

LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



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26/09/2017 #153
COMPANIES HOUSE

1 Company details

Company number 0 3 7 6 7 4 1 2

Company name in full Southern Pacific Funding 5

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Bruce Alexander

Surname Mackay

3 Liquidator's address

Building name/number 9th Floor, 25 Farringdon Street

Street

Post town London

County/Region

Postcode E C 4 A 4 A B

Country

4 Liquidator's name ①

Full forename(s) Matthew Robert

Surname Haw

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 9th Floor, 25 Farringdon Street

Street

Post town London

County/Region

Postcode E C 4 A 4 A B

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6 Period of progress report

From date	d	2	d	9	m	0	m	7	y	2	y	0	y	1	y	6
To date	d	2	d	8	m	0	m	7	y	2	y	0	y	1	y	7

7 Progress report

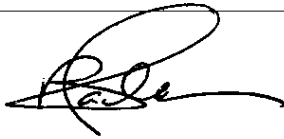
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	2	d	2	m	0	m	9	y	2	y	0	y	1	y	7
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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	Bruce Alexander Mackay
Company name	RSM Restructuring Advisory LLP
Address	9th Floor, 25 Farringdon Street
Post town	London
County/Region	
Postcode	E C 4 A 4 A B
Country	
DX	
Telephone	0203 201 8000



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 or email 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

In the matter of

**Southern Pacific Funding 5 - In Members' Voluntary Liquidation
(‘the Company’)**

Joint Liquidators' Progress Report

22 September 2017

**Bruce Mackay and Matthew Robert Haw
Joint Liquidators**

**RSM Restructuring Advisory LLP
9th Floor, 25 Farringdon Street
London EC4A 4AB**

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1 Purpose of report

This report has been prepared in accordance with insolvency legislation to provide members and the Registrar of Companies with information relating to the progress of the liquidation in the period from 29 July 2016 to 28 July 2017. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has been prepared solely to comply with the statutory requirements of the relevant legislation. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company.

RSM Restructuring Advisory LLP was previously named Baker Tilly Restructuring and Recovery LLP until 26 October 2015.

Neither the Joint Liquidators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

2 Progress of the liquidation in the previous twelve months

2.1 Realisation of Assets

The Declaration of Solvency shows a small debtor position with a mortgage services company called Acenden Limited in the sum of £1,251.00. During the year to 28 July 2017 a further six payments have been received from Acenden totalling £92,094.39. It is possible that future payments will be received from Acenden, and to enable an accelerated conclusion of the liquidation, the rights to any future recoveries will be assigned to the shareholder of the Company prior to the conclusion of the liquidation.

On review of the Company's books and records we discovered that the Company had an intercompany position with Southern Pacific Personal Loans Limited ("SPPL") and was due £31,835.96. SPPL is in liquidation with PwC and we lodged an unsecured claim in the SPPL liquidation. PwC have agreed the Company's claim and the unsecured creditors of SPPL have now been paid in full, with the Company receiving a distribution in the sum of £31,835.96. PwC have advised that statutory interest is likely to be paid on unsecured claims in due course, the rights to which may also need to be assigned to the shareholder of the Company to allow for the accelerated conclusion of the liquidation.

2.2 Tax Matters

Lehman Brothers Limited ("LBL") has prepared the Company's final pre-appointment Corporation Tax returns for the following periods:

1 December 2011 to 30 November 2012; and
1 December 2012 to 28 July 2013.

Both returns have been submitted to HM Revenue & Customs ("HMRC") who have acknowledged receipt of the returns and have agreed that no tax liability is due for the periods of the returns.

The receipts from Acenden have given rise to a capital gain during the period of the liquidation and it was proposed by LAMCO Services Ltd that the Joint Liquidators utilise pre-liquidation losses to extinguish the gains. Our tax team have prepared the returns and have made elections in accordance with Section 198 of the Corporation Tax Act 2009 to utilise the pre-liquidation losses in the post liquidation periods. Please find below, a summary of the post liquidation tax returns submitted and the resultant tax liabilities paid during the course of the liquidation:

Period of Corporation Tax Return	Tax Liability Paid
29 July 2013 to 28 July 2014	£382.81
29 July 2014 to 28 July 2015	£133.55
29 July 2015 to 28 July 2016	£138.60
Total Corporation Tax Paid	£654.96

Once the remaining assets have been assigned to the shareholder the Company's tax position will be finalised and clearance to close the liquidation will be sought from HMRC.

The Company was a member of the LBL VAT group and following appointment the Joint Liquidators wrote to HMRC requesting that the Company was removed from the VAT group. HMRC have confirmed that no VAT liability is due and that the Company has been removed from the VAT group with effect from the date of the Joint Liquidators' appointment.

2.3 Payments to Creditors

Shortly following appointment, we advertised a notice to prove debts in the London Gazette giving potential creditors until 4 September 2013 to submit claims and no claims were received.

Two small potential creditor claims are detailed in the Declaration of Solvency in the sum of £24,738.00 and in order to finalise the creditor position we issued a notice of intended dividend to the two potential creditors and asked them to submit a proof of debt form by 18 August 2014. Again, no claims were received by the cut-off date.

2.4 Administration and Planning

All statutory tasks have been completed in a timely manner including the drafting and circulation of appointment documentation, filing statutory forms at Companies House, maintaining the receipts and payments account and completing and submitting Corporation Tax returns to HMRC.

Case reviews have been conducted periodically in order to review case strategy and progression. At the time of a case review we also reconsider the level of the insolvency bond and review the investment of funds.

2.5 Potential claim for compensation for mis-selling of interest rate hedging product

As you may be aware, a settlement agreement was recently reached between the Financial Conduct Authority ("FCA") and certain major banks, in relation to the sale of interest rate hedging products.

The Joint Liquidators are satisfied that no such products were sold to the Company.

3 Distributions to shareholders

Details of the cash distributions that have been made to shareholder and the distributions made 'in specie' are shown in Appendix H.

It is anticipated that further cash and in specie distributions will be made to the shareholder prior to the conclusion of the liquidation.

4 Details of what remains to be done and matters preventing closure

4.1 Assets remaining to be realised

Further asset realisations are likely to be received from both Acenden and SPPL. In order to accelerate the conclusion of the liquidation it is envisaged that these assets will be distributed in specie to the shareholder.

4.2 Other outstanding matters

Once the remaining assets of the Company have been distributed in specie to the shareholder, the Company's post liquidation tax position will be finalised, and formal tax clearance to close the liquidation will be sought from HMRC.

5 Receipts and payments summary

6 Attached at Appendix B is a summary of the Joint Liquidators' Receipts and Payments for the period of the liquidation, with separate figures shown for the current reporting period.

VAT basis

Receipts and payments are shown net of VAT, with any amount due to or from HMRC shown separately.

7 Costs and Joint Liquidators' remuneration

7.1 Joint Liquidators' remuneration and disbursements

The Joint Liquidators' remuneration was approved on a time cost basis by written resolution of the shareholders on 29 July 2013. We have incurred time costs of £47,888.50 from the date of our appointment to the date of this report. Of this, a total of £45,367.00 (plus VAT) has been paid and £2,521.50 remains outstanding.

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix D.

7.2 Remuneration and disbursements incurred in the period from 29 July 2016 to 28 July 2017

Of the total figure to date of £47,888.50 per 6.1 above, we have incurred time costs of £9,631.00 in the reporting period to 28 July 2017. An analysis of time incurred in the period is attached at Appendix G. Details of the sums drawn in respect of remuneration in the period covered by this report are shown in the receipts and payments account (appendix B).

Category 2 disbursements incurred in the period are detailed in Appendix E.

8 Joint Liquidators' statement of expenses

8.1 Statement of expenses

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the Joint Liquidators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period together with cumulative figures.

On 29 July 2013, the shareholder passed a written resolution to approve the pre-liquidation advisory fees in the sum of £20,008 plus VAT incurred in assisting the directors in preparing a liquidation step plan, the Declaration of Solvency and liquidation documentation. £20,008 has been paid to Baker Tilly Restructuring and Recovery LLP (now known as RSM Restructuring Advisory LLP).

8.2 Detailed cost breakdown

Attached to this report are three Appendices relating to the Joint Liquidators' costs on this assignment:

- Appendix C: A copy of RSM Restructuring Advisory LLP's charging, expenses and disbursements policy statement
- Appendix D: Joint Liquidators' charge out and disbursement rates; and
- Appendix G: Joint Liquidators' time cost analysis;

8.3 Other professional costs

Charles Russell Speechlys LLP have been instructed to assist with the drafting of an indemnity. I have agreed their remuneration on a fixed fee basis, and their agreed fees of £1,250.00 plus VAT have been paid.

9 Members' right to information and ability to challenge remuneration and expenses

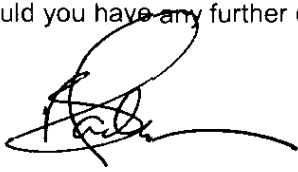
In accordance with the provisions of the relevant legislation members have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

A request for further information must be made in writing within 21 days of receipt of this report.

Members of the Company with at least 10% of the total voting rights of all members having the right to vote at general meetings of the Company, or any members with the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

If you would like a copy of A Shareholders Guide to Liquidator's Fees, please let me know.
Should you have any further queries please do not hesitate to contact me.



Bruce Alexander Mackay
RSM Restructuring Advisory LLP
Joint Liquidator of Southern Pacific Funding 5

Bruce Alexander Mackay and Matthew Robert Haw are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

Statutory, dividend and other information

Company name:	Southern Pacific Funding 5	
Company number:	03767412	
Date of appointment:	29 July 2013	
Joint Liquidators:	Bruce Alexander Mackay and Matthew Robert Haw	
Functions:	<p>The Joint Liquidators' appointment specified that they would have power to act jointly and severally.</p> <p>The Joint Liquidators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.</p>	
Date of incorporation:	10 May 1999	
Previous company names:	Skiprig Limited	
Trading name:	N/A	
Trading address:	N/A	
Principal activity:	64999 - Financial Intermediation not elsewhere classifield	
Registered office:	RSM Restructuring Advisory LLP 9th Floor, 25 Farringdon Street London EC4A 4AB	
Correspondence address & contact details of case manager	Samantha Hawkins 0203 201 8223 RSM Restructuring Advisory LLP, 9th Floor, 25 Farringdon Street, London EC4A 4AB	
Name, address & contact details of Joint Liquidators	Primary Office Holder Bruce Mackay RSM Restructuring Advisory LLP 9th Floor, 25 Farringdon Street London EC4A 4AB 0203 201 8000 IP Number: 8296	Joint Office Holder: Matthew Robert Haw RSM Restructuring Advisory LLP 9th Floor, 25 Farringdon Street London EC4A 4AB 0203 201 8000 IP Number: 9627

VAT Receivable (Payable)

RSM Restructuring Advisory LLP
Charging, expenses and disbursements policy

- **Charging policy**
- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP London are attached.
- Time billed is subject to Value Added Tax at the applicable rate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to members, but do not require members' approval prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest in, require the approval of members prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A resolution to consider approving category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP London will be proposed to the relevant parties responsible for approving remuneration.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant parties responsible for approving remuneration.
- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate.

RSM Restructuring Advisory LLP – London
Joint Liquidators' current charge out and category 2 disbursement rates

Hourly charge out rates		
	Rates at commencement £	Current rates £
Partner	485	545
Directors / Associate Directors	300 to 410	425 to 545
Manager	250 to 265	325
Assistant Managers	200 to 220	265
Administrators	180	135 to 220
Support staff	105	85 to 180

Category 2 disbursement rates	
Internal room hire	£250 per part day
Subsistence	£25 per night (from 3 rd September 2013) £23 per night (up to 2 nd September 2013)
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42.5p per mile (from 1 April 2011)
'Tracker' searches	£10 per case

Joint Liquidators' category 2 disbursements table

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, type and purpose	Paid £	Unpaid £
None for the period of this report	Nil	Nil
Total	Nil	Nil

Appendix F

Statement of expenses incurred by the Joint Liquidators' in the period from 29 July 2016 to 28 July 2017

Type and purpose	Incurred in period £
Bank charges (paid)	30.00
Corporation tax (paid)	138.60
Joint Liquidators' fees (paid)	7,109.50
Joint Liquidators' fees (unpaid)	2,521.50
Joint Liquidators' disbursements (paid)	2.00
Storage costs (paid)	20.00
Total	9,821.60

Joint Liquidators' time cost analysis for the period from 29 July 2013 to 22 September 2017

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning									
Appointment	1.1	0.0	0.0	3.0	0.0	0.0	4.1	£ 1,193.50	291.10
Background information	0.0	0.0	0.0	0.0	0.2	0.2	0.4	£ 63.00	157.50
Case Management	6.2	8.3	18.9	12.4	3.6	4.2	53.6	£ 16,336.20	304.78
Closure	0.1	0.0	0.6	0.0	0.0	0.0	0.7	£ 208.50	297.86
Director(s)/debtor/bankrupt	0.3	0.0	5.1	2.2	0.0	0.0	7.6	£ 2,122.00	279.21
Post-appointment - general	0.0	5.0	0.0	2.5	0.0	0.0	7.5	£ 2,600.00	346.67
Pre-appointment matters	0.2	0.0	0.0	0.5	0.0	0.0	0.7	£ 209.00	298.57
Receipts and Payments	0.2	1.0	4.5	6.3	17.5	0.2	29.7	£ 6,003.40	202.13
Tax Matters	1.9	8.0	16.4	5.2	0.6	0.0	32.1	£ 10,374.40	323.19
Total	10.0	22.3	45.5	32.1	21.9	4.6	136.4	£ 39,110.00	286.73
Realisation of Assets									
Assets - general/other	0.5	0.0	0.0	1.9	0.0	0.0	2.4	£ 660.50	275.21
Debtors & sales finance	0.0	0.0	1.1	3.2	0.0	0.0	4.3	£ 1,013.50	235.70
Total	0.5	0.0	1.1	5.1	0.0	0.0	6.7	£ 1,674.00	249.85
Creditors									
Other Creditor Meetings and Reports	1.0	0.0	3.8	4.0	0.0	0.0	8.8	£ 2,451.00	278.52
Unsecured Creditors	0.0	0.5	0.0	3.1	0.0	0.0	3.6	£ 887.00	246.39
Total	1.0	0.5	3.8	7.1	0.0	0.0	12.4	£ 3,338.00	269.19
Case Specific Matters - Shareholders									
Shareholders / Members	2.4	2.5	0.3	3.6	0.0	0.0	8.8	£ 3,080.50	350.06
Total	2.4	2.5	0.3	3.6	0.0	0.0	8.8	£ 3,080.50	350.06
Case Specific Matters - Legal Matters									
Legal Matters	0.0	0.0	2.8	0.0	0.0	0.0	2.8	£ 686.00	245.00
Total	0.0	0.0	2.8	0.0	0.0	0.0	2.8	£ 686.00	245.00
Total Hours	13.9	25.3	53.5	47.9	21.9	4.6	167.1	£ 47,888.50	286.59
Total Time Cost	£ 6,990.50	£ 10,373.00	£ 16,112.50	£ 10,542.50	£ 3,378.70	£ 491.30	£ 47,888.50		
Average Rates	502.91	410.00	301.17	220.09	154.28	106.80	286.59		

Joint Liquidators' time cost analysis for the period from 29 July 2016 to 28 July 2017

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning									
Background Information	0.0	0.0	0.0	0.0	0.0	0.2	0.2	£ 32.00	160.00
Case Management	2.1	0.0	9.7	0.1	0.7	1.3	13.9	£ 4,565.50	328.45
Director(s)/debtor/bankrupt	0.0	0.0	2.2	0.0	0.0	0.0	2.2	£ 712.00	323.64
Receipts and Payments	0.1	0.0	2.0	0.0	3.1	0.2	5.4	£ 1,182.50	218.98
Tax Matters	0.2	0.0	6.1	0.0	0.3	0.0	6.6	£ 2,087.00	316.21
Total	2.4	0.0	20.0	0.1	4.1	1.7	28.3	£ 8,579.00	303.14
Realisation of Assets									
Debtors & sales finance	0.0	0.0	0.6	0.0	0.0	0.0	0.6	£ 177.00	295.00
Total	0.0	0.0	0.6	0.0	0.0	0.0	0.6	£ 177.00	295.00
Creditors									
Other Creditor Meetings and Reports	0.0	0.0	2.3	0.0	0.0	0.0	2.3	£ 678.50	295.00
Total	0.0	0.0	2.3	0.0	0.0	0.0	2.3	£ 678.50	295.00
Case Specific Matters - Shareholders									
Shareholders / Members	0.2	0.0	0.3	0.0	0.0	0.0	0.5	£ 196.50	393.00
Total	0.2	0.0	0.3	0.0	0.0	0.0	0.5	£ 196.50	393.00
Total Hours (From Jan 2003)	2.6	0.0	23.2	0.1	4.1	1.7	31.7	£ 9,631.00	303.82
Total Time Cost (From Jan 2003)	£ 1,402.00	£ 0.00	£ 7,352.50	£ 26.50	£ 665.00	£ 185.00	£ 9,631.00		
Total Hours	2.6	0.0	23.2	0.1	4.1	1.7	31.7	£ 9,631.00	303.82
Total Time Cost	£ 1,402.00	£ 0.00	£ 7,352.50	£ 26.50	£ 665.00	£ 185.00	£ 9,631.00		
Average Rates	539.23	0.00	316.92	265.00	162.20	108.82	303.82		

Please note that we have re-designed our SIP9 analysis table to provide a more detailed analysis of the grades of staff within the firm. Please note that this change does not alter the value of time costs recorded, purely the column within the table to which that time, and cost, has been allocated.

Tables of distributions made to the shareholder

A. Cash Distributions

Date	£ per share	Value of Distribution £
11 September 2013	2,500.00	5,000,000.00
19 August 2014	500,000.00	1,000,000.00
Total		6,000,000.00

All distributions to date have been paid to Lehman Brothers Holdings Inc. as the sole shareholder of the Company.