

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

02603349

Name of Company

Albacorn Holdings

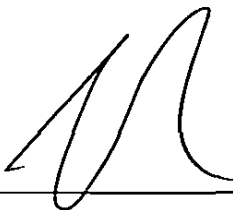
I / ~~We~~

Malcolm Cohen, 55 Baker Street, London, W1U 7EU

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 29/06/2015 to 28/06/2016

Signed



Date

29/6/16

BDO LLP
55 Baker Street
London
W1U 7EU

Ref 00256274/MAC/SMB/CH

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COMPANIES HOUSE

**Albacom Holdings
(In Liquidation)
Liquidator's Abstract of Receipts & Payments**

**Statement
of Affairs**

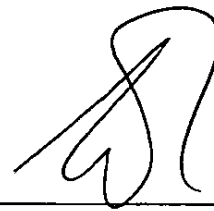
**From 29/06/2015
To 28/06/2016**

NIL

REPRESENTED BY

NIL

Note



Malcolm Cohen
Liquidator



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TO ALL SHAREHOLDERS

29 June 2016

Our Ref 7/SMB/BT

Please ask for Sharon Bloomfield
Direct line 020 7893 2905
Email sharon.bloomfield@bdo.co.uk

Dear Sirs

Albacom Holdings - 02603349
BT Seventy-Four Limited - 03940151
(together "the Companies") - Both In Members' Voluntary Liquidation

I enclose for your information an annual progress report in accordance with Section 92A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986 for the period 29 June 2015 to 28 June 2016.

Statutory Information

I, Malcolm Cohen, of BDO LLP, 55 Baker Street, London, W1U 7EU was appointed as Liquidator of the Companies on 29 June 2015.

The Companies' registered numbers are detailed above. Albacom Holdings was formerly known as Albacom Holdings Limited (changed 1 August 2003) and prior to that, as BT Thirty-Six Limited (changed 2 May 1996). BT Seventy-Four Limited was previously known as BT Hawthorn Investments Limited (changed 13 August 2001). They do not have any other trading styles.

Prior to liquidation, the Companies' principal trading address and registered office was 81 Newgate Street, London, EC1A 7AJ. Their registered office was changed to 55 Baker Street, London, W1U 7EU following my appointment.

The Companies are both wholly owned subsidiaries of the British Telecommunications plc Group ("BT").

Receipts and Payments

There have been no receipts and payments in the period under review. The Companies' sole assets are intercompany debtor balances which will be distributed in specie before the conclusion of the liquidation (Albacom Holdings - £6,347,663 and BT Seventy-Four Limited - £2,000,000).

HM Revenue & Customs ("HMRC")

In August 2015, I was advised that BT Seventy-Four Limited had had a potential £12m gain on the earlier disposal of a Manx subsidiary. Prior to my appointment an election had been made to move this potential gain to BT, but the Company's tax agents now advised that this gain would be nil due to indexation. Accordingly the election was to be revoked, but I was asked to sign a

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Details of the authorising bodies of the insolvency appointment takers of BDO LLP are available at www.bdo.co.uk/services/business_restructuring/authorising_bodies_of_insolvency_appointment_takers



protection election in case HMRC disagreed with this treatment. Following the approval of my firm's tax department the protective election was executed in October 2015.

All pre-liquidation corporation tax returns were submitted to HMRC in November 2015, and I subsequently sought clearances from the corporation tax inspector and HMRC's Enforcement and Insolvency Service.

In March 2016 I received claims from the inspector for BT Seventy-Four Limited for some £6.5m and £44,700 for pre-liquidation periods. I have liaised with BT regarding these liabilities, and received confirmation two weeks ago that group relief has been applied to settle the debts.

I have now received clearances from EIS that there are no outstanding matters, and no objections to the liquidations being closed. I have yet to receive these clearances from the inspector.

Distributions and Future Prospects

Once I have received final tax clearances from the inspector I will be in a position to convene the final meetings of members.

As stated above, distributions in specie of the intercompany balances owed to the Companies will be made before the final meetings are held. These will represent first and final distributions of £6,347.66 per share for Albacom Holdings, and £10.99 per share for BT Seventy-Four Limited.

Liquidator's Remuneration

Pursuant to the Insolvency Rules 1986, the Liquidator is obliged to fix his remuneration in accordance with Rule 4.148A(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either

- (1) as a percentage of the assets realised and distributed; and/or
- (2) by reference to the time the Liquidator and the staff have spent attending to matters in the liquidation, and/or
- (3) as a set amount, and/or
- (4) as a combination of the above

My remuneration was approved on a fixed fee basis on the date of my appointment. My staff and I have spent time on matters arising in the normal course of the liquidation. The main areas dealt with include:

- liaising with the Companies and BT in relation to matters prior to the Liquidator's appointment,
- statutory reporting requirements to members,
- statutory reporting requirements to the Registrar of Companies,
- dealing with statutory advertising requirements,
- liaising with the Companies and BT to arrange submission of corporation tax returns for the pre-liquidation periods, and settlement of liabilities,
- correspondence with HMRC in order to obtain the necessary clearances to close the liquidations,
- corresponding with BT and providing updates of the progress of the liquidation; and
- preparation of this annual progress report

Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements.

The sum of £953 22 has been incurred in respect of category 1 disbursements for statutory advertising costs and the costs of the indemnity bonding. Further advertising costs will be incurred when the final meeting of members of the Companies are convened

As agreed with BT all liquidation costs including disbursements will be met by an appropriate group company as the Companies do not hold any funds

Members' rights

I provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of members to request further information and/or challenge the remuneration or expenses within the liquidations

Further Information

If you have a complaint you should address it in the first instance to the Senior Partner, BDO LLP, 55 Baker Street, London W1U 7EU. If you are still dis-satisfied, complaints to the office holder's regulatory body should be made via the Insolvency Service Complaints Gateway

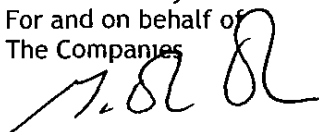
Complaints to the single Complaints Gateway may be made either by

- calling the Insolvency Service Enquiry Line on 0845 602 9848 (Monday to Friday 8am to 5pm), or
- completing and emailing the online complaints form on the Insolvency Service website <http://www.insolvencydirect.bis.gov.uk/contactus/ipcomplaint/complaintform.htm>, or
- completing the online complaints form and posting it to IP Complaints, Insolvency Service, 3rd Floor, 1 City Walk, Leeds, LS11 9DA

For more details, please visit <https://www.gov.uk/complain-about-insolvency-practitioner>

If you have any queries please contact Sharon Bloomfield as detailed above

Yours faithfully
For and on behalf of
The Companies



Malcolm Cohen
Liquidator
Enc

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of members in respect of the Liquidators' fees and expenses:**Rule 4.49E Creditors' and members' request for further information**

(1) If-

- (a) within the period mentioned in paragraph (2)-
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
- (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)-
 - (i) any unsecured creditor, or
 - (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter[s] in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108

(2) The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) The liquidator complies with this paragraph by either-

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers that-
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

Rule 4.148C Members' claim that remuneration is excessive

- (1) 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 the permission of the court, may apply to the court for one or more of the orders in paragraph (6) on the grounds that-
 - (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4.148A, or

- (c) expenses incurred by the liquidator,
is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (2) Application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or 4 weeks when the liquidator has resigned in accordance with Rule 4 142) after receipt by the applicant of the report or account which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (3) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it must not do so unless the applicant has had the opportunity to attend the court for a hearing of which the applicant has been given at least 5 business days' notice but which is without notice to any other party
- (4) If the application is not dismissed under paragraph (3), the court must fix a venue for it to be heard and give notice to the applicant accordingly
- (5) The applicant must at least 14 days before the hearing send to the liquidator a notice stating the venue and accompanied by a copy of the application and of any evidence which the applicant intends to adduce in support of it
- (6) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (7) Unless the court orders otherwise, the costs of the application must be paid by the applicant and are not payable as an expense of the liquidation