no 'Category 2 Disbursements' made from the insolvent estate.

Professional advisors have been selected on the basis that they have the appropriate experience and qualifications to effectively deal with the issues arising in a case of this nature.

All disbursements are shown as net of VAT. As the company was registered for VAT purposes, VAT can be recovered for the benefit of the insolvent estate.