

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

05723386

Name of Company

(a) Insert full name
of company

Principle Insurance Holdings Limited

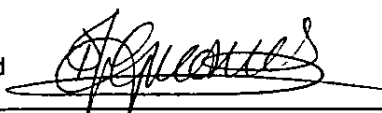
(b) Insert full
name(s) and
address(es)

We Tim Walsh and Peter Greaves
Of PricewaterhouseCoopers LLP
7 More London Riverside, London SE1 2RT

the 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 7 March 2012 to 6 March 2013

Signed



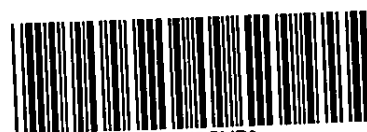
Date

4 May 2013

Presenter's name, Tanvi Patel
address and
reference PricewaterhouseCoopers LLP
(if any) 7 More London Riverside
London
SE1 2RT

COMPANIES HOUSE

WEDNESDAY



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TO ALL SHAREHOLDERS

3 May 2013

Dear Sirs

Principle Insurance Holdings Limited – in members' voluntary liquidation (the Company)

The Company was placed into members' voluntary liquidation on 7 March 2012 and Peter Greaves and I were appointed joint liquidators (the Liquidators)

In accordance with section 92A Insolvency Act 1986, the Liquidators are required to provide you with a report on the conduct and progress of the liquidation for the period 7 March 2012 to 6 March 2013 (the Period). We are also required to provide certain information concerning the Company and the Liquidators; this information is attached as appendix A.

We set out a summary of the Liquidators' receipts and payments for the Period as appendix B.

PROGRESS REPORT ON THE LIQUIDATION

Realisation of assets:

The directors' Declaration of Solvency disclosed that the Company's assets as at 6 February 2012 comprised the following

	£
Cash at bank	2,246,446
Funds in escrow	3,000,000
Investment in subsidiary	<u>1,318,025</u>
Total	<u>6,564,471</u>

Following the Liquidators' appointment, the Company's cash at bank and in escrow, totalling £4,936,554.03 was taken under control pending realisation and distribution. This figure is less than the amount recorded at 6 February 2012 as the Company's management continued to make payments right up to the date of liquidation.

The investment in subsidiary was realised in full on the conclusion of the liquidation of that company. See the next section of this report for further explanation.

The total amount realised from other sources (mainly refunds) during the Period amounted to £31,110.20.

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We previously reported some interest in acquiring the Company's intellectual property. However, the expressions of interest were at a level which was below the cost that would have been involved in transferring title to these assets. As a result, no sale has been progressed.

Settlement of liabilities:

This section covers all liabilities except any claims of Her Majesty's Revenue & Customs ("HMRC") which are dealt with separately below under HMRC.

The directors' Declaration of Solvency and the Company's records disclosed that the Company had one outstanding liability totalling £1,318,025. This liability was in relation to the inter-company debt due to its subsidiary, Principle Marketing Services Limited, which was placed into liquidation on 13 December 2011. On 6 February 2012, the Liquidators of Principle Marketing Services Limited declared and paid a first and final in specie distribution of £1,318,025 to the Company which, by way of set-off, extinguished the existing balance on the inter-company account between the companies.

Following their appointment, the Liquidators wrote to all known creditors and published a notice in the London Gazette and in The Times inviting any creditors to submit their claims.

During the Period, one claim was made against the Company totalling \$1,000 USD in relation to outstanding legal fees and this was agreed and settled on 8 May 2012.

There are no residual claims to be agreed and settled.

HMRC:

Subsequent to their appointment, the Liquidators have sought to confirm the steps needing to be taken in order to obtain HMRC's agreement to the Company's net assets being distributed and the liquidation being closed.

During the Period, all matters outstanding with HMRC were finalised (including the preparation and submission of pre liquidation tax returns, VAT returns, payroll taxes and so on). The Liquidators are now in the process of seeking final agreement from HMRC to the liquidation being closed without further reference to them.

Distributions to shareholders:

At the time of the Liquidators' appointment, the issued share capital of the Company comprised 592,262,418 ordinary shares of £0.01 each.

As previously reported, Ektettab Holding Company agreed, on certain terms, to forego its share of any distribution to members. In accordance with this agreement, Ektettab's share of the net assets was distributed between the other members on a pro rata basis.

On 14 December 2012, a first and final cash distribution of £4,516,125.92 (representing 0.81775 pence per share) was paid to the shareholders.



The shareholders who provided us with their bank details received their entitlement via CHAPS (unless a cheque was requested) and their distribution letter was sent to them via email. The shareholders who did not provide us with any bank details were issued with a cheque in their name and this was sent to their last known address, as maintained in the Company's books, together with their distribution letter.

At the time of preparing this report, there are 11 distribution cheques which have yet to be cashed.

In the absence of any future windfall, there will be no further distribution from this liquidation.

LIQUIDATORS' REMUNERATION AND EXPENSES

Basis of remuneration:

At the time of the Liquidators' appointment by the members of the Company, a resolution was passed making provision for the Liquidators to be remunerated by reference to the time properly given by them and their staff in attending to the matters arising in the winding up.

Our current hourly rates for 2012/13 are set out below.

Grade	Hourly rate
Partner	£540 - £755
Director	£450 - £660
Manager grades	£310 - £510
Other technical staff	£146 - £358
Support	£80 - £112

Remuneration charged:

During the Period, we have incurred time costs of £137,210.44, as analysed in appendix C. This represents 438.73 hours at an average hourly rate of £312.74.

During the Period, we have raised five invoices (most recent being to 13 January 2013) totalling £138,170.11 (£165,604.15 inclusive of VAT). However, the first invoice raised during the Period included some time costs relating to the pre liquidation period.



During the Period we have incurred expenses of £2,135 88 (inclusive of VAT) These costs, which have been re-charged as incurred, comprise

	£	£
Category 1 expenses [see Note 1 below]		
Statutory advertising	997 11	
Statutory bonding	748 74	
Company searches	12 00	
Courier	11 26	
		1,769 11
Category 2 expenses [see Note 2 below].		
Travel – mileage	10 79	
		10 79
		1,779 90
VAT		355 98
Total expenses		2,135 88

Notes

- 1 Category 1 expenses represent specific expenditure incurred directly in respect of this liquidation and payment has been to independent third parties
- 2 Category 2 expenses represent directly referable costs where payment is not to an independent third party

The payment and calculation of category 2 expenses was agreed at the date of the Liquidators' appointment by the members passing a resolution Mileage has been recharged at at a maximum of 45p per mile

Members' rights re Liquidators' remuneration and expenses:

Members are entitled to request further information about the Liquidators' remuneration and expenses Such requests need to be made within 21 days of receipt of this report See Rule 4 49E of the Insolvency Rules 1986 for further detail

In certain circumstances, members are entitled to claim by way of court application that the Liquidators' remuneration and expenses are excessive Such applications need to be made within 8 weeks of receipt of this report See Rule 4 148C of the Insolvency Rules 1986 (as amended) for further detail



PROCEDURE FOR CONCLUDING THE LIQUIDATION

For the members who received their distribution entitlement in the form of a cheque, they have six months in which to bank this payment. The timing of the closure of the liquidation will depend on how quickly these cheques are cashed.

- 1) If all cheques are redeemed before the six month period expires (July 2013), we can proceed with closing the liquidation at that point.
- 2) If all cheques are not cashed, they will expire six months after the date of issue and we will then arrange for any unclaimed dividends to be paid to the Insolvency Services Account, for the UK Government to hold on trust. Only at this point will we be able to take steps to conclude the liquidation.

The liquidation will be concluded at a final meeting of members and a final report will be issued prior to the meeting. The final meeting is a formality required by the Insolvency Act 1986 and there is no requirement for anyone to attend in person.

Once the meeting has been held, the Liquidators will file the final report with the Registrar of Companies within seven days and, unless any objections are raised, the Company will be dissolved approximately three months later.

We continue to anticipate that the liquidation will be concluded and the Company dissolved in the latter part of 2013.

Should you have any queries, please do not hesitate to contact Tanvi Patel on +44 207 213 8983.

Yours faithfully

A handwritten signature in black ink, appearing to read 'T. Walsh'.

Tim Walsh
Joint Liquidator

Tim Walsh and Peter Greaves have been appointed as joint liquidators. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The joint liquidators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the liquidation.



Appendix A

INFORMATION ON THE COMPANY AND THE LIQUIDATORS

<i>Company details:</i>	
Company name:	Principle Insurance Holdings Limited
Former names:	British Islamic Insurance Holdings Limited
Trading name(s)	n/a
Company number:	05723386
Registered office:	Golden Cross House, 8 Duncannon Street, London WC2N 4JF
<i>Liquidators' details:</i>	
Liquidators' names:	Tim Walsh and Peter Greaves ("The Liquidators")
Liquidators' address:	c/o PricewaterhouseCoopers, 7 More London Riverside, London SE1 2RT
Date of appointment:	7 March 2012
Nature of appointment:	Members' voluntary liquidation

Principle Insurance Holdings Limited - in members' voluntary liquidation
Joint Liquidators' Summary Receipts and Payments Account (note 1)

7 March 2012
to
6 March 2013

Receipts	£
Opening balance at Lloyds Bank (note 2)	(74,578 38)
Warranty expiry of funds held in escrow for the sale of Principle Insurance Company Limited	3,000,000 00
Murabaha investment	2,000,000 00
Balance transferred from Islamic Bank of Britain account	11,132 41
	<u>4,936,554 03</u>
Post liquidation VAT reclaims	25,389 90
Income from murabaha investment	2,547 95
Employee benefits refund	2,154 12
Insurance refund	832 22
Storage deposit refund	153 01
Bank charges refund	33 00
Total	<u><u>4,967,664 23</u></u>
Payments	
Office holders' fees (note 3)	165,604 18
Payroll & employee costs	104,413 02
PAYE/NIC	102,879 31
Unsecured creditors	15,723 70
IT costs - Art Computing Limited	10,305 75
KPMG LLP taxation advice fees	7,266 00
Liquidators' remuneration relating to Principle Marketing Services Limited (note 4)	2,717 36
Office holders' Category 1 disbursements (note 5)	2,122 93
Bank charges	2,065 06
Mail redirection	1,464 23
Employee expenses	1,034 23
Storage costs	973 74
Vacation of premises costs	481 20
Insurance	275 00
Office holders' Category 2 disbursements (note 5)	12 95
Statutory interest	10 26
First and final cash distribution @ 0 81775 pence per ordinary share paid to shareholder on 14 December 2012	4,516,125 92
Total	<u><u>4,933,474 84</u></u>
Balance held non interest bearing at Lloyds TSB Bank Plc as at 6 March 2013	<u><u>34,189 39</u></u>

Note 1 All payments are shown gross of VAT where they relate to taxable services/supplies

Note 2 The Company bank account was overdrawn by £74,578 38 on appointment, this was subsequently cleared

Note 3 Office holders' fees are based on time costs of the Liquidators and their staff as approved by the members on 7 March 2012

Note 4 A final invoice of £2,717 36 was paid to PricewaterhouseCoopers LLP in respect of Liquidators' remuneration relating to the Company's subsidiary, Principle Marketing Services Limited, which was dissolved on 2 July 2012

Note 5 A breakdown of Category 1 & 2 disbursements totalling £2,135 88 is provided in the attached report

Principle Insurance Holdings Limited - in members' voluntary liquidation

Liquidators' remuneration 7 March 2012 to 6 March 2013

Appendix C

Type of work	Hours						Total
	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	
	H	H	H	H	H	H	H
Accounting and treasury	2 08	2 10	5 20	9 05	64 75	40 05	123 23
Case acceptance procedures	0 20						0 20
Closure procedures		0 25	0 50	3 40	3 35	0 50	8 00
Creditors / liabilities			0 60	3 20	20 85	1 05	25 70
Disputes & litigation						0 45	0 45
Distributions	1 10	6 20		16 15	50 85	1 20	75 50
Employee claims				0 35	2 30		2 65
Admin / filing	2 12		2 60	0 05	16 30		21 07
Insurance			0 30		3 50		3 80
Intellectual property rights				4 60	5 95		10 55
Investments & shareholdings			0 60		8 70		9 30
Job plan			0 40	1 45	8 70		10 55
Liquidation documents & Appointment	0 45		0 30		6 20	0 24	7 19
Other assets				0 90	1 75		2 65
Pension schemes					1 95		1 95
Periodic reviews		0 45		1 00	14 95		16 40
Reporting/liaison with client/shareholders		4 90	1 70	18 55	48 35		73 50
Shaping & strategy		11 70	0 25	3 35			15 30
Statutory & compliance		0 04	2 10	0 10	0 80	0 20	3 24
Tax & tax dept liaison	0 35		0 50	3 60	23 05		27 50
Total time costs for the year ended 6 March 2013	6.30	25.64	15.05	65.75	282.30	43 69	438.73

Total
Time costs incurred
GBP
34,820 25
151 00
2,788 50
7,339 25
101 25
24,859 10
745 05
7,130 55
1,047 70
3,560 70
2,547 60
3,089 10
2,123 44
852 50
501 15
4,592 55
24,083 10
7,431 00
1,325 00
8,121 65
137,210.44

Average hourly rate
GBP
282 56
755 00
348 56
285 57
225 00
329 26
281 15
338 42
275 71
337 51
273 94
292 81
295 33
321 70
257 00
280 03
327 66
485 69
408 95
295 33
312.74