

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



A18 *A85LJU4W* #283
16/05/2019
COMPANIES HOUSE

1 Company details

Company number 0 4 5 6 9 3 2 8

Company name in full TMC (Southern) Limited

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Liquidator's name

Full forename(s) Matthew

Surname Waghorn

3 Liquidator's address

Building name/number 92 London Street

Street Reading

Post town

County/Region Berkshire

Postcode R G 1 4 S J

Country

4 Liquidator's name

Full forename(s) Stephen

Surname Grant

● Other liquidator

Use this section to tell us about another liquidator.

5 Liquidator's address

Building name/number 2nd Floor Regis House

Street 45 King William Street

Post town London

County/Region

Postcode E C 4 R 9 A N

Country

● Other liquidator

Use this section to tell us about another liquidator.

LIQ03

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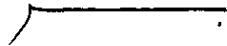
6 Period of progress report

From date	1	3	0	3	2	0	1	8	
To date	1	2	0	3	2	0	1	9	

7 Progress report

The progress report is attached

8 Sign and date

Liquidator's signature	Signature																	
	X 	X																
Signature date	<table border="1"><tr><td>^d</td><td>^d</td><td>^m</td><td>ⁿⁱ</td><td>^y</td><td>^y</td><td>^y</td><td>^y</td></tr><tr><td>1</td><td>5</td><td>0</td><td>5</td><td>2</td><td>0</td><td>1</td><td>9</td></tr></table>	^d	^d	^m	ⁿⁱ	^y	^y	^y	^y	1	5	0	5	2	0	1	9	
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1	5	0	5	2	0	1	9											

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Notice of progress report in voluntary winding up

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.

Matthew John Waghorn

Wilkins Kennedy

92 London Street

Reading

Berkshire

Postcode

R G 1 4 S J

DX

01189 512131

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 or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**TMC (Southern) Limited
In Liquidation
("the Company")**

**Annual Progress Report to the Members and Creditors
Pursuant to Section 104A of the Insolvency Act 1986 for the year ending 12 March 2019**

**Wilkins Kennedy
92 London Street
Reading
Berkshire
RG1 4SJ**

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- I. Receipts and payments account
- II. Analysis of time costs, explanation of fees and disbursements recovery policy and provision of services regulations

1. INTRODUCTION

The anniversary of my appointment as joint liquidator has passed and I am required to send you a report on what has happened in the liquidation since my last progress report.

The detailed report is provided below, but in summary following realisation of the funds held in the RSM client account, investigations into transactions undertaken by the Company are ongoing. As a result of the investigations to date, additional information has come to light recently which will ensure that these investigations continue, however due to the sensitive nature of the matters, I am limiting disclosure at this time so not to prejudice any future claims. There are no further known assets of the Company, therefore the prospect of a dividend to creditors is dependent on the outcome of my investigations and related recovery action.

2. BACKGROUND

John Kirkpatrick and David Tann were appointed joint liquidators of the Company on 13 March 2017 by the members and creditors. On 16 January 2018, an Order was made in the High Court removing John Kirkpatrick as officeholder due to imminent retirement and appointing Matthew Waghorn as replacement officeholder with effect from the date of the Order.

Additionally, on 26 November 2018 an Order was made in the High Court removing David Tann as joint officeholder in view of his pending retirement and replacing him with Stephen Grant with effect from the same date.

The Company's registration number is 04569328 and its current registered office is 92 London Street, Reading, Berkshire, RG1 4SJ.

The Company's former registered office was Suite 105 Fareham Reach, 166 Fareham Road, Gosport, Hants, PO13 013. The Company ceased trading in April 2016.

3. RECEIPTS AND PAYMENTS ACCOUNT

Appendix I is a summary of receipts and payments from the date of liquidation on 13 March 2017 to 12 March 2019. As at 12 March 2019 a total of £446.50 was held in the liquidation account. This account is held at Metro Bank plc. I confirm that this account was interest bearing until 17 October 2018 and it has been reconciled to the bank statements.

4. ASSET REALISATIONS

Bank interest was received in the period totalling £0.39. There are no further asset realisations to report in this period.

5. INVESTIGATION

Investigation into transactions entered into by the Company are ongoing. As a result of a change of employment I am now being assisted by Isadore Goldman solicitors, in order to preserve continuity and consistency with the solicitor who has been assisting me.

The investigations that are ongoing are of a sensitive nature and I have recently received additional information which has increased the extent of the possible recoveries. In order to pursue this matter further additional information is needed, and requests are being made for additional information from various parties, including former advisors, to ascertain the extent of any further actions that may be taken. Isadore Goldman have agreed to act on a Conditional Fee Agreement as there are insufficient funds in the liquidation at present to support the costs of any action to recover funds in this liquidation.

In addition to the information provided by one of the major creditor's, I have spent considerable time following up on additional information that has been received from third parties, which have indicated that there are more transactions with this Company which require investigation and may lead to a recovery of assets for the benefit of creditors.

As my enquiries are ongoing and sensitive I will not provide additional information in this report, however as soon as I am able to clarify the extent and quantity of any actions proposed in this matter I will include this in further reports to creditors and seek approval from creditors where appropriate.

Within three months of my appointment, I was required to provide certain information regarding the Company's affairs and the directors conduct to the Secretary of State. I can confirm this information has been provided.

6. CREDITORS' CLAIMS

6.1. Secured creditors

Section 176A(1)(a) of the Insolvency Act 1986 requires that, where the Company has created a floating charge after 15 September 2003, the liquidator(s) must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims. "Net property" means the amount which would, were it not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of the liquidation).

The prescribed part is calculated as 50% of the first £10,000 of net property and 20% of the balancing net property (up to a maximum amount to be made available of £600,000). A liquidator will not be required to set aside the prescribed part if:

- the net property is less than £10,000 and he thinks the cost of distributing the prescribed part would be disproportionate to the benefit (Section 176A(3)); or
- he applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

The Company has no secured creditors with a floating charge and therefore the Prescribed Part Provisions will not apply.

6.2. Preferential creditors

There are no known preferential creditors.

6.3. Unsecured creditors

To date, I have received seven unsecured claims totalling £1,836,573.02 compared to £678,337 estimated in the statement of affairs. The reason for the significant difference is due to a claim received by HMRC, which totals £1,131,779. HMRC's claim was included in the director's statement of affairs at £1, and they have now issued notification of the existence of a loan charge in respect of remuneration paid to the employees and I am presently waiting for details of any increase in the extent of their claim as a result of this loan charge. A claim from British Gas totalling £27,593.43 has also been lodged with me, which was previously included as a claim for £53.32. Further details of this claim have been requested.

Claims have not yet been agreed or admitted for dividend purposes.

7. EXPENDITURE

7.1. Pre appointment remuneration

At a meeting held on 13 March 2017 the creditors authorised the payment of a fee £5,000 plus VAT and disbursements for my assistance with preparing the statement of affairs and convening and holding the meeting of creditors.

The fee for preparing the statement of affairs and convening and holding the meeting of creditors was paid from the first realisations received into the liquidation.

7.2. Joint liquidators' remuneration

On 31 May 2018, my remuneration was authorised by the creditors on the basis set out below. A description of the routine work undertaken in the liquidation by category is included at Appendix II.

Fixed fee basis

I was authorised to draw a fixed fee of £7,500 for administration and statutory matters undertaken in the liquidation. I have been unable to draw this fee to date due to insufficient realisations.

Percentage basis

I was authorised to draw a fee calculated as a percentage of assets realised and/or distributions made at the following rates:

- 20% in respect of the realisation of all assets of the Company. Based on realisations I have achieved to date, I am entitled to remuneration of £1,572.96.

I have not been able to draw any remuneration in respect of work done for which my fees were approved on a percentage basis.

Time costs

I was authorised to draw remuneration on a time cost basis for my work in respect of investigation and creditor matters. The approval was based on a fees estimate of £9,563.50 which acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. A detailed schedule of my time costs incurred for this work to 12 March 2019 and since my last progress report, is included at Appendix II

My total time costs to 12 March 2019 relating to work completed for which I am being remunerated on a time cost basis amount to £9,956.30, representing 52.10 hours, which have been charged at an average hourly charge out rate of £191.10. Of this balance, £5,402.50 representing 28.70 hours which have been charged at an average hourly charge out rate of £188.24, have been incurred in the period from 13 March 2018 to 12 March 2019. The actual average charge out rate incurred dealing with creditor's claims of £158.88 per hour compares with the estimated average charge out rate of £191.74, and the actual average charge out rate incurred dealing with investigations of £195.14 per hour compares with the estimated average charge out rate of £243.50 in my fees estimate.

The average rates are lower than initially estimated as the claims of creditors have not yet been subject to approval by me as liquidator and the investigation work undertaken to date has been in respect of information gathering and so involved less time to date from higher grade administrators.

I have not been able to draw any remuneration in respect of work done for which my fees were approved on a time cost basis to date as there have been insufficient realisations to date.

As you can see from the information provided, as at 12 March 2019 the total time costs incurred in this matter, in respect of the categories of work for which I am being remunerated on a time cost basis, have exceeded the total set out in my fees estimate when my remuneration was authorised. The reasons my time costs have exceeded the fees estimate is due to the fact that as a result of my enquiries additional information has led to further transactions to be investigated, which may ultimately increase the extent of recovery of assets that may be possible in this liquidation.

I intend to seek a decision to approve an increase in my fees estimate from the creditors in the future, once it is clearer that there will be sufficient funds recovered, as a result of the investigations, to enable such fees to be drawn and I will provide further details when this application is made.

A creditors' guide to liquidators' fees is available at the following internet link, www.r3.org.uk/index.cfm?page=1210. A hard copy of this document is available free of charge upon request to my office.

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the joint liquidators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the joint liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

7.3. Joint liquidators' expenses

I have incurred expenses to 12 March 2019 of £324.87, of which £12.87 was incurred in the period from 13 March 2018 to 12 March 2019. This compares to my estimated expenses of £435 included in my fee approval report.

Details of the expenses incurred to date are set out below:

Type of expense	Category 1/2	Expenses incurred		Expenses outstanding (£)
		This period (£)	Total (£)	
Statutory Advertising	1	-	151.00	151.00
IT Administration Fee	1	-	110.00	110.00
Liquidators Bond	1	10.00	40.00	40.00
Courier charges	1		21.00	21.00
Storage	1	0.87	2.87	2.87

I have not been able to draw any expenses to date.

I have used the following agents or professional advisors in the reporting period:

Professional advisor	Nature of work	Basis of fees
Isadore Goldman and Verisona Law	Legal advice on possible recovery in respect of transactions undertaken prior to liquidation.	Conditional Fee agreement based on base time costs plus 75% success fee. No fees have been paid to date.
Burlington Credit	Desktop asset report to assist in investigation	Fixed fee of £350 paid in this reporting period

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

I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

8. DIVIDEND PROSPECTS

Dividend prospects are dependent upon whether any realisations are made from my ongoing investigations. Claims are yet to be adjudicated upon, however creditors are asked to submit a proof of debt form with supporting documentation for their claim to this office if they have not done so already.

9. CONCLUSION

The liquidation will remain open until I have finalised my investigation into the transactions undertaken prior to liquidation and the likelihood of any recovery in respect of any claim I may make as liquidator in respect of my findings. Once these issues have been dealt with the liquidation will be finalised and my files will be closed.

The next formal report will be following the next anniversary or the conclusion of the liquidation, whichever is sooner. However, I will be happy to respond to any specific request for further information submitted in the meantime.

Our privacy statement, which can be accessed at https://www.wilkinskennedy.com/documents/8/Insolvency_Stakeholders_Privacy_Notice_Sept_2018.pdf explains how we process personal data.

When corresponding with this office about the liquidation, please ask for Donna Kirkpatrick who can be contacted on 0118 951 2131 or via email at donna.kirkpatrick@wilkinskennedy.com.



Matthew John Waghorn
Joint Liquidator

**TMC (Southern) Limited - In Creditors Voluntary Liquidation
Joint Liquidators' Abstract of Receipts & Payments**

From 13 March 2018 To 12 March 2019

S of A £	As Previously Reported	13/03/18 to 12/03/19	Total £
RECEIPTS			
NIL Bank Interest Gross	1.31	0.39	1.70
NIL Cash held at RSM Client a/c	7,864.80	NIL	7,864.80
NIL	7,866.11	0.39	7,866.50
PAYMENTS			
NIL Statement of Affairs Fee	(5,000.00)	NIL	(5,000.00)
NIL Vat Irrecoverable	(1,000.00)	(70.00)	(1,070.00)
NIL Accountancy Fees	(1,000.00)	NIL	(1,000.00)
NIL Tracing Agents Fee	NIL	(350.00)	(350.00)
0	(7,000.00)	(420.00)	(7,420.00)
0 CASH IN HAND	866.11	(419.61)	446.50

APPENDIX II

**ANALYSIS OF TIME COSTS, EXPLANATION OF FEES AND DISBURSEMENTS RECOVERY POLICY AND
PROVISION OF SERVICES REGULATIONS**

Analysis of joint liquidators' time costs

TMC (Southern) Limited - in Liquidation

as at 12 March 2019

JOINT LIQUIDATORS' FEES

Classification Of work function	HOURS					Time Cost £	Average hourly rate £
	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Administration & planning							
Investigations	6.60	10.70	29.00	-	46.30	9,035.00	195.14
Realisation of assets							
Trading							
Creditors	0.10	0.10	5.60	-	5.80	921.50	158.88
Case Specific matters (specify)							
Total hours	6.70	10.80	34.60	-	52.10	9,956.50	191.10
Total fees claimed (£)							

Wilkins Kennedy Charge-Out Rates

	£		£
1 January 2017 to 2 December 2018		3 December 2018 to date	
Partners	400.00 - 460.00	Partners	430.00 - 470.00
Directors/Managers	230.00 - 360.00	Directors/Managers	210.00 - 390.00
Senior Administrators	145.00 - 200.00	Administrators	110.00 - 210.00
Administrators	100.00 - 160.00	Junior/Trainee Administrators	95.00 - 200.00
Junior/Trainee Administrators	50.00 - 110.00	Cashiers/Secretaries	60.00 - 100.00
Cashiers/Secretaries	75.00 - 90.00		

Analysis of joint liquidators' time costs

TMC (Southern) Limited – in Liquidation

from 12 March 2018 to 11 March 2019

JOINT LIQUIDATORS' FEES

Classification Of work function	HOURS					Time Cost £	Average hourly rate £
	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Administration & planning							
Investigations	6.40	2.80	17.00		26.20	5,018.50	191.55
Realisation of assets							
Trading							
Creditors	0.10	-	2.40	-	2.50	384.00	153.60
Case Specific matters (specify)							
Total hours	6.50	2.80	19.40	-	28.70	5,402.50	188.24
Total fees claimed (£)						-	

Wilkins Kennedy Charge-Out Rates

	£		£
1 January 2017 to 2 December 2018		3 December 2018 to date	
Partners	400.00 - 460.00	Partners	430.00 - 470.00
Directors/Managers	230.00 - 360.00	Directors/Managers	210.00 - 390.00
Senior Administrators	145.00 - 200.00	Administrators	110.00 - 210.00
Administrators	100.00 - 160.00	Junior/Trainee Administrators	95.00 - 200.00
Junior/Trainee Administrators	50.00 - 110.00	Cashiers/Secretaries	60.00 - 100.00
Cashiers/Secretaries	75.00 - 90.00		

EXPLANATION OF FEES AND DISBURSEMENTS RECOVERY POLICY AND PROVISION OF SERVICES REGULATIONS

Fees recovery policy

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), in cases where remuneration is based either solely or in part on a time cost basis the charge out rates detailed on the analysis of time costs are applicable to this appointment exclusive of VAT. Rates are normally reviewed on an annual basis and adjustments made accordingly where deemed appropriate. Time is recorded in 6 minute units by each staff member working on the case.

In all cases a description of the routine work undertaken by category is detailed as follows:

1. Administration and planning
 - Preparing documentation and dealing with the formalities of appointment.
 - Dealing with all routine correspondence.
 - Maintaining physical case files and electronic case details.
 - Reviewing the ongoing progression of case files.
 - Arranging the collection and storage of Company records.
 - Ensuring an appropriate case bordereau is in place.
 - Case planning and administration.
2. Investigations
 - Review of the Company's books and records.
 - Preparation of returns / reports pursuant to the Company Directors Disqualification Act 1986.
 - Conduct investigations into any suspicious transactions.
 - Reviewing the books and records to identify any transactions or actions that the officeholder may take in order to recover funds for the benefit of creditors.
3. Realisation of assets
 - Identifying, securing and obtaining sufficient insurance in respect of Company assets.
 - Dealing with any retention of title or other third party claims.
 - Debt collection functions.
 - Negotiating and completing property, business and asset sales.
4. Cashiering
 - Managing case bank accounts.
 - Maintaining case cash books.
5. Trading
 - Management of trading operations.
 - Maintaining and preparing accounting records for the period of trading.
 - Dealing with ongoing employee issues.

6. Creditors

- Dealing with creditor correspondence and telephone conversations.
- Maintaining creditor information and claims (including those submitted by secured creditors, employees and other preferential creditors).

7. Statutory

- Statutory notifications and advertising.
- Convening and holding meetings of members and creditors where appropriate.
- Preparing reports to members and creditors.
- Filing of statutory documents with the Registrar of Companies and/or the court.

Disbursements recovery policy

SIP 9 also requires that the office holder provide a statement of the officeholder's policy in relation to the recharging of disbursements. SIP 9 defines disbursements as either Category 1 or Category 2 disbursements, further details of which are below.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements will generally comprise costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs.

Category 1 disbursements are recoverable without approval, and will be recovered by the officeholder as they are incurred.

Category 2 disbursements do require approval, and should be identified and subject to approval by those responsible for approving remuneration. SIP 9 provides that the officeholder may make a separate charge for expenses in this category, provided that:

- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation and allocation; it will be persuasive evidence of reasonableness, if the resultant charge to creditors is in line with the cost of external provision; and
- the basis of the proposed charge is disclosed and is authorised by those responsible for approving his remuneration.

Payments to outside parties in which the officeholder or his firm or any associate (as defined by Section 435 of the Insolvency Act 1986) has an interest should be treated as category 2 disbursements.

The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Photocopying	5p per sheet
Mileage	45p per mile (40p per mile prior to 6 April 2011)
Meeting Room	£50

Provision of Services Regulations

When carrying out all professional work relating to an insolvency appointment, Insolvency Practitioners are bound by the Insolvency Code of Ethics.

To comply with the Provision of Services Regulations, some general information about Wilkins Kennedy, including our complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, is available on our website using the following link:

<https://www.wilkinskennedy.com/services/advisory/insolvency/provision-service/>