

The Insolvency Act 1986

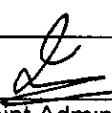
**Administrator's progress report**

Name of Company Towergate Finance Plc	Company number 07217267
In the High Court of Justice, Companies Court, Chancery Division	Court case number 2477 of 2015

We  
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Joint Administrators of the above company attach a progress report for the period

From	To
2 October 2015	22 March 2016
Signed	 Joint Administrator
Dated	30 MARCH 2016

**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

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When you have completed and signed this form, please send it to the Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

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# Towergate Finance Plc (in administration) ("the Company")

Court Case No 2477 of 2015  
High Court of Justice  
Company Number 07217267

**Registered Office:** c/o Deloitte LLP, Hill House, 1 Little New Street, London, EC4A 3TR

**Final progress report to creditors pursuant for the period 2 April 2015 to 22 March 2016 to Rule 2.47 and 2.110 of the Insolvency Rules 1986 (as amended) ("the Rules").**

Ian Colin Wormleighton, Neville Barry Kahn and Nicholas Guy Edwards ("the Joint Administrators") were appointed Joint Administrators of Towergate Finance Plc on 2 April 2015 by the High Court of Justice, Companies Court, Chancery Division. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended) ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

30 March 2016

## Contacts

### Joint Administrators of the Company

Ian Colin Wormleighton

Neville Barry Kahn

Nicholas Guy Edwards

Towergate Finance Plc  
(in administration)

c/o Deloitte LLP

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## Key messages

### Commentary

#### Purpose of administration

- The purpose of the administration was to achieve a better result for the Company's creditors as a whole than a liquidation

#### Achievement of the Joint Administrators' proposals

- The Company's entire shareholding in Towergate Insurance Limited ("TIL") was sold as part of a pre-packaged sale ("the Transaction")
- Following the Company's discharge of its liabilities to the Secured Bondholders and release of its remaining liabilities to the Unsecured Bondholders, there were no remaining creditors
- Following the Transaction, there were no further assets of the Company to realise and the Joint Administrators fulfilled their obligations under the sale agreement with TIG as well as completing their statutory duties

#### Costs

- Our remuneration of £20,002 and expenses of £240 have been settled by TIL





#### Outcome for Creditors

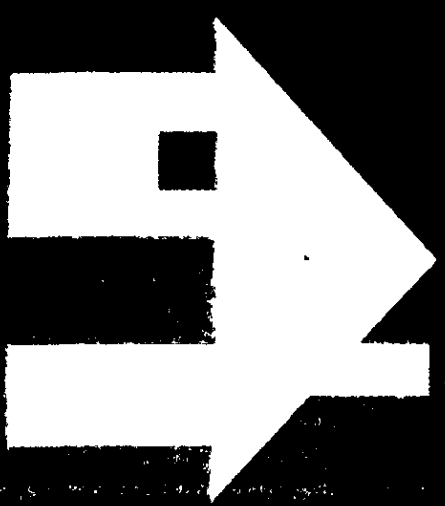
- As part of the Transaction, the Company discharged its liabilities to all the Company's secured and unsecured creditors. Consequently, there were no longer any creditors of the Company
- The Company had no preferential creditors

#### End of the administration period

- The administration period was not extended
- The administration will end under paragraph 84 Schedule B1 to the Act upon registration of Form 2 35B by Companies House. The Company will then be dissolved three months later



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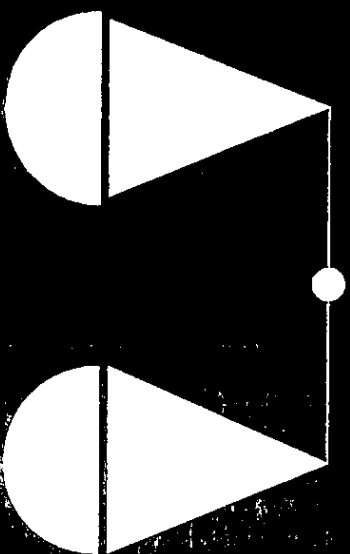
## Summary of the Joint Administrators' proposals

Steps taken

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Receipts and payments

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# Summary of the Joint Administrators' Proposals

## Steps taken

### The Joint Administrators' proposals

Our proposals were approved by the creditors of the Company on 14 May 2015

### Achievement of the proposals

Immediately following our appointment on 2 April 2015, via a series of inter-conditional steps, we sold the Company's entire holding in TIL as part of a pre-packaged sale

As a result TIL became majority owned by TIG Finco Limited ("TIG"). Under the terms of the Transaction, the Unsecured and Secured Bondholders took ultimate share ownership of TIG. Following the Company's discharge of its liabilities to the Secured Bondholders and release of its remaining liabilities to the Unsecured Bondholders, there were no remaining creditors

Following the Transaction, there were no further assets of the Company to realise and the Joint Administrators completed their obligations under the sale agreement with TIG

Subsequent to our progress report to 1 October 2015 we have completed our duties in relation to the Company, and tax clearance has been obtained from HM Revenue & Customs

### Steps taken during the administration

#### Statutory tasks

During the period of our appointment we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature

- Case set-up and management
- Statutory reporting
- Appointment notifications,
- Correspondence
- Tax compliance

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors

#### Assets and investigations

We complied with our statutory duty to report on the conduct of the Company's directors and submitted our confidential report to the Insolvency Service on 1 September 2015

We have reviewed the information available to assess whether there were any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Company

Having completed this review, no further avenues of recovery were identified



# Progress of the administration Receipts and payments

## Towergate Finance Plc

### Joint Administrators' final receipts and payments account 2 April 2015 to 22 March 2015

£	2-Apr-15 to 2-Oct-15 to 1-Oct-15	22-Mar-16	To date
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<b>Receipts</b>			
Administration cost funding	50,000	-	50,000
Litigation cost funding	200,000	-	200,000
<b>Total receipts</b>	<b>250,000</b>	<b>-</b>	<b>250,000</b>
<b>Payments</b>			
Joint Administrators' Fees	-	20,002	20,002
Joint Administrators' Expenses	-	240	240
Legal Fees	-	20,017	20,017
Legal Expenses	-	1,315	1,315
Statutory advertising	85	-	85
Bank Charges	10	-	10
Irrecoverable VAT	17	8,315	8,332
Repayment of Funding	-	200,000	200,000
<b>Total payments</b>	<b>112</b>	<b>249,888</b>	<b>250,000</b>
<b>Balance</b>	<b>249,888</b>	<b>(249,888)</b>	<b>-</b>
Made up of:			
NIB Current A/C			-
Balance in hand			-

A receipts and payments account is provided opposite, detailing the transactions in the administration for the period

#### Notes to receipts and payments account

The Company was not registered for VAT and therefore has not recovered VAT suffered on expenses incurred

£50k of funding was provided by TIL to the administration estate to cover the Joint Administrators' remuneration, expenses and post-appointment legal costs

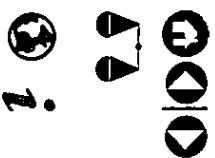
£200k of third party funding was provided to the administration estate as security for costs should the Joint Administrators receive any legal challenge to the sale of TIL. No such claims were received and the Joint Administrators have returned these funds

#### Legal Fees and Expenses

The Joint Administrators instructed Linklaters LLP to advise on relevant matters arising during the administration. Their fees and expenses totalled £21,332 over the administration

#### Joint Administrators' Fees and Expenses

The Joint Administrators have drawn fees of £20,002 and expenses of £240





## Information for creditors

Outcome

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## **Information for creditors**

### **Outcome for Creditors**

#### **Secured and unsecured creditors**

As per our letter to creditors dated 9 April 2015 and as detailed in our Proposals, prior to our appointment, the Secured Bondholders were the only unsecured creditors of the Company

As part of the Transaction, the Company discharged its liabilities to all the Company's secured and unsecured creditors. Consequently, there were no longer any creditors of the Company

#### **Preferential creditors**

Since there were no employees of the Company, there were no preferential creditors

#### **Exit**

The Company will exit to dissolution and will be dissolved three months following the registration of Form 2.35B and our final progress report at Companies House

#### **Discharge from liability**

We have been granted discharge from liability per paragraph 98 of Schedule B1 of the Act by the Court on 5 October 2015, which will take effect 28 days after the registration of this final progress report by the Registrar of Companies



## **i** Remuneration and expenses

Joint Administrators' remuneration  
and expenses

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# Remuneration and expenses

## Joint Administrators' remuneration and expenses

Joint Administrators' remuneration "A Creditors' Guide to Remuneration" can be provided to creditors

Should you require a paper copy, please send your request in writing to us at the address on the front of this report and this will be provided to you at no cost

### Basis of remuneration

Our remuneration has been funded by TIL as shown in the receipts and payments account on page 5

### Expenses

Our direct expenses and disbursements incurred during the administration period (excluding VAT) are set out below

#### Category 1 expenses

£ (net)	Value	Paid	Unpaid
Courier	10	-	10
Insolvency Bond	230	-	230
<b>Total expenses</b>	<b>240</b>	<b>-</b>	<b>240</b>

#### Creditors' right to request information

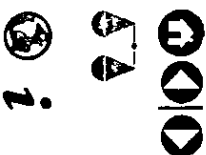
Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2.47(1)(fa) and 2.48A of the Rules

#### Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 2.109(4) of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2.109 of the Rules

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports



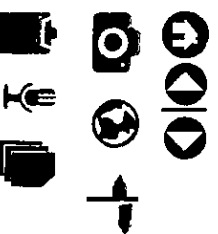
## Appendix

### Summary of the Joint Administrators' Proposals

#### Joint Administrators' proposals

The Joint Administrators' proposals are as follows

- 1 the Joint Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses,
- 2 the Joint Administrators continue with their enquiries into the conduct of the directors of the Company and continue to assist any regulatory authorities with any investigation into the affairs of the Company,
- 3 the Joint Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Company unless the Joint Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution,
- 4 the Joint Administrators be authorised to distribute funds to the secured and preferential creditors as and when their claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the court gives permission following an appropriate application,
- 5 that, in the event the creditors of the Company so determine, at meetings of creditors, a Creditors Committee be appointed,
- 6 that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most appropriate exit route to formally conclude the administration
- 7 that, if the Company is to be placed into CVL, the Joint Administrators propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act, the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and,
- 8 that the Joint Administrators apply to Court that they be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies



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