

Our Ref IZR/MSS/HEC/O00305/7

To the creditors and members



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29 January 2015

Dear Sirs

**03481398 Limited (Formerly TM GB Limited) - In Liquidation (the Company)**  
**High Court of Justice No 7759 of 2012**  
**Former Trading Address: 28 Stradbroke Grove, Clayhall, Ilford, Essex, IG5 0DN**

**1 Introduction**

- 1.1 I refer to the liquidation of the above Company and my appointment as joint liquidator, together with Kevin J Hellard
- 1.2 On 23 August 2012, following an application by TM Global Limited (TM Global), a creditor of the Company, a court order was granted to restore the Company following its initial dissolution in June 2011
- 1.3 Subsequent to this, following a petition by TM Global, it was ordered that the Company be wound up and placed into compulsory liquidation on 19 November 2012. The court also ordered that the costs of the petitioner of the petition be paid out of the assets of the Company
- 1.4 On 29 November 2012, Kevin J Hellard and I were appointed as joint liquidators of the Company. Please note that both Kevin Hellard, and I, are authorised by the Insolvency Practitioners Association to act as insolvency practitioners
- 1.5 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 2014 and attach
  - Appendix A, abstract of the joint liquidators' receipts and payments for the period 29 November 2013 to 28 November 2014 and also for the whole liquidation to date,
  - Appendix B, a statement of the remuneration charged by the joint liquidators in the period 29 November 2013 to 28 November 2014 and a statement of expenses incurred in the period,
  - Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9,

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- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the joint liquidators (rule 4.49E),
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the joint liquidators' remuneration or expenses if excessive (rule 4.131)

## **2 Statutory Information**

2.1 The Company's statutory details are as follows

|                            |   |
|----------------------------|---|
| Registered number          | 03481398 Limited  |
| Registered office          | c/o Grant Thornton UK LLP, No 1<br>Whitehall Riverside, Leeds, West Yorkshire,<br>LS1 4BN |
| Previous registered office | Finsgate, 5-7 Cranwood Street, London,<br>EC1V 9EE  |
| Previous trading address   | 28 Stradbroke Grove, Clayhall, Ilford, Essex,<br>IG5 0DN                                  |

## **3 Progress Report**

### ***First Curacao International Bank (FCIB)***

- 3.1 The Company held an account with FCIB, which is a bank based in Curacao (formerly part of Netherlands Antilles) and suspected of being involved in money laundering and VAT fraud. It was subject to an Emergency Measure under the Supervision of Banks and Credit Institution 1994, whereby its banking license was revoked on 9 October 2006, and management powers devolved to Bank van de Nederlandse Antillen (BNA). As such, all the accounts in FCIB were frozen.
- 3.2 The Company has a frozen account with a cash balance of £528,554.61
- 3.3 In addition to the account being frozen, HMRC obtained an attachment order on the account in March 2009 that prevents the funds from being released to the Company unless HMRC withdraw the attachment. This order was granted on the basis of a claim by HMRC against the Company totalling £966,363.37
- 3.4 At present, I am in negotiation with the bank and HMRC to seek recovery of the funds. Although negotiations are progressing ultimately I may need to issue proceedings against the Bank to recover the funds for the estate.

### ***VAT Appeal***

- 3.5 As you may recall, prior to my appointment, the Company was involved in an appeal alongside its sister company TM Global against a decision by HMRC to withhold and then deny input VAT over a number of periods. The total VAT input tax due to the Company that had been denied by HMRC totalled £4,553,639.30
- 3.6 I sought advice from my internal VAT expert and was advised that it would be extremely difficult to achieve a successful outcome with the recommendation being not to pursue the appeal any further. Accordingly it was withdrawn.

## **4 Creditors and dividend prospects**

4.1 There are no preferential creditors

4 2 I have received 2 unsecured claims totalling £3,932,805

4 3 At present, there are insufficient funds available to enable a dividend to be paid to creditors

**5 Joint liquidators' remuneration and expenses**

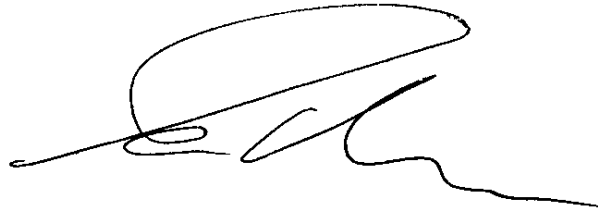
5 1 At a creditors meeting held on 27 February 2014, creditors approved that the joint liquidators remuneration be fixed by reference to the time properly given by the liquidators and their staff plus VAT in attending to matters arising in the liquidation and that the joint liquidators be authorised to draw remuneration on account

5 2 In accordance with Statement of Insolvency Practice (SIP 9), I attach at Appendix B, a summary of my time costs, by grade of staff and type of work. This shows a total time cost to 28 November 2014 of £31,298.55 represented by 108.30 hours at an average charge out rate of £289.00 per hour of which no fees have been drawn to date. The expenses to date are £1,681.33 which relate to bond charges, statutory advertising, court fees, land registry search fees and Section 236 costs. To date, no expenses have been drawn.

5 3 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'View SIP's' to 'Creditors Guides to Fees'). Alternatively I will supply this information by post on request.

Yours faithfully

For and on behalf of 03481398 Limited



Ian Richardson  
Joint liquidator

Enc

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A Abstract of the joint liquidators' receipts and payments for the period 29 November 2013 to 28 November 2014

|                         | For the Period<br>29 November 2013<br>to<br>28 November 2014<br>£ | Cumulative Total  |
|-------------------------|---|-------------------|
| <b>Receipts</b>         |   |                   |
| Petitioner's deposit    | Nil   | 1,165 00          |
| <b>Total receipts</b>   | Nil   | 1,165 00          |
| <b>Payments</b>         |   |                   |
| Petitioner's costs      | Nil   | 2,235 00          |
| ISA Account Fees        | 88 00   | 176 00            |
| <b>Total payments</b>   | (88 00)   | ( 2,411 00)       |
| <b>Balance of funds</b> |   | <u>(1,246 00)</u> |

B Remuneration charged and expenses incurred by  
the joint liquidators in the period  
29 November 2013 to 28 November 2014

|                                 | Paid in period of<br>report<br>29 November 2013<br>to<br>28 November 2014<br>£ | Charged/ accrued in<br>period but not yet paid<br>29 November 2013<br>to<br>28 November 2014<br>£ | Cumulative<br>total |
|---------------------------------|--|---|---------------------|
| <b>Joint liquidators' fees.</b> |  |   |                     |
| Time costs                      | -  |   |                     |
| <b>Expenses:</b>                |  |   |                     |
| Bordereau                       | -  | -   | 500 00              |
| Statutory advertising           | -  | 101 52  | 186 12              |
| Companies House fees            | -  | -   | 10 00               |
| Search fees                     | -  | 71 00   | 83 00               |
| Legal fees                      | -  | 30 00   | 620 72              |
| Travel                          | -  | 55 20   | 55 20               |
| Courier                         | -  | 226 29  | 226 29              |
|                                 | -  | 484 01  | 1,681 33            |

**03481398 LIMITED - IN LIQUIDATION - SIP 9 TIME COST ANALYSIS**

**APPENDIX C**

For the period from 29 November 2012 to 28 November 2014

| Standard                    | Partner |        |               | Manager |           |               | Executive |           |               | Administrator |          |               | Total  |           |               |
|-----------------------------|---------|--------|---------------|---------|-----------|---------------|-----------|-----------|---------------|---------------|----------|---------------|--------|-----------|---------------|
|                             | Hrs     | £      | Avg Hrly Rate | Hrs     | £         | Avg Hrly Rate | Hrs       | £         | Avg Hrly Rate | Hrs           | £        | Avg Hrly Rate | Hrs    | £         | Avg Hrly Rate |
| Administration and Planning | 1.20    | 632.00 | 526.67        | 6.55    | 2,854.00  | 435.73        | 27.21     | 6,722.05  | 247.04        | 4.49          | 471.00   | 104.90        | 39.45  | 10,679.05 | 270.70        |
| Investigations              | 0.00    | 0.00   | 0.00          | 5.45    | 2,210.00  | 405.50        | 7.80      | 2,053.50  | 263.27        | 13.40         | 2,144.00 | 160.00        | 26.65  | 6,407.50  | 240.43        |
| Legal                       | 0.00    | 0.00   | 0.00          | 0.00    | 0.00      | 0.00          | 1.80      | 468.00    | 260.00        | 0.00          | 0.00     | 0.00          | 1.80   | 468.00    | 260.00        |
| Realisation of Assets       | 0.00    | 0.00   | 0.00          | 16.75   | 7,531.25  | 449.63        | 19.25     | 5,158.50  | 267.97        | 0.00          | 0.00     | 0.00          | 36.00  | 12,689.75 | 352.49        |
| Tax                         | 0.00    | 0.00   | 0.00          | 0.50    | 187.50    | 375.00        | 3.90      | 866.75    | 222.24        | 0.00          | 0.00     | 0.00          | 4.40   | 1,054.25  | 239.60        |
| Total                       | 1.20    | 632.00 | 526.67        | 29.25   | 12,782.75 | 437.02        | 59.96     | 15,268.80 | 254.65        | 17.89         | 2,615.00 | 146.17        | 108.30 | 31,298.55 | 289.00        |

Total fees billed to date (Time) £Nil

**Examples of work**

|                                   |  |             |             |
|-----------------------------------|--|-------------|-------------|
| Administration and planning       | Case planning, administrative set-up, appointment notification, maintenance of records, case review, statutory matters including bond notification and calculation, reports, cashiers duties |             |             |
|                                   | Review and analysis of company records, analysing bank accounts, reviewing financial information, correspondence with professional advisors  |             |             |
| Investigations                    | Dealing with S236 application.   |             |             |
| Legal                             | Analysis of Company's FCIB account; correspondence with FCIB regarding bank account; correspondence with Official Receiver   |             |             |
| Realisation of assets             | Dealing with the Company's tax position, Analysis and review of Company's VAT appeals, Correspondence with HMRC and the Tribunals Service  |             |             |
| Tax                               | Dealing with the Company's tax position, Analysis and review of Company's VAT appeals, Correspondence with HMRC and the Tribunals Service  |             |             |
| Grant Thornton's charge out rates | 1 July 2014  | 1 July 2013 | 1 July 2012 |
| Partner                           | £ per hour   | £ per hour  | £ per hour  |
| Director                          | 495-615  | 480-600     | 465-580     |
| Senior Manager                    | 470-515  | 455-500     | 440-480     |
| Manager                           | 430-470  | 415-455     | 400-440     |
| Other Senior Professional         | 290-400  | 280-390     | 270-375     |
| Administrator                     | 240-305  | 230-295     | 220-285     |
|                                   | 160-230  | 155-220     | 150-210     |

## 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 creditors' voluntary liquidation

- (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

## 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 specifyand 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