

Liquidator's Progress Report

S.192

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

To the Registrar of Companies

Company Number

02646544

Name of Company

Top Ten Bingo Limited

I / We

Daniel R W Smith, 30 Finsbury Square, London, EC2P 2YU

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 19/06/2015 to 18/06/2016

Signed



Date

24/6/16

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Ref T00980/DRS/PAM/KLM/JET

TUESDAY



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28/06/2016

#302

COMPANIES HOUSE



Our Ref DRS/PAM/KLM/JET/T00980/

To the creditors and members

22 June 2016

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP
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Top Ten Bingo Limited (the Company) - In Liquidation

1 Introduction

1 1 Following my appointment as liquidator of the above Company on 19 June 2014, in accordance with section 104A of the Insolvency Act 1986 I now report on the progress of the liquidation for the year ended 18 June 2016 and attach

- Appendix A, an account of my receipts and payments for the year ended 18 June 2016 and also for the whole liquidation to date
- Appendix B, a statement of the remuneration charged by the liquidator in the period 19 June 2015 to 18 June 2016 and a statement of expenses incurred in the period
- Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator (rule 4.49E)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4.131)

1 2 I am authorised by the Insolvency Practitioners Association to act as an insolvency practitioner

2 Statutory information

2 1 The Company's statutory details are as follows

Registered number 02646544

Registered office Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Chartered Accountants

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales No OC307742 Registered office Grant Thornton House, Melton Street, Euston Square, London NW1 2EP
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3 Progress report

3 1 In addition to being appointed as Liquidator of the Company, I was also appointed Liquidator of nine other group companies on 3 July 2014

- Top Ten Holdings plc
- Apollo Bingo Limited
- Westvale Leisure Limited
- Walker Group Limited
- Walker Leisure (UK) Limited
- Walker Property Management Company Limited
- Walker Holdings (UK) Limited
- Lance Leisure (Mexborough) Limited (LLM)
- Bravo Bingo (UK) Limited (BBUK)

3 2 Together, these companies formed the Top Ten Bingo group (the Group), that owned and operated licenced bingo clubs. TTB was the primary operating company in the Group

3 3 The Liquidations of LLM and BBUK were finalised and closed on 21 April 2015

Assets

VAT claims

3 4 The Company, together with other Group companies (excluding LLM and BBUK), had a number of distinct VAT claims with a potential value of c£30 million

3 5 These claims are highly contingent and realisations are dependent upon the outcome of claims that are being brought by unconnected independent third parties. At this stage I am unable to estimate the amount, if any, that will be realised from these claims and I expect that it could take up to five years for these claims to be resolved

3 6 I have undertaken the following tasks in respect of the VAT claims

- c1,000 boxes of historical records have been moved from the Company's former head office and separate storage unit to the Liquidator's storage facility. If any of the claims are successful, this information will be required in order to substantiate and evidence the claim back to original source records,
- HM Revenue & Customs (HMRC) has been notified of my appointment as the Company's Liquidator,
- Meeting with the Company's former Management and pre-appointment advisor to understand the background to the claims and to obtain copies of their records,
- Obtained a copy of the supporting accounting data that was held on the Company's server,
- Obtained a back-up of the cloud based record keeping system, and
- On-going monitoring of the lead cases that support the VAT claims

3 7 On 9 July 2015, the Supreme Court ruled in favour of HMRC in respect of one of the cases that was the basis of Company claims totalling c£8.5 million. I am monitoring the impact of this judgement, but expect that remaining claims now total c£21.5 million

Miscellaneous Income

- 3 8 Miscellaneous receipts of £1,398 have been received in the period

Liabilities

Secured liabilities

- 3 9 The Director's statement of affairs showed that National Westminster Bank plc (the Bank) has secured debt totalling £29,667,111 which is secured against the Company's assets by way of a debenture and cross guarantee

Preferential liabilities

- 3 10 The Company has no preferential creditors

Unsecured creditors

- 3 11 The Director's statement of affairs estimated that the Company has unsecured creditors totalling £42,390,727
- 3 12 The Bank's debenture pre-dates 15 September 2003 and as a result the prescribed part carve out for unsecured creditors will not apply on floating charge realisations. Unfortunately, given the level of secured debt and the contingent nature of the VAT claims, it is unlikely that there will be sufficient funds available in order to enable a distribution to the unsecured creditors

4 Liquidator's remuneration and expenses

- 4 1 At a meeting of creditors held on 3 July 2014, the creditors resolved that I draw my remuneration by reference to the time properly given by the Liquidator and his staff in attending to the Liquidation. You will note from the SIP 9 table attached at Appendix C that my time costs to date are £120,167 and from the receipts and payments account attached at Appendix A, that I have drawn no fees
- 4 2 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively I will supply this information by post on request
- 4 3 As previously reported I have drawn expenses of £6,175 as indicated in Appendix A. No further expenses have been incurred in the period

5 Other expenses incurred by the Liquidator

- 5 1 No further expenses have been incurred in the period

6 Contact

6.1 If you have any queries please contact Heather Thomson on 0161 214 6369

Yours faithfully
for and on behalf of Top Ten Bingo Limited

A handwritten signature in black ink, appearing to be 'DS' with a flourish.

Daniel Smith
Liquidator

Enc

Top Ten Bingo Limited - in liquidation
Summary of receipts and payments
from 19 June 2014 to 18 June 2016

Statement of Affairs £	From 19/06/2014 to 18/06/2015 £	From 19/06/2015 to 18/06/2016 £	Total £
Receipts			
Book Debts	55,000 00	0 00	55,000 00
Misc Float Receipts	169 00	1,397 77	1,566 77
Bank/ISA InterestGross	5 51	0 00	5 51
Misc Refunds	35,737 13	0 00	35,737 13
Rates	3,157 61	0 00	3,157 61
HMRC - VAT received/paid	0 00	54 75	54 75
	94,069 25	1,452 52	95,521.77
Payments			
Liquidators Expenses	6,174 94	0 00	6,174 94
VAT irrecoverable	1,020 62	0 00	1,020 62
Legal Fees (1)	300 00	0 00	300 00
Professional Fees	350 00	0 00	350 00
Ransom payments	1,000 00	0 00	1,000 00
Statutory Advertising	846 00	0 00	846 00
Insurance of Assets	185 50	0 00	185 50
Bank Charges	0 00	12 50	12 50
Vat on Purchases	0 00	54 75	54 75
	9,877 06	67.25	9,944.31
Net Receipts/(Payments)	84,192 19	1,385.27	85,577.46
Made up as follows			
Floating Current Account NIB 21 10 14	84,192 19	1,385 27	85,577 46
	84,192 19	1,385.27	85,577.46

B Remuneration charged and expenses incurred by the joint liquidators in the period

	Charged/incurred in period 19/06/2015 to 18/06/2016	Cumulative charged/incurred to 18/06/2016	Of which paid to 18/06/2016
	£	£	£
Joint liquidators' fees			
Time costs	29,460	120,167	0
Expenses	0	6,175	6,175
Professional fees			
ERA Solutions	0	350	350
Legal fees			
Fraser Brown	0	300	300
Insurance			
JLT	0	186	186

C SIP 9 information

Introduction

The following information is provided in connection with the liquidators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

	From 01/07/13	From 01/07/14 to date
	£	£
Partners up to	600	740
Managers up to	455	470
Administrators up to	320	345
Assistants and support staff up to	220	230

Disbursements

Out of pocket expenses are charged at cost and mileage is charged at standard rates. VAT is added to disbursement charges as necessary.

Top Ten Bingo Limited - in Liquidation - T30200980 - SIP 9 TIME COST ANALYSIS

Transaction period 19/06/2014 to 18/06/2016

	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	Avg Hry Rate
Administration and Planning	14.20	10,064.00	30.00	12,217.00	49.61	15,557.95	61.95	9,962.75	155.76	47,801.70
Creditors			18.00	7,200.00	7.59	2,137.65	13.50	2,096.00	39.09	11,433.65
Hiatus period										292.50
Investigations			4.30	1,720.00			20	32.00	4.50	1,752.00
Pensions			5.80	2,704.00	30	99.00	2.80	434.00	8.90	3,237.00
Realisation of Assets			5.70	2,329.00	16.95	5,448.50	11.60	1,856.00	34.25	9,633.50
Taxation			86.45	41,830.50	3.30	964.00	5.80	909.00	100.15	46,309.50
Trading										462.40
Total	18.80	12,670.00	150.25	68,000.60	77.75	24,207.10	95.85	15,289.75	342.65	120,167.35

Total fees billed to date (Time) · £

Top Ten Bingo Limited - in Liquidation - T30200980 - SIP 9 TIME COST ANALYSIS

Transaction period 19/06/2015 to 18/06/2016

	Partner		Manager		Executive		Administrator		Total		Avg Hry Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning (incl statutory reporting)	1.00	725.00	10.60	4,632.00	3.50	957.50	6.60	958.00	21.70	7,272.50	335.14
Chargeholders (incl bank reporting)					2.25	652.50			2.25	652.50	290.00
Corporation Tax	1.20	840.00	37.20	18,415.00					38.40	19,255.00	501.43
Hiatus period									00		
Investigations and reports on directors									00		
Legal									00		
PAYE and VAT			1.05	458.50	75	217.50	20	16.00	2.00	692.00	346.00
Pensions			20	104.00					.20	104.00	520.00
Preferential creditors					25	72.50	35	56.00	60	128.50	214.17
Realisation of Assets Debtors									00		
Realisation of Assets Other assets			70	329.00					.70	329.00	470.00
Realisation of Assets Property plant vehicles etc (incl HP leasing and third party)							75	120.00	75	120.00	160.00
Realisation of Assets Stock and WIP (incl ROT)									00		
Sale of business									.00		
Trading									00		
Unsecured creditors					1.00	290.00	4.25	616.00	5.25	906.00	172.67
Total	2.20	1,565.00	49.75	23,938.50	7.75	2,190.00	12.16	1,766.00	71.85	29,459.50	410.01

Total fees billed to date (Time) : £

Top Ten Bingo Limited - In Liquidation

Costs Incurred in the period 19 June 2015 to 18 June 2016

TASKS	Incurred to date		
	Av Hrlly Rate	Hrs	£
STATUTORY AND ADMINISTRATIVE TASKS	331	22	7,273
Case planning File reviews Bank account administration (treasury) Maintenance of records Reports to creditors			
REALISATION OF ASSETS	310	1.45	449
Pre-appointment insurance claim Reviewing judgment regarding rank ruling			
CREDITORS	211	8	1,687
Correspondence with secured creditor and distributions Creditor correspondence Shareholder correspondence			
TAXATION	499	40	19,947
Tax compliance VAT compliance Correspondence regarding VAT claim			
Pensions	520	0.20	104
Dealing with the Pensions Regulator / Schemes			
Total costs	411	72	29,460

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator

Rule 4 49E edited for application to a progress report in a creditors' voluntary liquidation

- (1) If
 - (a) within the period mentioned in paragraph (2)
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter which was previously included in a progress report
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report
- (3) The liquidator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the liquidator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (4) Any creditor, who need not be the same as the creditor who requested further information, may apply to the court within 21 days of -
 - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4 131(1B) by such further period as the court thinks just

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive

Rule 4 131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application by a creditor may be made on the grounds that -
 - (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
 - (c) expenses incurred by the liquidator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice, but which is without notice to any other party
If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation