

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

01204931

Name of Company

Spencer Holdings Limited

± We

William Kenneth Dawson
PO Box 810
66 Shoe Lane
London
EC4A 3WA

Stephen Roland Browne
PO Box 810
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London
EC4A 3WA

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 20/04/2012 to 19/04/2013

Signed

Date

19/6/13

Deloitte LLP
PO Box 810
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London
EC4A 3WA

Ref SPEN08M/AMA/KCB/WGV

THURSDAY




A02 20/06/2013 #248
COMPANIES HOUSE

**Spencer Holdings Limited
(In Liquidation)**

**Summary of Receipts & Payments
20 April 2012 to 19 April 2013**

RECEIPTS	Total (£)
Tax Refund	10,499 20
Insurance Refund	6,551 48
Surplus Cash at Bank (Pre Liquidation)	526,020 07
Rent	1,272 95
Domestic Rates Refund	6,184 14
Bank Interest Gross	2,848 48
VAT Received From HM R&C	6,068 35
	559,444.67
 PAYMENTS	
Rental Refunds	1,237 50
Post Transaction Consultancy Services	60,000 00
Tax Fees	15,023 00
Liquidator's Fees	85,318 69
Trade Creditor	2,935 70
Statutory Interest	64 09
Statutory Advertising	1,442 65
Post Sale Transaction Refunds	1,975 39
VAT Receivable	20,952 01
	188,949.03
 Balance In Hand	370,495.64
	559,444 67



William Kenneth Dawson
Joint Liquidator

**SPENCER HOLDINGS LIMITED
(IN LIQUIDATION)
("the Company")**

**ANNUAL PROGRESS REPORT TO MEMBERS PURSUANT TO RULES 4.49B and 4.49C
OF THE INSOLVENCY RULES 1986 (AS AMENDED)
FOR THE PERIOD TO 19 April 2013**

17 June 2013

This report has been prepared for the sole purpose of updating the Member for information purposes
The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from,
in whole or in part, by the Member for any purpose other than updating them for information purposes, or
by any other person for any purpose whatsoever

William Dawson and Stephen Browne were appointed Joint Liquidators of the Company on 20 April 2012

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency
Practitioners

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- 2. Joint Liquidators' Receipts and Payments account for the 12 months to 19 April 2013**
- 3. Joint Liquidators' Remuneration for the period 20 April 2012 to 19 April 2013**

ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 (as amended)
"the Liquidators"	William Dawson and Stephen Browne of Deloitte LLP
"the Company"	Spencer Holdings Limited (in Liquidation)
"Deloitte"	Deloitte LLP
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales) Receipts and Payments Account
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales) Remuneration of Insolvency Practitioners
"the Member"	Spencer Commercial Properties Limited
"the Buyer"	Hansteen UK Industrial Property Ltd Partnership
"Accprop"	Accprop Limited
"Colliers"	Colliers International Property Consultants Limited
"HMRC"	Her Majesty's Revenue and Customs
"the Companies"	Spencer Commercial Developments Limited, Spencer Warehousing and Storage Limited, Spencer Business Parks Holdings Limited and Whitegate Business Centre Management Company Limited (all formerly in Liquidation)

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rules 4.49B and 4.49C of the Rules to provide the Member with an update on the progress of the Liquidation of the Company since our appointment on 20 April 2012.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

2. LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

2.1 Introduction

Attached at Appendix 2 is a Receipts and Payments account covering the period since the Liquidators appointment on 20 April 2012 to 19 April 2013

The statement has been prepared on the basis of actual receipts and payments recorded at the date of this report. There have been no significant receipts or payments since 19 April 2013 to the date of this report.

In this section, we have summarised the main asset realisations and payments during the 12 month period.

2.1 Receipts

Bank interest

Bank interest totalling £2,848.48 has been received during the period, representing interest earned on the surplus cash at bank held throughout the liquidation.

Domestic rates refunds

Domestic rates refunds totalling £6,184.14 have been received from St Helens Council (£3,127.69), Cyngor Gwynedd Council (£2,743.41) and Isle of Wight Council (£313.04) during the period.

Insurance refund

Following the cancellation of property insurances prior to our appointment, an insurance refund totalling £6,551.48 was paid to the Company by Perkins Slade Ltd, a professional insurance broking firm.

Rent

Rental income of £1,272.95 was paid to the Company by the Buyer, following a rent review at two of the Company's former properties. Following this review, it was resolved that the funds were due to the Company as they related to the period prior to the sale of the property assets to the Buyer.

Pre-appointment cash at bank

Following our appointment, the Liquidators acted to secure the surplus cash reserves of the Company, with £526,020.07 being transferred to the liquidation bank account from the Company's former bank accounts.

Tax refund

Following the sale of a property owned by the Company, and located in Spain prior to our appointment, a withholding tax refund amounting to €13,000 was due to the Company. This refund (£10,499.20 after allowing for the exchange rate) was duly received on 6 September 2012.

2.2 Estimated future realisations

We are not aware of any other realisations that are due to take place during the period between the date of this report and closure of the Liquidation

2.3 Payments

A summary of the payments made during the first 12 months of the liquidation are detailed below. Note that information in respect of the Liquidators' fees and disbursements (including Land Registry payments and Statutory advertising), as referred to at Appendix 2, is included within Section 5 and has not been repeated below

Professional consultancy fees

An agreement for Accprop to provide consultancy services to the Company was made between the two parties on 21 May 2012. The agreement provided that Mr Philip Duckett of Accprop, and also a former director of the Company, would be made available by Accprop to provide the following services

- to provide reasonable assistance to the Liquidators in preparation of the final completion accounts of the Company (see below), and
- to provide reasonable assistance to the Liquidator in responding to any claim against the Company in relation to any matters of which Mr Duckett has personal knowledge

It was agreed that a fee of £60,000 would be paid by the Company to Accprop for the aforementioned services, and that the invoice would be settled within 28 days of the agreement being signed. As such, the fees were paid on 12 June 2012

Prior to the appointment of the Liquidators, the Group entered into a Transaction Services Agreement ("TSA") with regards to the sale of the shares of the Company (and other Group subsidiaries). One of the requirements of the TSA is that completion accounts are to be prepared by both the purchaser and the Company with regards to the apportionment of receipts and payments prior to the sale. Phil Duckett is assisting in the preparation of these accounts

The TSA expires on 30 June 2013, following which the Liquidation can be closed

Rental refunds

Rent totalling £3,172.89, which was due to the Buyer following the sale of the property assets previously owned by the Company, was incorrectly paid by a former tenant of the Company. This was subsequently refunded so that the account could be settled between the Buyer and the tenant, accordingly

Tax advisory fees

Tax advisory fees amounting to £9,998.00 plus VAT was paid to tax advisors for dealing with both pre-appointment and post-appointment matters with regards to the Company's tax returns. As agreed with the Company on 14 February 2012, tax advisory fees in relation to the Companies were paid from the liquidation estate of the Company. These fees totalled £5,025.00 plus VAT bringing total tax advisory fees paid during the period by the Company to £15,023.00 plus VAT. No further fees are expected

Trade creditor payments and statutory interest

A payment was made to Colliers for £3,522.84 in respect of work carried out prior to the appointment for consultancy work regarding the sale of properties to the Buyer, and further to a letter of engagement dated 15 December 2011 between the Company and Colliers. As this creditor related to the period pre-appointment, statutory interest of £64.09, representing

statutory interest at the current rate of 8%, and covering the period from our appointment to the date of payment, was paid to Colliers

2.4 Costs incurred but which remain unpaid

With the exception of the Liquidators' professional fees and disbursements (see Section 5 for details), there have not been any costs incurred during the period of this report, which remain unpaid

3. DISTRIBUTIONS

3.1 Distributions to date

No distributions have been made during the period of this report

3.2 Future Distributions

Member

The Member was placed into Administration on 21 December 2011. The Administrators have advised us that they have issued their final progress report to the Registrar of Companies in order to bring the Administration to an end. The Bank, Lloyds Banking Group Plc ("LBG"), was a secured creditor in the Administration. Consequently, any surplus funds from the Administration would have been paid to LBG as the fixed chargeholder.

The dividend to the Member from this Liquidation will now be paid to LBG as agreed by the former Administrators of the Member and the Liquidators, as the Administration has now been concluded.

The above dividend will be paid to LBG following settlement of all costs of the liquidation and any potential distribution to agreed unsecured creditors (see below). Until we have received and adjudicated all of these claims, we are unable to estimate the quantum and timing of the distribution to LBG. An update will be provided within future progress reports.

Creditors

Since advertising our appointment as Liquidators of the Company, we have received several creditor claims, predominantly in relation to unpaid utility bills for the period prior to our appointment, in respect of properties which were formerly held by the Company. Before making a distribution to any agreed unsecured creditors, the Liquidators will review and adjudicate all claims received before making a distribution to confirm their validity and also ensure that they are payable by the Company, rather than the Buyer. If there are any contentious claims, the Liquidators will contact the respective creditors directly, and liaise with Phil Duckett, to resolve the matter.

All payments to unsecured creditors will include statutory interest, bearing a current rate of 8% and covering the period from our appointment to the date of payment.

4. OTHER MATTERS AND INFORMATION TO ASSIST MEMBERS

4.1 Taxation Issues

VAT

The Company was de-registered for VAT on 1 August 2012 following the submission of the Company's final VAT return, which covered the period from our appointment to 31 July 2012. This resulted in a repayment of £6,068.35 from HMRC.

In conjunction with our VAT advisors, we continue to pursue a VAT reclaim in respect of professional advisory fees, which were incurred by the Company when carrying out the sale of the business' assets to the Buyer on 21 December 2011. We are currently in dialogue with HMRC to agree a repayment acceptable to both parties, however we are unable to comment on the quantum and timing of the repayment, at present. An update will be provided in future reports.

Before concluding the liquidation, the Liquidators will act to recover any VAT incurred on the costs of the liquidation before making a first and final distribution to LBG.

Other taxation

The Liquidators continue to settle the Company's tax liabilities and submit the required returns. Once the final tax return has been submitted to HMRC and settled, and following the resolution of any other outstanding matters, we will request clearance from HMRC to conclude the liquidation and dissolve the Company at Companies House.

4.2 EC Regulations

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

5. LIQUIDATORS' REMUNERATION AND EXPENSES

5.1 Liquidators' Remuneration

5.1.1 Basis of Remuneration

The basis of the Liquidators' remuneration was fixed on 20 April 2012 by the Company in general meeting by reference to the time properly given by the Liquidators' and their staff in attending to matters arising in the Liquidation, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT

5.1.2 Remuneration

The Liquidators and their staff have incurred time costs, in accordance with the resolution referred to above, totalling £103,752.55 in respect of the Company, which is made up of 241 hours at an average hourly rate of £429.67. This time is charged in six minute increments. Total remuneration of £47,818.69 plus VAT has been drawn in relation to the Company. A breakdown of these costs can be found at Appendix 3.

It should be noted that the Receipts and Payments account attached at Appendix 2 includes Liquidators' fees of £37,500.00 plus VAT in respect of the Companies. This is further to the agreement set out within our letter of engagement with the Companies and the Company, dated 14 February 2012, that the Liquidators' fees and expenses in respect of the other group companies being liquidated would be settled by the Company.

The work referred to above has been categorised into the following task and subject headings at Appendix 3:

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashiering and accounting
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, and correspondence with the Member
- **Case specific matters** includes VAT and taxation, with regards to finalising both tax and VAT returns, obtaining clearance from HMRC to proceed with the liquidations and liaising with HMRC in respect of VAT reclaims

"A Creditors' Guide to Liquidators' Remuneration" is available for download at www.deloitte.com/uk/sip-9-england-and-wales. Should you require a paper copy, please send your request in writing to the Liquidators at the address on the front of this report and this will be provided to you at no cost.

5.1.3 Expenses

The Liquidators' direct expenses incurred during the period of this report, are as follows

Nature of expenses	Total (£)
Bordereau	260 00
Land registry searches	50 00
Statutory advertising	1,442 65
Total	1,752 65

Expenses totalling £927 45 plus VAT have been drawn and paid by the Liquidators during the period of this report in respect of the Company. Note that, as with the Liquidators' fees, expenses totalling £605 20 plus VAT, which were incurred by other group companies during their respective liquidations, were settled from the Company's liquidation estate. This is in line with our letter of engagement dated 14 February 2012. The remaining £220 00 plus VAT, plus any other expenses incurred during the remainder of the winding up, will be drawn prior to the conclusion of the liquidation.

5.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2012 charge out rates as summarised below. Manager rates include all grades of assistant manager.

Grade	£ 2012 (Jan-Aug)	£ 2012 / 2013 (Sept 2012 - Aug 2013)
Partners/Directors	585 to 920	605 to 950
Managers	295 to 700	305 to 720
Assistants and Support Staff	150 to 295	155 to 305

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Real Estate (formerly Drivas Jonas Deloitte) may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff has been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

With effect from 1 September 2012, charge out rates were increased by an average 3 % and the charge out rate bandings have been amended, where applicable, to reflect this change.

5.3 Members' right to request further information

Members of the company with at least 5% in value of the total voting rights of all the members having the right to vote at general meetings of the company, or, any member with permission of the Court, may, in writing, request the Liquidators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 4.49E of the Rules.

5.4 Members' right to challenge Remuneration and/or Expenses

Members of the Company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or, any member with permission of the Court, may apply to the Court for one or more orders (in accordance with Rule 4.148C of the Rules), reducing the amount or the basis of remuneration which the Liquidators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 4.148C(2) of the Rules.

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

SPENCER HOLDINGS LIMITED (IN LIQUIDATION)

STATUTORY INFORMATION

Company Name	Spencer Holdings Limited
Previous Names	Spencer Holdings PLC
Proceedings	Members' Voluntary Liquidation
Date of Appointment	20 April 2012
Joint Liquidators	William Dawson and Stephen Browne Deloitte LLP 2 Hardman Street Manchester M60 2AT
Registered office Address	c/o Deloitte LLP 2 Hardman Street Manchester M60 2AT
Company Number	01204931
Incorporation Date	25 March 1975
Company Secretary	Philip Duckett
Appointment by	General meetings of members
Directors at date of Appointment	Philip Duckett Andrew McFarlane

Spencer Holdings Limited - In Liquidation Joint Liquidators' Receipts & Payments account for the 12 months to 19 April 2013		
	Declaration of Solvency	Cummulative movement from 20 April 2012 to 19 April 2013
Receipts		
Bank interest (gross)	-	2,848 48
Domestic rates refund	-	6,184 14
Insurance refund	-	6,551 48
Rent	-	1,272 95
Pre-appointment cash at bank	486,976 00	526,020 07
Tax refund	-	10,499 20
	<u>486,976 00</u>	<u>553,376 32</u>
Payments		
Land registry searches		40 00
Liquidators' fees		85,318 69
Professional consultancy fees		60,000 00
Rental refunds		3,172 89
Statutory advertising		1,442 65
Statutory interest		64 09
Tax advisory fees		15,023 00
Trade creditor payments		2,935 70
VAT Receivable		14,883 66
		<u>182,880 68</u>
Balance in Hand		<u>370,495 64</u>

Spencer Holdings Limited
(In Liquidation)

Time costs for the period 20/04/12 to 31/05/13

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	3 00	2 070 00	0 30	144 00			0 30	144 00	480 00
Case Supervision, Management and Closure	4 77	3 519 05	75 30	27 523 50	0 10	5 00	78 40	29 598 50	377 53
Initial Actions (e.g. Notification of Appointment, Securing Assets)	8 00	5 640 00	42 80	14 792 50			47 57	18 311 55	384 94
General Reporting			0 50	232 50			8 50	5 872 50	690 88
	15 77	11 229 05	118 90	42 692 50	0 10	5 00	134 77	83 928 55	400 14
Creditors									
Secured			5 80	2 697 00			5 80	2 697 00	465 00
Shareholders	4 00	2 800 00	1 60	729 00			5 60	3 529 00	630 18
Unsecured			17 00	5 593 00			17 00	5 593 00	329 00
	4 00	2 800 00	24 40	8 019 00			28 40	11 819 00	418 16
Other Matters Include									
Tax and VAT	11 70	10 401 00	62 00	26 438 00	4 60	1 168 00	78 30	38 007 00	485 40
	11 70	10 401 00	62 00	26 438 00	4 60	1 168 00	78 30	38 007 00	485 40
TOTAL HOURS & COST	31 47	24 439 05	205 30	78 149 50	4 70	1 173 00	241 47	103 752 55	429 67
TOTAL FEES DRAWN								47,818.69	