

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 5 6 7 4 7 7 3

Company name in full Tuxedo Money Solutions Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) James Douglas Ernle

Surname Money

3 Liquidator's address

Building name/number 6

Street Snow Hill

Post town London

County/Region

Postcode E C 1 A 2 A Y

Country

4 Liquidator's name ①

Full forename(s) Steven Edward

Surname Butt

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 6

Street Snow Hill

Post town London

County/Region

Postcode E C 1 A 2 A Y

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

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6 Period of progress report

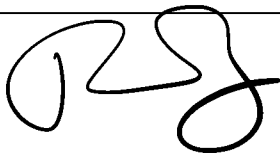
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7 Progress report☒ The progress report is attached**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

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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 **Ross McNaught**

Company name **Rollings Butt LLP**

Address **6 Snow Hill**

Post town **London**

County/Region

Postcode **E C 1 A 2 A Y**

Country

DX

Telephone **020 7002 7960**

**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

Joint Liquidators' Annual Progress Report to Creditors & Members

**Tuxedo Money Solutions Limited
- In Creditors' Voluntary Liquidation**

Reporting period from 5 May 2022 to 4 May 2023

14 June 2023

TUXEDO MONEY SOLUTIONS LIMITED - IN LIQUIDATION

CONTENTS

- 1** Introduction and Statutory Information
- 2** Receipts & Payments
- 3** Background and Principal Activities
- 4** Progress of the Liquidation
- 5** Creditors
- 6** Joint Liquidators' Remuneration
- 7** Creditors' Rights
- 8** Next Report

APPENDICES

- A** Receipts and Payments Account for the Period from 5 May 2022 to 4 May 2023
- B** Time Analysis for the Period from the 5 May 2022 to 4 May 2023
- C** Additional information in relation to Joint Liquidators' Fees, Expenses & the use of Subcontractors

TUXEDO MONEY SOLUTIONS LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, James Douglas Ernle Money, together with my partner Steven Edward Butt, of Rollings Butt LLP, 6 Snow Hill, London, EC1A 2AY, United Kingdom was as appointed as Joint Liquidator of Tuxedo Money Solutions Limited (“**the Company**”) on 5 May 2022. Steven Edward Butt and I are authorised to act as insolvency practitioners in the UK by the Insolvency Practitioners Association. We are bound by the Insolvency Code of Ethics when carrying out all professional work in relation to an insolvency appointment. In the event of case related queries, the Liquidators can be contacted on telephone number 020 7002 7960 or by email via mail@rollingsbutt.com.
- 1.2 This progress report provides an update on the conduct of the Liquidation for the period from 5 May 2022 to 4 May 2023 (“**the Period**”) and should be read in conjunction with any previous progress reports which have been issued.
- 1.3 Information about the way that this firm will use and store personal data on insolvency appointments can be found at www.rollingsbutt.com/legal. 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 Waverly House, 7-12 Noel Street, London, W1F 8GQ.
- 1.5 The registered office of the Company has been changed to 6, Snow Hill, London, EC1A 2AY and its registered number is 05674773.

2 Receipts and Payments

- 2.1 At Appendix A is our Receipts and Payments Account covering the Period of this report.
- 2.2 In Sections 3 and 4 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs.

3 Background and Principal Activities

- 3.1 A significant proportion of the Company's and associated companies' revenue derived from card holder transactions connected with travel. Accordingly, the business suffered significantly as a result of travel restrictions implemented during the COVID pandemic. In addition, the Company and associated companies experienced major difficulties in recovering very significant balances due from the main card issuers, Railsbank and IDT. The Liquidators are seeking to reconcile and recover the funds held by the card issuers. The eventual realisation will also depend upon the legal and contractual position between the group companies and their clients.
- 3.2 During the weeks immediately before and after the Liquidation, the Company, and the Liquidators took action to minimise the impact of the Liquidation to cardholders, and to facilitate the recovery of card holder balances from the card issuers. The Company did not hold any card holder funds. With tens of thousands of card holders, the Liquidators have inevitably had to deal with a large volume of queries from card holders.

4 Progress of the Liquidation

- 4.1 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 Liquidators and their staff.

Administration (including statutory compliance & reporting)

- 4.2 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 in our initial fees estimate/information which was previously agreed by creditors.
- 4.3 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 Liquidators.
- 4.4 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

Cash at Bank

- 4.5 On appointment we contacted the Company's bank to close their account and transfer the remaining funds into the Liquidation estate account. As such £53,027.08 was recovered.
- 4.6 On review of the bank statements, it was discovered that some of the funds were first transferred into an associated company, Payment Card Technologies (Retail) Limited (in liquidation). Therefore, a reconciliation of the bank statements was performed and £27,751.69 was transferred into the Liquidation estate account. The total Cash at Bank recovered was £80,778.77.

Unrealised Assets

Shares & Investments

- 4.7 This relates to the value of shares in its subsidiary companies: Tuxedo Money Remittance Limited; Tuxedo MoneyPlus Limited; Tuxedo Money Terminal Limited; and Tuxedo Money Solutions PTY Limited. All of these are either in Creditors Voluntary Liquidation ("CVL") or dissolved. Therefore, the shares hold no value and cannot be realised.

Research & Development Refund

- 4.8 This relates to a tax refund claim for the cost of research and development. The claim was made prior our appointment and it is uncertain as to whether the claim will be successful. The Company is part of a VAT group and the Company has joint and several liability for all sums due within the VAT Group. At present it is not possible to determine whether any liability will fall upon the Company as a result of this joint and several liability nor whether a successful R&D claim might be subject to set-off.

Prepayments

- 4.9 This asset comprises five prepayments to suppliers. However, due to the terms and conditions this is non recoverable.

VAT Refund

- 4.10 The directors submitted a VAT return prior to our appointment that entitles the Company to a VAT refund of £1,472.40. However, as the Company is part of a VAT group this will likely be set off by the VAT debt of the other companies of the group.

TUXEDO MONEY SOLUTIONS LIMITED - IN LIQUIDATION

Intangibles

- 4.11 The Company developed its own in-house software solutions. Due to these being bespoke to the Company and its trading there is no resale value.

Book Debts

- 4.12 This relates to two book debts owed to the Company totalling £7,353.50. However, one of these debtors, owing £6,896.59, is also a creditor in the Liquidation and therefore the amount owed by them may be subject to set off. We have written to both debtors requesting payment.

Prepaid Corporate Card

- 4.13 This relates to funds held on a prepaid corporate card. During the period a refund request was made, but this has yet to be processed by its issuer.

Intercompany debt

- 4.14 This relates to monies owed by: PCT London Limited (£21,783,032.73), Payment Card Technologies (Retail) Limited (£5,235,228.17); Change Account Limited (£119,565.83); Tuxedo Moneyplus Limited (£45,586,876); and Tuxedo Money Solutions PTY Limited (£613,720.89). Tuxedo Money Solution PTY Limited is in "external administration", an Australian insolvency process similar to liquidation and all the others are in CVL. During the period of this report, we have been considering the intercompany position and monitoring the position in the insolvencies of the other group companies. To date no realisation has been made. Further detail is provided below in the section of the report which deals with outstanding matters.
- 4.15 It is anticipated that the work the Liquidators and their staff have undertaken to date may bring a financial benefit to creditors because there may be a distribution to the unsecured creditors.

Creditors (claims and distributions)

- 4.16 The 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.
- 4.17 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.
- 4.18 Work undertaken by the 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 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 Liquidators in dealing with those claims.

TUXEDO MONEY SOLUTIONS LIMITED - IN LIQUIDATION

4.19 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.

4.20 At this stage, we consider the following matters worth bringing to the attention of creditors:

- There are no secured creditors
- We have not received any preferential claims to date and none were anticipated in the Statement of Affairs. We have however, become aware of the possibility of a claim from HMRC in respect of Joint and Several liability in respect of VAT due within the VAT Group of which the Company was a member. As to whether a claim may be received will depend upon distributions within the insolvencies of other group companies.
- There are approximately 20 unsecured creditor claims in this case with a value per the directors statement of affairs of £60,468,101.28

Investigations

4.21 Some of the work Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ("**CDDA 1986**") and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.

4.22 We can confirm that we have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, we are unable to disclose the contents.

4.23 Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. Our investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

Matters still to be dealt with

Intercompany debt

4.24 At present, it is uncertain as to how much of this will be recoverable. We will continue to monitor the liquidations of the group companies for any potential dividend. The intercompany position remains complex and will take time to resolve.

4.25 The Company is part of a VAT group with other insolvent entities. We have therefore requested that HMRC disband the VAT group and deregister the entities.

5 Creditors

Secured Creditors

5.1 We can confirm that there are no secured creditors and that all charges created have been satisfied prior to our appointment as Joint Liquidators.

Preferential Creditors

5.2 No preferential creditor claims have been received to date. Please see paragraph 3.19 above for more detail concerning a potential claim in the Liquidation.

TUXEDO MONEY SOLUTIONS LIMITED - IN LIQUIDATION

Unsecured Creditors

- 5.3 The Company's statement of affairs indicated there were 20 creditors whose debts totalled £60,468,101.28. To date, we have received claims totalling £203,008.27 from 2 creditors.
- 5.4 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the "**Prescribed Part**"), which only applies to charges created after 15 September 2003.

6 Joint Liquidators' Remuneration

- 6.1 Our pre-appointment fees totalling £7,500 were paid by a third party and therefore did not require the approval of creditors.
- 6.2 Creditors approved that the basis of the Liquidators' remuneration be fixed by reference to the time properly spent by us and our staff in managing the Liquidation. Our fees estimate/information was originally provided to creditors when the basis of our remuneration was approved and was based on information available to us at that time.
- 6.3 Our time costs for the Period are £67,497.50. This represents 161.40 hours at an average rate of £418.20 per hour. Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the liquidation. To date, £55,000 plus expenses shown in the enclosed Receipts and Payments Account has been drawn on account.
- 6.4 At the date of this report, we would confirm that our fees estimate for the liquidation remains unchanged.
- 6.5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/liquidation-a-guide-for-creditors-on-insolvency-practitioner-fees/> or a hard copy is available on request from our office.
- 6.6 Attached as Appendix G is additional information in relation to the Liquidators' fees and expenses including where relevant, information on the use of subcontractors and professional advisers.

7 Creditors' Rights

- 7.1 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 Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.
- 7.2 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 Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive.

TUXEDO MONEY SOLUTIONS LIMITED - IN LIQUIDATION

8 Next Report

- 8.1 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.
- 8.2 If you have any queries in relation to the contents of this report, we can be contacted by telephone on 020 7002 7960 or by email at mail@rollingsbutt.com.

Yours faithfully
For Tuxedo Money Solutions Limited

A handwritten signature in black ink, appearing to be 'James Money', written over a horizontal line.

James Money
Joint Liquidator

TUXEDO MONEY SOLUTIONS LIMITED - IN LIQUIDATION

Appendix A

Receipts and Payments Account for the Period from 5 May 2022 to 4 May 2023

Statement of Affairs £		From 05/05/2022 To 04/05/2023 £	From 05/05/2022 To 04/05/2023 £
	ASSET REALISATIONS		
456.91	Book Debts	NIL	NIL
65,219.80	Cash at Bank	80,778.77	80,778.77
NIL	Intangibles	NIL	NIL
Uncertain	Intercompany	NIL	NIL
41,847.21	Prepaid Corporate Card	NIL	NIL
NIL	Prepayments	NIL	NIL
Uncertain	R&D Refund	NIL	NIL
NIL	Shares & Investments	NIL	NIL
1,472.40	VAT Refund	NIL	NIL
		80,778.77	80,778.77
	COST OF REALISATIONS		
	Bonding	430.00	430.00
	Expenses	0.75	0.75
	Office Holders Fees	55,000.00	55,000.00
	Postage	14.45	14.45
	Statutory Advertising	282.30	282.30
		(55,727.50)	(55,727.50)
	UNSECURED CREDITORS		
(1,785,734.83)	Accruals	NIL	NIL
(58,602,746.86)	Intercompany	NIL	NIL
(79,619.59)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(20,282,905.00)	Ordinary Shareholders	NIL	NIL
(12,492,920.00)	Preference Shareholders	NIL	NIL
		NIL	NIL
(93,134,929.96)		25,051.27	25,051.27
			13,905.77
			11,145.50
			25,051.27

Appendix B

Time Analysis for the Period from the 5 May 2022 to 4 May 2023

Classification of Work Function	Partner	Manager	Associates	Business Trainee	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	3.70	40.10	6.70	14.10	64.60	23,493.00	363.67
Case Specific Matters	-	-	-	-	-	-	-
Creditors	0.90	1.90	0.40	1.70	4.90	1,646.00	335.92
Investigations	-	15.00	-	9.60	24.60	8,011.50	325.67
Realisation of Assets	16.40	42.20	-	1.10	59.70	29,635.00	496.40
Shareholders	-	-	-	-	-	-	-
Trading	7.60	-	-	-	7.60	4,712.00	620.00
Total Hours	28.60	99.20	7.10	26.50	161.40	67,497.50	418.20
Total Fees Claimed						55,000.00	

Appendix C

Additional Information in Relation to the Joint Liquidators' Fees, Expenses & the use of Subcontractors

Staff Allocation and the use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

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.

We have not utilised the services of any subcontractors on this case.

Professional Advisors

On this assignment we have not utilised any professional advisors.

Joint Liquidators' Expenses

The estimate of expenses which were anticipated at the outset of the liquidation was provided to creditors when the basis of our fees was approved. The table below compares the anticipated costs against those incurred to date.

Category 1 expenses

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 postage, 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.

<i>Expense</i>	<i>Estimated overall cost £</i>	<i>Paid in the period covered by this report £</i>	<i>Incurred but not paid to date £</i>
Statutory advertising	282.30	282.30	0.00
Postage	14.45	14.45	0.00
Call Charges	0.75	0.75	0.00
Specific Penalty Bond	430.00	430.00	0.00

Category 2 expenses

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.

In accordance with our fee estimate we do not intend to seek recoveries of Category 2 expenses.

TUXEDO MONEY SOLUTIONS LIMITED - IN LIQUIDATION

Charge-Out Rates

Rollings Butt LLP's current charge-out rates effective from 1 April 2023 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

Grade	Rate (£ per hour)	
	1 April 2023 - 31 March 2024	1 April 2022 - 31 March 2023
Partner	675	620
Director	535	495
Principal Manager	N/A	475
Senior Manager	485	450
Manager	415	345-395
Assistant Manager	365	N/A
Senior Associate (incl Cashier)	280-320	N/A
Associate	215-235	N/A
Associate (incl Cashier)	N/A	200-300
Business Trainee	160-205	130-195