

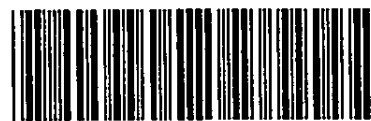
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Tullett Brown Limited ("the Company") – In Liquidation

**Joint Liquidators' First Progress Report
for the Year from Appointment on 24 September 2012 to 23
September 2013**

Issued on: 15 November 2013

TUESDAY



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Tullett Brown Limited ("the Company") – In Liquidation

JOINT LIQUIDATORS' FIRST PROGRESS REPORT

Nigel Ian Fox of Baker Tilly Business Services Limited ("Baker Tilly") and Nedim Ailyan of Abbott Fielding Limited ("Abbott Fielding") are the Joint Liquidators of the Company and this is their first progress report to the creditors and members of the Company showing how the Liquidation has been conducted. The report covers the period from 24 September 2012 to 23 September 2013.

1. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**.

2. Joint Liquidators' Receipts and Payments Account

A summary of the Joint Liquidators' receipts and payments account relating to the Company from 24 September 2012 to 23 September 2013 is attached at **Appendix II**.

3 Action taken by the Joint Liquidators since Appointment

A Winding Up Order was made on 27 June 2012 in the High Court of Justice. Nigel Ian Fox and Nedim Ailyan were subsequently appointed Joint Liquidators by the creditors at a meeting held on 24 September 2012.

Freehold Land and Property

Abbott Fielding instructed solicitors Mills and Reeve LLP ("Mills and Reeve") to review whether any freehold property remained in the Company's name. Mills and Reeve located four plots:

CH589566

Abbott Fielding instructed specialist insolvency agents, Empire Auctions Limited ("Empire"). Empire valued the land between £10,000 and £12,000 and it was to be placed into auction on 16 May 2013. However, it was then discovered that the Company did not hold title to all of the plots. The land that is owned by the Company is locked and would therefore not be likely to appeal to a purchaser, due to the complications involved with access and a limited re-sale value. Empire have therefore advised that the land is unlikely to have any realisable value.

CH599070 - Cheadle

Stockport Council ("the Council") wanted to purchase this land as it is on the proposed route of a new highway scheme. The sum of £36,000 was offered for the land, plus reasonable costs. However, the matter has been delayed as the land has been split into 47 plots, of which title to only 19 are held in the Company's name. The Council therefore reduced its offer accordingly to £14,554 and advised that they would want to contact the other plot owners to secure the purchase of their interests. Empire sent over a list of the plots and land registry numbers to the Council.

This matter is ongoing and the Council may pursue a compulsory purchase order if an agreement cannot be reached voluntarily.

EX855542 and ESX326758

Similarly to above, the Company only holds title to some of the plots. A valuation has not been obtained as it is considered that the plots are unlikely to have any realisable value. Abbott Fielding are continuing to work with Empire to ascertain if the plots can indeed be sold.

Cash at Bank

Cash at bank in the sum of £254,277 has been realised which relates to funds recovered by the Provisional Liquidator. This includes £230,000 which was recovered under section 127 of the Insolvency Act 1986 from a supplier of Carbon Credits that received monies after the presentation of the winding-up petition.

The Joint Liquidators are also holding the sum of £212,376 which partly relates to funds received into the Company's bank account after the presentation of the petition. Abbott Fielding have instructed Mills & Reeve to seek directions from the Court as to whether these funds should be returned to the relevant parties.

Investigations

Abbott Fielding undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation and, taking account of the potential recoveries, the funds likely to be available to fund an investigation and the costs involved. Abbott Fielding have formed the opinion that there are matters that justify further investigation which would result in further realisations for creditors.

Unfortunately, at this stage of the investigation, it is not possible to provide creditors with more detailed information as it may prejudice these claims going forward. However, Abbott Fielding hope to be in a position to issue claims within the next two months.

The Official Receiver is required to submit a confidential report to the Secretary of State to include any matters which have come to his attention during the course of his work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the Company. Abbott Fielding continue to liaise with the Official Receiver in this regard.

4. Liabilities and Dividends

Secured creditors

There are no secured creditors.

Preferential creditors

No preferential claims have been received.

Prescribed Part

There are provisions of the insolvency legislation that require a Liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a 'qualifying floating charge' over its assets to a lender on or after 15 September 2003. This is known as the 'prescribed part of the net property'. A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. There is no qualifying floating charge in this case so the prescribed part provisions do not apply.

Ordinary unsecured creditors

To date claims totalling £1,616,455 have been received from unsecured creditors, of which £1,586,500 relates to a provisional claim from HM Revenue and Customs. Creditors' claims have not yet been agreed as the timing and quantum of any distribution is currently uncertain.

5. Joint Liquidators' Remuneration, Disbursements and Expenses

Basis of remuneration and disbursements

At a meeting of creditors held on 30 November 2012, a Liquidation Committee was appointed. They approve the basis, quantum and timing of the Joint Liquidators' remuneration and disbursements. They resolved on 30 November 2012 that the Joint Liquidators would be remunerated by reference to the time properly spent in dealing with matters in the Liquidation and that their disbursements would be drawn in accordance with the tariff outlined in **Appendix III**.

Remuneration charged and drawn in the period

The Joint Liquidators' time costs were charged (exc VAT) as follows

<i>From appointment - 24 September 2012 to 23 September 2013</i>	<i>Incurred (£)</i>	<i>Paid (£)</i>
Abbott Fielding	46,256	45,258
Baker Tilly	16,704	16,103
Total	61,960	61,361

In accordance with Statement of Insolvency Practice 9, attached at Appendix III is a breakdown of these time costs

Disbursements incurred and drawn

The Joint Liquidators' disbursements incurred and reimbursed are summarised below. Details are in the attached **Appendix III**.

	<i>Incurred (£)</i>	<i>Paid (£)</i>
<i>Category 1 disbursements - 24 September 2012 to 23 September 2013</i>		
Abbott Fielding	948	948
Baker Tilly	409	227
<i>Category 2 disbursements - 24 September 2012 to 23 September 2013</i>		
Abbott Fielding	0	0
Baker Tilly	219	179
Total	1,576	1,354

Expenses (professional advisors) charged and drawn in the period

The following professional advisors have been instructed in this matter

<i>Professional Advisor</i>	<i>Nature of Work</i>	<i>Fee Arrangement</i>
Mills & Reeve LLP	Solicitors – instructed to assist with investigations in order to identify any possible recovery actions that would result in a benefit to creditors	Time costs plus disbursements plus VAT (all litigation costs are on a conditional fee arrangement with no fee uplift)
Empire Auctions Limited	Agents – valuation of parcels of land	Fixed fee

The choice of professionals and the Joint Liquidators' fee arrangement with them was based on perception of their experience and ability to perform this type of work, together with the complexity and nature of the assignment

Details of the costs incurred and paid by the Joint Liquidators in relation to Liquidation expenses for the period are also attached at **Appendix III**

Creditors' Guide to Fees and Statement of Creditors' Rights

Creditors have a right to request further information from the Liquidators and additionally have a right to challenge the Liquidators' remuneration and expenses time limits apply Details can be found in the document 'A Creditor's Guide to Liquidators' Fees' which can be accessed at the website of the Insolvency Practitioners' Association (www.insolvency-practitioners.org.uk > Regulation and Guidance" > Creditors Guides to Fees), or the Institute of Chartered Accountants in England & Wales (www.icaew.com > Technical Resources > Insolvency > Creditors' Guides) Alternatively a copy is available free of charge upon request from the address above

6. Conclusion of the Liquidation

As detailed previously, the Joint Liquidators' investigations into the affairs of the Company are continuing and legal action is to be commenced shortly Once this has been concluded, which the Joint Liquidators anticipate may be a lengthy process, the Liquidation will be closed



Nigel Fox

Joint Liquidator

Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales

Statutory Information

Appendix I

Company Information

Company Name	Tullett Brown Limited
Company Number	06896608
Date of Incorporation	6 May 2009
Trading Address	2nd Floor Honours Building, Akeman Street, Tring, Hertfordshire HP23 6AF
Current Registered Office	Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ
Former Registered Office	Suite 404, 324 Regent Street, London W1B 3HH
Principal Trading Activity	Sale of land

Appointment Details

Joint Liquidators' name and address	Nigel Ian Fox of Baker Tilly Business Services Limited, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TZ and Nedim Ailyan of Abbott Fielding 142-148 Main Road, Sidcup, Kent DA14 6NZ
Commencement of Liquidation	27 June 2012
Court	The High Court of Justice number 2781 of 2012
Date of appointment	24 September 2012
Appointment made by	Creditors
The Joint Liquidators act jointly and severally	

**Tullett Brown Limited
(In Liquidation)**

**Joint Liquidators' Abstract Of Receipts And Payments
To 23 September 2013**

RECEIPTS	Statement of Affairs (£)	Total (£)
Cash at Bank		212,376 27
Cash at Bank		254,276 66
Bank Interest Net of Tax		994 74
Deposit on Creditors Petition		1,165 00
		<hr/>
		468,812 67
		<hr/>
PAYMENTS		
O R Administration Fee		2,235 00
DTI Payment Fees		12 10
Secretary of State Fees		33,948 63
Office Holders Fees		61,360 75
Office Holders Expenses		1,353 60
ISA - Incidental Charges		120 00
Auctioneers & Valuers Charges		521 26
Agents/Valuers Fees		2,000 00
Agents/Valuers Disbursements		98 00
Legal Fees		12,908 00
Legal Disbursements		563 10
ISA Charges		7,001 00
		<hr/>
		122,121 44
		<hr/>
Net Receipts/(Payments)		346,691 23
		<hr/>
MADE UP AS FOLLOWS		
Vat Receivable		15,389 93
ISA NIB		118,158 19
ISA - Suspense Account		213,143 11
		<hr/>
		346,691 23
		<hr/>

Appendix III

Information relating to the Joint Liquidators' Fees and Expenses

Tullett Brown Limited

Information relating to the Joint Liquidators' Fees and Expenses

1. Explanation of Liquidators' charging and disbursement recovery policies

1.1. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

Abbott Fielding

Grade	£
Partner	325
Managers	240-275
Administrators	210
Support Staff	150

Baker Tilly

Grade	£
Partner and Director	350 - 435
Senior manager, manager & Supervisor	235 - 310
Other senior professionals	130 - 195
Administration staff	105

1.2. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2

Category 1 disbursements

External supplies of incidental services specifically identifiable to the case Where these have initially been paid by Baker Tilly Business Services Limited and then recharged to the estate, approval from creditors is not required

Examples of category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, external room hire, storage, case management software system, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to HMRC approved rate for cases commenced before 1 November 2011)

Category 2 disbursements

These include elements of shared or allocated costs incurred by Baker Tilly Business Services Limited and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance

Category 2 disbursements charged by Baker Tilly Business Services Limited are as follows

Category	Basis
stationery	4p, 3p, 35p per envelope, letterhead or label
photocopying	5p per page
postage	actual 1st or 2nd class
faxes	50p per page
storage	£7 20 per box per year
room hire	£100 fixed charge
car mileage	45p per mile
other travelling	actual

2. Description of work carried out in the current period

Section 3 of this appendix outlines the time costs to date in relation to activities undertaken during this period These can be summarised as follows

2 1. Administration and planning

The following activities have been undertaken

- > Statutory duties associated with the appointment,
- > Notification of the appointment to creditors, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,

- > Setting up and maintaining bank accounts,
- > Progress reviews of the case

Staff of different levels were involved in the above activities depending upon the experience required

2.2. Investigations

The time spent includes

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,
- > Liaising with the Liquidation committee on such matters,
- > Liaising with the Official Receiver,
- > Conducting interviews with persons involved in promotion, management and running of Company

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff

2.3. Realisation of assets

Please refer to the main body of the report but in summary the time spent includes

- > Liaising with agents and solicitors,
- > Correspondence and meetings with interested parties,
- > Monitoring and chasing of deposits,
- > Identifying, securing and insuring of assets

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake

2.4. Creditors and distributions

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Recording creditor claims
- > Reporting to creditors,
- > Meetings of creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake

3. Time and charge out summary

Abbott Fielding

For the period of this report from appointment on 24 September 2012 to 23 September 2013, a total of 167 30 hours have been spent at an average charge out rate of £276 48 bringing the total cost to £45,247 50

Baker Tilly

For the period of this report from appointment on 24 September 2012 to 23 September 2013, a total of 105 07 hours have been spent at an average charge out rate of £158 98 bringing the total cost to £16,703 92

The tables at the end of this appendix show details of the time costs charged (exc VAT) in the current period

4 Disbursements

Disbursements incurred and reimbursed from appointment to 23 September 2013 are detailed below

	Incurred (£)	Paid (£)
Abbott Fielding		
<i>Category 1</i>		
Postage	8 80	8 80
Bond and Insurance	600 00	600 00
Searches	87 00	87 00
Mileage	252 00	252 00
Total	947.80	947.80
Baker Tilly		
<i>Category 1</i>		
Statutory advertising	63 50	63 50
Land Registry fees	4 00	4 00
Bond premium	60 00	0 00
Postage	281 06	140 30
Total	408.56	207.80
<i>Category 2</i>		
Stationery	48 02	26 60
Copying	152 50	152 50
Mileage	18 90	18 90
Total	219.42	198.00

The above costs exclude VAT

5. Professional advisors and expenses

The Joint Liquidators have incurred Liquidation expenses in connection with the instruction of the following parties, covering the current period,

Name & Activity	This period	
	Incurring £	Paid £
Empire Auctions – valuation of plots of land	2,098 00	2,098 00
Mills & Reeve LLP – assistance with plots of land	28,000 00	12,908 00
Total	30,098.00	15,006.00

The above costs exclude VAT

SIP 9 - Time & Cost Summary

Period 24/09/12 23/09/13

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	11 70	5 30	0 00	4 50	21 50	6,019 50	279 98
Investigations	61 30	23 50	0 00	0 00	84 80	25,562 50	301 44
Realisations of assets	0 50	41 00	0 00	0 00	41 50	10,002 50	241 02
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	16 20	0 00	0 30	16 50	3,951 00	239 45
Case specific matters	0 00	3 00	0 00	0 00	3 00	720 00	240 00
Total Hours	73 50	89 00	0 00	4 80	167 30	46,255 50	276 48
Total Fees Claimed						45 247 50	

SIP9 Detailed

5525427 Tullett Brown Limited

Compulsory Liquidation/Post Appt

24/09/2012 to 23/09/2013



Administration and planning									
Strategy / Review	1 30	0 40	0 70	7 60	10 00				181 40
Tax Post Appointment	0 20	0 00	0 00	0 10	0 30				333 33
Billing	0 00	0 00	0 90	0 20	1 10				183 18
Cashiering (Administration)	0 00	0 00	2 70	0 00	2 70				227 59
Filing & Secretarial	0 00	0 00	0 00	3 80	3 80				122 43
Statutory Documentation	0 70	0 00	0 00	1 30	2 00				236 75
	2 20	0 40	4 30	13 00	19 90			3,668 75	184 36
Creditors									
Other Creditor Related Activities	0 30	5 30	8 10	47 20	60 90				150 17
Distribution	0 00	0 00	0 00	1 10	1 10				130 00
Creditors / Shareholders Meetings	0 00	0 00	0 00	3 00	3 00				130 00
Reporting to Creditors	0 80	0 00	1 00	0 90	2 70				244 44
Creditor Correspondence/ Quenes	0 00	0 00	1 10	1 50	2 60				157 50
Meetings - Creditors	0 00	0 00	0 00	1 40	1 40				130 00
Creditors Committee	0 50	0 40	2 00	5 30	8 20				173 23
Employee Related Tasks	0 00	0 00	0 00	0 10	0 10				130 00
	1 60	5 70	12 20	60 50	80 00			12,363 50	154 54
Investigations									
Investigations	0 00	0 00	0 00	4 77	4 77				129 91
	0 00	0 00	0 00	4 77	4 77			619 67	129 91

Realisation of assets

Asset General (Uncharged)	0.00	0.00	0.00	0.30	0.30	130.00
Insurance/ Bond	0.00	0.00	0.00	0.10	0.10	130.00
	0.00	0.00	0.00	0.40	0.40	130.00
	3.80	6.10	16.50	78.67	105.07	
Hours						
Charge	1,653.00	1,891.00	3,227.00	9,932.92	16,703.92	