

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 4 5 6 9 3 2 8

Company name in full TMC (Southern) Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Louise

Surname Brittain

### 3 Liquidator's address

Building name/number Gladstone House

Street 77-79 High Street

Post town Egham

County/Region Surrey

Postcode T W 2 0 9 H Y

Country

### 4 Liquidator's name ①

Full forename(s) Stephen

Surname Grant

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number Regis House

Street 45 King William Street

Post town

County/Region London

Postcode E C 4 R 9 A N

Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

**6** Period of progress report

From date	d	1	d	3	m	0	m	3	y	2	y	0	y	2	y	1
To date	d	1	d	2	m	0	m	3	y	2	y	0	y	2	y	2

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X

*L J Little*

X

Signature date

d	0	d	6	m	0	m	4	y	2	y	0	y	2	y	2
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# **Joint Liquidators' Annual Progress Report to Creditors & Members**

**TMC (Southern) Limited - In Creditors Voluntary Liquidation**

**For the Period ending 12 March 2022**

**Dated: 31 March 2022**

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- Additional information in relation to Joint Liquidators' expenses
- Azets Holdings Ltd Fees and Expenses Policy

## **1 Introduction and Statutory Information**

- 1.1 John Kirkpatrick and David Tann were appointed Joint Liquidators of TMC (Southern) Limited ('the Company') on 13 March 2017 by the members and creditors. On 16 January 2018, an Order was made in the High Court removing John Kirkpatrick as officeholder due to imminent retirement and appointing Matthew Waghorn as replacement officeholder with effect from the date of the Order. On 26 November 2018, an Order was made in the High Court removing David Tann as officeholder in view of his pending retirement and replacing him with Stephen Grant with effect from the same date. Further, on the 23 June 2021, an Order was made in the High Court removing Matthew Waghorn as officeholder in view of this pending departure from the firm and replacing him with Louise Brittain with effect from the same date.
- 1.2 This progress report covers the period from 13 March 2021 to 12 March 2022 ('the Period') and should be read in conjunction with any previous progress reports which have been issued.
- 1.3 Information about the way that we will use, and store personal data on insolvency appointments can be found at <https://www.azets.co.uk/about-us/privacy-cookie-policy/>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 The principal trading address of the Company was Suite 105, Fareham Reach, 16 Fareham Road, Gosport, PO13 0FW. The registered office of the Company has been changed to Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY and its registered number is 04569328.

## **2 Receipts and Payments**

- 2.1 At Appendix A is our Receipts and Payments Account covering the Period of this report incorporating a cumulative Receipts and Payments Account for the period from the date of the appointment of the Joint Liquidators to the end of the Period.

## **3 Progress of the Liquidation**

- 3.1 This section of the report provides creditors with an update on the progress made in the Liquidation during the Period and an explanation of the work done by the Joint Liquidators and their staff.

### ***Administration (including statutory compliance & reporting)***

- 3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work we anticipated would need to be done in this area was outlined to creditors in our initial fees estimate/information which was previously agreed by creditors.
- 3.3 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Joint Liquidators.
- 3.4 As noted in our initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

### **Realisation of Assets**

- 3.5 There have been no asset realisations during the Period.

## **TMC (Southern) Limited – In Creditors Voluntary Liquidation**

- 3.6 It is uncertain whether the work the Joint Liquidators and their staff have undertaken to date will bring a financial benefit to creditors as this is contingent on the investigations conducted so far in the Liquidation and any realisations that may follow from the same.

### ***Creditors (claims and distributions)***

- 3.7 The Joint Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.8 Work undertaken by the Joint Liquidators in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however the Joint Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Joint Liquidators in dealing with those claims.
- 3.9 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.

### ***Investigations***

- 3.10 Since our last progress report we would advise that our solicitors remain instructed in relation to the ongoing investigations into the Company's affairs and any potential recoveries to be pursued for the benefit of creditors.
- 3.11 During the Period we have been in correspondence with our legal advisors as to the strategy and merits of pursuing the potential claims and matters identified during the course of our investigations. They have approached counsel in order to consider the merits of these potential claims for the benefit of the creditors.
- 3.12 Litigation funders have also been approached to consider the funding of the claims and it has been agreed that this should be considered at a later stage when it is clear which potential claims will be pursued.
- 3.13 The Joint Liquidators wish to limit the disclosure of such investigations and potential claims in the Liquidation as to not prejudice any future litigation that may be pursued for the benefit of the estate.

## **4 Creditors**

### ***Secured Creditors***

- 4.1 There are no charges registered over the Company.

### ***Preferential Creditors***

- 4.2 There are no known preferential creditors.

### ***Unsecured Creditors***

- 4.3 The Company's statement of affairs indicates debts totalling £678,337. To date, we have received claims totalling £1,836,573.02 from 7 creditors. The reason for the significant difference is due to a claim received by HM Revenue & Customs ('HMRC') in the sum of £1,131,779 which was valued in the director's Statement of Affairs at £1. Claims have not yet been adjudicated for dividend purposes.

## TMC (Southern) Limited – In Creditors Voluntary Liquidation

- 4.4 As our investigations continue, it is uncertain whether there will be sufficient funds available after defraying the expenses of the Liquidation to pay a dividend to the unsecured creditors.

### 5 Joint Liquidators' Remuneration and disbursements

- 5.1 Creditors approved the basis of the Joint Liquidators' remuneration on 31 May 2018 to be fixed on the following basis as set out below:

#### ***Fixed Fee***

- 5.2 The Joint Liquidators are authorised to draw a fixed fee in the sum of £7,500 for the administration and statutory matters undertaken in the Liquidation.

#### ***Percentage Basis***

- 5.3 The Joint Liquidators are authorised to draw a fee in relation to the realisation of assets to be based on a percentage basis of 20% of realisations in the Liquidation.

#### ***Time Costs***

- 5.4 The Joint Liquidators are authorised to draw remuneration on a time costs basis for work in respect of investigations and creditor matters. The approval was based on fees estimate of £9,563.50 which acts as a cap and the Joint Liquidators are unable to draw fees in excess of this estimate without first seeking approval from the creditors.
- 5.5 A copy of our approved fees estimate for the Liquidation is reproduced below, together with a comparison of the Joint Liquidators' time costs for the Period and total time costs incurred since the appointment of the Joint Liquidators, for which the Joint Liquidators have approval from the creditors on a time costs basis for the below categories of work:

Category of work	Hrs in the Period	Average blended charge out rate £	Time costs for the Period £	Total Number of hrs	Average blended charge out rate £	Total time costs incurred	Estimated hrs as per fees estimate	Average blended charge out rate £	Estimated costs as per fees estimate £
Investigations	24.25	274.93	6,667.00	111.25	275.74	30,676.00	30.30	243.50	7,378.00
Creditors (claims & distributions)	0.10	90.00	9.00	8.80	165.70	1,458.20	11.40	191.74	2,185.80
<b>Total</b>	<b>24.35</b>	<b>274.17</b>	<b>6,676.00</b>	<b>120.05</b>	<b>267.67</b>	<b>32,134.20</b>	<b>41.70</b>	<b>229.35</b>	<b>9,563.80</b>

- 5.6 Please find attached:

- Appendix B - Time costs analysis for the Period from the 13 March 2021 to 12 March 2022
- Appendix C - Cumulative Time costs analysis for the period since the Joint Liquidators' Appointment.

- 5.7 The Joint Liquidators' time costs have far exceeded the original fees estimate in relation to the Investigation category due to extensive work undertaken within this category. Examples of the work undertaken include tasks such as:

## **TMC (Southern) Limited – In Creditors Voluntary Liquidation**

- Reviewing the Company's books and records in light of potential claims identified in the Liquidation which may be pursued for the benefit of the estate. This included a detailed review and analysis of the Company's transaction schedule as well undertaking a reconciliation of the director's loan account.
  - Instructing and liaising with my legal advisors regarding a number of potential claims in the Liquidation and discussing the commerciality of pursuing these.
  - Numerous calls with my solicitors in order to formulate and discuss the strategy in light of the claims identified and how these are to be progressed further.
  - Seeking counsels opinion on the merits of the individual claims.
  - Liaising with litigation funders to fund the potential claims.
- 5.8 Currently the Joint Liquidators fees estimate for the Liquidation remains unchanged. However, should it be deemed that there will be sufficient funds recovered in the Liquidation to discharge our outstanding costs, the Joint Liquidators may seek the approval of creditors to increase their fees estimate accordingly. Further details will be provided to creditors should this decision be sought.
- 5.9 The Joint Liquidators' total time costs since their appointment on 13 March 2017 totals £63,344.85 representing 273.45 hours charged at an average hourly rate of £231.65.
- 5.10 The Joint Liquidators have not drawn any remuneration to date.
- 5.11 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from [https://www.azets.co.uk/media/lybj2if4/liquidation-\\_a\\_guide\\_for\\_creditors\\_on\\_insolvency\\_practitioners\\_fees-\\_version\\_1\\_april\\_2021.pdf](https://www.azets.co.uk/media/lybj2if4/liquidation-_a_guide_for_creditors_on_insolvency_practitioners_fees-_version_1_april_2021.pdf).
- 5.12 The following appendices as also attached:
- Appendix D – Additional information in relation to the Joint Liquidators' expenses
  - Appendix E – Azets Holdings Ltd Fees and Expenses Policy

## **6 Creditors' Rights**

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in this progress report, are excessive.

## **7 Next Report**

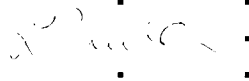
- 7.1 We are required to provide a further report on the progress of the Liquidation within two months of the next anniversary of the Liquidation, unless we have concluded matters prior to this, in which case we will write to all creditors with our final account.



## TMC (Southern) Limited – In Creditors Voluntary Liquidation

- 7.2 If you have any queries in relation to the contents of this report, we can be contacted by telephone on 01784435561 or by email at Michele.Lockyer@azets.co.uk or Anthony.Young@azets.co.uk.
- 7.3 Finally, to comply with the Provision of Services Regulations, some general information about Azets including about our Professional Indemnity Insurance and the Insolvency Code of Ethics, can be found at <https://www.azets.co.uk/about-us/legal-regulatory-information/>.

Yours faithfully



**Louise Mary Brittain**  
Joint Liquidator

Appendix A

Receipts and Payments Account for the Period from 13 March 2021 to 12 March 2022 incorporating a Cumulative Receipts and Payments Account since the Joint Liquidators' Appointment

**TMC (Southern) Limited  
(In Liquidation)  
Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 13/03/2021 To 12/03/2022 £	From 13/03/2017 To 12/03/2022 £
ASSET REALISATIONS		
Bank Interest Gross	NIL	1 70
Cash in hand	NIL	7,864.80
	NIL	7,866.50
COST OF REALISATIONS		
Accountant Fees	NIL	1,350.00
Preparation of S of A	NIL	5,000.00
Retrieval of Records	NIL	322.50
	NIL	(6,672.50)
	<b>NIL</b>	<b>1,194.00</b>
REPRESENTED BY		
Bank 1 Current		1,129.50
Vat Receivable		64.50
		<b>1,194.00</b>

NOTE:

1. The above figures are shown net of VAT as this is recoverable.

**Appendix B**

**Time Analysis for the Period from the 13 March 2021 to 12 March 2022**

**Analysis of the Joint Liquidators' time costs  
for the period 13 March 2021 to 12 March 2022**

Classification Of work function	HOURS					Time Costs  £	Average hourly rate £
	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Investigations	8.50	2.15	13.50	0.10	24.25	6,667.00	274.93
Creditors	-	-	-	0.10	0.10	9.00	90.00
Total hours	8.50	2.15	13.50	0.20	24.35	6,676.00	274.17

Appendix C

Cumulative Time Analysis for the Period since the Joint Liquidators' Appointment for the period 13 March 2017 to 12 March 2022

Analysis of the Joint Liquidators' time costs

For the period 13 March 2017 to 12 March 2022

Classification Of work function	HOURS					Time Costs  £	Average hourly rate £
	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Investigations	44.20	12.85	54.10	0.10	111.25	30,676.00	275.74
Creditors	1.40	0.10	4.10	0.20	8.80	1,458.20	165.70
Total hours	45.60	12.95	58.20	0.30	120.05	32,134.20	267.67

## Appendix D

### Additional Information in Relation to the Joint Liquidators' expenses

#### 1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 The Joint Liquidators have not utilised the services of any subcontractors on this case.

#### 2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Verisona Law and Isadore Goldman (legal advice)	Hourly rate plus disbursements.
Burlington Credit (valuation and disposal advice)	Fixed fee of £350 plus VAT

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

#### 3 Joint Liquidators' Expenses

- 3.1 The table below compares the Joint Liquidators' anticipated costs against those incurred to the end of the Period.

Expense	Paid in Prior Period £	Paid in the period covered by this report £	Incurred but not paid to date £
Agent's fees & expenses	-	-	350.00
Legal fees (Verisona Law)	-	-	4,894.00
Legal fees (Isadore Goldman)	-	-	86,957.50
Legal Disbursements	-	-	393.00
Statutory advertising	-	-	151.00
Specific Penalty Bond	-	-	50.00
Accountants Fees	1,350.00	-	-
External storage costs	-	-	2.87
Retrieval of Records	322.50	-	-
Courier costs	-	-	21.00
Preparation of SofA	5,000.00	-	-
<b>Category 2 Disbursements:</b>			
Postage	-	-	8.56
Mileage	-	-	55.35

**Category 1 expenses**

- 3.2 These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include disbursements which are payments first met by an office holder and then reimbursed from the estate.

**Category 2 expenses**

- 3.3 These expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Details of Category 2 expenses charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors.

## **Appendix E**

### **Azets Holdings Ltd Fees and Expenses Policy**

#### **Introduction**

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk>.

Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency 9 (SIP 9) and can be accessed at <https://www.azets.co.uk/restructuring-and-insolvency-downloads/>. A hard copy may be requested from Azets Holdings Limited, Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY or [Anthony.Young@azets.co.uk](mailto:Anthony.Young@azets.co.uk).

#### **Staff Allocation and Charge Out Rates**

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. Work carried out by all staff is subject to the overall supervision of the office holders.

The constitution of the case team will usually consist of a Partner/Director, Manager and an Administrator as well as support staff. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several members of staff may be allocated to meet the demands of the case.

We operate a time recording system which allows staff working on the assignment along with the office holders to allocate their time to an assignment in 6 minute units.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and planning
- Investigations
- Realisation of assets
- Creditors
- Trading
- Case specific matters

Time costs are recorded at the individual's hourly rate in force at that time. Our charge out rates increased on 1 February 2022 and are shown below, exclusive of VAT.

<b>1 February 2022 to date</b>	<b>£</b>	<b>3 December 2018 to 31 January 2022</b>	<b>£</b>
Partner/Director	400.00 – 580.00	Partner	430.00 - 470.00
Manager	280.00 – 375.00	Directors/Manager	210.00 - 390.00
Administrator	130.00 – 275.00	Administrator	110.00 - 210.00
Support Staff	120.00	Junior/Trainee Administrator	95.00 - 200.00
		Cashiers/Secretaries	60.00 - 100.00

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Included within the manager grade are Senior Manager, Manager and Assistant Manager. Included within the Administrator grade are Senior Administrator and Assistant. Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

**Please note that charge out rates are reviewed annually and may be subject to change.**

### **Expenses**

On insolvency appointments, an office holder will typically incur expenses which relate to that assignment. Expenses (or costs) are amounts properly payable by an office holder from an insolvency estate which are not otherwise categorised as the office holder's remuneration or a distribution to a creditor or shareholder. These expenses may include, but are not limited to, agent's costs for disposal and realisation of assets, legal costs, specialist pension advice, tax services or other routine expenses associated with an insolvency appointment such as statutory advertising costs, the office holder's specific penalty bond and costs associated with storing the books and records. Expenses also include disbursements which are payments that are first met by the office holder and then reimbursed at a later date from the estate, usually when realisations permit. Details of the anticipated expenses on an insolvency assignment will be outlined in the office holder's fees estimate or other information provided to creditors about the fee basis or bases being proposed.

Expenses recharged to, or incurred directly by, an insolvent estate are subject to VAT at the applicable rate where appropriate.

Some expenses can be paid without prior approval from creditors (referred to as Category 1 expenses) and other expenses which may have an element of shared costs or are proposed to be paid to an associate of the office holder, require approval before they can be paid (referred to as Category 2 expenses).

Category 1 expenses are directly referable to an invoice from a third party that is not an associate of the office holder or the firm, which is either in the name of the estate or Azets Holdings Limited; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the insolvency estate. These costs are recoverable without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party.

Category 2 expenses are directly attributable to the estate but include an element of shared costs or is a payment to an associate of the office holder or the firm. These expenses are recoverable from the estate, subject to the prior approval of the creditors, in the same manner as the approval of the office holder's remuneration.

The Category 2 expenses which include an element of shared costs and are charged by this firm are as follows:

- Postage – charged in accordance with the current Royal Mail price guide for first class.
- Business mileage – charged at standard rates which comply with HM Revenue & Customs limits. The current rate is 45 pence per mile.
- Internal photocopying - charged at 5 pence per sheet for reports and circulars issued to creditors, shareholders, employees and other stakeholders. No additional charge is made for individual items of correspondence.

**Please note that these category 2 expenses are reviewed annually and may be subject to change.**

Payments to associates (as defined in Section 435 of the Insolvency Act 1986 and the Insolvency Code of Ethics), which are also classified as a category 2 expense requiring creditor approval, are not routinely made by this firm. Any such payments will be considered on a case by case basis and when seeking approval for the payments, the office holder will provide creditors with an explanation of the work to be done, why the work is necessary and the estimated payment that will be made. The form and nature of the relationship with the associate will also be provided.



**Provision of Services Regulations**

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

To comply with the Provision of Service Regulations, some general information about Azets Holdings Limited, including our complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, is available on our website using the following link: [www.azets.co.uk/about-us/legal-regulatory-information/](http://www.azets.co.uk/about-us/legal-regulatory-information/).