

The Insolvency Act 1986

Administrator's progress report

Name of Company SFT Realisations Limited	Company number 06237509
In the High Court of Justice Chancery Division London District Registry	Court case number 15136 of 2009

(a) Insert full name(s) and
address(es) of
administrator(s)

We (a)

Andrew Lawrence Hosking and Stephen John Akers
of Grant Thornton UK LLP, 30 Finsbury Square, London EC2P 2YU

(b) Insert dates

Joint Administrators of the above company attach a progress report for the period

from

to

(b) 11 June 2009

(b) 8 June 2010

Signed

Joint Administrator

Dated

8/6/2010

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

	Tel
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



A47 09/06/2010 28
COMPANIES HOUSE

WEDNESDAY



Grant Thornton

Our Ref: AT/H/JSK/IRA/JXA/HZW/T00259/PF7/100608/LTR/Progress

TO THE CREDITORS

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8 June 2010

Dear Sirs

SFT Realisations Limited (formerly Towergate Financial Services Intermediate Limited) - In Administration (the Company)
High Court of Justice No. 15136-09

1 INTRODUCTION

- 1.1 Following the appointment of Stephen Akers and myself as Joint Administrators of the Company by order of the Court on 11 June 2009, I now report on the progress and outcome of the administration

1.2 Attached at Appendix A is an extract from the Company's corporate structure and at Appendix B is a glossary of terms. These will assist in interpreting the content of this document. Words in bold are defined in the glossary.

- 1.3 In accordance with Rule 2.47 of the Insolvency Rules 1986, I enclose Form 2.24B together with an account of my receipts and payments for the period ended 8 June 2010 at Appendix C. I also enclose Form 2.34B in accordance with Rule 2.117 of the Insolvency Act 1986.
- 1.4 In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them.

2 STATUTORY INFORMATION

- 2.1 The Company's statutory details are as follows:

registered number

06237509

registered office

30 Finsbury Square
London
EC2P 2YU

creditor of the Company, for the sum of c£61k, which is likely to be set off against the debtor balance due. TCS have further submitted a counterclaim for a creditor balance of £208k. As any set off would eradicate the debtor balance due to the Company there will be no recovery from TCS.

Chattel assets and others

- 4 5 The directors identified in the Statement of Affairs (S of A) assets pertaining to computer equipment and software licenses, which they have estimated to have a realisable value of c£16k. I have attempted to realise these assets through specialist agents, however, there has been no recovery, and it is no longer commercial to continue to pursue these assets.
- 4 6 As regards the software, upon investigating the position, as presented to us in the directors' S of A, we have discovered that the licenses have, in fact, vested in TPL rather than the Company.
- 4 7 As regards the computer equipment, a desktop valuation was conducted by our agents, estimating a total realisable value of c£8.5k. I conducted an initial enquiry with the former employees, requesting the return of all equipment, and sought to track down any remaining equipment at the head office.
- 4 8 Regrettably, it has proved difficult to retrieve any equipment from the staff or locate any of the equipment at the former head office. Based on the estimated valuation of these assets and the amount of time and costs involved in pursuing a realisation, it was deemed unviable to continue.

Prepayments and other accrued income

- 4 9 According to the Company's records there is a balance of c£82k in respect of a prepayment to Focus Business Solutions Limited (Focus), the Company's software support provider. Focus have disputed the prepayment and advised that there is a breach of contract clause that would eliminate the rights of the Company to a refund of any pre-payment. I am currently still in correspondence with Focus in order to establish the strength of this assertion. Therefore this will continue to be pursued in the liquidation.
- 4 10 There is also a prepayment of c£42k due from TCS, which as advised in 4 5 above, will be subject to set off. As above, there will be no recovery from TCS.
- 4 11 I am seeking to recover payments of c£2k relating to staff loans made by the Company which were repaid to TPL in error. TPL have agreed to repay the sum and this will be finalised during the liquidation.

Cash in hand and at bank

- 4 12 As at the date of my appointment, the cumulative balance of funds held in the Company's three bank accounts was £51.5k, which was retained by the Security Trustee and set-off against the debt due to the Senior Debt Holders.

Bank interest

- 4 13 Total interest in the sum of £1,189.34 has been received to date.

- 6.3 To date, remuneration of £131,665.03 has been agreed with the **Senior Debt Holders** of the Company, of which £103,369.85 has been drawn. This has been calculated according to time properly given by the Joint Administrators and our staff attending matters arising in the administration. Final costs will be concluded in the liquidation, including Joint Administrations final fees, which will be up to the sum of £24,060 (excluding £4,210.50 Irrecoverable VAT), and Category 1 disbursements of £21.00 (excluding £3.68 Irrecoverable VAT).
- 6.4 Further time costs to finalise the conversion from administration to CVL are expected to be c£3k. Any outstanding administrators time costs will be written off by my firm.
- 6.5 A final distribution of £77k has been made to the **Senior Debt Holders**. The remaining £600k surplus will be dealt with by the Liquidators as the prescribed part.
- 6.6 Background information regarding the fees of administrators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Technical' to 'Creditors Guides to Fees'). Alternatively I can supply this information by post on request.

7 CONCLUSION OF THE ADMINISTRATION

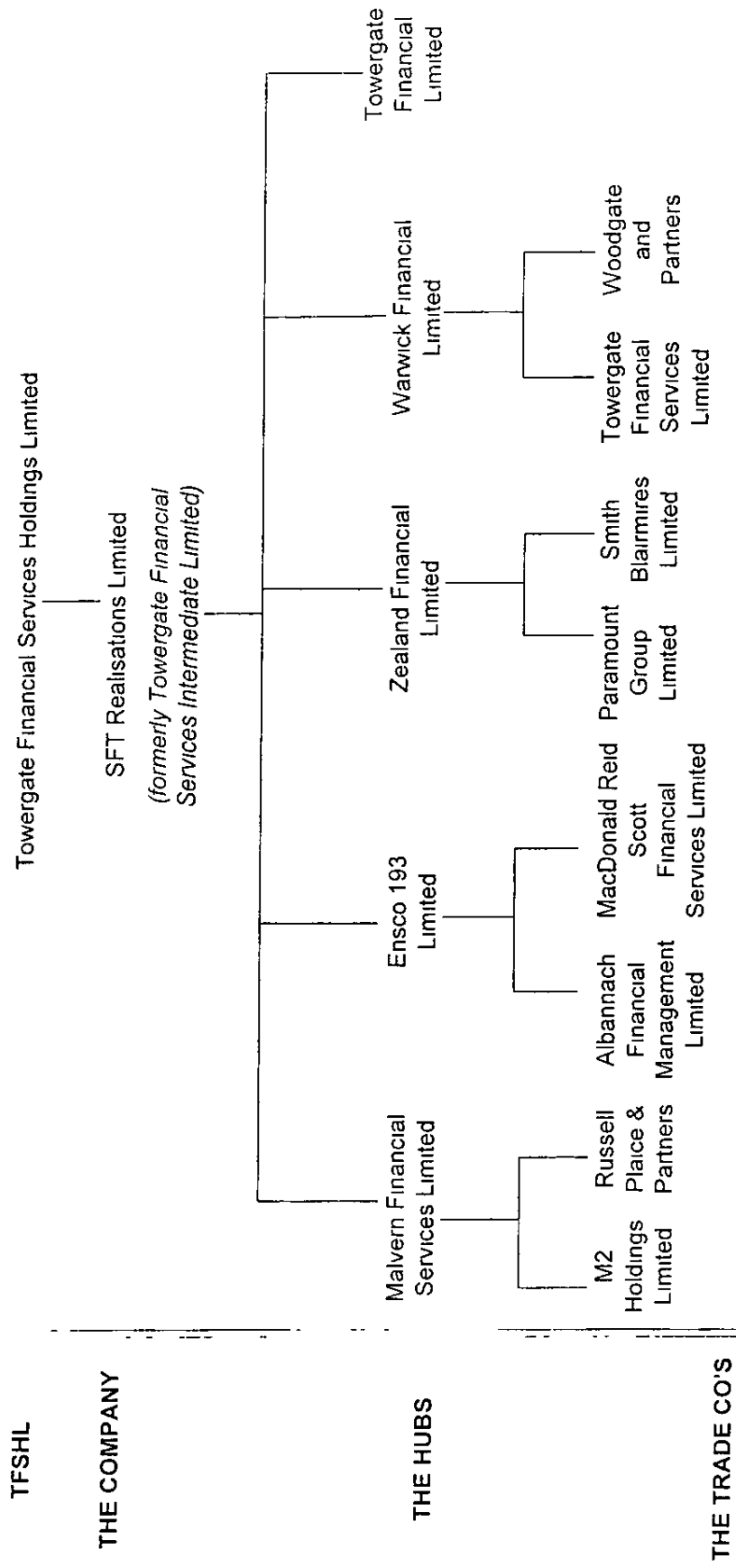
- 7.1 As per the approved proposals referred in Section 3 above, the Company will be going into creditors voluntary liquidation and Stephen Akers and I will be appointed Joint Liquidators. This will be triggered by the filing of Form 2.34B at Companies House, which has been duly sent.

Should you have any queries please do not hesitate to contact my colleague, Ian Avery, on 020 7728 2242.

Yours faithfully
for and on behalf of SFT Realisations Limited

Andrew Hosking
Joint Administrator

APPENDIX A



SFT REALISATIONS LIMITED - IN ADMINISTRATION

APPENDIX B

Glossary of terms

The Company	SFT Realisations Limited (formerly Towergate Financial Services Limited) - In Administration
TUL/the Purchaser	Towergate Underwriting Limited
The Hubs	Collective term for Malvern Financial Services Limited, Ensco 193 Limited, Zealand Financial Limited, Warwick Financial Limited and Towergate Financial Limited
TFSHL	Towergate Financial Services Holdings Limited
TPL	Towergate Partnership Limited
RBS	The Royal Bank of Scotland Plc
Lloyds	Lloyds TSB Bank Plc
The Senior Debt Holders	Collective term for RBS and Lloyds
The Junior Debt Holders	Collective term for Prudential and Aviva
Aviva	Aviva plc (formerly Norwich Union plc)
Prudential	Prudential plc
The Funders	Collective term for RBS, Lloyds (the Senior Debt Holders), Prudential and Aviva (the Junior Debt Holders)
The FSA	The Financial Services Authority
VAT	Value Added Tax
S of A	Statement of Affairs
TCS	Tata Consulting Limited
Focus	Focus Business Solutions Limited

APPENDIX C

SIT Realisations Limited (In Administration)
Joint Administrators' Abstract Of Receipts And Payments
11 June 2009 To 8 June 2010

RECEIPTS**Total (£)**

Intellectual Property	5 00
Sale of Shares	5 00
Inter-company Debts	8,799,990 00
Book Debts	2,299 08
Cash at Bank	74 19
Bank Interest	1,189 34
	<u>8,803,562 61</u>

PAYMENTS

Royal Bank of Scotland	7,652,017 00
Pre-appointment Advisory Disbursements	43 00
Pre-appointment Advisory Fees	85,293 00
Administrator's Fees	103,369 85
Administrator's Expenses	553 50
VAT Irrecoverable	61,109 48
Legal Fees	200,857 71
Corporation Tax	246 12
Statutory Advertising	159 02
Bank Charges	40 00
Preferential Creditors	71,577 50
	<u>8,175,266 18</u>
Surplus to be passed to Liquidator	<u>628,296 43</u>

APPENDIX D

SFI REALISATIONS LIMITED - IN ADMINISTRATION TIME COST ANALYSIS FOR PERIOD FROM 11 JUNE 2009 TO 8 JUNE 2010 IN ACCORDANCE WITH SIP 9									
Classification of work function	Partner Hrs	Partner £	Manager Hrs	Manager £	Other professionals Hrs	Other professionals £	Assistants and support staff Hrs	Assistants and support staff £	Average hourly rate
Administration and Planning	26 70	10,545 00	28 90	11,501 50	210 30	52,396 25	207 78	32,963 35	226 75
Realisation of Assets	2 00	960 00	1 50	547 50	33 45	8,662 50	26 15	3,663 50	219 23
Investigations	3 00	1,440 00	-	-	43 55	11,850 00	11 25	1,575 00	257 18
Creditors	-	-	1 70	551 25	54 45	13,798 00	124 38	17,233 40	174 94
Total hours and cost	31 70	12,945 00	32 10	12,600 25	341 75	86,706 75	369 56	55,435 25	216 34

Narrative of tasks undertaken

Administration and Planning

Includes general administration and planning, reporting, statutory returns, court filings, physical filing, internal compliance reviews, case planning, statutory obligations (eg statutory returns) maintenance of cash and estate records and general correspondence

Realisation of assets

Includes collection of pre-appointment bank balances, negotiating with debtors for the realisation of book debts, negotiating sale of plant and equipment

Investigations

Includes, Statutory duty of investigation into Company's affairs under Statement of Insolvency Practice (SIP2)

Creditors

Includes correspondence with unsecured creditors, preparing reports and circulars to creditors