

Liquidator's Progress Report**Pursuant to section 92A, 104A, and 192 of the
Insolvency Act 1986****S. 192**

To the Registrar of Companies

Company Number

03407323

Name of Company


(a) Insert full name
of company

(a) TOUCH GROUP PLC - IN LIQUIDATION

(b) Insert full name(s)
and address(es)I ^(b) Asher Miller of David Rubin & Partners, Pearl Assurance House, 319
Ballards Lane, London, N12 8LYthe liquidator 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 6 August 2013 to 5 August 2014

Signed



Date

3/10/2014

Presenter's name,
address and reference
(if any)David Rubin & Partners
Pearl Assurance House
319 Ballards Lane
London N12 8LY

Tel 020 8343 5900

DX Number 57368 DX Exchange Finchley 1

SATURDAY



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04/10/2014

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COMPANIES HOUSE

IN THE MATTER OF
TOUCH GROUP PLC - IN LIQUIDATION

AND
THE INSOLVENCY ACT 1986

THE LIQUIDATOR'S ANNUAL PROGRESS REPORT
PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT 1986
AND
RULE 4.49C OF THE INSOLVENCY RULES 1986
FOR THE YEAR ENDED 5 AUGUST 2014

TOUCH GROUP PLC - IN LIQUIDATION
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

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- B Cumulative Time Analysis for the Period from 6 August 2012 to 5 August 2014

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(a) Introduction

The Company was placed into liquidation by a Special Resolution of the members followed by a meeting of the creditors convened under section 98 of the Insolvency Act 1986 on 6 August 2012. This report provides an update on the progress in the liquidation for the year ended 5 August 2014.

Rule 4.49C-CVL(5): Progress Report

(b) Statutory information

Company name	Touch Group PLC
Registered office	David Rubin & Partners, Pearl Assurance House, 319 Ballards Lane, London, N12 8LY
Company number	03407323
Trading address	Saffron House, 6-10 Kirby Street, London, EC1N 8TS

(c) Liquidator's name and address:

Asher Miller of David Rubin & Partners, Pearl Assurance House, 319 Ballards Lane, London, N12 8LY was appointed Liquidator of the Company on 6 August 2012.

(d) Basis of Liquidator's remuneration

Basis of remuneration

- 1.1 At the first meeting of Creditors a resolution was passed approving that the basis of my remuneration as Liquidator be fixed by reference to the time properly spent by my staff and myself in attending to matters arising in the winding-up.
- 1.2 In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), a schedule of my firm's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. There has not been any material increase in the rates during this appointment. Our current hourly chargeout rates, exclusive of VAT, are as follows:-

	£
Senior / Managing Partners	450
Partners/Office holders	300 - 395
Managers / Senior Managers	250 - 295
Senior Administrators	180 - 220
Administrators	130 - 160
Cashiers and Assistants	120 - 160
Supports	110 - 120

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Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. Time is charged in minimum units of 6 minutes.

1.3 *Staff allocation and the use of subcontractors*

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We have not utilised the services of any subcontractors in this case.

(e) Liquidator's remuneration

My time costs for the year under review are £36,008.50. This represents 140.30 hours at an average rate of £256.29 per hour. I attach as Appendix B a Time Analysis which provides details of the activity during the year, analysed by staff grade.

I have also reviewed my cumulative time costs for the period from 6 August 2012 to 5 August 2014 and would report that my total time costs are £164,590 for 691.30 hours, which equates to an average cost of £238.02 per hour. A breakdown of my time charges is also set out in Appendix B. To date £157,500 has been paid on account of these time costs.

To view an explanatory note concerning Liquidators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at www.drpartners.com/cases, using the following log-on details:

USERNAME: t364.tou@sharesrvr.com PASSWORD: uot463T*

Alternatively, please contact this office to arrange for a copy to be sent to you.

Included in the work undertaken by me and my staff is the following -

- i) Dealing with creditors' enquiries both by correspondence and by telephone and noting their claims.
- ii) Collection, review and archiving of company books and records.
- iii) Opening a designated bank account and dealing with the movement of funds.
- iv) Assisting the employees with completing their Redundancy Payments forms, submitting the necessary forms to the Redundancy Payments Office and recording and calculating preferential claims.
- v) Carrying out all necessary investigations, including the examination of the company's statutory books and books of accounts and records in order to enable me to prepare and submit a Liquidator's report on the conduct of the directors pursuant to the requirements of the Company Directors Disqualification Act 1986.

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- vi) Dealing with the dilapidations claim received from the Landlord of the Company's former trading premises and disclaiming the Company's lease
- vii) Dealing with valuations of the Company's assets, marketing and negotiating their disposal
- viii) Negotiating the sale of the Work in Progress and book debts, and dealing with the Sale Agreement
- ix) Continuously monitoring the Company's pre-appointment bank accounts to ascertain whether we have received any Work in Progress ("WIP") or book debt monies. Also arranging to transfer any credit balances from the Company's pre-appointment bank accounts to the post-appointment client account
- x) Obtaining the necessary information in order to reconcile the WIP from the book debts.
- xi) Arranging to transfer WIP monies to Touch Med Limited, in accordance with the terms and conditions of the Sale Agreement
- xii) Advertising the sale of the lease through Edward Symmons
- xiii) Correspondence and meetings with the Directors regarding HMRC's distraint action against the Company
- xiv) Dealing with the secured creditor claim, reviewing and assessing the validity of the Company's debenture
- xv) Periodic case and file reviews to ensure compliance with regulatory obligations
- xvi) Dealing with all matters relating to book debts, including correspondence and telephone attendances with the debtors
- xvii) Preparation and submission to HM Revenue & Customs of the relevant Corporation Tax and VAT returns
- xviii) Preparation and circulation of my annual progress reports and Receipts and Payments Account to creditors pursuant to S104A of the Insolvency Act 1986 and submission of the same to the Registrar of Companies.

(f) Liquidator's expenses

Expenses incurred in the liquidation are explained at (g) below in my comments on the Receipts and Payments Accounts

(g) Details of progress for the period under review:

The Company's WIP and Intellectual Property (IP), along with all its rights, title, and interest to the same were sold on a going concern basis, shortly after my appointment, to Touch Med Limited (TM), an entity connected to Mr Vincent Isaacs, who was a director of Touch Group Plc

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The consideration was made up as follows

WIP Payments	10% of any payments received by or on behalf of TM, up to a maximum amount of £50,000
IP Payments	30% of all proceeds received by or on behalf of TM in respect of the IP sold on or before 30 June 2013
The Initial Payment	This was a non-refundable payment of £5,000 to be set off against the first £5,000 of the IP Payments

WIP comprised the exclusive right to negotiate with customers of the Company to provide the services which remained to be performed at the date of liquidation

IP comprised any rights vested in the Company in the Journal Titles, the Domain Names, the e-books, the Database Association, and the KOL Relationships

The Asset Sale Agreement dated 8 August 2012 provided for TM to deliver the Initial Payment followed by exchange and completion of the sale

Independent professional valuers, Edward Symmons LLP, advised that there was a potential premium of £100,000 which might be obtained for the leasehold interest in the Company's former trading premises, if an assignee was found. A rent deposit held by the Landlord of the premises was listed on the Statement of Affairs at a book value of £126,196

Following discussions with Nabarro LLP, who acted as solicitors and agents for the Landlord, it transpired that there were outstanding arrears due to the Landlord under the lease, in the sum of £107,986 80. A dilapidations claim was received by us on behalf of the Landlord in the sum of £243,560 40. Consequently, the rent deposit was offset against the rent and dilapidation expenses. Our agents were unable to attract any expressions of interest for the residue of the lease. Therefore, a notice of disclaimer was served on 11 February 2013 in order to disclaim the Company's interest in the premises.

A Receipts and Payments Account is attached at Appendix A, which is further explained below

1. Receipts

1.1 Realisation of Assets

A total amount of £59,725 was received in respect of the sale of the Company's assets. WIP Payments to the agreed maximum amount of £50,000 were achieved. IP payments totalling £4,725 were received from TM. The Initial Payment of £5,000 was received. There are no outstanding payments to be received.

1.2 Book Debts

Book Debts were listed on the Statement of Affairs at an estimated value of £477,029. The realisations currently stand at £253,813 49. Following my appointment, a detailed examination of the sales ledger showed that some £200,000 of book debts were of doubtful realisable value, due to disputes, counterclaims and

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other issues. We have carried out extensive investigations into the outstanding amounts and it is unlikely that any further significant realisations will be achieved.

1.3 Cash at Bank and in Transit

The amount of £352,187 was listed on the Statement of Affairs representing funds held in the Company's bank accounts as at the date of Liquidation. Amounts totalling £356,061.91 were transferred into the Company's liquidation bank account.

1.4 Cash Held on Appointment

The amount of £15,000 was held by my firm, prior to my appointment as Liquidator, specifically for the purposes of meeting the costs of the Statement of Affairs fee as detailed below.

1.5 Stock/WIP

The amount of £59,725 represents realisations made in respect of the sale of the Company's assets to TM as stated in (g)1.1 above.

1.6 Office Equipment and Furniture

Independent professional valuers, Edward Symmons, valued the break up/restricted market value of office equipment and furniture at £12,000 as stated on the Statement of Affairs. The assets were held at the Company's former trading premises and were subject to an existing lease. Nabarro LLP Solicitors, who were acting on behalf of the Landlord, informed us that the Landlord re-entered the premises on 16 January 2013 under the forfeiture clause in the lease. Edward Symmons advised us that the costs of clearing the premises would exceed the likely sale proceeds of the assets. Accordingly, they had to be abandoned in situ.

1.7 Refund/Recovery

A recovery was made from Olswang LLP in the sum of £274.73 for interest accrued on Company funds held in their client account. A refund of £30.40 was received from Prudential Health Services Limited following the closure of the PruHealth PMI Scheme. A refund was received in the sum of £1,189.82 from Friends Life Group Protection representing an overpayment in respect of the Company's Income Protection Scheme.

1.8 Potential Third Party Funds

The amount of £2,204.06 represents monies received in respect of outstanding book debts. We have carried out extensive reconciliations so that title to the money can be determined, as it may be subject to claims from TM as being funds received from WIP which was sold to them.

1.9 Bank Interest Received

Gross interest earned on the funds in hand amounts to £220.14.

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Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

2. Payments

2.1 Statement of affairs fee

The fee of £28,500 relates to the assistance given to the directors of the Company in notifying and convening the members and creditors meetings under section 98 of the Insolvency Act 1986, and the preparation of the Statement of Affairs and directors' report to creditors. This fee was approved at the first meeting of creditors.

2.2 Specific bond

The specific bond of £183 60 is the cost of insurance, based on the level of realisations by the Liquidator, as required by the Insolvency Practitioners Regulations 2005.

2.3 Statutory advertising

The fee of £306 represents the costs for the publishing of statutory advertising in the London Gazette in respect of the first meetings of the members and creditors, the notice of the appointment of the Liquidator and notice to creditors to submit their claims in the liquidation.

2.4 Carriage and Archiving

My firm uses its own personnel and vehicle for collection of books and records for which we charge £30 per hour. My firm has been paid £227 90 to date.

2.5 Meeting costs

The first meetings of members and creditors were both held at my office for which my firm charged a nominal rental of £150 for the provision of boardroom and ancillary facilities.

2.6 Statutory costs

The amount of £12 was paid in respect of fees for various searches and information obtained from Companies House.

2.7 Travel expenses

Travel expenses in the sum of £138 64 were incurred attending the meetings of members and creditors.

2.8 Agents fees

An amount of £13,028 was paid to Edward Symmons LLP in relation to attendance and valuation of the Company's property, advice on sale of the business, marketing of the Company's leasehold premises, and disposal of assets.

Edwards Symmons LLP were selected as agents on the basis of their experience and expertise in dealing with valuations and sale of assets in insolvency situations, taking into account the locality and size of the Company.

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Edward Symmons fees are based on time costs, but I was able to agree a lower fixed fee for their services, which has now been paid

An amount of £124 96 was paid to Automatic Data Processing Limited in respect of their fees for processing payslips of the former employees of the Company

2.9 Legal and other professional fees

An amount of £8,000 was paid to Keystone Law Limited in connection with advice on the structure of the Company's sale transaction, drafting, negotiating and finalising sale documentation and dealing with completion. Keystone Law LLP also conducted a review of the Company's debenture held by Pauline Isaacs and prepared a written report on its validity and the validity of related loan arrangements

Keystone Law Limited have a specialist Insolvency department and they were chosen on that basis after taking into account the size and complexity of the legal issues

I was able to negotiate a fixed fee for this work, which has now been paid

An amount of £598 50 was paid to Butcher Burns LLP Solicitors for advice on the forfeiture of the lease. There is no amount outstanding in respect of legal fees

2.10 Insurance of Assets

The amount of £477 was paid to Willis Limited in respect of insurance cover of the Company's former trading premises for the period from 6 August 2012 to 5 November 2012

2.11 Bank Charges

The charges in relation to foreign currency transactions amounted to £303

2.12 Liquidator's remuneration

As mentioned in part (e), the sum of £157,500 has been drawn on account against my time costs

2.13 Other expenses incurred but not yet charged

The Liquidation has incurred further expenses in regards to the statutory obligations and progression of the case which are detailed below

2.13.1 Courier expenses

The sum of £20 40 was incurred delivering the Company's books and records.

2.13.2 Storage Costs

My firm uses a commercial archiving company for storage facilities for the Company's records and papers. This is recharged at the rate of £10 per box per quarter and includes a small charge to cover the administration costs of archiving and retrieval of documents. I am also required to keep my working papers for 6 years from the conclusion of the liquidation

TOUCH GROUP PLC - IN LIQUIDATION

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(h) Details of any assets that remain to be realised and outstanding matters

As noted in paragraph (g)1 2, our investigations into outstanding book debts revealed that it is unlikely that there will be any further significant realisations. Apart from the book debts there are no other outstanding assets to be realised.

The Company's only secured creditor has been paid in full and we are now in a process of agreeing employees' preferential claims. Sufficient funds have been retained to enable us to pay the preferential creditors in full. There is a number of claims which are yet to be agreed and it is anticipated that the preferential dividend distribution will be made in the near future once all preferential claims have been agreed.

(i) Investigations

1.1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose the contents.

Shortly after my appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire. My examinations have not revealed any issues requiring further investigation.

(j) Creditors' rights – Rule 4.49E and Rule 4.131

- i) Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provides further information about his remuneration or expenses which have been itemised in this progress report.
- ii) Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive.

(k) Any other relevant information:

(i) (a) Secured creditors

Mrs Pauline Isaacs held a fixed and floating charge over the Company's assets which was created on 8 November 2011 and registered at Companies House on 10 November 2011. The amount secured was all monies due from the Company to Pauline Isaacs under a loan agreement dated 8 November 2011. The secured amount was listed on the Statement of Affairs at £281,129. Investigation has revealed that the actual total amount due including interest was £288,341.31 which has now been settled in full.

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(b) Prescribed Part

Section 176A of the Insolvency Act 1986 provides for a prescribed part of the Company's net property to be retained from distribution to the floating charge holder, where the debenture was created on or after 15 September 2003 and made available for the satisfaction of unsecured debts

As the floating charge holder has been paid in full this provision is not applicable

(ii) Preferential creditors

I have received a preferential claim from the Redundancy Payments Office for £52,649 25. The preferential claims of employees who are owed the balance of their wages and holiday pay are currently being agreed. Sufficient funds have been retained in order to pay preferential creditors in full once all preferential claims have been agreed

(iii) Unsecured creditors

The claims of 36 unsecured creditors totalling £1,124,157 04 have been received compared to 143 creditors totalling £1,717,145 50 disclosed on the Statement of Affairs. As funds are likely to become available for unsecured creditors, I have been requesting creditors to submit their claims for adjudication. The claims are currently being agreed

(l) Next report

I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to that, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact Zuzana Jedlicakova at this office



ASHER MILLER F.C.A. - LIQUIDATOR

Date 3 October 2014

TOUCH GROUP PLC - IN LIQUIDATION
LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FROM 06 AUGUST 2012 TO 05 AUGUST 2014

	<u>Estimated</u> <u>to realise</u> £	<u>Realised</u> <u>to date</u> £	<u>Y/E</u> <u>05-Aug-14</u> £
<u>Balance brought forward</u>			236,315 27
<u>Receipts</u>			
Book debts	477,029 00	253,813.49	34,966 27
Cash at bank and in transit	352,187 00	356,061.91	
Cash held on appointment		15,000 00	
Stock/WIP		59,725 00	
Office equipment and furniture	12,000 00	0 00	
Refund/Recovery		1,494 96	
Potential Third Party Funds		2,204 06	(22,011 21)
Bank Interest Gross		220 14	109 05
Other Assets		1 00	
		<u>688,520 56</u>	<u>249,379 38</u>
<u>Payments</u>			
Statement of affairs fee		28,500.00	
Specific bond		183.60	
Statutory advertising		306.00	
Carriage and archiving		227.90	77 90
Meeting costs		150.00	150 00
Statutory costs		12.00	12 00
Travel expenses		138.64	138 64
Agent's fees		13,152.96	
Legal and other professional fees		8,598.62	
Insurance of Assets		477.00	
Bank charges		303.00	30 00
Liquidator's remuneration		157,500.00	37,500.00
		<u>209,549.72</u>	<u>37,908.54</u>
<u>Receipts less Payments</u>		478,970.84	211,470.84
<u>Distributions:</u>			
Secured creditor		(288,341 31)	(20,841 31)
<u>Balance in hand</u>		<u>190,629.53</u>	
<u>Represented by:-</u>			
Balance at bank		<u>190,629.53</u>	

TOUCH GROUP PLC - IN CREDITORS' VOLUNTARY LIQUIDATION

LIQUIDATOR'S TIME COSTS FOR THE PERIOD 6 AUGUST 2013 TO 5 AUGUST 2014 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning	03 54	00 00	32 42	07 24	44 00	8,624 50	196 01
Realisations of assets	01 12	09 30	47 06	00 00	57 48	14,864 50	257 17
Creditors	22 24	03 30	12 48	00 00	38 42	12,519 50	323 50
Total hours and costs	27 30	13 00	92 36	07 24	140 30	36,008 50	256 29

LIQUIDATOR'S CUMULATIVE TIME COSTS FOR THE PERIOD FROM 6 AUGUST 2012 TO 5 AUGUST 2014 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
IPS set up & maintenance	00 00	00 00	00 06	00 00	00 06	22 00	220 00
Statutory filings, circulars, notices, etc	05 12	10 48	19 54	00 00	35 54	8,509 00	237 02
Taxation PAYE, C/Tax & VAT	05 06	00 12	05 42	00 00	11 00	2,814 50	255 86
Accounting & Cashiering	00 00	00 00	09 06	34 54	44 00	6,985 00	158 75
Case reviews & Diary maintenance	02 00	00 30	84 54	00 00	87 24	15,767 50	180 41
Statutory reporting and compliance	00 00	00 00	05 54	00 00	05 54	1,563 00	264 92
Investigations							
CDDA preparation & reporting	04 30	00 30	12 48	00 00	17 48	4,683 00	263 09
Realisation of assets							
Shares & investments	00 00	00 00	00 42	00 00	00 42	154 00	220 00
Book debts collection	15 18	23 30	76 54	00 00	115 42	29,789 00	257 47
Tangible assets	48 54	20 30	104 42	00 00	174 06	47,028 00	270 12
Creditors							
Secured creditors	14 18	01 48	11 06	00 00	27 12	8,581 50	315 50
Unsec'd Creditors correspondence & claims	23 12	18 54	28 24	00 00	70 30	19,846 50	281 51
Preferential creditors & employees	06 30	04 30	90 12	00 00	101 12	18,847 00	186 24
Total hours and costs	125 00	81 12	450 24	34 54	691 30	164,590 00	238 02