In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

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 8 2 2 5 7 8 3
Company name in full	True Telecom Limited

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

2 Liquidator's name

Full forename(s)	Mark Guy
Surname	Boughey

3 Liquidator's address

Building name/number	Mazars LLP, 90 Victoria Street
Street	
Post town	Bristol
County/Region	
Postcode	B S 1 6 D P
Country	

4 Liquidator's name ❶

Full forename(s)	
Surname	

❶ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address ❷

Building name/number	
Street	
Post town	
County/Region	
Postcode	
Country	

❷ **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

	d	d	m	m	y	y	y	y
From date	0	7	1	1	2	0	2	2
To date	0	6	1	1	2	0	2	3

7 Progress report

☑ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X

X

	d	d	m	m	y	y	y	y
Signature date	0	5	0	1	2	0	2	4

LIQ03
Notice of progress report in voluntary winding up

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	Jonathan Baker
Company name	Mazars LLP
Address	90 Victoria Street
Post town	Bristol
County/Region	
Postcode	B S 1 6 D P
Country	
DX	
Telephone	+44 (0)117 928 1700

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 mazars

True Telecom Limited - In Liquidation **("the Company")**

The Liquidator's Progress Report for the period from 7 November 2022 to 6 November 2023

Dated: 5 January 2023

Contents and abbreviations

The following abbreviations are used in this report	
Mazars	Mazars LLP
The Company	True Telecom Limited (In Liquidation)
The Directors	Mark Baines & Stuart Griffiths of the Company.
The Liquidator	Mark Guy Boughey of Mazars LLP (or Timothy Colin Hamilton Ball of Mazars LLP if prior to 23 August 2021)
The Period	The reporting period, 7 November 2022 - 6 November 2023
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
HMRC	HM Revenue & Customs
Manolete	Manolete Partners Plc (07660874)
R&P Account	Receipts & Payments Account
UKWFL	UK Weather Forecast Limited (09209899)
WBD or "my Solicitors"	Womble Bond Dickinson (UK) LLP (OC317661)

1. Introduction

Purpose of the report

This report has been prepared in accordance with Rules 18.3 and 18.7 of the Insolvency (England and Wales) Rules 2016, to provide creditors with details of the progress made during the Period.

Identification details relating to the Company and the Liquidator are attached at Appendix A.

Pursuant to an Order made in the High Court of Justice Business and Property Courts in Bristol (Number 62 of 2021), Timothy Colin Hamilton Ball was removed from office as Liquidator due to his retirement from Mazars. I, Mark Guy Boughey, was duly appointed as Liquidator of the Company on 23 August 2021 in his place. I am authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.

Further guidance

General information regarding a creditor's role during the liquidation process can be found at www.creditorinsolvencyguide.co.uk.

For specific enquiries relating to this matter, please do contact my colleague, Jonathan Baker, on 0117 928 1746.

2. Executive summary

Outstanding matters

As outlined in section 3 of this report, the main matters preventing the conclusion of this case is:

- Conclusion of the settlement agreement entered into with the Directors by Manolete.
- The potential recovery of a significant s.455 Tax refund from HMRC.

Liquidator's remuneration

The basis of the Liquidator's remuneration was approved by the creditors in accordance with the Insolvency Rules on 25 January 2021.

Details of the Liquidator's Revised Fees Estimate is provided with this report at Appendix D3.

Dividend Prospects

An overview of the dividend prospects, based on current information, for the separate classes of creditors who have submitted claims is given below:

	Claims received (£)	Paid to date (£)	Estimated future payments (£)
Preferential creditors	13,833	13,833 (100p in the £)	-
Unsecured creditors	1,175,226	-	260,590 (22.2p in the £)

Estimated time frame for closure.

Based on the outstanding matters still to conclude, it is estimated that the Liquidation will be closed within 9 months from the date of this report.

3. Progress of the Liquidation

R&P Account

An R&P Account covering the Period is attached at Appendix B. The R&P Account also provides details of the cumulative receipts and payments from the date of Mr Ball's appointment to the end of the Period, 6 November 2023. Currently there is a cash balance in hand of £68,604.

An explanation of the assets realised during the Period is provided below. Full details of the expenses incurred are provided in Section E.

Type of asset	Estimated to realise value[1] (£)	Realisations during current period (£)	Cumulative realisations (£)	Anticipated future receipts (£)
1. Claims against the Directors	Nil	29,157	31,157	nil
2. s.455 Tax refund	Nil	Nil	Nil	237,573

[1] The estimated to realise value used here is taken from the prior Administrators' Estimated Statement of Financial Position

Work undertaken during the Period

Claims against the Directors

On 1 September 2022, it was agreed at a meeting that the directors owned no substantial assets, and, therefore, that their only method of making any repayments in relation to the claims that the Company had against them was from their surplus future income.

At that meeting, a settlement agreement was reached and signed with the directors of the Company in respect of the combined claims of the Company against them. The total settlement sum to be repaid was agreed at £94,000, which was be split between Manolete and the Company equally, after allowing for legal fees incurred, in accordance with the terms of the assignment of the claim to Manolete. This sum was to be paid in equal monthly instalments by both directors over a period of 36 months, each contributing what they could afford from their surplus income, as agreed, and, therefore, are not contributing equal sums each month.

During the period of this report, the directors have continued to make monthly payments.

However, in October 2023, it was agreed to sell the remainder of the directors' repayments to Manolete at a discount of twenty five percent, in order to settle the claim before the end of the 36-month period to reduce the costs of keeping

3. Progress of the Liquidation

the Liquidation open until after September 2025 and to allow a final dividend to be paid to creditors and the Liquidation closed.

s.455 Tax refund

Under the relevant tax regulations, we understand that the Company paid a Corporation Tax bill for the 2014 tax year which included £237,573 of tax paid under s.455 in relation to the directors' overdrawn loan accounts.

This relates to tax due on the sums owed by the directors in relation to their loan accounts at the end of that accounting period. No further s.455 Tax was paid in relation to any future periods. Now that the loan accounts have, in effect, been settled/balances written off this tax is now repayable to the Company.

With the assistance of my specialist tax team, we are now liaising with HMRC to have this sum refunded to the Company at the earliest possible time for the benefit of the Company's creditors.

Connected Party Transactions

In accordance with Statement of Insolvency Practice 13, I confirm that there have been no transactions with connected parties during the period covered by this report.

Investigations

An initial investigation into the Company's affairs has been undertaken by the Liquidator in accordance with Statement of Insolvency Practice 2. The purpose of these investigations is to establish whether there are any potential asset recoveries or conduct which requires further investigation.

As creditors will note from the above and prior annual Liquidation reports, in relation to various potential claims which have been identified and which have been pursued, investigations undertaken during the Liquidation (and the prior Administration) have identified matters that were further investigated and pursued for the benefit of the creditors.

Should creditors have any further information which they consider may assist the Liquidator in carrying out his investigations or be aware of any matters which they believe should be brought to the attention of the Liquidator, please provide details in writing to this office. This request for information forms part of our usual investigation procedures.

In accordance with the Company Directors Disqualification Act 1986, the Liquidator is required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the Liquidation. The Liquidator can confirm that this obligation has been complied with in the prior Administration and a confidential on-line report was submitted to the Insolvency Service on 25 January 2018.

3. Progress of the Liquidation

Outstanding matters

The main matters preventing the conclusion of this case include:

- Realising the relevant s.455 Tax refund detailed above.
- Payment of a first and final dividend to unsecured creditors.
- Reporting and statutory and compliance functions.
- Tax and VAT compliance, including preparing Corporation Tax computations and returns in respect of ongoing Liquidation periods and seeking final tax clearance prior to closure.

4. Estimated outcome for creditors

Estimated Outcome Statement ("EOS")

An Estimated Outcome Statement is attached at Appendix C.

It should be noted that this document is for illustrative purposes only and is subject to change following the potential realisation of further assets or settlement of claims. For example, if the s.455 Tax refund is below that which is expected, or costs are more that expected, then the estimated return to unsecured creditors may decrease.

Secured creditors

The Company has no secured creditors.

Preferential creditors

Preferential creditors' claims have been agreed in the sum of £13,833 and include unpaid wages and accrued unpaid holiday pay owed to former employees, and sums owed to the Redundancy Payments Service ("RPS").

Former employees submitted claims to the RPS for these entitlements. The RPS had a subrogated preferential claim in relation to any preferential sums it had paid to the employees, and employees had claims for preferential amounts owing in excess of the statutory limits paid by the RPS.

A preferential dividend of 100p in the £ (£11,863) was paid in August 2019.

Additional preferential employee claims were identified, totalling £1,970. These claims were agreed, and a dividend was paid to the relevant claimants at the same rate of 100p in the £ in April 2022, bringing total preferential creditor payments to £13,833.

Unsecured creditors

According to the directors' Statement of Affairs, the Company had 24 unsecured creditors with claims totalling approximately £1.48m. Claims received to date total £1,175,226 from 24 creditors.

In addition, unsecured claims previously received from the directors, totalling £1.23m, have now been agreed at nil as a result of the settlement agreement entered into with the directors, as detailed in Section 3.

Assuming that realisations and expenses are as anticipated, it is currently estimated that a dividend of approximately 22.2 pence in the £ will be available to be paid to the unsecured creditors. As noted above in the EOS section, this estimate is subject to possible change.

Prescribed part

In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003.

4. Estimated outcome for creditors

As there is no floating charge creditor in this matter, the Prescribed Part does not apply in this instance.

5. Liquidator's remuneration and expenses

Remuneration

In accordance with a resolution passed by the Company's creditors on 25 January 2021, I have drawn remuneration in the sum of £2,699 during the period covered by this report. Total remuneration drawn since appointment is £254,455.

Further information about the Liquidator's remuneration, (including in respect of the approval of the basis of remuneration and details of the work undertaken and to be undertaken), together with further detailed information regarding creditors' rights in this regard, is provided at Appendix D.

Details of the Liquidator's Revised Fees Estimate is provided with this report at Appendix D3.

Expenses

Expenses are any payments from the estate which are neither remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the Liquidator's firm, and then reimbursed to his firm from the estate.

Expenses are divided into Category 1 and Category 2 expenses. Category 1 expenses are payments directly to non-associates of the Liquidator and can be paid without prior approval.

Category 2 expenses are payments to associates or which have an element of shared costs. Before being paid, Category 2 expenses require approval in the same manner as remuneration. Approval for these expenses was provided by the Creditors' Committee during the prior Administration of the Company and such approval carries forward to the Liquidation.

Details of the cumulative expenses of the Liquidation, the original expenses estimate, and a revised expenses estimate are attached at Appendix E.

It is currently expected that the expenses incurred or anticipated to be incurred will now slightly exceed the estimate provided prior to the determination of the basis of my remuneration/agreement of the Revised Fees Estimate.

Professional advisors

Where specialist advice or services have been required, the Liquidator is obliged to ensure that the work provided reflects the best value and service. The Liquidator is also required to ensure that such professional advisors are fit and proper. The specialists chosen by the Liquidator are subject to continuous review and are usually selected due to their insolvency or sector knowledge, experience and expertise.

Further details regarding the advisors selected on this Liquidation were provided in the initial expenses estimate, a copy of which can be accessed on the Portal.

6. **Creditors’** rights

Important information regarding creditors’ rights

The following creditors can ask the Liquidator for further information about the remuneration and expenses set out in this progress report:

- a secured creditor; or
- an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors; or
- an unsecured creditor with permission of the Court

All requests for such further information must be made within 21 days following the receipt of this report.

Creditors can also apply to Court on the basis that the Liquidator's remuneration, the basis of the remuneration or the expenses incurred in the Period are excessive or inappropriate. The concurrence required is at least 10% in value of the unsecured creditors.

In accordance with SIP9, creditors can find additional information on their rights relating to the Liquidator's remuneration in a copy of the publication “A creditors’ guide to liquidators’ fees” which is available to download from the website:

https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/.

Alternatively, a hard copy of the relevant guide will be sent to you upon request.

M G Boughey
Liquidator

Dated: 5 January 2023

M G Boughey is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and is bound by the Insolvency Code of Ethics. Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: www.mazars.co.uk/Legal-and-privacy.

Appendix A – Identification Details

Details relating to the Company:

Company name	True Telecom Limited
Previous names	n/a
Trading name	n/a
Company number	08225783
Registered office	Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP
Former trading address	Ground Floor, Lakeview West, Galleon Boulevard, Crossways Business Park, Dartford, DA2 6QE

Details relating to the Liquidator:

Name	Mark Guy Boughey - IP No 009611
Date of appointment	23 August 2021
Method of appointment	By Order of the High Courts of Justice Business & Property in Bristol on retirement of Mr Ball (original 7 November 2018 appointment of Timothy Colin Hamilton Ball was following conversion to CVL from the prior Administration).
Authorising body	Mark Boughey is authorised by the Institute of Chartered Accountants in England & Wales.
Previous Liquidator	Timothy Colin Hamilton Ball - IP No 008018
Date of appointment	7 November 2018
Liquidator's Address	Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP
Liquidator's Contact telephone number	0117 928 1700

Appendix B – Receipts & Payments Account

Summarised Receipts & Payments account for the period from
7 November 2022 to 6 November 2023

	Estimated to realise **per Administrators'** estimate as at 23 October 2018	Receipts & Payments from 7 November 2022 to 6 November 2023	Receipts & Payments from 7 November 2018 to 6 November 2023
	£	£	£
RECEIPTS			
Funds received from Administrator	430,780	-	428,922
Trading Income re Onecom Ltd	-	-	21,441
Net VAT refund due from the Administration	49,235	-	48,927
Claims against directors (including advance from Manolete)	-	29,157	31,157
Bank interest (gross)	-	166	1,852
Sundry refund		1	1
	480,015	29,324	532,300300
PAYMENTS			
Liquidator's fees		2,699	254,455
Administrators' final outstanding fees		-	43,797
Liquidator's disbursements		(27)	198
BT costs re Administration trading period (agreed and finalised in liquidation)		-	92,369
Talk Talk costs re Administration trading period (agreed and finalised in liquidation)		-	22,630
PAYE & NI re Administration trading period (agreed and finalised in liquidation)			1,782
Legal fees		15,000	27,848
Legal disbursements		-	41
Investigation agents' fees		-	5,600
Investigation agents' disbursements		-	300
Email account access for investigations		-	329
Statutory advertising		-	80
Insurance of assets		-	408
Bank Charges			26
		17.672	449,863

Appendix B – Receipts & Payments Account

DIVIDENDS		
Dividend paid to preferential creditors initially on 7 August 2019 of 100p in the £ (and further distribution on 27 April 2022)		13,833
	-	13,833
Total Receipts and Payments		68,604

REPRESENTED BY:	
Balance held in interest bearing current account	68,604
VAT receivable	nil
	68,604

Appendix C – Estimated Outcome Statement

	Period from 7 November 2018 to 6 November 2022	Estimated future realisations / payments	Total
Assets	£	£	£
Funds from Administrator	428,922	-	428,922
Funds from Onecom re trading period income received	21,441	-	21,441
Settled claims against directors	31,157	-	31,157
Net VAT refund from prior Administration	48,927	-	48,927
Sundry refund	1	-	1
s455 Tax refund		237,573	237,573
Bank interest (gross)	1,852	-	1,852
	532,300	237,573	769,873
Less: Cost of realisations			
Administrators' Fees	43,797	-	43,797
Legal Fees	27,848	-	27,848
Legal Disbursements	41	-	41
Investigation agents' fees & disbursements	5,900	-	5,900
Liquidator's Fees	254,455	45,483	299,938
Liquidator's Disbursements	198	-	198
Email account access charge	329	-	329
Dividend paid to preferential creditors on 20 August 2019 of 100p/£	13,833	-	13,833
BT charges re trading period	92,369	-	92,369
Talk Talk charges re Admin trading period	22,630	-	22,630
PAYE & NI re Admin trading period	1,782	-	1,782
Bank Charges	26	24	50
Statutory advertising	80	80	160
Insurance costs	408	-	408
	463,696	45,587	509,283
Estimated funds available for unsecured creditors			260,590
Estimated Unsecured Creditor Claims (partially agreed)			1,175,226
Estimated deficit to Creditors			(914,637)
Estimated Dividend to Unsecured Creditors (pence in the £)			22.2

Appendix D – Details of the Liquidator's remuneration

Remuneration – Time Cost Basis

On 25 January 2021, a decision was made by the creditors following a decision procedure by a decision by correspondence, authorising the Liquidator to draw remuneration by reference to the time properly incurred by the Liquidator and his staff in dealing with the matters arising during the Liquidation, subject to a Fees Estimate of £254,455, issued to creditors on 22 December 2020. Creditors will recall that the Revised Fees Estimate had assumed that the claims against the Directors would have been realised within 6 months and that the liquidation would be closed well before now.

Comparison to Fees Estimate

Attached at Appendix D1 is a comparison of the Liquidator's currently approved Fees Estimate to the cumulative time costs incurred to date, as well as those cost incurred in the Period.

Based on time costs incurred to date and expected future work for the completion of the Liquidation, it is now expected that the Liquidator's total time costs will be £299,938 which exceeds the current Fees Estimate by an amount of £45,483. Remuneration taken must not exceed the Fees Estimate unless approval for a Revised Fees Estimate is obtained.

Details of the original Fees Estimate is included within Appendix D1 (and the original Fees Estimate document is available on the Portal, or on request). The Revised Fees Estimate is available at Appendix D3, which includes information on the additional work to be undertaken and the anticipated cost of that work.

Approval is being sought for a Revised Fees Estimate of £299,938.

The prior Fees Estimate has been exceeded due to the case continuing for longer than was anticipated. The previous Fees Estimate assumed that the case would be closed by December 2021 and that legal action in respect of the claims against the directors would not be required. However, the following matters and delays were experienced:

1. Extended legal action against the directors, resulting in the sale of part of the claim to Manolete and an eventual settlement of the claim over a protracted repayment period.
2. Identification and completion of s.455 Tax refund claims which should allow significant additional realisation to the estate, but which will further delay the closure of the Liquidation.
3. The case is expected to be closed in the next 9 months following the recovery of the above Tax refund, and final Corporation Tax clearance, claim agreements, dividend payments, and a final report being issued.

Where a case continues into a subsequent year (a further 2 years in this case beyond when the case was expected to close), additional statutory costs are incurred. Examples of the additional work undertaken include: further Corporation Tax returns, further progress reports, additional case reviews. Additional details regarding the specific matters needing to be addressed in this case are provided in Appendix D3.

Appendix D – Details of the Liquidator's remuneration

Charge out rates

Routine administration of the Liquidation has been dealt with by junior staff wherever possible in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Liquidator. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and/or the Liquidator.

My firm's charge out rates are reviewed annually on 1 September and, in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team members and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff, charge their time directly to the assignment. Time is recorded in 6-minute units with supporting narrative to explain the work undertaken.

The charge out rates of the team members employed on the assignment during the period covered by this report and details of changes from the previous Period are provided below. Specialist departments within our Firm (such as Tax and VAT) have charged time to this case when their expert advice has been required. The rate ranges provided incorporate these different rates.

Range (£)	Partner	Director	Associate Director / Manager	Administrator	Cashier	Support Staff
Charge out rate per hour, effective from 1 Sep 2023	575 - 750	500 - 620	310 - 550	130 – 260	130 – 370	130 - 170
Current charge out rate per hour, effective from 1 Sep 2022	495 - 660	450 – 540	320 – 480	140 – 280	120 – 280	120 - 180

Narrative summary

Attached at Appendix D2 is a narrative summary of the Liquidator's work undertaken during the period covered by this report. The summary provides information on why the work was necessary and whether the work has provided a financial benefit to creditors.

Appendix D1 – Analysis of the Liquidator's time costs and comparison to the Fees Estimate

The following table provides a summary of the Liquidator's time costs incurred in the Period, together with details of the cumulative time costs for the whole period of the Liquidation and a comparison to the current approved Revised Fees Estimate of £254,455.

	Fees Estimate at 22 December 2020			Actual time costs for the period 7 November 2022 to 6 November 2023			Cumulative time costs for the period 7 November 2018 to 6 November 2023		
Description of Work	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Average Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Average Hourly Rate (£)
Administration & Planning	9.0	1,530	170	-	-	-	8.1	1,551	191
Taxation	165.0	27,225	165	11.1	3,485	314	207.5	43,954	212
Investigations	60.0	14,400	240	0.2	88	440	55.3	14,955	270
Realisation of Assets	320.0	70,400	220	13.2	5,067	384	304.2	75,050	247
Trading	40.0	8,000	200	-	-	-	35.4	7,047	199
Employees	25.0	3,000	120	-	-	-	18.4	2,114	115
Creditors/Shareholders	100.0	18,500	185	1.6	588	367	60.5	11,831	196
Reporting	220.0	42,900	195	11.2	3,926	351	222.1	47,411	213
Dividends/Distributions	40.0	7,600	190	-	-	-	22.5	4,887	217
Cashiering	110.0	20,900	190	9.8	2,745	280	100.9	20,497	203
Statutory & Compliance	200.0	40,000	200	11.4	4,370	383	214.3	51,073	238
Totals	1,289.0	254,455	197	58.5	20,269	346	1,249.2	280,368	224

Appendix D2 – Narrative summary of work undertaken in the Period

The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been carried out during the Period, why it was undertaken and whether the work provides a financial benefit to creditors.

There are some areas of our work that will derive no financial benefit for creditors (for example, Administration and Planning, Reporting, Cashiering and Statutory and Compliance). However, the work is required in order to comply with legislative requirements and to ensure that the case is managed coherently and efficiently, with minimisation of costs and the avoidance of the duplication of work. A clear case strategy and strong internal processes help to add value through the efficient management of the case, and there are also specific requirements for office holders to record decisions taken, and how the case has been administered, in accordance with regulatory requirements.

Taxation

The following activities were undertaken in order to ensure the Company is compliant with tax requirements:

- Preparing post-appointment Corporation Tax returns and computations, as required by statute.
- Preparing post-appointment VAT returns, as required by statute.
- Resolving complex taxation issue regarding sale of claim.
- Investigating s.455 Tax refund issue and contacting HMRC.

Although there is no financial benefit to creditors in performing this category of work the work is required to ensure that the case remains compliant with tax legislation and regulations, plus the s.455 Tax work may lead to a significant recovery for the benefit of creditors.

Investigations

A summary of the work undertaken is as follows:

- Investigation into s.455 Tax refund.

Investigations are required in accordance with Statement of Insolvency Practice 2, so as to identify whether any assets have been dissipated and what recoveries can be made so as to enhance the funds available to distribute. They also assist with Liquidator's duty under the Company Directors Disqualification Act 1986.

In the event that investigations reveal possible actions, then these may lead to additional realisations but the costs of pursuing these actions are likely to increase. If this arises, further information will be provided to creditors separately.

Realisation of Assets

The main assets available in this matter are as detailed earlier in the report. The work undertaken in realising/pursuing these assets includes:

- Correspondence with solicitors and claim purchaser (Manolete).
- Liaising with Manolete re monthly repayments by directors and sale of residual benefit.

This work will provide a benefit to creditors if future assets realisations are made. This work is also required in order to ensure compliance with statutory duties.

Creditors

In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Responding to any queries which arose.
- Logging creditor claims.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.

Reporting

Reporting requirements during the period as prescribed by statute have included the following:

- Preparation of last year's annual progress report to creditors required to be issued in accordance with insolvency legislation.
- Publication of reports to creditors.

Appendix D2 – Narrative summary of work undertaken in the Period

Reporting requirements are prescribed by statute. It is not expected that this work will result in a direct financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements and creditors are updated with regard to progress.

Cashiering

Cashiering work undertaken includes:

- Bank account maintenance, including periodic reconciliations.
- Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.

Cashiering work is required to ensure that the estate bank account is operated in accordance with guidance issued by the Liquidator's regulatory body.

It is not expected that this work will result in a direct financial benefit for creditors.

Statutory and Compliance

The work undertaken as required by statute and our internal procedures includes:

- Case monitoring and statutory compliance, including regular internal case reviews, frequent case diary reviews and the completion of case checklists.

- Preparation of six-month case reviews.

It is not expected that this work will result in a direct financial benefit for creditors. However, this work is required to ensure that the case has been administered in accordance with regulatory requirements.

Appendix D3 – Revised Fees Estimate

Revised Fee Estimate / Costs incurred to date

Description of Work	Total Revised Fee Estimate			Actual as at 6th November 2023		
	Total Time (hours)	Total Costs (£)	Blended hourly rate (£)	Total Time (hours)	Total Costs (£)	Average hourly rate (£)
Administration & Planning	8.6	1,616	188	8.1	1,551	191
Taxation	221.5	48,566	219	207.5	43,954	212
Investigations	55.8	15,175	272	55.3	14,955	270
Realisation of Assets	304.9	75,358	247	304.2	75,050	247
Trading	35.4	7,047	199	35.4	7,047	199
Employees	18.4	2,114	115	18.4	2,114	115
Creditors/Shareholders	60.5	11,831	196	60.5	11,831	196
Reporting	251.6	53,485	213	222.1	47,411	213
Dividends/Distributions	35.5	9,004	254	22.5	4,887	217
Cashiering	106.3	22,097	208	100.9	20,497	203
Statutory & Compliance	224.3	53,647	239	214.3	51,073	238
Total	1,322.8	299,938	227	1,249.2	280,368	224

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Detailed revised fees estimate - Description of work	Total Time (hours)	Total Cost (£)	Blended Hourly Rate (£)
<u>Administration and Planning</u> The prior Fees Estimate anticipated that 9.0 hours would be spent on this category with a total cost being forecast of £1,530. Whilst the current Fees Estimate slightly overestimated the time spent, the blended hourly rate has been slightly higher. Accordingly, approval is being sought for an additional £86 of cost.	8.6	1,616	188
<u>Taxation</u> The prior Fees Estimate anticipated that 165.0 hours would be spent on this category with a total cost being forecast of £27,225. As further detailed in the report, the current Fees Estimate underestimated the timeframe in which the Liquidation would be concluded. The additional time that the case will remain open for has had a subsequent effect on the statutory tax requirements required. Additional work undertaken as a result in this regard includes: - Completion of 2 additional Corporation Tax computations and Returns. - Completing additional VAT 426/833 forms in order to reclaim and pay VAT due. - Investigation of possible s.455 Tax refund position following settlement of claims against directors with regard to their loan accounts. Future work to be undertaken includes: - Completing VAT 426/833 forms in order to reclaim and pay VAT due. - Preparing further post-appointment Corporation Tax returns, as required by statute. - Completing a s.455 Tax refund application and possible debate with HMRC re set off against pre-appointment liabilities owed	221.5	48,566	219

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Due to the increase in the time taken to close this Liquidation, the amount of time needed to be spent on this category has increased. Accordingly, approval is being sought for an additional 56.5 hours in excess of the current Fees Estimate, of which 42.5 hours of the revised hours have already been incurred.			
Investigations The prior Fees Estimate anticipated that 60.0 hours would be spent on this category with a total cost being forecast of £14,400. Whilst the current Fees Estimate slightly overestimated the time spent, the actual blended hourly rate is now expected to be slightly higher. Accordingly, approval is being sought for an additional £770 of cost.	55.8	15,175	272
Realisation of Assets The current Fees Estimate anticipated that 320.0 hours would be spent on this category with a total cost being forecast of £70,400. Whilst the current Fees Estimate slightly overestimated the time spent, the actual average hourly rate has been slightly higher, reflecting that more senior staff and Liquidator time was needed in resolving the issue of the claims against the directors and also looking into the s.455 Tax refund issue, which had not previously been anticipated. Accordingly, approval is being sought for an additional £4,958 of cost.	304.9	75,358	247
Reporting The Fees Estimate currently approved by creditors anticipated that 220.0 hours would be spent on this category with a total cost being forecast of £42,900. As further detailed in the report, the current Fees Estimate underestimated the timeframe in which the Liquidation would be concluded. The time that the case will remain open for has had a subsequent effect on the amount of Progress Reports that are required. Work undertaken in this regard includes: - Preparing and issuing an additional annual progress reports as required in accordance with The Insolvency Act and Rules to provide creditors with an update on the progress of the Liquidation.	251.6	53,485	213

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- Drafting ancillary documents associated with the Reports, including letters and Companies House Forms. Future work to be undertaken includes: - Preparing and issuing this annual progress report and Revised Fees Estimate as required in accordance with The Insolvency Act and Rules to provide creditors with an update on the progress of the Liquidation, and to seek creditor approval of my additional costs. - Closure report is required to be issued in accordance with The Insolvency Act and Rules to provide creditors with an account of the Liquidation. - Issuing final account to Companies House. - Drafting ancillary documents associated with the Reports, including letters and Companies House Forms. Due to the Liquidation remaining open more than 2 years longer than anticipated and the consequent need for 2 additional annual reports and a further Revised Fees Estimate, the amount of time to be spent on this category has increased. Accordingly, approval is being sought for an additional 31.6 hours in excess of the current Fees Estimate of which 2.1 hours had already been incurred as at 6 November 2023.			
<u>Distributions</u> The current Fees Estimate anticipated that 40.0 hours would be spent on this category with a total cost being forecast of £7,600, at a blended rate of £190. It was anticipated that this dividend would have been paid over 2 years ago. The original Fees Estimate overestimated the amount of time needed. However, due to the unsecured dividend not yet taking place the blended rate used must now be revised to take account of current charge out rates. Accordingly, approval is being sought for an additional cost of £1,404.	35.5	9,004	254
<u>Cashiering</u> The prior Fees Estimate anticipated that 110.0 hours would be spent on this category with a total cost being forecast of £20,900. Whilst the current fees estimate slightly overestimated the time to be spent, the blended hourly rate is now expected to be slightly higher.	106.3	22,097	208

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Accordingly, approval is being sought for an additional £1,197 of cost.			
<u>Statutory and Compliance</u> The Original fee estimate anticipated that 200.0 hours would be spent on this category with a total cost being forecast of £40,000. Due to the Liquidation remaining open far longer than previously envisaged, the amount of time to be spent on this category has increased. Additional work undertaken in this regard includes: - Case monitoring and statutory compliance, including additional 6 monthly formal internal case reviews, regular case diary reviews, documenting further decisions taken. Future work to be undertaken includes: - Case monitoring and statutory compliance, including internal case reviews, etc, as above. As further detailed in the report, the prior Fees Estimate underestimated the timeframe in which the liquidation would be concluded. The additional time that the case will remain open for has had a subsequent effect on the amount of compliance and reviews that are required. Accordingly, approval is being sought for an additional 24.4 hours in excess of the current fees estimate of which 14.3 hours have already been incurred.	224.3	53,647	239

Appendix E – Statement of expenses incurred in the Period

Type of Expenditure	Incurred in current period £	Initial Expense Estimate £	Estimated future expenses to closure of case £	Revised expenses estimate £
Category 1 Expenses				
Professional Advisors' Costs:				
Legal fees and disbursements (Stephens & Boltons)	-	7,401	-	7,401
Legal fees and disbursements (Moore Barlow)	-	10,000	-	5,489
Legal fees and disbursements (Womble Bond Dickinson)	-	-	-	15,000
Investigation agents' fees & disbursements	-	-	-	5,900
Other Expenses:				
Statutory advertising	-	80	80	160
Insurance of assets	-	408	-	408
Bank Charges	-	25	24	50
Email Access Charge	-	329	-	329
Office holders' disbursements:		109		
Postage (Postworks)	(27)	-	-	134
Specific bond	-	-	-	10
Searches	-	-	-	25
Catering for meeting	-	-	-	29
Residual Administration trading Expenses:				
Trading Expense - PAYE & NI	-	1,782	-	1,782
Trading Expense - Wholesale Services	-	114,999	-	114,999
Total Category 1 Expenses	- 26	135,133	104	151,717
Category 2 Expenses				
Mileage	-	-	-	-
Total Category 2 Expenses	-	-	-	-
Mazars LLP Remuneration				
Office holders' pre-appointment costs	-	43,797	-	43,797
Office holders' post-appointment costs	20,269	254,455	25,215	299,938
Total Mazars LLP Remuneration	20,269	298,252	25,215	343,735
Total	20,243	433,385	25,319	495,452