

21794

Strictly Private and Confidential

Tennyson House Division 2 Limited (In Liquidation)

Progress Report to Members and Creditors

Simon Franklin Plant

MIPA FABRP

SFP

9 Ensign House

Admirals Way

Marsh Wall

London

E14 9XQ

Tel +44 (207) 5382222

Fax +44 (207) 5383322



This report has been written and presented for the sole purpose of complying with the relevant provisions of the Insolvency Act 1986. It may not be disclosed, disseminated or copied without my prior written permission, other than to those entitled under statute or otherwise as ordered by the Court, and no liability will be accepted to any other person or party who acts or refrains from acting on its contents.

Contents

- 1 Introduction
- 2 Action to Date - Asset Realisations
- 3 Statutory and General Administration
4. Investigation
- 5 The Liquidator's Remuneration
- 6 The Liquidator's Expenses
- 7 Creditors
- 8 Conclusion

Appendices

- I Definitions and Further Details
- II Statutory Information
- III Liquidator's Receipts and Payments Account
- IV. SFP's Charge-out Rates and Bases of Disbursements

Tennyson House Division 2 Limited (in Liquidation)
Progress Report to Members and Creditors
For the Review Period to 30 September 2016

1 Introduction

- 1.1 This report is prepared pursuant to Rule 4.49B of the Rules in relation to the Company. It details the progress of the administration of the Company's estate in the Review Period, i.e. the twelve month period since the Company was placed into Liquidation. Definitions and further details of terms used in this report are provided in **Appendix I**.
- 1.2 The Company was wound up on 21 September 2015 under case number 5200 of 2015 at the High Court of Justice and Simon Plant was subsequently appointed as Liquidator of the Company by the Secretary of the State on 1 October 2015. Further statutory information regarding the winding up is provided in **Appendix II**.

2. Action to Date – Asset Realisations

- 2.1 Attached at **Appendix III** is the Liquidator's Receipts and Payments Account for the Review Period. The contents are in the main self explanatory.
- 2.2 The Company did not own any tangible assets which could be realised for the benefit of the estate.

The Company's Trading Premises

- 2.3 The Trading Premises were occupied by the Company subject to a lease agreement. SFP Property was instructed to assist with property related matters.
- 2.4 In the light of the fact that the Liquidator was made aware that the Company had one creditor, being the landlord of the Trading Premises, Portman Promotions, the Liquidator did not seek a formal valuation of the Company's interest, as any benefit of the lease would have either been utilised to settle the costs of the Liquidation or be distributed to the landlord.
- 2.5 The Liquidator has recently been made aware that the Company may have another creditor and accordingly, SFP Property has been instructed to review the lease and advise if it is likely to hold any value.
- 2.6 A further update will be provided in the next report to creditors.

Cash at Bank

- 2.7 The Company's bank account was closed and the Liquidator has requested the nominal closing balance of circa £5, however it is deemed uneconomical to pursue this balance further.

Miscellaneous

- 2.8 An arrangement was reached with landlord of the Trading Premises and the Company's sole creditor, Portman Promotions prior to the Liquidator's appointment for it to make a payment of £10,000, plus VAT to the Liquidator's firm in return for the Liquidator agreeing to act in this matter and in view of the possibility that there may be insufficient realisations from the estate to discharge any element of the Liquidator's costs.

3 Statutory and General Administration

- 3.1 The assignment was allocated to a case manager and investigator having the capacity, qualification and experience to deal with the assignment. Specific tasks such as the agreement of creditor claims, VAT and tax issues, cashiering and insurance have been allocated to different team members having specialised knowledge in the relevant areas.
- 3.2 Throughout the Review Period, the Liquidator has carried out the following material tasks in this category:
- 3.2.1 statutory filing and advertising in relation to the Liquidator's appointment,
 - 3.2.2 proposing resolutions by correspondence regarding the basis of the Liquidator's fees and certain expenses,
 - 3.2.3 consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress,
 - 3.2.4 consulting with the Associated Entities to receive updates on their progress and to agree strategies,
 - 3.2.5 maintaining case files, which must include records to show and explain the administration of this liquidation and any decisions made by the Liquidator that materially affect the administration,
 - 3.2.6 conducting periodic case and bond reviews to ensure that the liquidation is progressing efficiently, effectively and in line with the statutory requirements,
 - 3.2.7 maintaining and updating the estate cash book and bank account, including regular bank reconciliations and processing receipts and payments, and
 - 3.2.8 completing periodic tax returns and settling any associated liabilities.
- 3.3 On the Liquidator's instructions, SFP Datastore collected and inventoried the Company's books and records.

4 Investigation

- 4.1 Investigations are being carried out into the Company's affairs prior to it being placed into Liquidation to examine whether there were any potential claims arising from transactions made by the Company prior to Liquidation that might give rise to an action for recovery.
- 4.2 Initial assessment of the Company's records suggested that there could be a matter that might lead to recoveries for the insolvent estate and thus further investigations were considered necessary.
- 4.3 These investigations are ongoing.
- 4.4 Given the complexity of the case, it has proven necessary to draw upon the expertise of a senior forensic specialist, who is also a licensed insolvency practitioner, in addition to the accountancy staff.
- 4.5 To minimise the risk of compromising attempts to pursue a recovery, the Liquidator is unable to provide further explanation, but he hopes to be in a position to report more fully in future reports.
- 4.6 At present, it is not known whether this work will generate any financial benefit to creditors.

Tennyson House Division 2 Limited (in Liquidation)
Progress Report to Members and Creditors
For the Review Period to 30 September 2016

- 4.7 Please note that, with effect from 1 June 2016, as a consequence of the transfer of the business of SFP Corporate Solutions to the Liquidator's firm, the activities described above have been carried out by the Liquidator's staff

5 The Liquidator's Remuneration

- 5.1 Creditors resolved that the Liquidator's remuneration be fixed as a percentage of gross asset realisations and other recoveries achieved, at nil until such point that gross asset realisations and other recoveries reach £135,000, then 25% of the next £750,000 of gross asset realisations and other recoveries and 35% of any gross asset realisations and other recoveries exceeding that
- 5.2 Creditors may access a Guide to Liquidators' Fees at <http://panel.sfpgroup.com> or a hard copy will be provided on request

6 The Liquidator's Expenses

- 6.1 It is a statutory requirement that the Liquidator report all expenses incurred in the Review Period, whether or not they have been paid. Creditors will note that details of expenses paid and incurred during the Review Period are provided in the Liquidator's Receipts and Payments Account attached at Appendix III
- 6.2 Creditors resolved that the Liquidator was authorised to draw, from the funds held in the insolvent estate, his firm's disbursements calculated on the bases described in Appendix IV. Creditors also resolved that any disbursements and expenses directly incurred by the Associated Entities, as described also in Appendix IV, may be paid from the funds held in the insolvent estate
- 6.3 On 1 June 2016 the businesses of certain Associated Entities (i.e. SFP Corporate Solutions, SFP Recoveries and SFP Datastore) transferred to the Liquidator's firm. Therefore, no further disbursements and expenses will be incurred by these entities, but any balances outstanding remain chargeable to the insolvent estate as Category 2 disbursements
- 6.4 The following expenses are likely to exceed the details given to creditors along with the Liquidator's correspondence dated 26 October 2015

Party / description	Current estimate (total to conclusion of liquidation)	Explanation
Liquidator's Category 1 Disbursements	£900	The initial estimate did not include mail redirection costs and included bonding costs as uncertain
Legal Fees	£Uncertain	Lawyers may need to be instructed to assist with investigations
Insurance of Assets	£378	Public liability cover was under estimated

- 6.5 In view of the uncertainties regarding future realisations, it is unclear at present whether these expenses will be paid in full from the liquidation estate

7 Creditors

7.1 During the Review Period, the following main tasks in this category have been carried out

- 7.1.1 responding to creditors' queries and logging their claims and supporting information, and
- 7.1.2 maintaining the database as regards creditors' contact details and claims

7.2 No preferential claims have been received and none are anticipated

7.3 As explained in the report issued upon appointment, the statutory provisions regarding a prescribed part do not apply in this case. This remains the case.

7.4 Any potential dividend to unsecured creditors is dependent upon successful pursuit of claims described above. These realisations would also be subject to any further associated costs. Based upon the current position, it is uncertain whether or not there will be sufficient funds to pay a dividend to non-preferential unsecured creditors.

8 Conclusion

8.1 At present the only issue preventing closure is the continuance of investigations into the affairs of the Company.

8.2 The Liquidator will issue a further progress report, which will provide an update on all matters described above that are yet to be concluded, shortly after the next anniversary of the appointment, or when he is in a position to conclude the winding up, if that is sooner.

8.3 Should you have any questions or queries regarding this report, please contact the Manager dealing with this matter, Richard Hunt, on 020 7538 2222 or by email on richardh@sfpgroup.com

Dated this 8 November 2016


Simon Plant
Liquidator

Tennyson House Division 2 Limited (In Liquidation)

Progress Report to Members and Creditors

APPENDIX I

- **Definitions and Further Details**

DEFINITIONS

Entities associated with SFP

SFP Corporate Solutions	SFP Corporate Solutions Limited
SFP Recoveries	SFP Recoveries Limited
SFP Property	SFP Property Limited
SFP Datastore	SFP Datastore Limited
The Associated Entities	All or any of the above companies

Other Parties

The Company	Tennyson House Division 2 Limited
The Liquidator	Simon Franklin Plant
The Director	Andrew Simpson
RBS	The Royal Bank of Scotland
The Trading Premises	2 Colvilles Road, Kelvin Industrial Estate, East Kilbride, G75 0SB
Portman Promotions	Sylvia Wiseman as bare nominee for Portman Promotions (Enterprises) Limited
RPO	Redundancy Payments Office
HMRC	HM Revenue & Customs
BIS	The Department for Business, Innovation and Skills

References to Statutory and other Regulatory Provisions

The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations
CDDA	Company Directors Disqualification Act 1986
SIP	Statement of Insolvency Practice
CVL	Creditors' Voluntary Liquidation
The Statement of Affairs	Estimated Statement of Affairs as at the date that the Company was placed into Liquidation
The Last Report	The Liquidator's last progress report
Review Period	Period covered by the Liquidator's progress report

FURTHER DETAILS

Below are further details in respect of the work undertaken by the entities associated with SFP

Entity	Work Undertaken
SFP Corporate Solutions	Specialises in insolvency investigations, forensic accounting and independent business reviews
SFP Recoveries	Specialises in the collection of outstanding sales ledgers, providing reports in relation to debtor collections to parties with a vested interest and the appointed insolvency practitioner(s)
SFP Property	Specialises in providing assistance with all property related matters, including property valuations and dealing with formal and informal agreements in place
SFP Datastore	Deals with all aspects of the collection and storage of books and records and provides security services to ensure company assets remain secure
The ERA Department	Deals with all employee matters including verbal and written notifications to employees, the processing of employee claims and general employee queries

Tennyson House Division 2 Limited (In Liquidation)

Progress Report to Members and Creditors

APPENDIX II

- **Statutory Information**

STATUTORY INFORMATION

Tennyson House Division 2 Limited (In Liquidation)

Company Number	00021794
Registered Office	9 Ensign House Admirals Way Marsh Wall Docklands London E14 9XQ
Date of Appointment:	01 October 2015
Liquidator:	Simon Franklin Plant SFP 9 Ensign House Admirals Way Marsh Wall London E14 9XQ

Creditors' Rights to Further Information and Challenge

Rule 4 49E of the Insolvency Rules 1986 Within 21 days of receipt of a progress report, a creditor may request the Liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing and may be made by either a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors or the permission of the court.

Rule 4 131 of the Insolvency Rules 1986 Any secured creditor, or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors, or with the permission of the Court, may apply to the Court on the grounds that the remuneration or other expenses are excessive. Any such application must be made no later than 8 weeks after receipt of the relevant report.

Tennyson House Division 2 Limited (In Liquidation)

Progress Report to Members and Creditors

APPENDIX III

- **Liquidator's Receipts and Payments Account**

TENNYSON HOUSE DIVISION 2 LIMITED
(In Liquidation)

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD FROM 1 OCTOBER 2015 TO 30 SEPTEMBER 2016

	Notes	Estimated Outcome		From 01/10/15 to 30/09/16 £
RECEIPTS		£		
Cash at Bank		5		-
Recovery from Investigations		Unkown		-
TOTAL RECEIPTS		<u>5 00</u>		<u>-</u>
		Fees and Expenses Estimates	Expenses incurred (whether or not paid) From 01/10/15 to 30/09/16	Payments made From 01/10/15 to 30/09/16
		£	£	£
PAYMENTS / EXPENSES				
Liquidator's Category 1 Disbursements	1	300	709 20	-
Liquidator's Category 2 Disbursements		30	10 10	-
SFP Corporate Solutions Fees	2	-	18,425 00	-
SFP Corporate Solutions Expenses		100	-	-
SFP Property Fees	2	-	3,980 00	-
SFP Property Expenses		100	6 00	-
SFP Datastore Fees	2	-	810 00	-
SFP Datastore Expenses		500	289 92	-
OR Disbursements		2,400	1,150 00	1,150 00
ISA Banking Fees		300	110 00	110 00
Legal Fees		-	Nil	-
Insurance of Assets	3	300	Uncertain	-
TOTAL PAYMENTS / EXPENSES		<u>4,030 00</u>	<u>25,490 22</u>	<u>1,260 00</u>
BALANCE IN HAND				<u>- 1,260 00</u>
REPRESENTED BY				
Insolvency Service Account				- 1,260 00
VAT Receivable				-
BALANCE IN HAND	4			<u>- 1,260 00</u>

Notes

- Further details of material disbursements/expenses incurred in the period are as follows
SFP - bonding £40
SFP - mail redirection £500
SFP - advertising £169 20
- The Liquidator did not request approval to draw these costs, although the time costs incurred by these entities have been provided as required by the Rules
- The Liquidator's instructions as regards these items remain ongoing and therefore he continues to incur liabilities to third parties. However, these expenses will only be quantified once an invoice has been issued
- This has been reconciled against the Secretary of State Account

Tennyson House Division 2 Limited (In Liquidation)

Progress Report to Members and Creditors

APPENDIX IV

- **SFP's Charge-out Rates and Bases of Disbursements**



Charge-out rates for office holders and their staff and bases of calculation of disbursements

Please note that, although hourly rates are detailed, the Liquidator's fees on this case have been approved on the basis of a percentage of asset realisations

Time costs of office holders and their staff are recorded in 6-minute units at the charge-out rates shown

These rates are reviewed periodically and are subject to inflationary or other adjustments. Up-to-date schedules of charge-out rates will be provided in all future reports

For further information regarding fees, please download the relevant Guide at <http://panel.sfgroup.com/> or a hard copy will be provided on request

Further information regarding insolvency processes in general is available at www.creditorinsolvencyguide.co.uk

SFP Restructuring Limited	
<u>Grade</u>	<u>Rate £/hr</u>
Director 2	500
Director 1	450
Senior Manager 2	350
Senior Manager 1	325
Manager 2	300
Manager 1	275
Assistant Manager	260
Senior Administrator 2	250
Senior Administrator 1	225
Administrator 2	175
Administrator 1	150
Assistant	100
Data Store Administrator	75

Category 1 Disbursements

Category 1 disbursements are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost, with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses. Legislation provides that office holders may discharge Category 1 disbursements from the funds held in the insolvent estate without further recourse to creditors.

Category 2 Disbursements

Category 2 disbursements are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 disbursements after the relevant creditors (or committee) have approved the bases of their calculation. Set out below are the bases of the office holder's disbursements in this category.

<u>Stationery / Photocopying</u>		<u>Postage</u>		<u>Other</u>
	<u>Per page / envelope (£)</u>		<u>Postage rate (£)</u>	
1 page of headed paper	0.12	Postage – 1 st class (small)	0.47	Mileage incurred as a result of necessary travel is charged at the HM Revenue & Customs approved rate of 45p per mile.
1 page of continuation paper	0.10	Postage – 1 st class (large)	0.71	
1 page of photocopying paper	0.02	Postage – 2 nd class (small)	0.33	Routine searches and downloads of documents filed at Companies House are charged at £10 per appointment.
Envelopes (all sizes)	0.10	Postage – 2 nd class (large)	0.58	



Category 2 Disbursements (continued)		
Charges for Record Storage and Retrieval		SFP Property Limited
	<u>Charge</u>	SFP Property Limited is an entity associated with the office holders. Time is charged on 6-minute units at the rates listed below
Box Storage		
A4	18p per box per week	
A3	21p per box per week	
Transit cases	6p per box per week	
		<u>Grade</u> <u>Rate £/hr</u>
Retrieval costs from site	£1 10 per mile	Director350
Same Day Delivery (up to 10 items)	£22 50	Senior Manager 2275
Per item thereafter	£1 50	Senior Manager 1250
Delivery to third party offices (up to 10 items)	£15 00	Manager 2225
Per item thereafter	£1 50	Manager 1200
Provision of archive boxes	£5 per box	Senior Administrator 2175
		Senior Administrator 1155
		Administrator 2135
		Administrator 1115
		Assistant100
SFP Property Limited may also incur direct expenses, such as Land Registry fees, which will be charged to the insolvent estate at cost		

Category 2 Disbursements Former Associated Entities																																																																
As explained in the accompanying report, the office holders instructed certain other entities associated with their firm to assist in their administration. On 1 June 2016, the businesses of the entities listed below were transferred to the office holders' firm and the work previously undertaken by the entities was continued by the office holders' firm at the same charge-out rates																																																																
SFP Corporate Solutions Limited	SFP Recoveries Limited	SFP Datastore Limited																																																														
<table><tr><th>Grade</th><th>Rate £/hr</th></tr><tr><td>Director</td><td>500</td></tr><tr><td>Senior Manager 2</td><td>350</td></tr><tr><td>Senior Manager 1</td><td>325</td></tr><tr><td>Manager 2</td><td>300</td></tr><tr><td>Manager 1</td><td>275</td></tr><tr><td>Assistant Manager</td><td>260</td></tr><tr><td>Senior Administrator 2</td><td>250</td></tr><tr><td>Senior Administrator 1</td><td>225</td></tr><tr><td>Administrator 2</td><td>175</td></tr><tr><td>Administrator 1</td><td>150</td></tr><tr><td>Assistant</td><td>100</td></tr></table>	Grade	Rate £/hr	Director	500	Senior Manager 2	350	Senior Manager 1	325	Manager 2	300	Manager 1	275	Assistant Manager	260	Senior Administrator 2	250	Senior Administrator 1	225	Administrator 2	175	Administrator 1	150	Assistant	100	<table><tr><th>Grade</th><th>Rate £/hr</th></tr><tr><td>Director</td><td>500</td></tr><tr><td>Senior Manager 2</td><td>350</td></tr><tr><td>Senior Manager 1</td><td>325</td></tr><tr><td>Manager 2</td><td>300</td></tr><tr><td>Manager 1</td><td>275</td></tr><tr><td>Assistant Manager</td><td>260</td></tr><tr><td>Senior Administrator 2</td><td>250</td></tr><tr><td>Senior Administrator 1</td><td>225</td></tr><tr><td>Administrator 2</td><td>175</td></tr><tr><td>Administrator 1</td><td>150</td></tr><tr><td>Assistant</td><td>100</td></tr></table>	Grade	Rate £/hr	Director	500	Senior Manager 2	350	Senior Manager 1	325	Manager 2	300	Manager 1	275	Assistant Manager	260	Senior Administrator 2	250	Senior Administrator 1	225	Administrator 2	175	Administrator 1	150	Assistant	100	<table><tr><th>Grade</th><th>Rate £/hr</th></tr><tr><td>Administrator</td><td>75</td></tr><tr><td colspan="2"><u>Supporting Services</u></td></tr><tr><td>Hire of security personnel</td><td>£18 50</td></tr><tr><td></td><td>Rate £/mile</td></tr><tr><td>Mileage</td><td>£1 10</td></tr><tr><td>Chauffeuring services</td><td>£1 35 (£50 min)</td></tr></table>	Grade	Rate £/hr	Administrator	75	<u>Supporting Services</u>		Hire of security personnel	£18 50		Rate £/mile	Mileage	£1 10	Chauffeuring services	£1 35 (£50 min)
Grade	Rate £/hr																																																															
Director	500																																																															
Senior Manager 2	350																																																															
Senior Manager 1	325																																																															
Manager 2	300																																																															
Manager 1	275																																																															
Assistant Manager	260																																																															
Senior Administrator 2	250																																																															
Senior Administrator 1	225																																																															
Administrator 2	175																																																															
Administrator 1	150																																																															
Assistant	100																																																															
Grade	Rate £/hr																																																															
Director	500																																																															
Senior Manager 2	350																																																															
Senior Manager 1	325																																																															
Manager 2	300																																																															
Manager 1	275																																																															
Assistant Manager	260																																																															
Senior Administrator 2	250																																																															
Senior Administrator 1	225																																																															
Administrator 2	175																																																															
Administrator 1	150																																																															
Assistant	100																																																															
Grade	Rate £/hr																																																															
Administrator	75																																																															
<u>Supporting Services</u>																																																																
Hire of security personnel	£18 50																																																															
	Rate £/mile																																																															
Mileage	£1 10																																																															
Chauffeuring services	£1 35 (£50 min)																																																															



Category 2 Disbursements Former Associated Entities (continued)

SFP Datastore Limited Charges for Record Storage and Retrieval

	<u>Charge</u>
Box Storage	
A4	18p per box per week
A3	21p per box per week
Transit cases	6p per box per week
Retrieval costs from site	£1 10 per mile
Same Day Delivery (up to 10 items)	£22 50
Per item thereafter	£1 50
Delivery to third party offices (up to 10 items)	£15 00
Per item thereafter	£1 50
Provision of archive boxes	£5 per box

For Administration appointments that commenced prior to 1 June 2016, a minimum period of 2 years' storage was charged up front at a rate of £20 80 per box held. In addition, a destruction charge of £9 per box was charged up front.

The minimum charge was based on the assumption that the Administration would continue for a period of one year and that the records would need to be retained for a further period of one year once the Company had been dissolved, as required by legislation. In the event that the Administration has been extended, any additional charges incurred on the basis above were charged as they were incurred.

With effect from 20 August 2016, all boxes in storage were passed to independent agents who have continued to store the records and arrange for delivery and destruction on request at their standard rates, chargeable to the insolvent estate. Consequently, any over-charged storage and destruction costs calculated on the bases set out above are being refunded to the estate.

The Former Associated Entities may also have incurred direct expenses, such as courier charges and Land Registry fees, which are charged to the insolvent estate at cost.

Treatment of Unpaid Costs of Former Associated Entities

All work carried out by the Former Associated Entities on the office holders' instructions is chargeable as Category 2 disbursements (subject to the relevant creditors' approval), whether or not invoices were raised by the Former Associated Entities before their businesses were transferred to SFP Restructuring Limited. As and when funds become available to discharge these costs, invoices will be discharged from the insolvent estates and will be referenced to the relevant Former Associated Entity in the office holders' receipts and payments accounts.

From 1 June 2016, the staff active on work previously undertaken by the Former Associated Entities became employed directly by SFP Restructuring Limited. Thus, they became the office holders' staff and all time spent from that date is chargeable as the office holders' fees (subject to the relevant creditors' approval).

Primarily because time and other costs will continue to be incurred at the same charge-out rates as previously, it is considered that these structural changes have not increased costs chargeable to the insolvent estate. In fact, one consequence of the simplified management structure is likely to be a small reduction in costs overall.