

Our Ref IZR/JYC/SAF/LKG/O00305/7

To the creditors and members

Recovery and Reorganisation

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24 January 2017

Dear Sirs

03481398 Ltd (formerly TM GB Ltd) - In Liquidation
High Court of Justice
No 7759 of 2012

1 Introduction

1.1 Following my appointment as joint liquidator of the above company with Kevin J Hellard on 29 November 2012, in accordance with rule 4.49B of the Insolvency Rules 1986 I now report on the progress of the liquidation for the year ended 28 November 2016 and attach

- Appendix A, an account of our receipts and payments for the year ended 28 November 2016 and also for the whole liquidation to that date
- Appendix B, a statement of the remuneration charged by the joint liquidators in the period 29 November 2015 to 28 November 2016 and a statement of expenses incurred in the period
- Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator (rule 4.49E)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4.131)

1.2 Kevin J Hellard and I are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners.

2 Statutory information

2.1 The company's statutory details are as follows

Registered number 03481398

Registered office No 1 Whitehall Riverside, Leeds, LS1 4BN

WEDNESDAY



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QIQ 25/01/2017 #89

COMPANIES HOUSE

Chartered Accountants

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3 Progress report

Investigations

- 3.1 As you may recall, my investigations into the Company's affairs established that the Company was involved in Missing Trading Intra Community (MTIC) fraud.
- 3.2 Full details of our investigations, which included review of the Company's records, bank statement analysis, the Company's tax affairs and trading relationships with other companies which were involved in MTIC fraud, were set out in our report dated 18 December 2015
- 3.3 The funds held by First Cuiacao International Bank (FCIB) represented the only realisable asset in the liquidation, and full and final settlement was received in May 2015, following lengthy negotiations
- 3.4 My enquiries into the affairs of the Company are now almost complete and I anticipate being in a position to bring the liquidation to a conclusion shortly

Creditors and dividend prospects

- 3.5 There are no preferential creditors
- 3.6 I have received two unsecured claims totalling £3,932,805, of which HM Revenue and Customs' claim represents 80% of total claims received
- 3.7 A Notice to Creditors to claim has been issued, and no further claims have been received. I expect to be in a position to make a small distribution to creditors in due course, of in the region of 0.4p in the £

4 Joint liquidators' remuneration and expenses

- 4.1 At a creditors' meeting held on 26 August 2015, creditors approved that the joint liquidators' remuneration be fixed by reference to 75% of realisations
- 4.2 You will note from the SIP 9 table attached at Appendix C that our time costs to date are £45,501. Fees of £317,127 have been drawn in accordance with the fee resolution referred to above, being 75% of realisations from FCIB
- 4.3 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at https://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20Dec%202015.pdf. Alternatively, I will supply this information by post on request

- 4 4 The hourly charge out rates used in calculating time costs for the current and prior periods are as follows

	29-11-2012 to 30-06-2013 £	01-07-2013 to 30-06-2014 £	01-07-2014 to 30-06-2016 £	01-07-2016 to Present £
Partner/Director	440 - 580	470 - 615	470 - 615	370 - 615
Managers	270 - 440	280 - 455	290 - 470	290 - 470
Other senior professional	220 - 285	230 - 295	240 - 305	195 - 305
Administrators	150 - 210	155 - 220	160 - 230	160 - 230
Assistants and support staff	145 - 165	150 - 170	150 - 175	160 - 175

- 4 5 In addition, we have drawn expenses of £1,681 as indicated in Appendix A and have further expenses to take in due course as set out in Appendix B

5 Other expenses incurred by the joint liquidators

- 5 1 Agents' and legal fees have been incurred as set out in Appendix A There are no other outstanding costs

If you have any queries in relation to the contents of this report, please contact Jane Clark of my staff on 0113 200 2510

Yours faithfully
for and on behalf of 03481398 Ltd



pp Ian Richardson
Joint Liquidator

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A Abstract of the joint liquidators' receipts and payments

03481398 Ltd (formerly TM GB Ltd) - in liquidation

Summary of receipts and payments

from 29 November 2012 to 28 November 2016

	Statement of affairs per OR £	From 29/11/2012 to 28/11/2015 £	From 29/11/2015 to 28/11/2016 £	Total to 28/11/2016 £
Receipts				
Cash at Bank	528,664 61	422,836 91	0 00	422,836 91
Bank/ISA InterestGross		597 81	35 06	632 87
Petitioners Deposit		1,165 00	0 00	1,165 00
		<u>424,599 72</u>	<u>35 06</u>	<u>424,634 78</u>
Payments				
ISA Account Fees		264 00	88 00	352 00
DTI Cheque Fees		0 90	0 00	0 90
Secretary of State Fees		63,125 69	0 28	63,125 97
Petitioners Costs		2,235 00	0 00	2,235 00
Liquidators Fees		317,126 95	0 00	317,126 95
Liquidators Expenses		1,681 33	0 00	1,681 33
Agents/Valuers Fees (1)		3,200 00	0 00	3,200 00
Legal Fees (1)		20,373 79	0 00	20,373 79
Tax on Interest		119 56	7 01	126 57
		<u>408,127 22</u>	<u>95 29</u>	<u>408,222 51</u>
Net Receipts/(Payments)		<u>16,472 50</u>	<u>(60 23)</u>	<u>16,412 27</u>
Made up as follows				
ISA Bank Balance		<u>16,472 50</u>	<u>(60 23)</u>	<u>16,412 27</u>

B Remuneration charged and expenses incurred by the joint liquidators in the period 29 November 2015 to 28 November 2016

	Charged/incurred in period 29/11/2015 to 28/11/2016	Cumulative charged/incurred to 28/11/2016	Of which paid to 28/11/2016
	£	£	£
Joint liquidators' fees:			
Time costs (fixed 75% of realisations)	0 00	317,126 95	317,126 95
Expenses.			
Bordereau		500 00	500 00
Statutory advertising	101 52	287 64	186 12
Companies House fees		10 00	10 00
Search fees		83 00	83 00
Legal fees		620 72	620 72
Travel		55 20	55 20
Courier		226 29	226 29
Total	101 52	318,999.80	318,898 28

C SIP 9 information

03481398 Ltd - In Liquidation - O30200305 - SIP 9 TIME COST ANALYSIS

Transaction period 29/11/2012 to 28/11/2018

	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hrfy Rate	Hrs	£	Avg Hrfy Rate	Hrs	£	Avg Hrfy Rate	Hrs	£	Avg Hrfy Rate	Hrs	£	Avg Hrfy Rate
Administration and Planning	185	988.75	523.65	18.04	7,147.20	393.19	42.58	10,702.70	251.36	2182	3,247.75	148.84	84.29	22,068.40	261.79
Creditors				130	508.00	389.23	8.50	2,582.50	305.00	55	88.00	160.00	0.35	3,198.50	307.87
Investigations				8.15	3,600.00	391.41	7.05	1,735.50	246.17	13.40	2,077.00	155.00	28.60	7,002.50	244.84
Pensions				20	95.00	475.00				50	139.50	15.00	1.10	234.50	213.19
Realisation of Assets				11.75	8,861.25	409.63	19.25	4,388.50	227.97				38.00	11,249.75	312.49
Taxation				2.45	860.00	351.02	3.35	749.50	223.73	2.35	152.50	64.89	8.15	1,782.00	218.20
Total	185	988.75	523.65	46.89	18,659.45	397.94	80.73	20,168.70	249.83	39.02	5,704.75	148.20	188.49	45,501.65	270.08

Total fees billed to date (Time) * £317,127

Fees based on 75% of realisations

Administration & Planning	Case planning; administrative set-up, appointment notification, maintenance of records; case review, statutory matters Dealing with S236 application
Creditors	Dealing with Creditors claims Includes, correspondence with unsecured creditors
Investigations	Review and analysis of company records, analysing bank accounts, reviewing financial information, correspondence with professional advisors
Pensions	Dealing with statutory notifications
Realisation of Assets	Analysis of Company's FCIB account; correspondence with FCIB regarding bank account, correspondence with Official Receiver
Taxation	Dealing with the Company's tax position, Analysis and review of Company's VAT appeals, Correspondence with HMRC and the Tribunals Service.

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator

Rule 4.49E edited for application to a progress report in a winding-up by the court

- (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
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, 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 a matter which was previously included in a progress report
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report.
- (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
- (4) Any creditor, who need not be the same as the creditor who requested further information, may apply to the court within 21 days of -
 - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4.131(1B) by such further period as the court thinks just
- (6) This Rule does not apply where the liquidator is the Official Receiver.

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive

Rule 4.131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application by a creditor may be made on the grounds that -
 - (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4.127, 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
- (1B) The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice, but which is without notice to any other party
If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, 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
- (4) 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
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation