

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



A08 *A7967FUJ* 30/06/2018 #160
COMPANIES HOUSE

1 Company details

Company number 02676818

Company name in full Tachodisc Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Patrick Alexander

Surname Lannagan

3 Liquidator's address

Building name/number Mazars LLP

Street

Post town One St Peters Square

County/Region Manchester

Postcode M23DE

Country

4 Liquidator's name ①

Full forename(s) Conrad Alexander

Surname Pearson

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Mazars LLP

Street

Post town One St Peters Square

County/Region Manchester

Postcode M23DE

Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

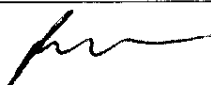
From date	^d 2	^d 8	^m 0	^m 4	^y 2	^y 0	^y 1	^y 7
To date	^d 2	^d 7	^m 0	^m 4	^y 2	^y 0	^y 1	^y 8

7 Progress report☒ The progress report is attached**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 2	^d 6	^m 0	^m 6	^y 2	^y 0	^y 1	^y 8
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LIQ03

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.

Contact name **Deborah Croston**

Company name **Mazars LLP**

Address **One St Peters Square**
Manchester

Post town **M2 3DE**

County/Region

Postcode

Country

DX

Telephone **T: +44(0) 161 238 9200**



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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.



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Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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**Tachodisc Limited
In Liquidation**

Joint Liquidators' progress report covering the period from 28 April 2017 to 27
April 2018

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Tachodisc 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 27 April 2018.
- 1.2. The report should be read in conjunction with the Joint Administrators' proposals issued to creditors on 5 August 2016 and the Administrators' subsequent reports.
- 1.3. In accordance with Paragraph 46 of Schedule B1 of the Insolvency Act, Anthony David Nygate and Kerry Franchina Bailey of BDO LLP ("the Administrators" or "BDO"), were appointed Joint Administrators of the Company on 29 April 2016.
- 1.4. The statutory purpose of the Administration was to achieve a better result of the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
- 1.5. In accordance with the Proposals, a notice to move the Administration to Liquidation pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986 ("the Act"), was filed at Companies House. No other nominations were received in respect of the appointment of the Liquidators; therefore Robert David Adamson and Patrick Alexander Lannagan both of Mazars LLP, were appointed Joint Liquidators of the Company on 28 April 2017.
- 1.6. Mr Adamson has subsequently left the partnership of Mazars LLP on 9 February 2018 and Conrad Alexander Pearson of Mazars LLP was appointed in his place as Joint Liquidator by order of the High Court on 27 March 2018, just prior to the end of the current reporting period.
- 1.7. Identification details relating to the Company, the Administrators and the Liquidators are attached at Appendix A.

2. Liquidators' Receipts and Payments

- 2.1. A summary of receipts and payments covering the period from 28 April 2017 to 27 April 2018 is attached at Appendix B.
- 2.2. The receipts and payments account confirms that there is currently a balance in hand of £539,467.11, representing Liquidation estate funds of £507,392.74 and Trust Monies of £32,046.55 transferred to the Liquidators from the Administration plus interest accrued of £27.82. There is an additional amount of VAT due to the Liquidation estate of £4,027.91.
- 2.3. An explanation of the assets realised and the expenses paid is provided below.

3. Asset Realisations and Details of Progress

Asset realisations made during the period covered by this report are detailed below.

3.1. Book Debts

- 3.1.1. Based on the Administrators final report, there are book debts outstanding of £52,175, which they had estimated to have a collectable value of some £10,000.
- 3.1.2. BDO have advised that the initial book debt collections was carried out by the purchaser of the business, Tachodisc Distribution UK Ltd ("TDUK Ltd") for a period of six months as part of the sale and purchase agreement. It is our understanding from BDO that the purchaser ceased to collect the book debts in January 2017.
- 3.1.3. Following our appointment as Liquidators, a request was made to BDO for copies of the outstanding invoices and to provide the books and records to assist with debt collections. BDO have advised that the invoices required will be held by TDUK Ltd.
- 3.1.4. To date, the Liquidators have received book debt collection of £84.32, being dividend payments from the Liquidations of four of the outstanding debtors.

3.2. VAT from Administration

- 3.2.1. At the date of Liquidation, we were advised that the Administrators had issued their last VAT return which consisted of £32,759.85 relating to VAT on invoices due to Tachodisc Pension Funds and £19,939.54 relating to input VAT on invoices paid by the Administrators.
- 3.2.2. The VAT refund in the sum of £52,699.39 has been received in full, of which £32,759.85 has subsequently been paid to the Tachodisc Pension Fund.
- 3.2.3. Following a review/reconciliation of the invoices paid by the Administrators, we noted that the input VAT of £4,010.09 on the Administrators final invoice had not yet been reclaimed. This reclaim was sent to HMRC and receipt of funds is awaited.

3.3. Trust Funds from Administration

- 3.3.1. Creditors will recall from the Administrators progress report, that a certain amount of customers were invoiced two months in advance of the service being provided, which related to the period 29 April 2016 to 30 June 2016.

As the funds held were for the period after the date of Administration, we have been advised that BDO took legal advice on how to proceed with these funds. The Purchaser of the business TDUK Limited wrote to the customers in April 2016 to ask if they wished to continue the service with them. BDO also wrote to the customers in May and November 2016 to ask if they wished the trust monies to be paid over to TDUK Limited or returned to the customer.

- 3.3.2. We understand that a number of customers have responded to this request and funds were issued accordingly by BDO. However, we have been advised that there are still a number of customers that did not provide the information/authority requested.

- 3.3.3. Within the Administrators final report, BDO confirmed that there were a selection of cheques that had been raised, but had not been cashed. Prior to the conclusion of the Administration and the appointment of the Liquidators, these cheques were cancelled/stopped by the Administrators, so that the correct value of funds could be provided to the Liquidators.
- 3.3.4. The Liquidators have opened a separate bank account for these trust funds which holds the £32,046.55 transferred by BDO. These funds are held on behalf of 192 customers, 140 of these are less than £100. To date, interest of £27.82 has accrued on these funds.
- 3.3.5. We have engaged both Pinsent Masons LLP and Howes Percival LLP to provide legal advice in respect of the trust monies in order that the way forward be determined. As Pinsent Masons LLP were advisors in the creation of the Trust, we have asked Howes Percival LLP to provide advice on the validity of the Trust Fund.
- 3.3.6. Pinsent Masons LLP have suggested 4 options, but the most beneficial for creditors would be to obtain insurance in respect of missing beneficiaries' claims. The premium for such insurance could properly be paid from the trust fund. The remainder of the residual monies could then be distributed to creditors (as the policy would cover the claims to which they relate).
- 3.3.7. After the validity of the Trust has been considered by Howes Percival LLP, we will conclude on the most appropriate way forward.
- 3.4. **Funds from Administration**
- 3.4.1. These funds have been received from BDO representing cash at bank at the end of Administration and reconcile to the value detailed in the Administrators final report less a £15 bank charge for the transfer of funds.
- 3.5. **Sundry Refunds**
- 3.5.1. Insurance broker Howden Group have refunded £481.40 due to excess funds they were holding.

4. Assets still to be realised and matters outstanding

Assets still to be realised comprise:

- 4.1. **Book Debts**
- 4.1.1. As noted in section 3.1, the book debt documentation is currently with TDUK Ltd. Once we are in possession of the necessary documentation, we will proceed with the collections and determine the collectable value.
- 4.1.2. For the purpose of the EOS at Appendix C4, we have assumed the same value as advised by BDO.



4.2. VAT from Administration

- 4.2.1. As noted in section 3.2, we have submitted a VAT return for £4,010.09 in connection with the final Administration invoice. We are now awaiting the receipt of the VAT refund from HMRC.

4.3. Trust Funds

- 4.3.1. As noted in section 3.3, the Liquidators have been required to take legal advice with regard to issuing the funds, which is still ongoing.

- 4.3.2. The conclusion of the legal advice will determine the next available steps regarding these funds.

4.4. Books and Records

- 4.4.1. The Administrators confirmed that they had stored the Company's books and records with their storage provider and provided the Liquidators with the list of records held. We are in discussions with their provider with regard to transferring the books and records into our possession.

4.5. Distribution to Creditors

- 4.5.1. A Notice of Intended Dividend is being issued concurrently with this report, requesting that creditors submit their claims to the extent that they have not already done so. The deadline for claims is set at 6 August 2018 in order for the claims received to be adjudicated and a first, interim dividend to be issued within two months of the deadline for claims.

- 4.5.2. Once all of the asset realisations have been completed, a second Notice of Intended Dividend will be issued to enable any creditors who have not submitted their claim in the Liquidation to finalise their proof and be considered for a second and final distribution before the closure of the Liquidation.

5. Estimated Outcome Statement

- 5.1. An estimate of the outcome of the Liquidation is attached at Appendix C4.

- 5.2. This estimate is based on the following assumptions:

- That book debt recoveries will be in the region of £10,000 as estimated by the Administrators;
- That the Trust is valid and the Trust funds held are ultimately returned to the customers;
- That the proposed combined bases for the Liquidators' remuneration (see section 9 and Appendix C) are approved by creditors; and
- That there are no unforeseen complexities encountered in dealing with Trust funds or in creditor adjudications which require input from legal advisors.

- 5.3. The Joint Liquidators are proposing a combination of fee bases, comprising a percentage fee basis in respect of asset realisation work and a set fee, or fixed fee, in respect of statutory and compliance work. Further details are provided in section 9 and Appendix C. Overall, the estimated remuneration to be drawn on both fee bases is less than 10% of total asset realisations.



- 5.4. There are sufficient funds to enable a return to unsecured creditors. Based on claims received to date and an assessment of claims likely to be received, based on the Directors' Statement of Affairs, it is anticipated that the overall return to creditors will be 3.58p in the £.
- 5.5. Further details on the expected outcome for each class of creditor is provided below.

6. Liabilities

6.1. Secured Creditors

- 6.1.1. As far as the Liquidators are aware, the Company had historically granted security over its assets to National Westminster bank plc and to the Tachodisc Pension Fund. However, all security had been satisfied some years prior to the Administration. Thus, there are no secured creditors in this matter.

6.2. Preferential Creditors

- 6.2.1. Preferential claims arise from arrears of wages and accrued, unpaid holiday pay due to the former employees of the Company who did not receive their full entitlements on redundancy, prior to the Liquidation.
- 6.2.2. The Company's employees transferred to TDUK Ltd and this was a relevant transfer under the Transfer of Undertaking Protection of Employment Regulations 2006. There are no preferential creditors in this case.

6.3. Unsecured Creditors

- 6.3.1. According to the directors' Statement of Affairs, the Company had 44 unsecured creditors with debts totalling £12,549,436.37, of which £1,225,000 relates to shareholder loans. Claims received to date total £11,819,796.25 from 11 creditors, of which £11,738,000 relates to a claim from the Pension Protection Fund.
- 6.3.2. Creditors will note from the Estimated Outcome Statement included at Appendix C4, assuming that realisations and expenses are as anticipated, there will be sufficient funds to enable a return to creditors, currently estimated at 3.58 pence in the £.
- 6.3.3. Creditors are now invited to submit their claims to the Liquidators for consideration for a first interim dividend to the extent that they have not already done this. The relevant date for claims is 29 April 2016, the date the Company entered Administration. A list of known and potential creditors, confirming whether a claim has been received in the Administration or the subsequent Liquidation can be found at Appendix D.
- 6.3.4. A Notice of Intended Dividend is being issued simultaneously with this progress report and a deadline for claims is set at 6 August 2018. Any claims received after this date will be excluded from this distribution. Creditors should ensure that full documentation is provided in support of their claim. Claims which lack supporting evidence may be rejected for dividend purposes.
- 6.3.5. The first interim dividend will be declared by the current Liquidators within two months of the deadline for claims.

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. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.
- 7.2. As there is no floating charge, the Prescribed Part does not apply in this instance.

8. Investigations

- 8.1. In accordance with the Company Directors Disqualification Act 1986, the Joint Administrators were required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the Administration. We understand that the Joint Administrators complied with this obligation.
- 8.2. The Joint Liquidators are required to report to the Insolvency Service on any additional matters that they become aware of during the Liquidation. To date, no matters have come to light.
- 8.3. Should creditors have any information which they consider may assist the Liquidators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Liquidators, 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. Liquidators' Remuneration

9.1. Basis of remuneration

- 9.1.1. In accordance with Rule 18.16 of the Insolvency (England & Wales) Rules 2016, the basis of the Joint Liquidators' remuneration may be fixed;
- a) as a percentage of the value of the assets which are realised or distributed, or of the one value and the other in combination; or
 - b) by reference to the time properly given by the Liquidators and their staff in attending to matters arising in the winding-up; or
 - c) as a set amount; or
 - d) as a combination of any one or more of the above.
- 9.1.2. No approval for the basis of the Liquidators' remuneration has yet been sought. It is now proposed that the Liquidators' remuneration be agreed as a combination of bases as follows:

- a fixed fee of £10,000 plus VAT in respect of work undertaken during the Liquidation of a statutory or compliance nature, which does not add any financial benefit for creditors; and
- a percentage basis by reference to the value of property with which the Liquidators are required to deal, in respect of current, future and prospective realisations. The Liquidators consider that the percentage basis will ensure for the benefit of creditors that the costs are minimised in the event that future asset realisations are lower than anticipated.

9.1.3. The Liquidators are now seeking approval from creditors for their remuneration and are providing within this annual report a Fees Information Pack to support this request.

9.2. ***Fees Information Pack***

9.2.1. This report and the Fees Information Packs at Appendix C set out the information required to be provided to creditors in accordance with Rule 18.16(6) to assist creditors in considering the scope of work required and whether the proposed fee is reasonable. Further information on the work already undertaken to date and the work remaining to be completed during the Liquidation is provided at Appendices C2 and C3. An estimate of the Liquidators' remuneration to be drawn once approved, based on the known and expected realisations, is set out in Appendix C4

9.2.2. The Liquidators have reviewed the level of time costs incurred in other cases of a similar size and complexity and confirm that the proposed fee bases will allow remuneration at a level that is an appropriate and reasonable reflection of the work to be undertaken. A percentage of realisations basis in respect of work involved in asset realisations will provide creditors with more certainty over the level of remuneration than in a time costs proposal.

9.2.3. It is assumed that the Liquidation will remain open for a further 12 months in order to complete the outstanding matters set out in section 4.

9.2.4. In accordance with Statement of Insolvency Practice 9 a guide entitled "Liquidations A creditors' guide to Insolvency Practitioners' fees" providing information on creditors' rights is available to download from the website:
<https://www.r3.org.uk/media/documents/publications/professional/Liquidations%20Creditor%20Fee%20Guide%20April%202017.pdf> or alternatively will be provided free of charge upon written request to this office.

9.3. **Costs already incurred**

9.3.1. As noted in the Fees Pack attached, the Liquidators' have already undertaken work on this case prior to seeking fee approval, so as to continue the Liquidation and attend to various statutory requirements.

9.3.2. Further information on the work carried out during the current reporting period in respect of the realisation of assets is provided in Section 3 and 4 of the report and also within the narrative summary attached at Appendices C2 and C3.

10. Liquidators' Disbursements

10.1 Some of the expenses detailed in the Estimated Outcome Statement are likely to be paid by this Firm in the first instance and re-charged to the estate. Such disbursements fall into 2 categories as follows:

- *Category 1 disbursements:* These are payments to independent third parties where there is specific expenditure directly referable to the case and as such can be drawn without prior approval.
- *Category 2 disbursements:* These are costs that are directly referable to the case but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the Administrators or their firm, and that can be allocated to the case on a proper and reasonable basis.

10.2 Category 2 disbursements require approval in the same manner as the Liquidators' remuneration. Details of this firm's disbursement charging policy is included in the Disbursements policy at Appendix C6.

10.3 Disbursements incurred but not yet paid are as follows:

Category	Amount (£)	Type of Disbursement
Specific bond premiums	415.00	Category 1
Land Registry Search	9.00	Category 1
Courier costs	60.82	Category 1

11. Expenses

11.1. Details of all expenses incurred during the period of the report are provided in the Expenses Statement attached at Appendix C5. Further details of expenses paid during the period of the report are shown in the receipts and payments account at Appendix B.

11.2. The Estimated Outcome Statement ('EOS') at Appendix C4 and the Expense Estimate at Appendix C5 provide details of the future expenses which the Liquidators consider will be, or are likely to be incurred on this matter. Including the Liquidators' remuneration, the costs are estimated to total £47,979.96 as set out in Appendix C5.

11.3. The Liquidators have reviewed the expenses incurred to date and are satisfied that they are reasonable in the circumstances of the case.

12. Creditors' Rights

12.1. Further information

12.1.1. 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 Liquidators for further information about the remuneration and expenses set out in this progress report.

12.2. Apply to Court

12.2.1. 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 the court on one or more of the following grounds:

- a. That the remuneration charged by the Liquidators , or
- b. That the basis fixed for the Liquidators' remuneration, or
- c. That the expenses incurred by the Liquidators ,

is in all of the circumstances, excessive or inappropriate.

12.3. Further guidance

12.3.1. 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 "Liquidations A creditors guide to Insolvency Practitioners' fees" which is available to download from the website <https://www.r3.org.uk/media/documents/publications/professional/Liquidations%20Creditor%20Fee%20Guide%20April%202017.pdf> or alternatively will be provided free of charge upon written request to this office.

12.3.2. 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>.



Patrick Lannagan
Joint Liquidator

Dated 26 June 2018

Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and 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

Tachodisc Limited - In Liquidation
Identification Details
Details relating to the Company

Company name	Tachodisc Limited
Previous names	N/A
Trading name	N/A
Company number	02676818
Registered office	c/o Mazars LLP, One St Peters Square, Manchester, M2 3DE
Trading address	44-45 Melford Court, Hardwick Grange, Woolston, Warrington, WA2 4RZ

Details relating to the Liquidators

Date of appointment	28 April 2017
Liquidators	Patrick Alexander Lannagan IP No. 009590 and Conrad Alexander Pearson (appointed 23 March 2018) IP No. 014732
Liquidators' address	Mazars LLP One St Peters Square, Manchester, M2 3DE
Liquidators' contact telephone number	T: +44(0) 161 238 9200
Previous Liquidator	Robert David Adamson – IP No. 009380 (removed 23 March 2018)

Tachodisc Limited - in Liquidation
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs	From 28/04/2017 To 27/04/2018	From 28/04/2017 To 27/04/2018
£	£	£
ASSET REALISATIONS		
Book Debts	84.32	84.32
VAT Refund from Administration	23,950.53	23,950.53
Trust Funds from Administration	32,046.55	32,046.55
Funds from Administration	486,547.35	486,547.35
Sundry Refunds	481.40	481.40
Bank Interest on Trust Account	19.92	19.92
Bank Interest Gross	449.55	449.55
	<u>543,579.62</u>	<u>543,579.62</u>
COST OF REALISATIONS		
Statutory Advertising	84.60	84.60
	<u>(84.60)</u>	<u>(84.60)</u>
UNSECURED CREDITORS		
(194,436.37) Trade & Expense Creditors	NIL	NIL
(30,000.00) HMRC re PAYE & NI	NIL	NIL
(11,100,000.00) Pension Scheme	NIL	NIL
(1,225,000.00) Shareholders	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(12,549,436.37)</u>	<u>543,495.02</u>	<u>543,495.02</u>
REPRESENTED BY		
Bank Account		507,392.74
Residual Trust Monies Account		32,074.37
VAT Control Account		4,027.91
		<u>543,495.02</u>

Strictly Private and Confidential

Tachodisc Limited - In Liquidation

FEES INFORMATION PACK

Contents

Appendix

C1	Fee Estimate
C2	Narrative Summary of Work on a Fixed Fee Basis
C3	Narrative Summary of Work on a Percentage Basis
C4	Estimated Outcome Statement
C5	Expense Estimate
C6	Disbursements policy

FEES ESTIMATE

Our total Fees Estimate as at 27 April 2018 to conclude this matter is £37,825.94. Set out below is a breakdown of how these costs will be split between the different functions the Joint Administrators and their staff are likely to perform on this case.

Description of Work	Narrative summary	Fee basis	Estimated Total Costs (£)
Tasks concerned with administration and planning; statutory and compliance matters; reporting and liaising with creditors	Appendix C2	Fixed fee	10,000.00
Tasks concerned with the realisation of assets; dealing with Trust monies; adjudication of claims and distributions to creditors calculated as follows:	Appendix C3	Percentage basis:	
Funds from Administration		5% of realisations	24,327.37
Book Debt Recoveries		10% of realisations	1,008.43
VAT Recoveries		10% of realisations	2,395.05
Trust Monies		10% of realisations	nil
Sundry Refunds and Other Income		10% of realisations	95.09
Total			37,825.94

Attached to this Fees Estimate are two detailed narrative summaries of the work already carried out and the work anticipated to be carried out on each fee basis, together with an explanation as to why the various tasks are required.

Not all of the work which the Liquidators are required to perform will provide a direct financial benefit to creditors. Some of the work to be undertaken is required because statute dictates that these tasks must be performed, or because guidance issued by the Insolvency Service or the regulatory bodies requires such. However, a large proportion of the work will involve realising assets, adjudicating on claims and issuing distributions to creditors which have a clear financial benefit to creditors.

In this case, assuming realisations and costs are as anticipated in the Estimated Outcome Statement, this work is likely to provide a financial benefit to unsecured creditors, who are expected to receive a dividend of 3.58 pence in the £.

Exceeding the Fees Estimate

The Fee Estimate for work to be done on a fixed fee basis is based on cases of a similar size and complexity and assumes that there are no complexities or additional issues not disclosed in the narrative summary of work to be undertaken schedule at Appendix C2. No additional fee may be drawn on a fixed fee basis without approval by creditors. In the event that additional work is required in those areas covered by the fixed fee, the Liquidators may revert to creditors to agree any changes to the Fee Estimate.

Creditors should note that the Fee Estimate provided on a percentage basis of realisations is not capped regardless of the level of realisations. A narrative summary of the work to be undertaken on this basis is detailed at Appendix C3.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS IN THE PERIOD
28 APRIL 2017 TO 27 APRIL 2018 AND ESTIMATE OF FUTURE WORK REQUIRED TO BE
UNDERTAKEN ON A FIXED FEE BASIS**

Description of work

The work outlined in the Appendix is necessary to ensure that the case is administered correctly and in line with statutory requirements. It is not expected that this work will result in a direct financial benefit for creditors and is largely required by statute and to ensure that the case is administered in line with statutory requirements. 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 aid to add value through the efficient management of the case. Some of the work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

Administration and Planning

Work already undertaken in this category includes:

- Case acceptance and ethical reviews.
- Handover meeting with BDO and follow up on outstanding points.
- Review of information provided by BDO, follow up on queries.
- Completing case strategy notes.
- Holding strategy meetings with team and advisors.
- Liaising with third party archive provider holding company records.

Further work to be undertaken will include:

- Holding strategy meetings, as required.
- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.
- Managing and archiving Company records.

Statutory and compliance matters

Work already undertaken as required by statute or to comply with best practice includes:

- Preparation and lodgement of statutory appointment documents; formal notifications to HM Revenue & Customs; initial notices following appointment.
- Liaising with the Pension Protection Fund and the Pensions Regulator and issuing statutory forms.
- Liaising with the Tachodisc Pension Scheme Trustees in respect of a Master Trust for voluntary contributions
- Statutory VAT returns and following up on refunds with HMRC
- Reviewing the Company's VAT position; deregistering the Company for VAT in line with the VAT regulations.
- Case monitoring and statutory compliance, including internal case reviews.
- Case bordereau.
- Cashiering work including establishing set up of case details on our insolvency software system; bank account maintenance, including periodic reconciliations; issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.

Future work to be undertaken in this category includes:

- Preparing post-Liquidation Corporation Tax returns, as required by statute.
- Accounting for VAT during the Liquidation and recovery of VAT suffered following de-registration.
- Documenting the outcome of creditor decisions
- Cashiering work including bank account maintenance, including periodic reconciliations; issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.
- Case monitoring and statutory compliance, including internal case reviews.
- Case bordereau.

Reporting and Liaising with Creditors

Work undertaken to date in this category includes the following tasks:

- Responding to any creditor queries which arise.
- Logging creditor claims received

Future work to be undertaken in this category includes:

- Preparing and issuing annual progress reports required in accordance with The Insolvency Act and Rules to provide creditors with an update on the progress of the Liquidation.
- Reporting to Creditors in respect of fee and expenses estimates and seeking approval
- Reporting on the outcome of creditor decisions
- Closure reporting

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS IN
THE PERIOD 28 APRIL 2017 TO 27 APRIL 2018 AND ESTIMATE OF FUTURE WORK
REQUIRED TO BE UNDERTAKEN ON A PERCENTAGE BASIS**

Description of work

Realisation of Assets

Work already undertaken in this category has included:

Book Debts

- Seeking information from the Administrators with regard to the outstanding Book Debts;
- Review of records for supporting documentation;
- Receiving dividends from debtor insolvencies.

VAT Recoveries

- Pursuing the recovery of VAT Receivable during the Administration;
- Accounting to the pension scheme for VAT recovered on its fees and charges.

Funds from Administration

- Correspondence with the Administrators to arrange a transfer of funds
- Preservation of these surplus funds for the benefit of creditors through maximising other asset recoveries and minimising creditor liabilities such as formally disclaiming the lease of the trading premises, managing the VAT recovery for the pension scheme, etc.

Sundry Refunds and Other Income

- Recovery of insurance premiums due to the Company

Further work to be undertaken during the Liquidation includes:

Book Debts

- Further enquiries of the Administrators and TDUK Limited to secure further documentation required for the recovery of book debts;
- Corresponding with debtors to secure realisations.

VAT Recoveries

- Pursuing HMRC for the refund of VAT currently awaited;
- Reviewing the potential for a VAT Bad Debt Relief claim once the debtor collection has completed; completing and submitting a claim in the event there is a recovery to be made.

Funds from Administration

- Preservation of these surplus funds for the benefit of creditors through minimising creditor liabilities – review of the pre-Administration position in respect of all heads of taxes and preparation and submission of any outstanding returns to ensure that the claim of HM Revenue & Customs can be finalised accurately.

Sundry Refunds and Other Income

Reviewing and obtaining any potential refunds due to the Company.

The work in this category is essential to realise the Company's assets for the benefit for creditors. There will be a direct financial benefit for creditors as the amounts already realised exceed the proposed costs of realisation and there is a surplus available for distribution.

Dealing with Trust Monies

Work already undertaken in this category has involved:

- Correspondence with Administrators to arrange a transfer of funds; setting up a separate account to hold the trust funds;
- Obtaining and reviewing the information regarding the trust funds, including the creation of the trust, the responses from customers and the details of the customers who have yet to respond;
- Discussing the options for dealing with the trust funds with advisors;
- Formally engaging solicitors to review the validity of the trust and the options for dealing with the trust funds.

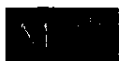


**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS IN
THE PERIOD 28 APRIL 2017 TO 27 APRIL 2018 AND ESTIMATE OF FUTURE WORK
REQUIRED TO BE UNDERTAKEN ON A PERCENTAGE BASIS**

Description of work
<p>Scope of further work required to be undertaken:</p> <ul style="list-style-type: none"> • If the trust is deemed to have been validly created, the trust funds will not form part of the Liquidation estate unless some provision is made for these. • If the trust is not valid, then in summary, the customers monies held on trust will become available to the Liquidation estate. • The future work to be undertaken will depend upon the outcome of the legal advice which is currently under review with Howes Percival. <p>To the extent that the Trust funds are able to be absorbed into the Liquidation estate, dealing appropriately with these funds may have a financial benefit to creditors. Further details will be provided in the next report.</p> <p><u>Adjudication of Claims</u></p> <p>No work has been undertaken in this category to date. Work that is anticipated to be required in this category includes:</p> <ul style="list-style-type: none"> • Issuing a Notice of Intended Dividend, setting a deadline for claims to participate in a first interim distribution; • Adjudication of creditor claims received, including reviewing the Company records, where required; • Requesting further information where necessary; • Dealing with rejected or partially rejected claims; • Issuing a second Notice of Intended Dividend, setting a deadline for claims to participate in a second and final distribution, once all assets have been realised; • Adjudication on any claims received in response to the second Notice of Intended Dividend; requesting further information where necessary and dealing with any rejections. <p>There is a financial benefit to creditors in carrying out this work as it ensures that creditor claims are correctly recorded and fairly adjudicated for participation in the distributions.</p> <p><u>Distributions to Creditors</u></p> <p>There are sufficient funds to enable a distribution to unsecured creditors. No work has been undertaken in this category to date.</p> <p>The work anticipated to be undertaken in this regard will include:</p> <ul style="list-style-type: none"> • Preparing dividend calculations; • Processing and payment of distributions, including the cashiering work involved in issuing the payments and the paperwork involved; • Issuing dividend letters and cheques. <p>The Fee Estimate assumes that two dividends will be paid to successful claimants and that none of the claims will require any substantial verification. There is expected to be a direct financial benefit for creditors as the amounts realised exceed the costs of realisation and there is a surplus available for distribution.</p>

Tachodisc Limited - In Liquidation
Joint Liquidators' Estimated Outcome Statement
As at 28/04/2018

	Realised / Paid (£)	Projected (£)	Total (£)
ASSET REALISATIONS			
Book Debts	84.32	10,000.00	10,084.32
VAT Refund from Administration	23,950.53	NIL	23,950.53
Trust Funds from Administration	32,046.55	(32,046.55)	0.00
Funds from Administration	486,547.35	NIL	486,547.35
Sundry Refunds & Other Income	950.87	NIL	950.87
	<u>543,579.62</u>	<u>(22,046.55)</u>	<u>521,533.07</u>
COST OF REALISATIONS			
Statutory Advertising	84.60	84.60	169.20
Legal Fees	NIL	5,800.00	5,800.00
Joint Liquidators' Fees	NIL	37,825.94	37,825.94
Liquidators' Disbursements	NIL	4,184.82	4,184.82
	<u>(84.60)</u>	<u>(47,895.36)</u>	<u>(47,979.96)</u>
AVAILABLE TO UNSECURED CREDITORS	<u><u>543,495.02</u></u>	<u><u>(69,941.91)</u></u>	<u><u>473,553.11</u></u>
UNSECURED CREDITORS			
Trade & Expense Creditor Claims (received)			11,819,796.25
Shareholders' Claim (not received)			1,225,000.00
Statement of Affairs Value of Claims Not Yet Received			189,690.18
ANTICIPATED TOTAL CLAIM POOL			<u>13,234,486.43</u>
ESTIMATED DIVIDEND TO UNSECURED CREDITORS (pence in the £)			3.58

**M A Z A R S****Tachodisc Limited - In Liquidation****Appendix C5****EXPENSE ESTIMATE**

Estimated expenses as shown in the attached Estimated Outcome Statement are detailed below, together with an explanation as to why those expenses are required:

Type of Expenditure	Requirement for Expenditure	Likely Cost (£)
Professional advisors' costs		
Legal fees and disbursements	Howes Percival LLP are instructed to provide advice on the validity of the Trust created in respect of customer monies. Their fee is charged on a time costs basis which is estimated to be between £1,500 to £1,800 plus VAT for completing the work. This firm of lawyers was chosen based on their experience in insolvency matters. Pinsent Mason LLP are instructed to provide advice on options for dealing with the Trust Monies following their involvement on the creation. Their fee is charged on a time costs basis which is estimated to be between £3,000 to £4,000 plus VAT for completing the work. This firm of lawyers was chosen based on their experience in insolvency matters.	5,800.00
Other expenses		
Corporation tax	It is possible that corporation tax will be payable in respect of the interest accrued whilst surplus funds are held on an interest-bearing deposit account. At this stage, the amount is estimated to be negligible.	nil
Statutory Advertising	Costs are to be paid to Courts Advertising Limited for statutory advertising requirements including London Gazette notices of the appointment of Liquidators. Additional advertising is expected to include a notice for creditors' claims.	169.20
Joint Liquidators' 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.	37,825.94
Joint Liquidators' disbursements	Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. Further information on disbursements is provided within Section 10 of the report. <i>Specific bond premiums £415.00</i> Paid to JLT Specialty Ltd for the premium costs of insuring the total realisations anticipated to be received into the estate as required by statute. <i>Land Registry Searches £9.00</i> Paid to Land Registry in respect of title searches completed with regard to properties that were in the Company's control. <i>Courier Costs £60.82</i> Paid to InXpress for the delivery of requested books and records from the Administrators to the Liquidators in respect of collection of assets. <i>Records management £3,700 (estimated)</i> Estimated future cost of storing company records in a third party archive facility and of confidential destruction of these records after closure of the Liquidation.	4,184.82
Total		47,979.96



MAZARS

Tachodisc Limited - In Liquidation

Appendix C6

DISBURSEMENTS POLICY

Some of the expenses incurred on this matter are likely to be paid by this firm in the first instance and subsequently re-charged to the estate. Such disbursements fall into 2 categories as follows:

Category 1 disbursements

These are payments to independent third parties where there is specific expenditure directly referable to the case and as such can be drawn without prior approval.

Category 2 disbursements

These are costs that are directly referable to the case but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the liquidators of their firm, and that can be allocated to the case on a proper and reasonable basis. Such disbursements require approval in the same manner as remuneration.

It is proposed that the following Category 2 disbursements incurred in administering the case be charged:

- Mileage will be charged at relevant Inland Revenue rates, currently 45p per mile.

All other disbursements are to be reimbursed at cost.

The Liquidators reserve the right to increase the charges applicable to mileage during the course of the Liquidation in line with inflation or increases from our suppliers. Any material amendments will be advised to creditors in the next statutory report.

Tachodisc Limited - In Liquidation
List of Creditors Claims Received in Administration / Liquidation

Key	Name	Reference	Statement of Affairs Value £	Claim Received Y/N	Value of Claim Received £
CA00	AA Transport Training		643.20	N	
CA01	Advanced Business Solutions	24205	7,223.83	N	
CA02	Aquarius It Ltd.		131,770.25	N	
CA03	Arena Group Ltd		(129.70)	N	
CB00	Bells Dairy		57.60	N	
CB01	British Telecommunications		(17.34)	N	
CB02	Broadstone		12,939.60	N	
CB03	BSI Management Systems		766.80	N	
CC00	Cema Tracking Solutions Ltd		0.00	N	
CC01	CT Electrical		114.00	N	
CD00	Descartes Systems Uk Ltd		9,793.24	N	
CD01	DRP (Uk) Ltd T/A DRP Group		179.99	N	
CE00	Eastern Concrete Limited		0.00	N	
CF00	Folders (Altrincham) Ltd		342.00	N	
CH00	Hague Computer Supplies Ltd		3,720.00	N	
CH01	HM Revenue & Customs	075 2107914	30,000.00	Y	64,827.56
CH02	Howden Insurance Brokers Ltd		(216.44)	N	
CH03	HR Trustees Ltd.		2,737.80	N	
CI00	Ian Macpherson Training		200.00	N	
CI01	Investec Asset Finance	2122268444	0.00	Y	8,314.59
CJ00	J2 Global Ireland Ltd		44.50	N	
CJ01	Jaspers Corporate Catering		132.60	N	
CJ02	JE Evans Jackson & Co Ltd	9228845	0.00	Y	990.00
CK00	KCM Packaging Ltd.	TACHOD	433.94	Y	433.94
CK01	Kernow Coatings Ltd		5,040.00	N	
CK02	Kuehne & Nagel Ltd	295218	103.02	Y	103.02
CL00	Law Distribution Ltd.	TACHO	381.60	Y	420.00
CL01	Lisle Design Ltd.		7,350.00	N	
CN00	Mr N Tollit (on behalf of the shareholders loan)		1,225,000.00	N	
CN01	Neopost Limited		608.77	N	
CO00	OCR		797.30	N	
CO01	Office Depot International Ltd		110.70	N	
CO02	Office Watercoolers Ltd.		82.10	N	
CP00	Pension Protection Fund		11,100,000.00	Y	11,738,000.00
CP01	Price Bailey		0.00	N	
CP02	Protek Packaging Ltd.		96.00	N	
CR00	Ravenhead Services Ltd		25.82	N	
CR01	Road Transport Media Ltd.		1,200.00	N	
CR02	Royal Mail	1000065203	1,220.68	Y	1,919.48
CR03	RPL Group Ltd		554.40	N	
CR04	Redundancy Payments Office		0.00	N	
CS00	Sentry Security Ltd.		208.00	N	
CS01	SI Pension Trustees Ltd		(26.11)	N	
CS02	Skillray Transport Services Uk		559.20	N	
CT00	Tachodisc (Holdings) Limited		0.00	N	
CT01	Ten Alps Communications Ltd		600.00	N	
CT02	Talk Talk Business	5853959	0.00	N	
CU00	UK Mail Ltd	TA0643	1,801.03	Y	2,484.25
CU01	United Utilities Water Plc	6000633390	892.82	Y	1,206.71
CV00	Veolia ES (UK) Ltd.		253.39	N	
CW00	Wheatley Printers Ltd		510.00	N	
CW01	Wolters Kluwer (UK) Ltd		1,331.78	N	
CW02	Worldpay (UK) Ltd	C0418698 / C0510321	0.00	Y	1,096.70
TOTAL			12,549,436.37		11,819,796.25