

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

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refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 8 2 2 5 7 8 3

Company name in full True Telecom Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Timothy Colin Hamilton

Surname Ball

### 3 Liquidator's address

Building name/number Mazars LLP

Street 90 Victoria Street

Post town Bristol

County/Region

Postcode B S 1 6 D P

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode


Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

|                        |  |   |              |   |              |   |              |   |              |   |              |   |              |   |              |   |  |
|------------------------|--|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--------------|---|--|
| <b>6</b>               | <b>Period of progress report</b>   |   |              |   |              |   |              |   |              |   |              |   |              |   |              |   |  |
| From date              | <sup>d</sup>   | 0 | <sup>d</sup> | 7 | <sup>m</sup> | 1 | <sup>m</sup> | 1 | <sup>y</sup> | 2 | <sup>y</sup> | 0 | <sup>y</sup> | 1 | <sup>y</sup> | 9 |  |
| To date                | <sup>d</sup>   | 0 | <sup>d</sup> | 6 | <sup>m</sup> | 1 | <sup>m</sup> | 1 | <sup>y</sup> | 2 | <sup>y</sup> | 0 | <sup>y</sup> | 2 | <sup>y</sup> | 0 |  |
| <b>7</b>               | <b>Progress report</b>   |   |              |   |              |   |              |   |              |   |              |   |              |   |              |   |  |
|                        | <input checked="" type="checkbox"/> The progress report is attached  |   |              |   |              |   |              |   |              |   |              |   |              |   |              |   |  |
| <b>8</b>               | <b>Sign and date</b>   |   |              |   |              |   |              |   |              |   |              |   |              |   |              |   |  |
| Liquidator's signature | Signature  |   |              |   |              |   |              |   |              |   |              |   |              |   |              |   |  |
|                        | <div>X</div> <div></div> <div>Tim Ball (Dec 21, 2020 16:26 GMT)</div> |   |              |   |              |   |              |   |              |   |              |   | <div>X</div> |   |              |   |  |
| Signature date         | <sup>d</sup>   | 2 | <sup>d</sup> | 2 | <sup>m</sup> | 1 | <sup>m</sup> | 2 | <sup>y</sup> | 2 | <sup>y</sup> | 0 | <sup>y</sup> | 2 | <sup>y</sup> | 0 |  |

**Presenter information**

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

Contact name **Jonathan Baker**

Company name **Mazars LLP**

Address **90 Victoria Street**

**Bristol**

Post town **BS1 6DP**

County/Region

Postcode

Country

DX

Telephone **0117 928 1700**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

**All information on this form will appear on the public record.**

**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

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## **True Telecom Limited - In Liquidation ("the Company")**

### **Liquidator's progress report covering the period from 7 November 2019 to 6 November 2020**

#### **Contents**

##### **Liquidator's progress report**

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## True Telecom Limited - In Liquidation

### Progress Report to Creditors & Members

#### 1. Introduction

- 1.1. This report is prepared pursuant to Rules 18.3 and 18.7 of the Insolvency (England and Wales) Rules 2016, the purpose of which is to provide creditors with details of the progress of the liquidation during the 12 months to 6 November 2020.
- 1.2. I was appointed as Liquidator of the Company following a conversion from the prior Administration on 7 November 2018. I am authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.3. Identification details relating to the Company and the Liquidator are attached at **Appendix A**.
- 1.4. This report has been produced during the Covid-19 restrictions. As a result, we had limited access to our physical case files and have had to produce this report from incomplete records available on our IT system. We have taken every reasonable step to ensure that the information is accurate, but if anything is incorrect or incomplete, we will provide an explanation and corrected information in the next progress report.

#### 2. Liquidator's Receipts and Payments

- 2.1. A summary of my receipts and payments covering the period from 7 November 2019 to 6 November 2020 is attached at **Appendix B**. The receipts and payments account also provides details of my cumulative receipts and payments for the whole period of the liquidation from the date of my appointment to 6 November 2020. A comparison of the figures provided in the Administrators' estimated statement of financial position at the end of the Administration to actual realisations made to date is included to assist creditors in assessing the progress made to date.
- 2.2. The receipts and payments account confirms that there is currently a cash balance in hand of £151,870 as well as recoverable VAT of £33,401.

#### 3. Asset Realisations and Details of Progress

##### Connected Party Transactions:

- 3.1. In accordance with Statement of Insolvency Practice 13, I would advise you that there have been no transactions with connected parties.

##### Unconnected Party Transactions:

- 3.2. Asset realisations made during the period covered by this report are detailed below.
- 3.3. **Sums due from acquirer of final customer base**

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- 3.3.1. Onecom Ltd (“Onecom”) purchased the Company’s customer database on 1 February 2018, which meant that customer billing in February 2018 and collection of the sums due for January 2018’s call services was carried out by Onecom. As the services to customers in January 2018 were provided by True Telecom (in Administration), the billing receipts collected by Onecom were owed to the Company. We had previously written to Onecom on a number of occasions formally requesting that any sums it had received in respect of January 2018’s services be remitted to the Company. A response was received indicating that Onecom believed that it owed the Company approximately £15,895. I immediately requested payment of that sum to the Company, whilst also requesting further evidence to support various sums which Onecom had deducted from the total revenue received. However, no responses were received then from Onecom, despite multiple attempts to contact it.
- 3.3.2. As a result, I instructed my solicitors, Moore Blatch LLP (now Moore Barlow LLP) to engage with Onecom in this regard, and to attempt to recover the appropriate sum due to the Company, as well as challenge any sums deducted which appeared unreasonable or which were not allowed for in the sale agreement. A statutory demand was issued by my solicitors for the sum which was admitted as owed, and upon receipt Onecom responded immediately and committed to pay the outstanding sum.
- 3.3.3. Having then pushed back and queried several of the sums deducted from the revenue received by Onecom from customers in relation to January 2018, I have now recovered the total sum of £21,441 from Onecom in respect of the above and now consider the matter closed.

## **4. Assets still to be realised**

- 4.1. Assets still to be realised comprise:

### **4.2. Deferred customer base sales consideration**

- 4.2.1. As referred to in my previous progress report to creditors, my solicitors had been instructed to enter into further correspondence with the telecoms provider who had regularly acquired customer bases from the Company, prior to the Administration.
- 4.2.2. The purpose of this correspondence is to seek to challenge certain elements of the information provided to us by the telecoms provider and finally determine whether any sum is due to the Company and can be recovered for the benefit of its creditors, or indeed if a sum is due to the acquirer, in the form of a further unsecured claim in the liquidation. This matter has progressed, but remains active, although it is currently thought that any further recoveries from the acquirer are unlikely.

### **4.3. Directors’ Loan Accounts**

- 4.3.1. The exact position concerning the directors’ loan accounts appears to have been clarified and it appears that each of the two directors owes the Company a significant sum. In recent months I have made further contact with the Company’s previous accountants, Smith & Williamson, and HM Revenue & Customs in order to obtain further information in relation to funds which were received by the Company in its early years of existence from a connected company and in relation to the Directors’ overdrawn loan accounts.

4.4. In addition, I have now obtained, on a conditional fee basis, specialist legal advice in relation to the Company's potential claim against the directors in relation to these loans, in order to further understand the position with regard to the loan accounts, and in order to determine whether a claim should and can be commenced to seek to recover the significant sums which appear to be owed to the Company. A letter of claim was sent by my solicitors, during the period covered by this report, with a view to seeking a settlement of the sums due. Replies from the directors or their representatives had not been received by the anniversary of my appointment, but one full reply and one holding reply has been received since. The matter is ongoing.

#### 4.5. **UK Weather Forecast Limited**

4.6. I have also engaged my solicitors, again on a conditional fee basis, to advise in respect of whether the Company has a claim against the directors in relation to the £250,000 loaned to UK Weather Forecast Limited, and which has not been repaid by UK Weather Forecast Limited, despite my demand letters seeking this outstanding sum. I have been advised that the Company does indeed have a claim against the directors in this regard and this has also been dealt with in the letter of claim which has been issued to the directors by my solicitors (see above).

#### 4.7. **Customers billed by previous acquirer**

4.7.1. It is my understanding that a sum remains due from the acquirer of previous customer bases in relation to sums it billed and recovered from customers during the Administration trading period in respect of those customers which it had acquired in July 2017, but subsequently decided it did not want and which were (legally) returned to True Telecom. As previously reported, we have been provided with information by the acquirer suggesting that approximately £24,000 is due to the Company. I have instructed my solicitors to seek to recover these funds and seek to confirm that the £24,000 stated by the acquirer is the correct sum due to the Company. The acquirer, however, claims to be owed significant sums in relation to prior customer base acquisitions and is claiming set off against the sum which I am seeking. My solicitors have argued that set off cannot be applied in this way against the trading income relating to the Administration period and are adamant that they are correct in this regard, but the acquirer's legal team have not accepted this argument and have refused to pay the sum that I believe is owed to True Telecom. I am seeking further advice from my solicitors in this regard.

### 5. **Estimated Outcome Statement**

5.1. An estimate of the outcome of the liquidation is attached at **Appendix C**.

5.2. Based on expected realisations, payments and creditor claims, it is expected that there will be sufficient funds to enable a return to unsecured creditors. Based on claims received to date, it is anticipated that the return to creditors will be in the region of 5.3p in the £.

5.3. This estimated outcome is subject to change following the potential realisation of further assets or settlement of claims. If further asset realisations are made, then the likely return to unsecured creditors will increase. In addition, if recoveries can be made quickly or if it is established at an early stage that further recoveries will not be possible, then the Liquidator's

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costs may be reduced, and this again would allow an enhanced return to the unsecured creditors.

- 5.4. Further details on the expected outcome for each class of creditor are provided below.

## **6. Liabilities**

### **6.1. Secured Creditors**

- 6.1.1. The Company has no secured creditors.

### **6.2. Preferential Creditors**

- 6.2.1. Preferential creditors' claims have been agreed in the sum of £11,864 and include unpaid wages and accrued unpaid holiday pay owed to former employees, and sums owed to the Redundancy Payments Service ("RPS").
- 6.2.2. Former employees submitted claims to the RPS for these entitlements. The RPS had a subrogated preferential claim in relation to any preferential sums it paid to the employees, and employees had claims for preferential amounts owing in excess of the statutory limit paid by the RPS.
- 6.2.3. As identified in my previous report, a preferential dividend of 100p in the £ was paid in August 2019.

### **6.3. Unsecured Creditors**

- 6.3.1. According to the directors' Statement of Affairs, the Company had 24 unsecured creditors with claims totalling approximately £1.48m. Claims received to date total £2.4m from 16 creditors. However, at this stage, of the claims received, I anticipate rejecting £1.23m of claims from connected parties.
- 6.3.2. Creditors will note that, assuming that realisations and expenses are as anticipated, there will be sufficient funds to enable a return to creditors, currently estimated at approximately 5.3p in the £.

## **7. Prescribed Part**

- 7.1. In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003.
- 7.2. As there is no floating charge creditor in this matter, the Prescribed Part does not apply in this instance.

## **8. Investigations**

- 8.1. In accordance with the Company Directors Disqualification Act 1986, the Liquidator is required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the liquidation. The Liquidator can confirm that this obligation was complied with



and that a confidential report was submitted to the Insolvency Service in the prior Administration. The Liquidator has also reviewed the Company's affairs in respect of any additional information coming to light since and submitted a further report to the Insolvency Service.

- 8.2. An initial investigation into the Company's affairs has also been undertaken by the Liquidator in accordance with Statement of Insolvency Practice 2. The purpose of these investigations is to establish whether there are any potential asset recoveries or conduct which requires further investigation.
- 8.3. As stated above, investigations into the position regarding the directors' loan accounts are ongoing, as is the investigation into investments in the connected entity, UK Weather Forecast Limited, and further enquiries are also being made in relation to the deferred consideration position.
- 8.4. Should creditors have any information which they consider may assist the Liquidator in carrying out his investigations or be aware of any matters which they believe should be brought to the attention of the Liquidator, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the Company's affairs.

## 9. Liquidator's Remuneration

- 9.1. A resolution was passed by the creditors by correspondence on 2 October 2019, enabling the Liquidator to draw his remuneration by reference to the time properly spent by the Liquidator and his staff in dealing with the matters arising during the liquidation, subject to the Fees Estimate of £136,756, issued to creditors on 9 September 2019.

### 9.2. Total costs incurred to date

- 9.2.1. Attached at **Appendix E1** is a comparison of the Liquidator's Fees Estimate to actual time costs for the period from 7 November 2019 to 6 November 2020, which total £94,934, representing 389 hours at an average hourly rate of £244. The Liquidator's cumulative time costs since appointment to 6 November 2020 total £176,900, representing 923.8 hours at an average hourly rate of £191.
- 9.2.2. Attached at **Appendix E2** is a narrative summary of the Liquidator's time costs, which provides further information on the work carried out during the current reporting period, why the work was necessary and whether the work has provided a financial benefit to creditors.
- 9.2.3. As at 6 November 2020, an amount of £136,756 has been drawn against the Liquidator's time costs in respect of the Liquidation.

### 9.3. Revised Fees Estimate

- 9.4. Based on the time costs incurred to date and expected future work necessary for the completion of the liquidation, it is now expected that the Liquidator's total time costs will be £254,455, which exceeds the original Fees Estimate by an amount of £117,699.

- 9.5. Further information as to why the costs have exceeded the original estimate are provided within the Revised Fees Estimate at **Appendix E4**, but it is largely due to now pursuing claims against the Company's directors in relation to their outstanding directors' loan accounts and UK Weather Forecasting Limited, and having to engage solicitors to pursue the acquirer of the final customer database during the Administration in relation to trading income in the final period of Administration trading, and entering into correspondence with the acquirer of previous databases, and the fact that this has all caused a delay in the closure of the liquidation, which has, or is anticipated to increase costs in respect of reporting, taxation, statutory compliance and cashiering requirements, as well as asset realisations and investigations.
- 9.6. Remuneration taken must not exceed the original Fees Estimate, unless approval for a revised Fees Estimate is obtained.
- 9.7. Accordingly, further fee approval is being sought from the Company's creditors, being the body of creditors who originally approved the basis of the Liquidator's remuneration. The Liquidator's original Fees Estimate is attached at **Appendix E3** for information, together with a Revised Fees Estimate at **Appendix E4**, which includes information on the additional work undertaken to date or to be undertaken and the anticipated cost of that work.
- 9.8. Creditors may note that I previously sought approval of a revised Fees Estimate in my report dated 7 August 2020. Regrettably, no creditors with provable claims voted in that decision and so I must again ask creditors to approve a decision regarding my revised Fees Estimate. Creditors will also note that because of the additional time incurred since 7 August and because it has now been concluded that there are claims to be pursued against the Company's directors and that, as a result, it is now thought likely that the liquidation will take longer to conclude than previously thought, the revised Fees Estimate attached with this report has been increased again since 7 August 2020.
- 9.9. Routine administration of the liquidation has been dealt with by junior staff wherever possible in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Liquidator. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidator.
- 9.10. My firm's charge out rates are reviewed annually on 1 September and, in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team members and the work that they perform. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6-minute units with supporting narrative to explain the work undertaken.
- 9.11. The charge out rates of the team members employed on the assignment during the period covered by this report and details of changes from previous periods are provided below. Specialist departments within my Firm (such as, Tax and VAT) have charged time to this case when their expert advice has been required. The rate ranges provided incorporate these different rates.

| Range (£)  | Partner   | Director  | Associate Director / Manager | Senior Executive / Executive | Cashier   | Support Staff |
|--|-----------|-----------|------------------------------|------------------------------|-----------|---------------|
| Current charge out rate per hour, effective from 1 September 2020  | 455 - 605 | 405 - 495 | 250 - 440                    | 110 - 255                    | 110 - 215 | 110 - 155     |
| Previous charge out rate per hour, effective from 1 September 2019 | 440       | 280 - 390 | 245 - 335                    | 100 - 205                    | 100 - 205 | 100           |
| Previous charge out rate per hour, effective from 7 November 2018  | 440 - 500 | 390       | 215 - 335                    | 90 - 190                     | 90 - 190  | 90            |

- 9.12. Further information on the work carried out during the current reporting period is provided above and, more specifically, within the narrative summary attached at **Appendix E2**.

## 10. Liquidator's Disbursements

- 10.1. Disbursements are expenses paid by my firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. There are two categories of disbursements, including Category 1 (payments directly to independent third parties) and Category 2 (costs incurred by the Liquidator or his firm that can be allocated to the case on a proper and reasonable basis).
- 10.2. Category 2 disbursements were approved by the Creditors' Committee during the Administration and such approval carries through to the liquidation.
- 10.3. Further details of the rates agreed are provided within the Rates and Disbursements policy which were initially provided to creditors in the liquidation on 9 September 2019, and which are available upon request.
- 10.4. Details of the disbursements incurred in the period covered by this report and whether they constitute Category 1 or Category 2 disbursements, are provided below. Details of the disbursements paid during the period are provided within the attached receipts and payments account. The amount of disbursements paid during the period may be more than the amount incurred due to balances carried over from previous periods.

| Type of Disbursement    | Description  | Amount incurred in period (£) |
|-------------------------|--|-------------------------------|
| <b>Category 1</b>       |  |                               |
| Searches                | Searches conducted at Land registry and Companies House in relation to investigations. | 7                             |
| <b>Total Category 1</b> |  | <b>7</b>                      |
| <b>Total</b>            |  | <b>7</b>                      |

## 11. Expenses

- 11.1. Details of all expenses incurred during the period covered by this report and likely future expenses are provided in the Expenses Statement attached at **Appendix D**. This also includes a comparison to the original Expenses Estimate.
- 11.2. Further details of the expenses paid during the period of this report are shown in the receipts and payments account at **Appendix B**.
- 11.3. I have reviewed the expenses incurred to date and I am satisfied that they are reasonable in the circumstances of the case.

## 12. Matters outstanding

- 12.1. As detailed in Section 4 of this report, several matters in relation to potential asset realisations are still outstanding. After these matters have concluded, I shall seek to agree the claims of the Company's unsecured creditors and then pay a first and final dividend distribution to the Company's unsecured creditors.
- 12.2. Once all matters have been concluded, I will seek to conclude the liquidation. The liquidation is likely to be concluded in 2021, unless any significant legal action or prolonged negotiation or recovery processes are required to pursue any of those assets or claims which remain to be realised.

## 13. Creditors' Rights

### 13.1. Further information

- 13.1.1. I would advise you that, pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors, or an unsecured creditor with permission of the Court, may, within 21 days of receipt of this progress report, ask the Liquidator for further information about the remuneration and expenses set out in this progress report.

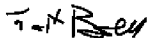
### 13.2. Apply to Court

- 13.2.1. Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors, or an unsecured creditor with the permission of the Court may, within 8 weeks of the receipt of this progress report, apply to Court on one or more of the following grounds:
  - a. that the remuneration charged by the Liquidator, or
  - b. that the basis fixed for the Liquidator's remuneration, or
  - c. that the expenses incurred by the Liquidator,is or are, in all of the circumstances, excessive or inappropriate.

### 13.3. Further guidance

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- 13.3.1. In accordance with Statement of Insolvency Practice 9, creditors can find additional information on their rights relating to Liquidators' fees in a copy of the publication "A creditors' guide to Liquidators' fees" which is available to download from the website: <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/> or, alternatively, will be provided, free of charge, upon written request to this office.
- 13.3.2. For further general information regarding a creditor's role throughout an insolvency process, creditors are reminded that they can also visit <http://www.creditorinsolvencyguide.co.uk>.



Tim Ball (Dec 21, 2020 16:26 GMT)

**T C H Ball**

**Dated 22 December 2020**

Liquidator

*T C H Ball is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and is bound by the Insolvency Code of Ethics. Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: [www.mazars.co.uk/Legal-and-privacy](http://www.mazars.co.uk/Legal-and-privacy).*

## True Telecom Limited - In Liquidation

### Identification Details

#### Details relating to the Company

|                          |   |
|--------------------------|---|
| <b>Company name</b>      | True Telecom Limited  |
| <b>Previous names</b>    |   |
| <b>Trading name</b>      |   |
| <b>Company number</b>    | 08225783  |
| <b>Registered office</b> | Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP  |
| <b>Trading address</b>   | Ground Floor, Lakeview West Galleon Boulevard, Crossways Business Park, Dartford, DA2 6QE |

#### Details relating to the Liquidator

|  |  |
|--|--|
| <b>Date of appointment</b>                   | 7 November 2018                                  |
| <b>Liquidator</b>                            | T C H Ball<br>IP No(s) 008018                    |
| <b>Liquidator's address</b>                  | Mazars LLP, 90 Victoria Street, Bristol, BS1 6DP |
| <b>Liquidator's contact telephone number</b> | 0117 928 1700                                    |

## True Telecom Limited - In Liquidation

Summarised Receipts & Payments account for the period from  
7 November 2019 to 6 November 2020

|  | Estimated to realise<br>per Administrators'<br>estimated statement<br>of financial position<br>as at<br>23 October 2018 | Receipts &<br>Payments from<br>7 November 2019<br>to<br>6 November 2020 | Cumulative<br>Receipts &<br>Payments from<br>7 November 2018<br>to<br>6 November 2020 |
|--|---|---|---|
|  | £   | £   | £   |
| <b>RECEIPTS</b>  |   |   |   |
| Funds received from Administrator  | 430,780   | -   | 428,922   |
| Trading Income re Onecom Ltd   | -   | 21,441  | 21,441  |
| Net VAT refund due from the Administration   | 49,235  | -   | 48,927  |
| Bank interest (gross)  | -   | 306   | 1,686   |
|  | <b>480,015</b>  | <b>21,747</b>   | <b>500,976</b>  |
| <b>PAYMENTS</b>  |   |   |   |
| Liquidator's fees  |   | 86,756  | 136,756   |
| Administrators' final outstanding fees   |   | -   | 43,797  |
| Liquidator's disbursements   |   | 7   | 46  |
| BT costs re Administration trading period<br>(agreed and finalised in liquidation)           |   | -   | 92,369  |
| Talk Talk costs re Administration trading<br>period (agreed and finalised in<br>liquidation) |   | -   | 22,630  |
| Legal fees   |   | 2,492   | 7,360   |
| Legal disbursements  |   | -   | 41  |
| Email account access for investigations  |   | -   | 329   |
| Statutory advertising (re liquidation<br>appointment)  |   | -   | 80  |
| Insurance of assets  |   | 16  | 408   |
| Bank Charges   |   | -   | 25  |
| Dividend paid to preferential creditors on<br>7 August 2019 of 100p in the £                 |   | -   | 11,864  |
|  |   | <b>89,271</b>   | <b>315,705</b>  |
|  |   |   | <b>185,271</b>  |
| <b>REPRESENTED BY</b>  |   |   |   |
| Balance held in interest bearing current<br>account  |   |   | 151,870   |
| Net VAT receivable   |   |   | 33,401  |
|  |   |   | <b>185,271</b>  |

# True Telecom Limited - In Liquidation

## Estimated Outcome Statement as at 6 November 2020

|   | Period from<br>7 November 2018<br>to<br>6 November 2020 | Estimated future<br>realisations /<br>payments | Total              |
|---|---|--|--------------------|
| <b>Assets</b>   | £   | £  | £                  |
| Funds from Administrator  | 428,922   | -  | 428,922            |
| Trading sum due from Chess  | -   | Uncertain                                      | Uncertain          |
| Funds from Onecom re trading period income received   | 21,441  | -  | 21,441             |
| Funds from Company directors regarding overdrawn Directors' Loan Accounts   | -   | Uncertain                                      | Uncertain          |
| UK Weather Forecast Limited   | -   | Uncertain                                      | Uncertain          |
| Net VAT refund from prior Administration  | 48,927  | -  | 48,927             |
| Bank interest (gross)   | 1,686   | 250  | 1,936              |
|   | <b>500,976</b>  | <b>250</b>                                     | <b>501,226</b>     |
|   |   | + uncertain                                    | + uncertain        |
| <b>Less: Cost of realisations</b>   |   |  |                    |
| Administrators' Fees  | 43,797  | -  | 43,797             |
| Legal Fees  | 7,360   | -  | 7,360              |
| Legal Disbursements   | 41  | -  | 41                 |
| Liquidator's Fees   | 136,756   | 117,699  | 254,455            |
| Liquidator's Disbursements  | 46  | 70   | 116                |
| Email account access charge   | 329   | -  | 329                |
| Dividend paid to preferential creditors on 20 August 2019 of 100p/£   | 11,864  | -  | 11,864             |
| Estimated future legal fees in relation to the Directors' overdrawn Directors' Loan Accounts  | -   | Uncertain                                      | Uncertain          |
| BT charges re trading period  | 92,369  | -  | 92,369             |
| Talk Talk charges re Admin trading period   | 22,630  | -  | 22,630             |
| Bank Charges  | 25  | 25   | 50                 |
| Statutory advertising   | 80  | 80   | 160                |
| Estimated legal fees in relation to deferred consideration, other investigations and issues, including some work undertaken already | -   | 6,000  | 6,000              |
| Insurance costs   | 408   | -  | 408                |
|   | <b>315,705</b>  | <b>123,874</b>                                 | <b>439,579</b>     |
|   |   | + uncertain                                    | + uncertain        |
| <b>Estimated funds available for unsecured creditors</b>  |   |  | <b>61,647</b>      |
| Estimated Unsecured Creditor Claims (not yet reviewed or agreed)  |   |  | 1,168,786          |
| <b>Estimated deficit to Creditors</b>   |   |  | <b>(1,107,139)</b> |
| <b>Estimated Dividend to Unsecured Creditors (pence in the £)</b>   |   |  | <b>5.3</b>         |

Note 1. The value of unsecured creditor claims is based on claims received less claims I anticipate rejecting of c.1.23m received from connected parties. The value may further change if additional claims are received or rejected upon adjudication.



## True Telecom Limited - In Liquidation

### Expenses Statement

| Type of Expenditure   | Who expense incurred by and nature of expense   | Original Expense Estimate | Incurred in previous period | Incurred in current period | Likely future expenses | Revised Expenses estimate |
|---|---|---------------------------|-----------------------------|----------------------------|------------------------|---------------------------|
|   |   | £                         | £                           | £                          | £                      | £                         |
| <b>Professional advisors' costs</b>   |   |                           |                             |                            |                        |                           |
| The officeholder's choice of the professional advisors listed below was based on his perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. |   |                           |                             |                            |                        |                           |
| Legal fees and disbursements regarding the disclaimer of the lease at the Company's former premises   | Stevens & Bolton LLP have been instructed to assist in the disclaiming of the lease at the Company's former trading premises. Furthermore, they were instructed to pursue the outstanding trading income owed by Onecom. This firm of lawyers was chosen based on their experience in insolvency matters.   | <b>14,908</b>             | 7,401                       | -                          | -                      | <b>7,401</b>              |
| Legal fees and disbursements regarding obtaining deferred consideration payments from Chess Telecom & seeking trading income owed in relation to the trading period.  | Moore Barlow LLP ("Moore Barlow") (formerly Moore Blatch LLP) have been instructed to assist in seeking to reclaim deferred consideration payments due from Chess Telecom. This firm of lawyers was chosen based on their experience in insolvency matters. Moore Barlow have already reviewed the relevant sale agreements, assessed the financial information provided by Chess, and attended a meeting with the Liquidator's staff and a Director to discuss and study the information provided by Chess and provide advice, as well as drafting correspondence to Chess on behalf of the Company. More recently, Moore Barlow has also been seeking to recover trading income due to the Company, arguing that Chess cannot set this off against sums it claims to be owed. | <b>15,000</b>             | 5,694                       | 3,394                      | 912                    | <b>10,000</b>             |

| Type of Expenditure  | Who expense incurred by and nature of expense  | Original Expense Estimate | Incurred in previous period | Incurred in current period | Likely future expenses | Revised Expenses estimate |
|--|--|---------------------------|-----------------------------|----------------------------|------------------------|---------------------------|
|  |  | £                         | £                           | £                          | £                      | £                         |
| Legal fees and disbursements regarding investigations into the Directors' Loan Account positions | Womble Bond Dickinson (UK) LLP ("WBD") have been instructed to help determine whether outstanding directors' loan account balances are owed to the Company by the directors and whether they are recoverable. They will now be seeking to assist me in recovering the sums which we believe are owed to the Company. WBD have been engaged on a conditional fee basis. | -                         | -                           | Uncertain                  | Uncertain              | <b>Uncertain</b>          |
| <b>Other expenses</b>  |  |                           |                             |                            |                        |                           |
| Bank Charges   | Charges may be incurred in relation to the operation of the liquidation bank account/s.  | <b>50</b>                 | 25                          | -                          | 25                     | <b>50</b>                 |
| Corporation Tax  | It is likely that Corporation Tax will be payable in respect of the interest accrued whilst surplus funds are held on an interest-bearing deposit account.<br>However, this may be set off against the cashiering costs incurred in receiving the bank interest into the Company's bank account.   | -                         | -                           | -                          | -                      | -                         |
| Statutory Advertising  | Costs are to be paid to EPE Reynell Advertising for statutory advertising requirements including London Gazette advertisements for notice of the appointment.<br><br>Additional advertising is expected to include notice of the first and final dividend to unsecured creditors, in due course.   | <b>160</b>                | 80                          | -                          | 80                     | <b>160</b>                |
| Insurance of assets  | I am required to insure the Company's assets until they are disposed of. The value disclosed is based on the fees previously paid  | <b>392</b>                | 408                         | -                          | -                      | <b>408</b>                |

| Type of Expenditure           | Who expense incurred by and nature of expense  | Original Expense Estimate | Incurred in previous period | Incurred in current period | Likely future expenses | Revised Expenses estimate |
|-------------------------------|--|---------------------------|-----------------------------|----------------------------|------------------------|---------------------------|
|                               |  | £                         | £                           | £                          | £                      | £                         |
|                               | to my insurance brokers and covers the period from my appointment to 26 April 2019, when the Company's property lease was disclaimed.  |                           |                             |                            |                        |                           |
| Liquidator's Remuneration     | To project manage the orderly winding up of the Company's affairs, and to perform those tasks required as dictated by statute, best practice and ethical requirements.   | <b>136,756</b>            | 81,967                      | 94,934                     | 77,554                 | <b>254,455</b>            |
| Liquidator's Disbursements    | Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. A further analysis of the disbursements incurred in the period is provided within the report.  | <b>109</b>                | 39                          | 7                          | 70                     | <b>116</b>                |
| Administrators' Remuneration  | Management of the Company's affairs in order to achieve the objective of the Administration. Realising and distributing the Company's assets and performing those tasks required as dictated by statute, best practice and ethical requirements. These were the final fees outstanding at the point that the Administration ended. | -                         | 43,797                      | -                          | -                      | <b>43,797</b>             |
| Email access charge           | Payments to Google in order to ensure that the Company's email accounts were kept live for a period.   | -                         | 329                         | -                          | -                      | <b>329</b>                |
| <b>Trading Expenses</b>       |  |                           |                             |                            |                        |                           |
| Charge for wholesale services | BT and Talk Talk charges for services provided to the Company during the Administration trading period.  | -                         | 114,999                     | -                          | -                      | <b>114,999</b>            |
| <b>Total</b>                  |  | <b>167,375</b>            | <b>254,739</b>              | <b>98,335</b>              | <b>77,729</b>          | <b>427,715</b>            |
|                               |  |                           |                             |                            | +                      | +                         |
|                               |  |                           |                             |                            | <i>Uncertain</i>       | <i>Uncertain</i>          |

## True Telecom Limited - In Liquidation

### Liquidator's Analysis of Time Costs and Comparison to Fees Estimate

The Liquidator's total Fees Estimate as approved by creditors on 2 October 2019 was £136,756. As detailed in the report, total costs incurred to date are £176,900.

The following table provides details of the Liquidator's actual time costs incurred in the current reporting period, 7 November 2019 to 6 November 2020, compared to the estimated costs in accordance with the Fees Estimate. The table also includes cumulative totals for the whole period of the liquidation from 7 November 2018 to 6 November 2020, which provides details of the Liquidator's total time costs since appointment.

Further information on the work undertaken in the current reporting period, including an explanation as to why the various tasks were required and whether the work provides a financial benefit to creditors, is provided within the narrative summary at **Appendix E2**.

Creditors will note that a blended hourly charge-out rate has been provided regarding the Fees Estimate. This is calculated as the average cost per hour based upon the estimated time to be expended by each grade of staff at their specific charge out rates, combined with costs already incurred when the Estimate was prepared, where appropriate. Details of the hourly rates of staff anticipated to work on this case can be found within the attached report. Please note that where total costs do not equate to the total time at the blended hourly rate, this is due to rounding.

| Description of Work   | Fees Estimate Approved on 2 October 2019 |                    |                               | Actual time costs for the period 7 November 2019 to 6 November 2020 |                    |                               | Cumulative actual time costs for the period 7 November 2018 to 6 November 2020 |                    |                               |
|-----------------------|--|--------------------|-------------------------------|---|--------------------|-------------------------------|--|--------------------|-------------------------------|
|                       | Total Time<br>(hours)                    | Total Costs<br>(£) | Blended<br>Hourly Rate<br>(£) | Time<br>incurred<br>(hours)   | Total Costs<br>(£) | Average<br>Hourly Rate<br>(£) | Time<br>incurred<br>(hours)  | Total Costs<br>(£) | Average<br>Hourly Rate<br>(£) |
| Admin & Planning      | 7  | 1,092              | 156                           | 1.3   | 326                | 250                           | 6.4  | 1,061              | 166                           |
| Taxation              | 118                                      | 15,340             | 130                           | 37.9  | 8,936              | 236                           | 134.7  | 21,998             | 163                           |
| Investigations        | 60                                       | 10,200             | 170                           | 14.6  | 4,357              | 298                           | 30.7   | 7,174              | 234                           |
| Realisation of Assets | 185                                      | 32,375             | 175                           | 138.2   | 33,084             | 239                           | 225.5  | 48,097             | 213                           |
| Trading               | 30                                       | 5,700              | 190                           | 7.3   | 1,728              | 237                           | 35.4   | 7,047              | 199                           |
| Employees             | 21                                       | 2,289              | 109                           | 0.8   | 146                | 182                           | 18.2   | 2,044              | 112                           |
| Creditors             | 90                                       | 14,400             | 160                           | 9.3   | 2,172              | 234                           | 51.6   | 8,850              | 172                           |
| Reporting             | 130                                      | 18,200             | 140                           | 88.9  | 20,749             | 233                           | 183.0  | 34,950             | 191                           |
| Distributions         | 45                                       | 6,750              | 150                           | 2.6   | 784                | 301                           | 13.0   | 2,251              | 173                           |
| Cashiering            | 70                                       | 10,010             | 143                           | 33.2  | 7,716              | 232                           | 72.0   | 13,368             | 186                           |
| Statutory compliance  | 120                                      | 20,400             | 170                           | 54.9  | 14,939             | 272                           | 153.3  | 30,064             | 196                           |
| <b>Totals</b>         | <b>876.0</b>                             | <b>136,756</b>     | <b>156</b>                    | <b>389.0</b>  | <b>94,934</b>      | <b>244</b>                    | <b>923.8</b>   | <b>176,900</b>     | <b>191</b>                    |

## True Telecom Limited - In Liquidation

### Narrative Summary of Work Undertaken by the Liquidator for the Period 7 November 2019 to 6 November 2020

#### Introduction

The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been undertaken during the period, why it was done and whether the work provides a financial benefit to creditors.

This summary should be read together with the Liquidator's Time Costs Analysis at **Appendix D1**, and the attached report.

#### Work carried out in the current period

##### Administration and planning

The Liquidator has undertaken the following work:

- Completing case strategy notes/strategy meetings.
- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.
- Ongoing strategy meetings.

The majority of this work derived no financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes help to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

##### Taxation

The following activities were undertaken in order to ensure the Company is compliant with tax requirements:

- Preparing post-appointment Corporation Tax and VAT returns, as required by statute.
- Liaising with HMRC regarding PAYE paid in the prior Administration period/set off applied re VAT refund sought, and internal review to assess whether there is any merit in HMRC's assertion.

The majority of this work derived no financial benefit for creditors, however, it is required in accordance with tax legislation.

Corporation Tax of approximately £170,000 was thought to have been payable on the profit achieved on the sale of the entire customer base to Onecom. However, as the result of a significant amount of work by the Liquidator and his tax colleagues, this potential liability has been reduced to nil.

##### Investigations

Further details of the investigations required to be carried out is provided within Section 8 of the report.

A summary of the work undertaken in the period covered by this report is as follows:

- Review undertaken with assistance of solicitors of the Company's records and correspondence in relation to the Directors' Loan Accounts, the dissolution of Select Calls, and the Company's dealings with UKWFL.
- Consideration with the assistance of solicitors of deferred consideration potentially owed by previous acquirer of customer bases and also re seeking to recover trading income owed/defeat alleged set off arguments.

The majority of this work may well derive significant financial benefit for creditors if further recoveries can be made. This investigation work has put the Liquidator in a position where claims can be pursued.

### **Realisation of Assets**

The work undertaken in respect of the realisation of the Company's assets is detailed in Section 3 of the report.

- Actions taken to realise the Company's assets during the period covered by this report include:
- Correspondence with previous buyer of various customer bases to release deferred consideration due to the Company and receipt/review of detailed responses/liaison with solicitors.
- Further review of data supplied by acquirer of previous customer bases and liaising with solicitors. Seeking more information from the acquirer, review of the Company's records and instructing solicitors to further pursue the trading income held by the acquirer and deal with set off arguments.
- Writing to Onecom, buyer of the final customer base from the Administrators, in order to recover funds billed in respect of services provided to customers in January 2018 by the Company. Review and consideration of Onecom response and querying deductions. Engaging solicitors to pursue this given lack of replies/funds from Onecom/challenge deductions made & making an enhanced recovery.
- Pursuing the Company's connected company, UKWFL, for a response regarding an outstanding loan due to the Company. Furthermore, we have liaised with the Registrar of Companies to prevent UKWFL from being struck off the Register. Engaging solicitors and liaison with them in respect of pursuing the Company's directors in relation to this loan.
- Writing to the Company's former accountants regarding the treatment of the directors' overdrawn Loan Accounts ("DLAs"), correspondence with the directors in respect of the alleged DLAs and receiving their written responses to explain position. Correspondence with HM Revenue & Customs re the loan accounts. Engaging solicitors & various meetings with them re assessing the Company's claim and pursuing the claims and review of draft/final letters of claim/subsequent discussions with solicitors.

The work undertaken will hopefully add value for the benefit of creditors by enabling the realisation of further funds in to the estate. The costs associated with the potential recoveries are considered appropriate in the circumstances.

### **Trading**

The Company traded in the prior Administration, from 27 October 2017 to 1 February 2018. In the liquidation, work has been undertaken to agree and pay outstanding trading liabilities and seek to recover sums which are due in relation to the trading period.

In the current period a number of letters have been sent to certain suppliers to confirm that no balances are outstanding, in response to which we have not received replies.

### **Employees**

The Company retained 15 employees post Administration to assist with trading the business.

It should be noted that all employees had been made redundant by 1 February 2018 following the sale of the entire customer base to Onecom and the Company subsequently immediately ceasing to trade.

Work that has been required in respect of the employees in this reporting period has included:

- Dealing with queries received from former employees.

The majority of the work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors. However, it is expected that a dividend will be paid to unsecured creditors and in this regard, the work involved in assessing and adjudicating employee claims does have a financial benefit to employees.

### **Creditors**

It is estimated that there are likely to be in the region of 60-70 unsecured creditor claims (higher than the number estimates in the Directors' Statement of Affairs), plus the former employees' claims and the RPS. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Dealing with queries received from creditors, by telephone and in correspondence.
- Correspondence/discussions with suppliers with regard to sums owed as at the date of Administration.
- Reviewing liability/claims from creditors, notably HMRC and the Directors, and collating information to allow claims to be fully reviewed.
- Logging claims on case management systems.
- Seeking claims from those creditors which have not yet claimed in the liquidation given that a dividend to unsecured creditors is anticipated.

A dividend has been paid to preferential creditors and it is expected that a dividend will be paid to unsecured creditors. Work undertaken in dealing with creditor claims does have a financial benefit in enabling the correct adjudication of claims.

### **Distributions**

It is expected that a distribution will be made to unsecured creditors in the next reporting period. A preferential dividend has already been paid

Work undertaken in the period included:

- Liaising with preferential creditors regarding unbanked dividends.
- Reissuance of unbanked preferential dividend cheques which had expired.

The work involved in agreeing and paying dividend distributions provides a financial benefit through ensuring that the level of claims admitted for dividend purposes is correct and in distributing funds to creditors.

**Reporting**

Reporting requirements during the period as prescribed by statute have included the following:

- Drafting and issuing the first annual progress report to creditors.
- Drafting the revised fees estimate report to creditors.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements, and that creditors are fully updated in respect of progress.

**Cashiering**

Cashiering work undertaken includes:

- Bank account maintenance, including periodic reconciliations.
- Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body, and to ensure that all transactions are fully accounted for.

**Statutory and Compliance**

The work undertaken as required by statute and our internal procedures involves:

- Case monitoring and statutory compliance, including regular internal case reviews, frequent case diary reviews and the completion of case checklists.

The majority of this work derived no financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.



**True Telecom Limited - In Liquidation**

**Original Fees Estimate as at 9 September 2019**

## FEES ESTIMATE

My total Fees Estimate as at 9 September 2019 to conclude this matter is £136,756. I have provided below an analysis of how these costs will be split between the different functions my staff and I are likely to perform on this case.

| Description of Work       | Total Time<br>(hours) | Total Costs<br>(£) | Blended Hourly<br>Rate (£) |
|---------------------------|-----------------------|--------------------|----------------------------|
| Administration & Planning | 7.0                   | 1,092              | 156                        |
| Taxation                  | 118.0                 | 15,340             | 130                        |
| Investigations            | 60.0                  | 10,200             | 170                        |
| Realisation of Assets     | 185.0                 | 32,375             | 175                        |
| Trading related matters   | 30.0                  | 5,700              | 190                        |
| Employees                 | 21.0                  | 2,289              | 109                        |
| Creditors                 | 90.0                  | 14,400             | 160                        |
| Reporting                 | 130.0                 | 18,200             | 140                        |
| Distributions             | 45.0                  | 6,750              | 150                        |
| Cashiering                | 70.0                  | 10,010             | 143                        |
| Statutory & Compliance    | 120.0                 | 20,400             | 170                        |
|                           |                       |                    |                            |
| <b>Total</b>              | <b>876.0</b>          | <b>136,756</b>     | <b>156</b>                 |

Attached to this Fees Estimate is a detailed summary of the work anticipated, together with an explanation as to why the various tasks are required.

Creditors will note that a blended hourly charge-out rate has been provided. This is calculated as the prospective average cost per hour based upon the estimated time to be expended by each grade of staff at their specific charge out rate, combined with the costs already incurred. Details of the hourly rates of staff anticipated to work on this case can be found on the Rates and Disbursements policy attached to this report. Please note that where total costs do not exactly equate to the total time at the blended hourly rate, this is due to rounding.

Not all of the work which I am required to perform will provide a direct financial benefit to creditors. Some of the work to be undertaken is required because statute dictates that I must perform this task, or because guidance issued by the Insolvency Service or my regulatory body requires such. However, a large proportion of the work will be dealing with seeking to secure potential assets and claims, with a view to maximising the funds available to creditors. On this case, assuming realisations are as anticipated in the attached Estimated Outcome Statement, the above work is likely to provide a financial benefit to preferential creditors who would receive payment in full and also unsecured creditors, who will also receive a dividend. If realisations of uncertain items are made, then the dividend amount available to creditors should increase.

### **Exceeding the Fees Estimate**

The Fees Estimate has been based on previous examples of cases of a similar size and complexity to this case, together with our current knowledge of the case and the work which we anticipate will be necessary.

The above estimate also assumes that this case will remain open for up to 2 years, in total. This assumption has been made due the need to further investigate and seek to realise outstanding balances potentially due from Chess and

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**FEES ESTIMATE**

Onecom, and the Directors in relation to their outstanding Director's Loan Account balances, as detailed in Section 4 of my report. Further to this, a preferential dividend, and at least one unsecured dividend are likely to be paid to the Company's creditors.

In the event that further work is required in respect of the above and/or the case extends beyond the estimated timeframe, it is likely that the Fees Estimate for realisation of assets and reporting will be exceeded, at which point it may be necessary to seek further approval from creditors for an increase.

### COSTS INCURRED TO DATE

The following table provides details of the Liquidator's actual time costs incurred in the current reporting period, compared to the estimated costs as set out in the Fees Estimate.

| Description of Work   | Fees Estimate         |                    |                               | Actual time costs for the period from<br>7 November 2019 to 9 September 2019 |                    |                               |
|-----------------------|-----------------------|--------------------|-------------------------------|--|--------------------|-------------------------------|
|                       | Total Time<br>(hours) | Total Costs<br>(£) | Blended<br>Hourly Rate<br>(£) | Time<br>incurred<br>(hours)  | Total Costs<br>(£) | Average<br>Hourly Rate<br>(£) |
| Admin & Planning      | 7.5                   | 1,092              | 156                           | 4.6  | 652                | 142                           |
| Taxation              | 118.0                 | 15,340             | 130                           | 92.0   | 12,212             | 133                           |
| Investigations        | 60.0                  | 10,200             | 170                           | 13.8   | 2,215              | 161                           |
| Realisation of Assets | 185.0                 | 32,375             | 175                           | 84.7   | 14,422             | 170                           |
| Trading               | 32.0                  | 6,080              | 190                           | 28.1   | 5,319              | 189                           |
| Employees             | 21.0                  | 2,289              | 109                           | 17.2   | 1,866              | 109                           |
| Creditors             | 90.0                  | 14,400             | 160                           | 37.7   | 5,789              | 154                           |
| Reporting             | 130.0                 | 18,200             | 140                           | 86.4   | 12,226             | 141                           |
| Distributions         | 45.0                  | 6,750              | 150                           | 10.4   | 1,467              | 141                           |
| Cashiering            | 70.0                  | 10,010             | 143                           | 36.8   | 5,187              | 141                           |
| Statutory compliance  | 120.0                 | 20,400             | 170                           | 95.2   | 14,209             | 149                           |
| <b>Totals</b>         | <b>876.0</b>          | <b>136,756</b>     | <b>156</b>                    | <b>506.9</b>   | <b>75,564</b>      | <b>149</b>                    |

### DETAILED FEES ESTIMATE

| Description of work   | Total Time (hours) | Total Cost (£) | Blended Hourly Rate (£) |
|---|--------------------|----------------|-------------------------|
| <p><b><u>Administration and Planning</u></b><br/> This type of work will involve:</p> <ul style="list-style-type: none"> <li>• Case acceptance and ethical reviews.</li> <li>• Completing case strategy notes.</li> <li>• Holding strategy meetings.</li> <li>• Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.</li> </ul> <p>This work is necessary to ensure that the case is administered correctly and in line with statutory requirements. The estimate above assumes that the case will be open for less than 2 years, in total.</p> <p>It is not expected that this work will result in a direct financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes help to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.</p>                            | 7.5                | 1,092          | 156                     |
| <p><b><u>Taxation</u></b><br/> Taxation work to be completed will include:</p> <ul style="list-style-type: none"> <li>• Notifying HM Revenue &amp; Customs ("HMRC") of my appointment and establishing whether they have any outstanding claims or ongoing investigations. Such enquires will assist with my own investigations.</li> <li>• Reviewing the Company's VAT position; deregistering the Company for VAT once all of the taxable assets have been sold in line with the VAT regulations.</li> <li>• Preparing post-appointment Corporation Tax and VAT returns, including for the prior Administration period, as required by statute.</li> <li>• Liaising with HMRC regarding PAYE paid in the prior Administration period/set off applied re VAT refund sought.</li> </ul> <p>The estimate assumes that the case will be open for less than 2 years, in total.</p> <p>Corporation tax of approximately £170,000 was thought to have been payable on the profit achieved on the sale of the entire customer base to Onecom. However, as the result of a significant amount of work by the Liquidator and his tax colleagues, <u>this potential liability has been reduced to nil.</u></p> | 118.0              | 15,340         | 130                     |
| <p><b><u>Investigations</u></b><br/> Investigations are required in accordance with Statement of Insolvency Practice 2, so as to identify whether any assets have been dissipated and what recoveries can be made so as to enhance the funds available to distribute. They also assist with Liquidator's duty under the Company Directors Disqualification Act 1986.</p> <p>A summary of the work yet to be concluded in this regard is provided below:</p> <ul style="list-style-type: none"> <li>• Investigating the Company's affairs to include a review of the Company's books and records and, in particular, the bank statements and Directors' Loan Accounts, to establish the position with regard to the overdrawn loan account balances stated in the last set of statutory accounts, and movements since .</li> </ul>   | 60.0               | 10,200         | 170                     |

### DETAILED FEES ESTIMATE

| Description of work   | Total Time (hours) | Total Cost (£) | Blended Hourly Rate (£) |
|---|--------------------|----------------|-------------------------|
| <ul style="list-style-type: none"> <li>Further work will be required in order to conclude on the matter of loans to UK Weather Forecast Limited.</li> <li>The CDDA report was submitted to the Insolvency Service, and no new information has come to light in the Liquidation. However, should any new information in relation to the Directors' conduct arise, this must be reported to the Insolvency Service.</li> </ul> <p>In the event that investigations reveal possible actions, then these may lead to additional realisations but the costs of pursuing these actions are likely to increase. If this arises, further information will be provided to creditors separately.</p> <p>There may be a financial benefit to creditors in performing this work, as it may increase asset realisations to be distributed to the Company's unsecured creditors, particularly in relation to my investigations into the Directors' Loan Accounts.</p>   |                    |                |                         |
| <p><b><u>Realisation of Assets</u></b></p> <p>The Company's assets comprise those as set out within the body of my Report.</p> <p>Actions taken to realise the Company's assets during the period covered by this report include:</p> <ul style="list-style-type: none"> <li>Correspondence with previous buyer of various customer bases to release deferred consideration due to the Company and receipt/review of detailed responses.</li> <li>Review of data supplied by acquirer of previous customer bases and liaising with solicitors. This review of the deferred consideration was in the form of a review of the data followed by detailed meetings held at which both my Solicitors and one Company Director were present. Further to this we have sought more information from the acquirer, and anticipate that further detailed review of any information provided will be required.</li> <li>Writing to Onecom, buyer of the final customer base from the Administrators, in order to recover funds billed in respect of services provided to customers in January 2018 by the Company. Review and consideration of Onecom response and querying deductions, as well as seeking the funds due to the Company.</li> <li>Chasing the Company's connected company, UKWFL, for a response regarding an outstanding loan due to the Company. Furthermore, we have liaised with the Registrar of Companies to prevent UKWFL from being struck off.</li> <li>Writing to the Company's former accountants regarding the treatment of the Directors' overdrawn Directors' Loan Accounts.</li> </ul> <p>The estimate assumes that the case will remain open for less than 2 years, in total.</p> <p>There is a potentially significant financial benefit in completing this work, as it could significantly increase asset realisations and the funds available to be distributed to the Company's unsecured creditors.</p> | 185.0              | 32,375         | 175                     |
| <p><b><u>Trading</u></b></p> <p>The Company was traded in the prior Administration, from 27 October 2017 to 1 February 2018. In the liquidation, work has been undertaken to agree and pay</p>  | 32.0               | 6,080          | 190                     |

### DETAILED FEES ESTIMATE

| Description of work  | Total Time (hours) | Total Cost (£) | Blended Hourly Rate (£) |
|--|--------------------|----------------|-------------------------|
| <p>outstanding trading liabilities and seek to recover sums which are due in relation to the trading period.</p> <p>The above work was required to enable the business to continue to trade while it was marketed for sale. This ensured that realisations are maximised for the benefit of the estate.</p> <p>There was a financial benefit to creditors in performing this work, as it was required to complete the sale of the entire customer base to Onecom on 1 February 2018.</p>   |                    |                |                         |
| <p><b><u>Employees</u></b></p> <p>The Company retained 15 employees post Administration to assist with trading the business.</p> <p>It should be noted that all employees had been redundant by 1 February 2018 following the sale of the entire customer base to Onecom and the Company subsequently immediately ceasing to trade.</p> <p>Work that has been required in respect of the employees in this reporting period has included:</p> <ul style="list-style-type: none"> <li>• Dealing with queries received from former employees.</li> <li>• Liaising with pension specialist, Insol Group Limited.</li> <li>• Investigating potential claims in respect of unpaid pension contributions and instructing and monitoring agents engaged to assist with submission of claims to the RPS and dealing with queries.</li> <li>• Reviewing payments made to employees from the RPS, in order to establish the quantum of any residual claims that may be due to the Company's former employees.</li> </ul> <p>The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors. However, it is expected that a dividend will be paid to preferential and unsecured creditors and in this regard, the work involved in assessing and adjudicating employee claims does have a financial benefit to employees.</p> | 21.0               | 2,289          | 109                     |
| <p><b><u>Creditors</u></b></p> <p>It is estimated that there are likely to be in the region of 22 unsecured creditor claims, in accordance with the Directors' Statement of Affairs plus the former employees' unsecured and preferential claims and the RPS. In order to ensure that creditors are dealt with appropriately, the following work will be required:</p> <ul style="list-style-type: none"> <li>• Dealing with queries received from creditors, by telephone and in correspondence.</li> <li>• Correspondence/ discussions with suppliers with regard to arrears owed prior to former Administration date.</li> <li>• Reviewing liability/claims from creditors, notably HMRC and the Directors, and collating information to allow claims to be fully reviewed.</li> <li>• Logging claims on case management systems.</li> <li>• Calculation of residual employee preferential claims and correspond with them to seek to agree.</li> <li>• Agree RPS preferential claim.</li> </ul> <p>My estimate above assumes that no more than the above claims will be received, and that one preferential dividend and one unsecured dividend will be paid.</p>  | 90.0               | 14,400         | 160                     |

### DETAILED FEES ESTIMATE

| Description of work   | Total Time (hours) | Total Cost (£) | Blended Hourly Rate (£) |
|---|--------------------|----------------|-------------------------|
| As it is expected that a dividend will be paid to preferential and unsecured creditors, work undertaken in dealing with creditor claims does have a financial benefit in enabling the correct adjudication of claims.   |                    |                |                         |
| <p><b><u>Reporting</u></b><br/>Reporting requirements as prescribed by statute are as follows:</p> <ul style="list-style-type: none"> <li>• Reporting the conversion of the Company from Administration to Liquidation.</li> <li>• Liaising with Creditors' Committee members in respect of continuing to act on a Liquidation Committee, chasing responses and recording the outcomes.</li> <li>• Issuing this initial fees report to creditors.</li> <li>• Issuing an annual report to creditors, in late 2019/early 2020.</li> <li>• Issuing a closure report to creditors, probably next year.</li> </ul> <p>My estimate above assumes that the case will remain open for less than 2 years, in total, and therefore that only one annual report will be required.</p> <p>It is not expected that this work will result in a direct financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements and that creditors are updated in respect of progress.</p> | 130.0              | 18,200         | 140                     |
| <p><b><u>Distributions</u></b><br/>It is expected that a distribution will be paid to the unsecured creditors. The work involved in this regard will include:</p> <ul style="list-style-type: none"> <li>• Issuing notices of both the preferential and unsecured dividend.</li> <li>• Inviting creditors to submit proof of debts in the liquidation.</li> <li>• Establishing the quantum of the unsecured dividend.</li> <li>• Distributing dividends to the Company's creditors, with accompanying letters and a Receipts and Payments Account.</li> </ul> <p>My estimate assumes that only one dividend will be paid to each class of creditor and that no more than 25 unsecured claims will be received (excluding former employees and the RPS).</p> <p>There will be a financial benefit to creditors in performing this work, as it will enable funds to be distributed to all classes of creditor.</p>  | 45.0               | 6,750          | 150                     |
| <p><b><u>Cashiering</u></b><br/>Cashiering work is required to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body. Work in this regard is likely to involve:</p> <ul style="list-style-type: none"> <li>• Establishing set up of case details on our insolvency software system.</li> <li>• Setting up Liquidation bank accounts, including deposit accounts as necessary.</li> <li>• Bank account maintenance, including periodic reconciliations.</li> <li>• Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.</li> </ul>   | 70.0               | 10,010         | 143                     |



### DETAILED FEES ESTIMATE

| Description of work   | Total Time (hours) | Total Cost (£) | Blended Hourly Rate (£) |
|---|--------------------|----------------|-------------------------|
| It is not expected that this work will result in a direct financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body.  |                    |                |                         |
| <b><u>Statutory and Compliance</u></b><br>Statutory and compliance work as required by statute or our internal procedures involves: <ul style="list-style-type: none"> <li>• Preparation and lodgement of statutory appointment documents.</li> <li>• Initial notices following appointment.</li> <li>• Case monitoring and statutory compliance, including regular internal case reviews, frequent case diary reviews and the completion of case checklists.</li> <li>• Case bordereau (statutory insurance bonding).</li> </ul> <p>It is not expected that this work will result in a direct financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.</p> | 120.0              | 20,400         | 170                     |
| <b><u>Overall</u></b>   | <b>876.0</b>       | <b>136,756</b> | <b>156</b>              |

## True Telecom Limited - In Liquidation

### Revised Fees Estimate as at 6 November 2020

Attached at **Appendix D3** is a copy of the Liquidator's original Fees Estimate dated 9 September 2019, totalling £136,756.

This Appendix provides information on the Liquidator's Revised Fees Estimate. The Liquidator will be seeking further approval for his additional estimated time costs in excess of the original Fees Estimate in the sum of £117,699, plus VAT. The table below provides a summary of the total Revised Fees Estimate, with total costs now estimated at £254,455.

| Description of Work       | Total Revised Fees Estimate |                    |                            |
|---------------------------|-----------------------------|--------------------|----------------------------|
|                           | Total Time<br>(hours)       | Total Costs<br>(£) | Blended Hourly Rate<br>(£) |
| Administration & Planning | 9.0                         | 1,530              | 170                        |
| Taxation                  | 165.0                       | 27,225             | 165                        |
| Investigations            | 60.0                        | 14,400             | 240                        |
| Realisation of Assets     | 320.0                       | 70,400             | 220                        |
| Trading Matters           | 40.0                        | 8,000              | 200                        |
| Employees                 | 25.0                        | 3,000              | 120                        |
| Creditors                 | 100.0                       | 18,500             | 185                        |
| Reporting                 | 220.0                       | 42,900             | 195                        |
| Distributions             | 40.0                        | 7,600              | 190                        |
| Cashiering                | 110.0                       | 20,900             | 190                        |
| Statutory & Compliance    | 200.0                       | 40,000             | 200                        |
| <b>Total</b>              | <b>1,289</b>                | <b>254,455</b>     | <b>197</b>                 |

A detailed analysis of the anticipated future work to be undertaken and the associated costs in excess of the original Fees Estimate is provided below, together with an explanation as to why the original Fees Estimate has been exceeded.

Creditors will note that in respect of the Revised Fees Estimate, a blended hourly charge-out rate has been provided. This is calculated as the prospective average cost per hour based upon the estimated time to be expended in the future by each grade of staff at their specific charge out rate, combined with the costs incurred to date. Details of the hourly rates of staff anticipated to work on this case can be found within the attached report. Please note that where total costs do not equate to the total time at the blended hourly rate, this is due to rounding.

Not all of the work which I am required to perform will provide a direct financial benefit to creditors. Some of the work to be undertaken is required because statute dictates that I must perform this task, or because guidance issued by the Insolvency Service or my regulatory body requires such. However, a large proportion of the future work will be dealing with securing and seeking to realise further assets, with a view to maximising the funds available, by way of a dividend, to creditors. On this case, assuming that realisations are as anticipated in the attached Estimated Outcome Statement, the above work is likely to provide a financial benefit to unsecured creditors, who will, it is estimated, receive a dividend of approximately 5p in the £, subject to future realisations. In actual fact, if realisations in respect of the directors' loan accounts or other matters can be made, then this dividend is likely to be somewhat higher.

**Further revision of the Fees Estimate**

The Revised Fees Estimate has been based on the expected complexity of the issues and the work we anticipate will be necessary, as well as the fact that we estimate the case may remain open for another 12 months. This assumption has been made as we anticipate being able to realise most of the assets fully within approximately six months and will then be in a position to agree creditor claims and then pay a dividend to unsecured creditors, and hopefully at a rate greater than that which is currently projected (approximately 5.3p in the £). However, should legal action be required in relation to any of the various claims, then the liquidation may have to remain open longer than 12 months and costs could exceed those currently estimated.

However, at present, I do not anticipate that a further revision of the Fees Estimate will be required.

| Description of work   | Total Time<br>(hours) | Total Cost<br>£ | Blended Hourly Rate<br>£ |
|---|-----------------------|-----------------|--------------------------|
| <b><u>Administration &amp; planning</u></b><br><br>Ongoing investigation and asset realisation work means that the case is likely to remain open for a further 12 months, and as a result a small amount of further admin and planning time is now likely to be incurred. Compared to the initial fees estimate an additional 2 hours is now estimated at a cost of £438.   | 9.0                   | 1,530           | 170                      |
| <b><u>Taxation</u></b><br><br>As we anticipate the case to be open for a further 12 months, it is the case that further Corporation Tax and VAT Returns must be filed. Corporation Tax Returns for the years 2018-19, 19-20 and a final return will be required. Furthermore, some further work is required in order to reconcile the Company's VAT position. The tax position has been more complex than initially envisaged and the liquidation is now likely to last significantly longer than initially envisaged. In addition, tax work to date, particularly in relation to the final Administration period tax return prepared during the liquidation, has taken longer than expected as it has been complex, and has been undertaken at a higher hourly rate than envisaged. It is now expected that an additional 47 hours will be spent at an additional cost of £11,885 at a higher average rate of £165 per hour. | 165.0                 | 27,225          | 165                      |
| <b><u>Investigations</u></b><br><br>Investigations into the Company's affairs and potentially recoverable assets, such as the directors' loan accounts, have already demanded more time than originally envisaged due to the complex nature of the historical information and the need to   | 60.0                  | 14,400          | 240                      |

| Description of work  | Total Time<br>(hours) | Total Cost<br>£ | Blended Hourly Rate<br>£ |
|--|-----------------------|-----------------|--------------------------|
| <p>correspond in detail with the Company's directors and accountants, as well as seek legal advice in relation to the potential claim.</p> <p>The Liquidator has been in correspondence with his solicitors, the Company's accountants, and HM Revenue &amp; Customs, all with regard to clarifying the position of the Company's directors' loan accounts.</p> <p>Other matters, including UK Weather Forecast Limited and the deferred consideration and trading income potentially owed by the previous database acquirer and the trading income owed by Onecom have all required investigation work but actually slightly less time is now expected to be incurred than was originally envisaged. However, the total cost is now thought likely to exceed the original estimate by £4,200 despite the same number of hours expected, due to the complex nature of the work, and the average charge out rate of the work being significantly higher than had been envisaged.</p>  |                       |                 |                          |
| <p><b><u>Realisation of Assets</u></b></p> <p>Several categories of assets are still to be realised, some of which are complex and/or contentious in their nature; namely, the realisation of any trading income from the acquirer of previous customer databases, the Directors' Loan Accounts and money owed by UKWFL. The above is likely to require significant time to be spent, and also causing the closure of the case to be delayed whilst these matters are pursued. In addition, the time charged to date, both in terms of hours and costs, already exceed the original fees estimate and the average charge out rate is also higher than expected due to the complex nature of the assets and the potential recovery, causing more time of senior staff to be spent than was envisaged. It is also possible that some "investigation" type work envisaged in the above category has been charged to asset realisations as recoveries now appear to be possible. In total it is envisaged that 135 additional hours at a total cost of £38,025 will be spent on seeking to realise further assets, although it should be noted that this could be significantly lower if claims settle quickly or it becomes clear at an early stage that recoveries will not be possible.</p> | 320.0                 | 70,400          | 220                      |

| Description of work  | Total Time<br>(hours) | Total Cost<br>£ | Blended Hourly Rate<br>£ |
|--|-----------------------|-----------------|--------------------------|
| <p><b><u>Trading Matters</u></b></p> <p>Further work has been required to settle matters which arose during the Administration trading period. Namely, we have been pursuing suppliers during the trading period to confirm if any sums remain due from them. Furthermore, we have negotiated with other suppliers to settle any amounts due by the Company. In total it is anticipated that an additional 10 hours will be incurred at an additional cost of £2,300</p>   | 40.0                  | 8,000           | 200                      |
| <p><b><u>Employees</u></b></p> <p>Work continues in terms of dealing with employees' queries on an occasional basis. It has also been the case that we have been required to continue to liaise with my specialist pension agents, Insol Group Limited. In total, it is anticipated that an additional 4 hours will be incurred at a cost of £711</p>  | 25.0                  | 3,000           | 120                      |
| <p><b><u>Creditors</u></b></p> <p>As it is likely that the case will be open for a further 12 months, it is likely that further communication with creditors will be required. In addition, creditor claims are still to be agreed and we shall have to write again to those creditors who have not yet claimed and issue a Notice of Intended dividend. It is now expected that an additional 10 hours will be incurred at an additional cost of £4,100, in part because the average charge out rate is now estimated to increase to 185.</p>   | 100.0                 | 18,500          | 185                      |
| <p><b><u>Reporting</u></b></p> <p>The level of complexity of this case, including in respect of the work required to realise some of the remaining assets and perform investigations, will mean that reporting is likely to be more time consuming and complex to report upon and require a more comprehensive review and more time of more senior staff. Furthermore, it is now expected that two more reports to creditors than initially envisaged will be required at least before the case is concluded, inclusive of the prior revised Fees Estimate report and this annual report. In total, 90 additional hours are now thought to be needed at a total additional cost of £24,700 and now at an average charge out rate £195.</p> | 220.0                 | 42,900          | 195                      |

| Description of work   | Total Time<br>(hours) | Total Cost<br>£ | Blended Hourly Rate<br>£ |
|---|-----------------------|-----------------|--------------------------|
| <p><b><u>Distributions</u></b></p> <p>It is now envisaged that a distribution to unsecured creditors will be possible. A preferential dividend has also been paid in the liquidation. 5 hours less time is now envisaged than previously estimated but as the average charge out rate is now expected to be £40 per hour more than previously estimated, there is a small additional estimated cost of £850.</p>  | 40.0                  | 7,600           | 190                      |
| <p><b><u>Cashiering</u></b></p> <p>The unforeseen length of the liquidation has meant that the original Fees Estimate with regard to Cashiering has already been exceeded. It is for this reason, as well as those stated above, that additional time costs of £10,890 are envisaged in respect of this type of work for the remainder of the period of the liquidation. This represents an additional 40 hours of time, but also all at an average charge out rate that is now expected to be £190 per hour.</p>   | 110.0                 | 20,900          | 190                      |
| <p><b><u>Statutory and Compliance</u></b></p> <p>Statutory and compliance obligations comprise of case monitoring, internal case reviews, case diary reviews, as well as the case bordereau (insurance bonding). Given that the case is now expected to remain open for a further 12 months and because case reviews are more complex, then more time is now expected to be incurred. The case is also closely monitored to ensure that all matters are continuing to progress satisfactorily.</p> <p>Statutory and Compliance time costs have already exceeded the original Fees Estimate significantly. This is due to the complex nature of the liquidation which is reflected in the time spent performing the case reviews and regularly reviewing case progression to ensure that key issues are being progressed and statutory deadlines met. The additional costs are expected to amount to £19,600, representing 80 additional hours and now at an average charge out rate of £200</p> | 200.0                 | 40,000          | 200                      |