

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

06650582

Name of Company

T W Telecommunications Limited

I / We


Stephen Powell, 12/14 Carlton Place, Southampton, SO15 2EA

Gordon Johnston, 12/14 Carlton Place, Southampton, SO15 2EA

the liquidator(s) 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 19/01/2016 to 18/01/2017

Signed



Date

13/3/17

HJS Recovery (UK) Ltd
12/14 Carlton Place
Southampton
SO15 2EA

Ref 5831TWTX/SP/GJ/SJ/MH/JP/HS

THURSDAY



Q62BR3MR
16/03/2017 #13
COMPANIES HOUSE

T W Telecommunications Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 19/01/2016 To 18/01/2017
	ASSET REALISATIONS	
100 00	Computer Equipment	NIL
Uncertain	Debtor	NIL
Uncertain	VAT Refund	NIL
14,982 00	Cash at Bank	15,280 28
Uncertain	Director's Loan Account	NIL
	Bank Interest Gross	5 23
		<u>15,285.51</u>
	COST OF REALISATIONS	
	Statutory Advertising	256 50
	Preparation of S of A	4,700 00
	Specific Bond	54 00
		<u>(5,010 50)</u>
	UNSECURED CREDITORS	
(4,211 00)	T Welch - Expenses	NIL
(20,400 00)	H M Revenue and Customs CT	NIL
Uncertain	H M Revenue and Customs VAT	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(1 00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(9,530.00)</u>		<u>10,275.01</u>
	REPRESENTED BY	
	Bank 1 Current	10,275 01
		<u>10,275.01</u>



Stephen Powell
Joint Liquidator

Liquidators' Annual Progress Report to Creditors & Members

**T W Telecommunications Limited
- In Liquidation**

13 March 2017

T W TELECOMMUNICATIONS LIMITED - IN LIQUIDATION

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T W TELECOMMUNICATIONS LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1 1 I, Stephen Powell of HJS Recovery (UK) Ltd, was appointed as Joint Liquidator of T W Telecommunications Limited (the Company) together with my colleague Gordon Johnston, on 19 January 2016. This progress report covers the period from 19 January 2016 to 18 January 2017 (the Period).
- 1 2 The principal trading address of the Company was 24 Willow Drive, Southwold, Bicester, Oxfordshire, OX26 3XA. The business traded under the name T W Telecommunications Limited.
- 1 3 The registered office of the Company has been changed to c/o HJS Recovery, 12-14 Carlton Place, Southampton, SO15 2EA and its registered number is 06650582.

2 Progress of the Liquidation

- 2 1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.
- 2 2 At Appendix A is my Receipts and Payments Account for the Period.

Administration (including statutory compliance & reporting)

- 2 3 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work we anticipated would need to be done in this area was outlined to creditors in our initial fees estimate/information.
- 2 4 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidators.
- 2.5 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

- 2 6 The director's statement of affairs listed Computer Equipment with a nil book value and estimated to realise value of £100. No realisation is likely as the costs of recovery and sale exceed the value of the asset.
- 2 7 Creditors will recall that the director's statement of affairs listed a debtor with a book value of £30,000 and uncertain realisable value.
- 2 8 Communications with the debtor have taken place in the Period and whilst the debtor has offered to provide a repayment plan no plan or funds have been received. Recovery is hampered by poor records. The file will shortly be passed to solicitors to pursue the debt.
- 2 9 The directors listed a VAT refund with a book value of £2,368,206 and uncertain realisable value in his statement of affairs.
- 2 10 I have been in communication with HMRC in the Period and instructed Barringtons Chartered Accountants, a firm of VAT specialists, to review the file. My staff met with the director and a representative from Barringtons in the year.
- 2.11 Following advice received from Barringtons, I confirm that the VAT refund is not realisable.

T W TELECOMMUNICATIONS LIMITED - IN LIQUIDATION

- 2 12 Cash at bank with a book value and realisable value of £14,982 was listed in the director's statement of affairs.
- 2 13 As per Appendix A funds totalling £15,280 have been received.
- 2 14 The director's statement of affairs listed a director's loan account with a book value of £70,000 and an uncertain realisable value
- 2 15 I have corresponded with the director in the Period and he has provided me with an income and expense statement and asset and liability summary. It is hoped that there will be a realisation in this matter
- 2 16 It is considered that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.

Creditors (claims and distributions)

- 2 17 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture
- 2 18 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal
- 2 19 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.
- 2 20 We consider the following matters worth noting in our report to creditors at this stage
- There are approximately 3 unsecured creditor claims in this case with a value per the director's statement of affairs of £24,611
 - There are no secured creditors
 - There are significant claims and penalties received from HMRC in relation to the pre-appointment period. These claims have been noted at this time but not admitted

Investigations

- 2 21 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors
- 2.22 We can confirm that we have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, we are unable to disclose the contents

T W TELECOMMUNICATIONS LIMITED - IN LIQUIDATION

2 23 Shortly after appointment, we 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 s98 meeting or as a response to our request to complete an investigation questionnaire

2 24 Our investigations revealed the following issues

2.25 HM Revenue and Customs notified us of concerns that the Company had been involved in transactions that had been traced back to an alleged fraudulent tax loss

2 26 Our investigations have been hampered by poor records

3 Creditors

Secured Creditors

3 1 There are no secured creditors.

Preferential Creditors

3 2 There are no preferential creditors

Unsecured Creditors

3 3 We have received claims totalling £3,725,350 from 3 creditors. We have yet to receive claims from 1 creditor whose debts total £20,400 as per the Company's statement of affairs

3 4 I would confirm that it is anticipated there will be sufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors

4 Liquidators' Remuneration

4 1 Creditors have not approved that the basis of the Liquidators' remuneration it is likely that I will shortly be making an application to court to fix the basis of my fees.

4 2 The time costs for the Period are £6,174. This represents 38.04 hours at an average rate of £162.30 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by this firm in managing the liquidation. To date, no fees have been drawn but disbursements of £310 have been drawn on account.

4 3 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.hisrecovery.co.uk/publications

4 4 Attached as Appendix C is additional information in relation to the Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers

4 5 Appendix D provides an indication of the tasks undertaken by the Joint Liquidators and their staff

5 Creditors' Rights

5 1 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

T W TELECOMMUNICATIONS LIMITED - IN LIQUIDATION

the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report

- 5 2 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, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive

6 Next Report

- 6 1 We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless we have concluded matters prior to this, in which case we will write to all creditors with our final progress report ahead of convening the final meeting of creditors

Yours faithfully

A handwritten signature in black ink, appearing to read 'Stephen Powell', written in a cursive style.

Stephen Powell FCCA MABRP
Joint Liquidator

T W Telecommunications Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 19/01/2016 To 18/01/2017 £	From 19/01/2016 To 18/01/2017 £
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	Bank Interest Gross	5 23	5 23
		<u>15,285 51</u>	<u>15,285 51</u>
	COST OF REALISATIONS		
	Statutory Advertising	256 50	256 50
	Preparation of S of A	4,700 00	4,700 00
	Specific Bond	54.00	54 00
		<u>(5,010 50)</u>	<u>(5,010 50)</u>
	UNSECURED CREDITORS		
(4,211 00)	T Welch - Expenses	NIL	NIL
(20,400 00)	H M Revenue and Customs CT	NIL	NIL
Uncertain	H M Revenue and Customs VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(9,530.00)</u>		<u>10,275.01</u>	<u>10,275.01</u>
	REPRESENTED BY		
	Bank 1 Current		10,275 01
			<u>10,275.01</u>

APPENDIX B

T W Telecommunications Limited - in Creditors' Voluntary Liquidation

Time Costs and Chargeout Summaries 19 January 2016 to 18 January 2017

SIP9 Category	Insolvency Practitioner	Snr Manager / Manager	Supervisor	Assistant & Support Staff	Total Hours	Charge	Avg Rate
Administration and planning	0.75	0.00	3.90	7.37	12.02	£1,526.00	£126.96
Creditors	0.00	0.50	2.30	0.00	2.80	£502.50	£179.46
Investigations	0.25	0.00	10.55	0.50	11.30	£1,996.25	£176.66
Realisation of assets	0.50	1.10	9.00	0.00	10.60	£1,970.00	£185.85
Distributions	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
Tax Reviews	0.20	0.00	0.00	1.12	1.32	£179.25	£135.80
Closure	0.00	0.00	0.00	0.00	0.00	£0.00	£0.00
TOTALS	1.70	1.60	25.75	8.99	38.04	£6,174.00	£162.30

Current Chargeout Rates	£350	£200-£275	£150-£175	£50-£125	£50-£125
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Additional Information in Relation to the Liquidators' Fees, Expenses & Disbursements**7 Staff Allocation and the Use of Sub-Contractors**

- 7.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case
- 7.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 7.3 We are not proposing to utilise the services of any sub-contractors in this case

Professional Advisors

- 7.4 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
Barringtons Chartered Accountants (VAT advice)	Hourly rate and disbursements – based on estimate

- 7.5 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

8 Liquidators' Expenses & Disbursements***Current position of Liquidators' expenses***

- 8.1 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Agents' costs	Nil	Nil	1,350	1,350
Statutory advertising	Nil	256 50	Nil	256 50
Specific penalty bond	Nil	54	Nil	54
External meeting room hire	Nil	Nil	104 17	104 17
Case related travel & subsistence	Nil	Nil	6 46	6 46
Category 2 disbursements				
Business mileage (484 miles)	Nil	Nil	217 80	217 80

- 8.2 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.

T W TELECOMMUNICATIONS LIMITED - IN LIQUIDATION

- 8.3 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

9 Charge-Out Rates

- 9.1 HJS Recovery's current charge-out rates effective from 31 May 2011 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

9.2

	(Per hour) £
Insolvency Practitioners	350
Senior Managers & Managers	200-275
Senior Managers & Managers	150-175
Administrators and Support Staff	50-125
Specialist departments within HJS accountants, such as Tax, VAT and Pensions, do sometimes charge a small number of hours to an assignment, should the Insolvency Partners require their expert advice. Their rates do vary however, the figures given below provide an indication of the rates charged per hour.	
Directors	110-175
Senior Managers & Managers	82-120
Supervisors	42-70
Administrators and Support Staff	20-40

Please note that we reserve the right to amend these rates from time to time during the course of the assignment, however any material amendments to these rates will be advised to creditors in the next statutory report.

APPENDIX D

An indication of the tasks undertaken by the Joint Liquidators and their staff are detailed below

Administration and Planning

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of appointment to creditors, members,
- Reviewing available information to determine appropriate strategy,
- Setting up case files,
- Setting up and maintaining bank accounts
- Progress reviews of the case
- Statutory reporting to creditors

Realisation of Assets

Please refer to section 2 of the report, but in summary the time spent includes

- Liaising with agents & solicitors
- Correspondence and meetings with interested parties
- Monitoring and chasing of deposits and deferred sale consideration
- Identifying, securing & insuring of assets
- Debt collection
- Meeting with director

Creditors

- Recording and maintaining the list of creditors;
- Meetings with creditors
- Recording creditor claims,
- Dealing with creditor queries including HMRC,

T W TELECOMMUNICATIONS LIMITED - IN LIQUIDATION

- Reviewing and evaluating creditor claims and providing responses

Investigations

- Corresponding with the former directors & management
- Recovery and schedule of the company's books and statutory records
- Conduct an analytical review of company records
- Review of questionnaires and comments provide by interested parties
- Questioning of directors and other key personnel,
- Completion of statutory report to the Department for Business, Innovation and Skills

Tax Reviews

- Completion of post-appointment VAT returns and Corporation Tax returns
- Review of post appointment tax matters