

# WU07

## Notice of progress report in a winding-up by the court



Companies House

THURSDAY



A09 \*A7AIPUMZ\* 19/07/2018 #76  
COMPANIES HOUSE

lease

use

### 1 Company details

Company number 0 4 9 9 0 5 3 9

Company name in full 118 TRAVEL LIMITED

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) ANTHONY JOHN

Surname SARGEANT

### 3 Liquidator's address

Building name/number c/o A J SARGEANT & CO LTD

Street 108 RANBY ROAD

Post town SHEFFIELD

County/Region

Postcode S 1 1 7 A L

Country

### 4 Liquidator's name

Full forename(s)

Surname

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

WU07

Notice of progress report in a winding-up by the court

**6** **Period of progress report**

From date	d 1	d 6	m 0	m 5	y 2	y 0	y 1	y 7
To date	d 1	d 5	m 0	m 5	y 2	y 0	y 1	y 8

**7** **Progress report**

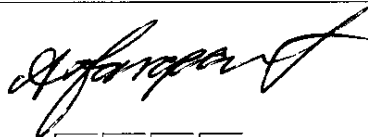
☒ The progress report is attached

**8** **Sign and date**

Liquidator's signature

Signature

X



X

Signature date

d 1	d 0	m 0	m 7	y 2	y 0	y 1	y 8
-----	-----	-----	-----	-----	-----	-----	-----



Private and Confidential  
TO ALL CREDITORS

**A J Sargeant & Co Limited**  
**108 Ranby Road**  
**Sheffield**  
**S11 7AL**

Tel; 07889 387310  
Email; [tony@ajsargeant.co.uk](mailto:tony@ajsargeant.co.uk)

10 July 2018

Dear Sir

**118 Travel Limited ("the Company") – In Compulsory Liquidation**

**Progress Report for the period 16 May 2017 to 15 May 2018**  
**and Liquidators Remuneration Report**

I was appointed Liquidator of the Company on 16 May 2017 following a Winding Up Order on 6 March 2017. This is my report to members and creditors following the first anniversary of my appointment as Liquidator.

**Executive summary**

My duties and functions as Liquidator are the realisation of the Company's assets and any investigations that are required to recover those assets, the agreement of the claims of creditors and the eventual distribution of the Liquidation funds between the creditors in accordance with their legal entitlements. This section is a summary of my report seeking fee approval, although more detail about the assets and liabilities of the Company and my proposed fees and expenses are set out in my report below.

I am seeking approval from creditors that my remuneration as Liquidator on a mixed basis of time costs to the fee estimate and in completing the current legal action the regarding the transaction at undervalue and other assignment of debts, and a fixed fee basis of 10% for assets realised from potential second and future dividends due from the Holding company. This is less than the standard fee charged by the Official Receiver and will guarantee creditors a dividend. In addition to this, the estimated category 1 expenses of the Liquidation are £2,025 being the statutory bonding and advertising disbursements directly incurred

**Liquidators Actions Since Appointment**

This was a case where the company had ceased trading three years prior to winding-up and was wound up by the liquidator of the Holding company, on Holiday Group Limited. There are few creditors and all creditors are fully aware of matters surrounding the background to this case. There have been difficulties in establishing the whereabouts of the books and records. Additionally, the major creditor, broadly associated with this company and trading through Dubai, appears to have been dissolved some time ago. The attempted assignment of dividends due to this company to a UK based company and the assignment of dividends due to the major creditor of this company, has and continues to be the subject of substantial work and threatened court proceedings. This has resulted in significant liquidator's, legal and insurance costs being incurred. As there are still unresolved legal matters regarding claims I do not intend to elaborate further in this report.

### **Costs of the liquidation**

In the absence of a Liquidation Committee it falls to the creditors to fix the basis of my fees. I am seeking a decision by correspondence from the creditors. If you wish to vote on the decision, you must complete and return the enclosed voting form to me by no later than 23.59 on 27 July 2018, the decision date. If you have not already submitted proof of your debt, please complete the enclosed form and return it to me, together with the relevant supporting documentation. Your vote on the decisions will not count unless you have lodged proof of your debt by no later than 23.59 on 27 July 2018.

You are also invited to determine whether to form a Liquidation Committee, and a notice of invitation to form a Liquidation Committee and further instructions are enclosed. To enable you to make an informed decision as to whether you wish to either seek to form a Committee, or to nominate yourself to serve on a Committee, further information about the role of the Committee and what might be expected from its members has been prepared by R3 and can be found is available at the link;  
<https://www.r3.org.uk/media/guidetoCreditorsCommittees.pdf>

The following documents are enclosed with this report:

- Notice of decisions for which approval is sought;
- Voting Form;
- Liquidators Receipts and Payments Account
- Fee estimate
- Notice of invitation to form a Liquidation Committee; and
- Proof of debt form.

**Please note that I must receive at least one vote by the decision date or the decision will not be made. I would therefore urge you to respond promptly.**

Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within 5 business days of the delivery of the notice that accompanies this letter. Such requests must be supported by proof of their debt, if not already lodged. I will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

### **Assets and Liabilities**

The assets and liabilities of the Company are detailed below. Those figures are based on information provided by the Official Receiver, my discussions with the director and the liquidator of the holding company. Furthermore, there are Category 1 disbursements directly incurred and the costs of realisation of any assets, such as legal fees.

### **Assets and investigations:**

From the information provided by the Official Receiver, the last company accounts and my investigations, there appears to be assets available consisting of cash at bank, book debts and a potential for a substantial dividend from the holding company. Whilst debtors and cash at bank appeared in the company's accounts, there is no evidence that the cash was available in the bank account at that date. The director has been interviewed and questioned on these matters and he is adamant that they were not realisable assets and represent inter-company balances due from associated group companies.

There is a dividend pending from the Holding Company of some £98,000. There is also a potential further dividend from the holding company dependent on a detailed tax investigation being carried out by the liquidator of On Holiday Group Limited. This could be in the region of £800,000. Clearly there is substantial work required in trying to realise these assets with no certainty that they will be recovered. I have therefore requested a fixed fee of 10% on all further realisations. If all the assets are successfully realised, this should guarantee creditors an estimated dividend of approximately 25p in the pound.

<b>Assets</b>	<b>Book Value £</b>	<b>Estimated to realise £</b>
OHG First Dividend	98,000	98,000
Cash at Bank	200,000	Nil
Book debts	140,000	Nil
OHG Dividend 2	800,000	Uncertain
<b>Total</b>	<b>1,238,000</b>	<b>98,000</b>

As previously stated I have until very recently been involved in an action to defeat an assignment of the dividends due to this company. This issue was challenged by me as a transaction at an undervalue. Substantial work was undertaken both by me and my solicitors and adverse cost insurance was incurred. However, shortly prior to the first hearing date, a Consent Order to withdraw the assignment was agreed. However, the insurance cost of over £11,000 was incurred.

There is also an assignment of a creditor claim which requires further investigation and relates to a major creditor claim by a company in Dubai which has ceased trading. These matters will be reported on to creditors in my next report. Clearly there are no funds at present with which to undertake this work, so there is considerable financial risk involved by both the liquidator and my legal advisers in this matter. The cash at bank and debtors appearing in the last accounts appears to relate to inter-company debts as there is no evidence of the cash in the bank statements.

Should you have any information about the way that the Company's business was conducted or potential asset recoveries that you consider will assist me, please write to me at the above address. This request for information forms part of my usual investigation procedures and is not intended to imply any criticism of the directors' conduct in respect of the Company.

#### Preferential Liabilities – Employees

As the company ceased trading some three years ago I am not aware of any preferential claims by employees.

#### Non-preferential unsecured Creditors

The statement of affairs included 5 non-preferential unsecured creditors with an estimated total liability of £3,364,481. A proof of debt is enclosed, and if you have not already lodged one you should now complete and return it to me, together with evidence in support of your claim.

#### Dividends

The realisation of the first dividend from the Holding Company is due shortly. Further dividends are dependent on legal cases carried on by the Holding Company. All creditors are aware of these matters.

#### Liquidator's Fees and Expenses

Since I was appointed Liquidator I have been attempting to collate the information relating to the background of this case to enable me to deal with the relatively complex issues. The company ceased trading in 2014 and there continues to be difficulties in locating the books and records. I have interviewed the Director and taken legal advice on certain transactions that have occurred since cessation of trade. For legal reasons, I cannot comment further but will report to creditors in full in my next report.

In addition, I have undertaken routine statutory and compliance work, such as filing my appointment notices with the Registrar of Companies and advertising in the London Gazette, notifying creditors and bonding which I am required to do. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they have to be carried out.

The following agents or professional advisors have been utilised in this matter:

<u>Professional Advisor</u>	<u>Nature of Work</u>	<u>Fee Arrangement</u>
M D Law Limited	Solicitors	Time cost basis estimate £15,000

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. This involves substantial risk given the matters referred to above.

I attach a receipts and payments account covering the period since I was appointed Liquidator. There have been no realisations to date.

My expenses incurred to 10 July 2018 amount to £1,875 and represent:

<u>Type of expense</u>	<u>Amount incurred/accrued to date</u>	<u>Amount still to be paid</u>
Liquidators Bond	£1,875	£1,875
Statutory Adverts	£150	£150

I have not been able to draw any expenses in this matter.

Expenses do not have to be approved, but when reporting to the committee and creditors during the Liquidation the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (e.g. where legal costs rise due to escalated recovery action).

I attach a copy of my practice fee recovery policy. In this case I am seeking to charge my time to date based on a time basis as per the fee estimate enclosed with the report. This will be taken from dividends realised should my court action be successful. I propose taking a fixed % basis of 10% on any future realisations from second and future dividends from the Holding Company. As this is by no means certain and this case may have to be held open for several years with no certainty as to costs being paid, this represents a fair and reasonable fee basis and gives creditors some certainty as to costs and gives some degree of certainty as to dividends being paid.

There are certain tasks that I must carry out on nearly every Liquidation, namely Administration and Creditors. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still must be carried out.

**Administration:** This represents the work that is involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

**Creditors:**

Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions. In this case I am aware that the major creditor was a company registered in Dubai although it traded from the company's offices in the UK. There is some dispute as to the ownership of the debt due to the major creditor which will require further investigation. This is currently being investigated but it appears the company ceased to trade some years ago and the directors are not contactable. This has added to the work involved in agreeing claims.

**Investigations:**

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement

of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. In this case an action regarding a potential Transaction at Undervalue has very recently been settled. I do not intend to comment further on this matter at this stage. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holder will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary

#### Percentage basis:

After considering the nature and value of the assets involved and that this case has some complex issues as highlighted above, I have concluded that my fees should be taken as a mix of time cost basis for the work to date and a percentage basis for any future dividends that may be paid from the Holding Company. This is dependent on a court case and may take considerable amount of time to conclude and is not certain. I therefore request a fee of 10% of realisations. I believe that this method of calculating my fee is a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken. This also compares equally with the statutory scale taken by the Official Receiver, so creditors will not suffer further costs than that incurred when the 'official Receiver administers the case.

There are certain tasks that I only have to carry out where there are assets to recover. They may produce a direct benefit for creditors, but are subject to the costs of the proceedings generally. I undertake the work to protect and then realise the assets, initially at my own cost, suffering the loss if any asset is not realisable. If assets are recovered, I first recover my costs and then distribute any balance. I am seeking to recover a percentage of the assets that I realise in order to remunerate me for the work that I undertake in respect of realising them. The percentage I propose to charge will also share the anticipated benefit with the creditors.

I think the percentage I am seeking approval for reflects the risk that I am taking, the nature of the assets involved, and the complexity of the Liquidation, as highlighted above. As a result, I believe that this demonstrates why the percentages proposed are expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken.

Whilst I am required to maintain records of creditors' claims in all cases, in those cases where sufficient realisations are made to enable me to pay a dividend to creditors, I have to undertake certain statutory formalities. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

To date a total of 110.9 hours have been spent working on the above tasks in the Liquidation, and total time costs to date are £32,519 charged at an average charge out rate of £295. Details of the time units used and current charge-out rates are provided in our practice fee recovery sheet, a copy of which is enclosed.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at the R3 website. There are different versions of these Guidance Notes, and in this case please refer to the October 2015 version. Please note that we have also provided further details in the practice fee recovery sheet.

To comply with the Provision of Services Regulations, some general information about A J Sargeant & Co Limited, including about our complaints policy and Professional Indemnity Insurance, can be found in the attached summary sheet.

If creditors have any queries regarding the conduct of the Liquidation they should contact me by email or phone above.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Anthony Sargeant', with a long horizontal stroke extending to the right.

**ANTHONY SARGEANT**  
**LIQUIDATOR**  
Enc.



## **Appendix 1: Details of work to be undertaken in the Liquidation**

### **A. Work for which the Liquidator is seeking to be remunerated on a time cost fee basis:**

#### **Administration:**

Case planning - devising an appropriate strategy for dealing with the case  
Setting up physical case files  
Setting up the case and entering data.  
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.  
Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).  
Convening and holding decision procedures  
Dealing with all routine correspondence and emails relating to the case.  
Opening, maintaining and managing the office holder's estate bank account.  
Creating, maintaining and managing the office holder's cashbook.  
Undertaking regular reconciliations of the bank account containing estate funds.  
Reviewing the adequacy of the specific penalty bond on a quarterly basis.  
Undertaking periodic reviews of the progress of the case.  
Preparing, reviewing and issuing annual progress reports to creditors and members.  
Preparing the final account.  
Filing final returns at Companies House.

#### **Creditors:**

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.  
Maintaining up to date creditor information  
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.  
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.  
Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.

#### **Investigations:**

Recovering and investigating the whereabouts of the books and records for the case.  
Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.  
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors  
Detailed investigations into potential Transaction at Undervalue  
Instructing and liaising with solicitors regarding a Court Case

## **Appendix 2: Estimate of expenses to be incurred in the Liquidation**

Liquidators Specific Bond £1,875  
Statutory Advertising £150

## 118 Travel Limited - In Compulsory Liquidation

### Liquidator's Receipts and payments Account for the period 24 May 2017 to date 23 May 2018

#### Statement of Affairs Receipts

200,000	Cash at Bank	0.00	
140,000	Debtors	0.00	
	Dividends OHG	0.00	
	Vat	0.00	0.00
			<hr/>

#### Payments

OR debit balance	-9400.00	
ISA fees	-110.00	
Petitioner	0.00	
Liq. Fees	0.00	
Bond	0.00	
Legal fees	0.00	
Vat	0.00	-9510.00
		<hr/>
<b>Balance</b>		<b>-9510.00</b>
		<hr/>

## NOTICE OF INVITATION TO FORM A LIQUIDATION COMMITTEE

### 118 TRAVEL LIMITED – IN COMPULSORY LIQUIDATION

Company Number 04990539

**NOTICE IS GIVEN** by the Board to the creditors of 118 Travel Limited of an invitation to form a Liquidation Committee under rule 6.19 of The Insolvency (England and Wales) Rules 2016.

1. Creditors are invited to determine whether a Liquidation Committee should be established.
2. A Committee may be formed if a minimum of 3 and a maximum of 5 creditors are willing to become members.
3. Nominations can only be accepted for a creditor to become a member of the Committee if they are an unsecured creditor and have lodged a proof of their debt that has not been disallowed for voting or dividend purposes.
4. Please complete the section below, and include the name and address of any person you wish to nominate to act as a member of the Committee. The completed document should be returned to: A J Sargeant & Co Limited, 108 Ranby Road, Sheffield S11 7AL so that it is received by no later than 23.59 on the decision date, 27 July 2018

**The final date for the decision about the formation of a Committee and for nominations for members of the Committee is the decision date, 27 July 2018**

Dated 10 July 2018



**Anthony Sargeant**  
Liquidator

### VOTING ON DECISION

1. That a Liquidation Committee should be established. **For / Against**

I wish to nominate the following creditor to act as a member of the committee:

Name of nominated creditor \_\_\_\_\_

#### **TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:**

Name of creditor: \_\_\_\_\_

Signature of creditor: \_\_\_\_\_

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which signing document: \_\_\_\_\_

Dated: \_\_\_\_\_

## **118 TRAVEL LIMITED – IN COMPULSORY LIQUIDATION**

**Company Number 04990539**

**NOTICE IS GIVEN** by Anthony Sargeant, Liquidator to the creditors of 118 Travel Limited that set out below is a resolution for your consideration under rule 18.16 of The Insolvency (England and Wales) Rules 2016. Please complete the voting section below indicating whether you are in favour or against the following decision:

i). That the Liquidator's fees be approved on a combination of a fixed fee % basis and time costs for different categories of work, the details of which are set out in the report prepared in connection with fee approval and issued with the notice of this decision procedure.

**The final date for votes is 27 July 2018, the decision date.**

5. In order for their votes to be counted creditors must submit to me their completed voting form so that it is received at: A J Sargeant & Co Limited, 108 Ranby Road, Sheffield S11 7AL by no later than 23.59 hours on 27 July 2018. It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
6. Creditors must lodge proof of their debt (if not already lodged) at the offices of A J Sargeant & Co Limited, 108 Ranby Road, Sheffield S11 7AL by no later than 23.59 on 27 July 2018, without which their vote will be invalid.
7. Creditors with claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
8. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decision provided they have lodged proof of their debt.
9. Creditors may, within 5 business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decision above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
10. Creditors have the right to appeal the decision made by applying to Court under Rule 15.35 within 21 days of 27 July 2018, the decision date.

Creditors requiring further information regarding the above, should either contact me at A J Sargeant & Co Limited, 108 Ranby Road, Sheffield S11 7AL, or contact me by telephone on 07889 387310, or by email at [tony@ajsargeant.co.uk](mailto:tony@ajsargeant.co.uk)

Dated 10 July 2018



**Anthony Sargeant**  
Liquidator

**118 TRAVEL LIMITED – IN COMPULSORY LIQUIDATION**

**HIGH COURT OF JUSTICE 00621 OF 2017**

**Company Number 04990539**

**VOTING ON DECISION**

i). That the Liquidators' fees be approved on a combination of a fixed fee, % basis and time costs for different categories of work, the details of which are set out in the report prepared in connection with fee approval and issued with this notice.

**For / Against**

**TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:**

Name of creditor: \_\_\_\_\_

Signature of creditor: \_\_\_\_\_

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which  
signing document: \_\_\_\_\_

Date: \_\_\_\_\_