

Liquidator's Progress Report**Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986****S.192**

To the Registrar of Companies

Company Number

04096093

Name of Company

(a) Insert full name of
company

(a) Southern Pacific Personal Loans Limited

(b) Insert full name(s)
and address(es)We, Ian Christopher Oakley Smith and Julian Guy Parr, of
PricewaterhouseCoopers LLP, 7 More London, Riverside, London,
SE1 2RTthe liquidators 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 4 September 2013 to
3 September 2014.

Signed



Date

28/10/2014

Presenter's name,
address and
reference
(if any)Lee Panther
PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds
LS1 4JP

FRIDAY



A39

A3JOCTJU

31/10/2014

#12

COMPANIES HOUSE



**Second progress report
to members & creditors**

28 October 2014

Company	Southern Pacific Personal Loans Limited – in Liquidation		
Registered Number	04096093		
Registered address	Benson House 33 Wellington Street Leeds LS1 4JP		
Type of Insolvency	Creditors' Voluntary Liquidation		
Date of Appointment	4 September 2012		
Appointees	Ian Christopher Oakley Smith (4 September 2012 – present) Julian Guy Parr (22 March 2013 – present) Derek Anthony Howell (4 September 2012 – 22 March 2013)		
Address	PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP		
Dividend Prospects	Current estimate p in £	Previous estimate p in £	
	Preferential	n/a	n/a
	Unsecured	Uncertain	Uncertain

Please note that the guidance on dividend prospects is indicative only. It should not be used as the sole or principal basis of any bad debt provision decision.

Southern Pacific Personal Loans – In Creditors’ Voluntary Liquidation (“the Company”)

Report to Members & Creditors

In accordance with Rule 4 49C of the Insolvency Rules 1986 (“IR86”), this is the Joint Liquidators’ (“the Liquidators”) second progress report to members and all known creditors

Attached at Appendix A is a summary of the financial information relating to the liquidation.

Asset Realisations

The Company’s assets have been realised as follows:-

	Actual realisations	Estimated to realise per the statement of affairs
	£	£
Pre-appointment funds	3,139,201	3,138,644
Sale of tax losses	91,530	101,000
Pre-appointment funds held by group company	20,947	21,595
Pre-appointment funds held by third party	10,715	10,710
Gross interest received	15,668	-
Data Subject Access Requests	6,450	-
Refund of creditor balance at Land Registry	1,091	-
Contribution to legal fees (re discharge requests)	9,250	-
Refunds	273	-
Resetfan Limited	-	Uncertain
	3,295,125	3,271,949

Sale of tax losses

Since the last report a further £34,189 of pre-appointment tax losses has been received bringing the total received to £91,530. No further receipts are anticipated

Data Subject Access Requests (“DSARs”)

During the current reporting period the Liquidators have banked receipts totalling £2,960 which comprise £10 cheques which accompany DSARs.

Interest

Interest of £6,891 has been received in the period

Contribution to legal fees

This relates to requests to the Liquidators for removal of charges from title deeds. As mentioned in the last report the Liquidators have no legal obligation to deal with these requests, but in the interests of convenience to both parties, on payment of a contribution to costs by the individuals, these requests are dealt with

During the period £9,250 has been received in respect of these contributions.

Refunds

A refund of £273 has been received following the cancellation of the Company’s registration with the Financial Conduct Authority.

Continuing and Outstanding Matters

Debt owed by Resetfan Limited ("Resetfan")

The Liquidators continue to have regular discussions with Resetfan in respect of the debt owed and are hopeful that an agreement will be reached shortly and that the matter will reach a conclusion over the course of the next six months.

DSARs and data destruction

The Liquidators have continued to deal with DSAR requests in accordance with the Company's responsibilities under the Data Protection Act 1998 ("DPA"). A total of 388 DSAR requests have been received in the period. Of these many were invalid (ie no cheque and/or authority received) and have been returned for re-submission. A total of 296 valid DSARs have been received and submitted to the Company's former mortgage administrator, Acenden Limited ("Acenden") which holds the relevant data. Of the 296 valid DSARs 106 of these were found not to relate to the Company once Acenden reviewed the records.

The Liquidators have been liaising with Acenden to obtain costs and a data destruction plan for destroying the Company's client data in a DPA compliant manner and also in accordance with the conditions attached to the court order made in August 2013. The destruction of the electronically held data is extremely complex due to the number of legacy systems on which the data is held, and also the manner in which the data is held within the systems.

In view of the complexity, associated potential cost and time scale of the exercise the Liquidators sought Counsel's advice as to the options that may be open to them in order to proceed with the formalities of the liquidation to expedite closure without completing the data destruction exercise.

Following discussions with Counsel it was decided that, subject to being able to agree a suitable timeframe and costs not being prohibitive, that the Liquidators would continue to collaborate with Acenden in formulating and carrying out a destruction plan whilst the Company is still in liquidation.

A quote for the work has recently been received and the Liquidators are now in negotiation with Acenden to firm up on the cost and obtain a draft deletion plan together with other information with a view to giving formal instructions as soon as possible. It is expected that once the project can be started, it will take a number of months to complete.

Payment Protection Insurance claims ("PPI") and other claims

The number of PPI claims received in the period amount to 237. However, PPI claimants tend to address their claims to a number of parties, all of whom forward the correspondence to us at different times and consequently, we have had to deal multiple pieces of correspondence in respect of many of the 237 claims.

Agents acted in the brokering of the loans and therefore we understand that the Company had no involvement in selling PPI. As such, these claims are not due against the Company and the majority of claims have fallen away following correspondence with the claimants which explains the position.

Despite this a number of claimants have indicated they wish to continue to claim against the Company and these claims are likely to be formally rejected once the claims adjudication process commences.

The Liquidators also continue to receive claims in respect of various charges applied to accounts whilst the Company was trading. These claims, which if valid will rank as unsecured, are being collated and will be reviewed as part of the claims adjudication process. Claims which are not fully substantiated are likely to be rejected.

The Liquidators have received a request from a broker to assist with the identification of clients' accounts to allow the broker to make contact with those clients in order that it can deal directly with any PPI claims. This information is held by Acenden and we, in conjunction with our lawyers, are considering the DPA implications of providing this data. We shall also request a contribution to costs, as we are not obliged to deal with this matter.

Requests for removal of charges from title deeds

As noted previously, the Liquidators have continued to deal with removal of charge requests upon receipt of a contribution for costs.

At the time of the last report, we advised that we were anticipating making a blanket application for the removal of charges in the Company's name in England and Wales.

The exercise involved our solicitors liaising with Acenden in respect of those charges affected prior to removal and it transpired that a number of charges should have been transferred to other special purpose vehicles ("SPVs") prior to the liquidation of the Company. The blanket application was therefore made, with these charges excluded, and our solicitors have been liaising with Acenden to transfer the residual charges into the relevant SPV.

As mentioned previously it is not possible to make such an application in Scotland. During the course of this period our solicitors have explored other potential options, however it has not been possible to find a way to do blanket transfers for the Scottish charges.

Outcome for Creditors

Secured Creditors

The Company had no fixed charge assets and there are no secured creditors.

Preferential Creditors

The Company did not directly employ staff and there are therefore no preferential creditors.

Unsecured Creditors

The value of unsecured creditors shown on the directors' statement of affairs was £10,279,377. Claims received to date total £10,435,477.

Due to the uncertainty surrounding the on-going matters that are still to be resolved, the Liquidators are unable to give an indication of the likely level of a dividend to unsecured creditors at this time.

In view of this, the Liquidators have not yet commenced reviewing the claims received.

Professional Advisers

On this assignment the Liquidators have used the professional advisers listed below.

Name of Professional Adviser	Nature of Work	Basis of Fee Arrangement
Reed Smith LLP Solex Legal Services Limited Acenden Limited	Legal advice Redaction of information Data storage and supply of information for DSARs and other matters relating to client accounts	Time-cost basis Fixed fee Fixed fee (for DSAR's) and time-cost basis for other work

The Liquidators' choice was based upon their perception of the advisers experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Liquidators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

Liquidators' remuneration

You may recall that at the first meeting of creditors held on 5 September 2012 a resolution was passed to enable the Liquidators to draw remuneration by reference to the time properly given by the Liquidators and their staff in attending to the matters arising in the liquidation. Fees have been drawn pursuant to that resolution.

In the current period to 3 September 2014, the Liquidators have incurred time costs of £322,130. This represents 1,099 hours at an average hourly rate of £293. This compares with the average hourly rate at the time of the Liquidators' last progress report of £287. Total time costs to date are £762,509 against which £530,895 has been drawn and the balance will be drawn in due course. These figures include a change in charge out rates effective from 1 July 2013 and 1 July 2014 for insolvency and specialist staff.

It has been the Liquidators' policy to delegate the routine administration of the liquidation to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidators.

Details of the time costs incurred from 4 September 2013 to 3 September 2014, by work category, are attached at Appendix B.

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge-out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time chargeable is three minutes (i.e. 0.5 units).

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structure. Following the passing of the fee resolution on 5 September 2012 the charge out rates were increased on 1 July 2013 and 1 July 2014. Full details of the charge out rates charged to this case from these are included at Appendix B. Specialist departments within PricewaterhouseCoopers LLP, such as tax, VAT, property and pensions, sometimes charge a small number of hours should the Liquidators require their expert advice. Their rates vary, however, their rates will not exceed the scale rates stated at Appendix B.

A statement of creditors' rights in relation to the Liquidators' remuneration and expenses is set out at, <http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-Liquidators-fees-final.ashx>

Details of the time costs incurred from 4 September 2013 to 3 September 2014 by work category are attached at Appendix B. The key elements of the work undertaken are detailed in the table below:

Area of work	Work undertaken in the period includes:
Strategy & planning	<ul style="list-style-type: none"> • Internal reviews, • Case progression work; • Preparation of outcome statement, • Strategy meetings concerning resolution of outstanding issues including seeking legal advice
Assets	<ul style="list-style-type: none"> • Dealing with Financial Conduct Authority de-registration, • Dealing with correspondence relating to Resettan debt
Creditors	<ul style="list-style-type: none"> • Dealing with claims received, including PPI and client related claims, • Dealing with correspondence from Financial Conduct Authority regarding potential creditor claims
Accounting and treasury	<ul style="list-style-type: none"> • Internal cashiering; • Regular bank reconciliations, • Processing payment requests and banking of receipts, • Receiving, coding, and banking 296 £10 cheques in respect of the DSARs
Statutory and compliance	<ul style="list-style-type: none"> • Internal compliance procedures, • Statutory issues surrounding data protection and DSARs, • Preparing and sending out the statutory progress report for year ended 3 September 2013
Tax/VAT	<ul style="list-style-type: none"> • Preparation and submission of tax return to 3 September 2013, • Dealing with and following up on receipt of pre-appointment tax losses; • Preparation and submission of regular VAT returns
Data Subject Access Requests ("DSARs")	<ul style="list-style-type: none"> • Dealing with daily correspondence received from former SPPL customers submitting DSARs – both valid and invalid requests, • Requesting data from Acenden to comply with DSARs, • Copying and sending received information to solicitors to redact and send on to former customers, • Correspondence in respect of invalid DSAR submissions, • Keeping a record of all requests and progress
Payment Protection Insurance ("PPI")	<ul style="list-style-type: none"> • Dealing with correspondence received from former SPPL customers in respect of PPI and other claims, • Responding to all correspondence received in relation to PPI creditor claims, • Dealing with submitted PPI creditor claims
Removal of Secured Charges from Land Registry	<ul style="list-style-type: none"> • Dealing with requests from former SPPL customers to remove redeemed secured charges from Land Registry; • Phone calls from former SPPL customers regarding their redeemed secured charges, • Liaising with solicitors regarding blanket removal of satisfied charges from the register in England and Wales and the one in Scotland, • Liaising with solicitors regarding the residual titles in England and Wales and the transfer of these to the relevant SPVs
Destruction of the Company's client data	<ul style="list-style-type: none"> • Various meetings (physical and by telephone) with solicitors and Acenden to plan for eventual destruction of client data and associated planning for those meetings, • Correspondence with Acenden regarding the costs and planning for destruction

Liquidators' disbursements

Category 1 disbursements

The Liquidators' have incurred disbursements of £1,135 86 during the period 4 September 2014 to 3 September 2014 as set out below

Details	£
Car parking	21 37
Courier	152 24
Increase in bond	55 00
Postage	18 16
Rail fares	840 49
Taxi fares	48 60
Total	1,135 86

Against this, £346 75 has been drawn. This is included in the disbursement figure shown on the attached receipts and payments account

Category 2 disbursements

The Liquidators' current disbursements policy, as approved by the creditors, is as follows

1. Photocopying for circulars or any other bulk copying is charged at 5p per sheet,
2. Mileage – this is reimbursed at a maximum of 67p per mile (up to 2,000cc) and 80p per mile (over 2,000cc)

All other disbursements are reimbursed at cost. The Liquidators have incurred £3,797 83 in respect of photocopying during the period 4 September 2013 to 3 September 2014. The majority of this has related to DSAR request in addition to normal costs of sending out progress reports to creditors. Of this, £336 78 has been drawn. This is included in the disbursement figure shown on the attached receipts and payments account

Statement of expenses

The following expenses have been incurred during the period of the report, irrespective of whether payment has been made

Category	Unpaid expenses brought forward as at 4 September 2013	Expenses incurred in this period (£)	Expenses paid in this period (£)	Unpaid expenses as at 4 September 2014 (£)
Legal fees (1)	111,150 50	125,234 78	208 530 08	27,855 20
Legal Disbursements (2)	547 36	4,443 99	2,890 60	2 100 75
Professional fees - Solex	4 000 00	25,450 00	25,250 00	4 200 00
Professional fees - Acenden (3)	102,500 00	78,805 00	128,025 00	53 280 00
Office holder's fees	176,239 10	322,129 80	266,754 95	231,613 95
Office holders disbursements	1 077 40	4 933 69	1,679 89	4,331 20
Statement of affairs costs	-	-	-	-
Statutory advertising	-	-	-	-
Data Protection Act Fees (4)	35 00	35 00	70 00	-
Bank charges	-	137 39	137 39	-
Total	395,549 36	561,169 65	633,337 91	323,381 10

Notes

1. Previously included legal disbursements
2. £155 additional brought forward
3. Previous estimate was £96 000
4. Previously settled via Solicitors

Additional information

If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone or write to Lee Panther who will be pleased to deal with such enquiries, however, any request for further information regarding the Liquidators' remuneration or disbursements should be made in writing (Rule 4.49E IR86)

In addition, should any creditor consider the Liquidators' remuneration and disbursements to be excessive or inappropriate, they have the right to challenge the amounts in accordance with Rule 4.131 IR86.

Southern Pacific Personal Loans Limited - in Creditors Voluntary Liquidation

Summary of Financial Information (GBP)

Directors Statement of Affairs £	Receipts & payments to 3 September 2013 £	Movements in the period £	Total as at 3 September 2014 £	Estimated Outcome Statement £
Receipts				
3,138,644 47	3,139,200 76	-	3,139,200 76	3,139,200 76
101,000 00	57,340 51	34,189 18	91,529 69	91,529 69
10,709 60	10,714 87	-	10,714 87	10,714 87
21,595 44	20,946 62	-	20,946 62	20,946 62
-	1,091 00	-	1,091 00	1,091 00
-	3,470 00	2,960 00	6,430 00	Uncertain
-	8,777 27	6,891 09	15,668 36	18,000 00
Uncertain	-	-	-	Uncertain
-	-	9,250 00	9,250 00	Uncertain
-	-	273 33	273 33	273 33
3,271,949 51	3,241,541 03	53,563 60	3,295,104 63	Uncertain
Payments				
Legal fees	(117,888 50)	(208,530 08)	(326,418 58)	Uncertain
Legal Disbursements	(3,599 52)	(2,890 60)	(6,490 12)	Uncertain
Professional fees - Solex	(26,375 00)	(25,250 00)	(51,625 00)	Uncertain
Professional fees - Accenden	(8,500 00)	(128,025 00)	(136,525 00)	Uncertain
Statement of affairs fee	(20,000 00)	-	(20,000 00)	(20,000 00)
Office holder's fees (time cost basis)	(264,140 20)	(266,754 95)	(530,895 15)	Uncertain
Office holder's disbursements	(2,599 45)	(1,679 89)	(4,279 34)	Uncertain
Statutory advertising	(730 84)	-	(730 84)	(1,500 00)
Data Protection Act fees	-	(70 00)	(70 00)	(105 00)
Bank charges	(124 27)	(137 39)	(261 66)	(400 00)
	(443,957 78)	(633,337 91)	(1,077,295 69)	Uncertain
VAT (irrecoverable)	(88,766 71)	(100,621 50)	(189,388 21)	Uncertain
Balance	2,708,816 54	(680,395 81)	2,028,420 73	Uncertain

Notes

Funds are held on an interest bearing account

All figures are net of VAT

VAT is irrecoverable due to the VAT status of the Company's former business

Southern Pacific Personal Loans Limited - in Liquidation

Analysis of time costs for the period from 4 September 2013 to 3 September 2014

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	0.50	-	2.40	62.85	1.70	15.95	10.30	93.70	35,004.45	373.58
2 Assets	-	-	-	3.75	-	0.15	-	3.90	1,699.50	435.77
3 Creditors	-	7.90	17.10	3.55	-	24.75	-	53.30	21,656.20	406.31
4 Accounting and treasury	-	-	2.88	1.65	25.70	76.00	0.25	106.48	46,908.65	252.71
5 Statutory and compliance	0.70	3.00	2.50	14.10	3.40	69.85	-	93.55	27,271.50	291.52
6 Tax & VAT	-	-	4.35	4.25	20.20	5.50	-	34.30	12,692.50	370.04
Specific case areas of work										
A Data Subject Access Requests ("DSARs")	-	-	0.75	30.70	2.20	323.25	11.50	368.40	91,030.85	247.10
B Payment Protection Insurance ("PPI") - complaints and claims	-	-	-	48.25	3.50	194.60	-	246.35	67,595.95	274.39
C Removal of historic charges from Land Registry	-	0.40	-	4.00	0.30	17.15	-	21.85	6,127.30	280.43
D Destruction of the Company's data	-	14.30	13.25	24.00	7.50	18.45	-	77.50	33,754.95	435.55
Total for the period	1.20	25.60	43.23	197.10	64.50	745.65	22.05	1,099.33	323,741.85	294.49

Brought forward as at 3 September 2013

1,535.40

Total

2,634.73

Charge out rates per hour

- Liquidators' staff (effective from 1 July 2013)

Support Staff

Associate

Senior Associate

Manager

Senior Manager

Director

Partner

755

660

430

358

112

- Liquidators' staff (effective from 1 July 2014)

Support Staff

Associate

Senior Associate

Manager

Senior Manager

Director

795

695

460

380

240

120