

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

03400993

Name of Company

The Synergy Group Limited

*/*We

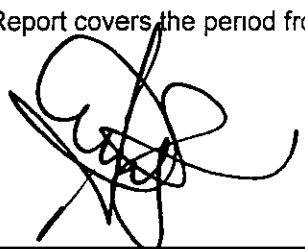
Anthony Cliff Spicer
25 Moorgate
London
EC2R 6AY

Henry Anthony Shiners
25 Moorgate
London
EC2R 6AY

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 01/09/2012 to 31/08/2013

Signed



Date

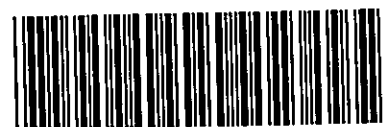
15/10/13

Smith & Williamson LLP
25 Moorgate
London
EC2R 6AY

Ref SY168/AHS/JG11/AK/TRDF

COMPANIES HOUSE

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COMPANIES HOUSE

**The Synergy Group Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 01/09/2012 To 31/08/2013	From 01/09/2011 To 31/08/2013
ASSET REALISATIONS		
Cash at Bank	NIL	161,111 14
VAT Receivable from Admin	NIL	64,596 45
Bank Interest Gross	270 36	785 41
Pre-Apt Bank Charges Refund	109 18	109 18
	<u>379 54</u>	<u>226,602 18</u>
COST OF REALISATIONS		
Final Joint Administrators Fees	NIL	12,051 00
Final Joint Administrators Disburseme	NIL	7 00
Liquidator's Fees	36,241 50	36,241 50
Liquidator's Expenses	11 23	11 23
Legal Fees (1)	NIL	1,150 00
Company Search	21 00	21 00
Statutory Advertising	63 50	127 00
VAT Payable from Admin	NIL	3,120 00
	<u>(36,337 23)</u>	<u>(52,728 73)</u>
	<u>(35,957.69)</u>	<u>173,873 45</u>
REPRESENTED BY		
Non-Interest Bearing C/A		173,873 45
		<u>173,873.45</u>

Note
The Bank account was made non-interest bearing on 24 January 2013



Anthony Cliff Spicer
Joint Liquidator

The Synergy Group
Limited
(In Creditors'
Voluntary Liquidation)

Joint Liquidators' annual
creditors and members

15 October 2013



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1. Introduction and statutory information

This report provides an update on the progress in the liquidation for the year ended 31 August 2013. By way of reminder, Anthony Cliff Spicer and I were appointed joint administrators of The Synergy Group Limited (the "Company") on 20 May 2011. The administration converted into a creditors' voluntary liquidation on 1 September 2011 and we were subsequently appointed joint liquidators.

The principal trading address of the Company was 1 Lindsey Street, London, EC1A 9HP. The registered office of the Company has been changed to 25 Moorgate, London, EC2R 6AY and its registered number is 03400993.

2. Executive summary

We set out below a summary of the key matters:

- There is likely to be a dividend to the unsecured creditors of approximately 3-4 pence in the £ of admitted claims.
- The dividend will be declared before 26 October 2013. The liquidation is due to be concluded in the next few months.

3. Progress of the liquidation

Attached at Appendix I is our receipts and payments account for the period from 1 September 2012 to 31 August 2013 and a cumulative account from 1 September 2011 to 31 August 2013.

During this period gross interest of £109.18 was received together with a refund of £270.36 from the Company's former bankers, National Westminster Bank plc.

The assets of the Company were sold by way of a pre-packaged administration to HBHC Synergy Limited ("the buyer") and a sum of £150,000 was received for the sale of the Goodwill of the business. Readers should refer to our previous reports for the details.

A significant activity undertaken in the reporting period was to conclude tax matters relating to the sale. Accordingly we instructed our tax department to review the Company's tax history and to prepare the tax computations. All returns have now been submitted and no tax was payable, due to the previous losses incurred by the Company.

4. Creditors

4.1. Secured Creditors

Centric SPV1 Ltd holds a fixed and floating charge over the Company's assets. All sums owed to Centric under their commercial finance agreement were repaid in full.

4.2. Preferential Creditors

All of the employees of the Company transferred over to the buyer upon the sale of the business and assets, and the buyer assumed responsibility for all employees. One small preferential claim of £165.12 was settled during the administration in respect of an employee payroll error.

4.3. Prescribed Part

As the secured creditor was repaid in full from fixed charge realisations there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors.

4.4. Unsecured creditors

We issued a Notice of Intended Dividend to the unsecured creditors on 22 July 2013 and the last date for proving was 26 August 2013. A first and final dividend will be declared by 26 October 2013.

We would like to advise that we have received 51 claims from unsecured creditors totalling approximately £3.6 million and we estimate that the dividend will be approximately 3-4p in the £.

5. Joint liquidators' remuneration

The basis of the liquidators' remuneration was approved on a time costs basis at the first meeting of creditors held in the administration on 29 July 2011.

The liquidators' post liquidation time costs for the year ending 31 August 2013 total £29,846.25 representing 131.75 hours at an average rate of £226.54 per hour. Attached as Appendix II is a time analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by the liquidators and their staff in managing the liquidation.

Attached as Appendix III, is the total liquidators' post liquidation time costs from the commencement of the liquidation to 31 August 2013. These total £43,325.75 representing 192.30 hours at an average rate of £225.30 per hour. To date, fees of £36,241.50 have been drawn on account.

A description of work undertaken in the liquidation to date is as follows

Administration and planning

This section of the analysis encompasses the cost of the liquidators and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:

- Dealing with routine correspondence
- Maintaining physical case files and electronics case details on IPS (case management software)
- Case reviews (including 6 month reviews)
- Case bordereau and reviews
- Case planning and administration
- Maintaining and managing the administrators' cash book and bank accounts
- Ensuring statutory lodgements and tax lodgements obligations are met
- Submitting VAT returns and Corporation Tax returns (when due)

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following.

- Dealing with creditor correspondence via email and telephone.
- Issuing the notice of intended dividend and adjudicating all unsecured creditors' claims
- Maintaining creditors' information on IPS

A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from the R3 website at the following address

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Nov2011.pdf

6. Joint liquidators' expenses

6.1. Subcontractors

We have not utilised the services of any subcontractors in this case.

6.2. Professional advisors

We have not used any professional advisers during this reporting period. However we had previously instructed Bermans LLP and a sum of £1,150 has been paid in respect of legal advice provided in the administration.

6.3. Liquidators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurring in period £	Paid in period £
Statutory advertising	63 50	63 50
Liquidators' bond	775 00	
Company searches and director searches	46.23	32.23
Postage (category 1)	132 77	
Total	1,017.50	95.73

6.4. Policies regarding use of third parties and disbursement recovery

Appendix IV provides details of our policies in relation to the use of subcontractors and professional advisors, and the recovery of disbursements.

7. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the liquidators, as set out in this progress report, are excessive.

8. Outstanding matters

The remaining actions to be concluded in the liquidation are as follows:

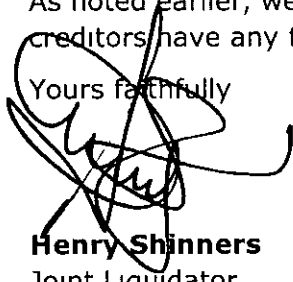
- Declaring the first and dividend to the unsecured creditors, and
- Obtaining tax clearance

9. Next report

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

As noted earlier, we are likely to be concluding the liquidation in the next few months. If creditors have any further queries then they should contact Anjna Kalia on 020 7131 8184.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Henry Shinnars', is written over the typed name and title.

Henry Shinnars
Joint Liquidator

Appendix I. Receipts and Payments from 1 September 2012 to 31 August 2013 and from 1 September 2011 to 31 August 2013

	From 01/09/2012 To 31/08/2013	From 01/09/2011 To 31/08/2013
	£	£
RECEIPTS		
Cash at Bank	0 00	161,111 14
VAT Receivable from Administration	0 00	64,596 45
Bank Interest Gross	270 36	785 41
Pre-Apt Bank Charges Refund	109 18	109 18
	<u>379 54</u>	<u>226,602 18</u>
PAYMENTS		
Final Joint Administrators Fees	0 00	(12,051 00)
Final Joint Administrators Disbursements	0 00	(7 00)
Liquidator's Fees	(36,241 50)	(36,241 50)
Liquidator's Expenses	(11 23)	(11 23)
Legal Fees	0 00	(1,150 00)
Company Search	(21 00)	(21 00)
Statutory Advertising	(63 50)	(127 00)
VAT Receivable	0 00	(3,120 00)
	<u>(36,337 23)</u>	<u>(52,728 73)</u>
BALANCE - 31 August 2013	<u>(35,957.69)</u>	<u>173,873.45</u>
MADE UP AS FOLLOWS		
Non-Interest Bearing C/A		<u>173,873 45</u>
		<u>173,873.45</u>

Note

The Bank account was made non-interest bearing on 24 January 2013

Appendix II. Time Analysis (SIP9) from 1 September 2012 to 31 August 2013

The Synergy Group Limited
Breakdown of time spent by Smith & Williamson LLP employees
for the period ended 1 September 2012 to 31 August 2013

Hours

Classification of work function	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff	Total hours	Time cost	Average hourly rate
Administration and planning								
Statutory returns, reports & meetings	3 00	4 25	0 00	3 80	0 15	11 20	3,468 50	309 69
Cashiering general, including bonding	0 00	0 00	1 50	0 35	0 75	2 60	490 00	188 46
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	0 00	1 70	0 10	3 75	0 00	5 55	1,353 50	243 87
Post-appointment taxation (VAT, PAYE/NiC, Corp Tax that are not trading related)	1 00	1 50	0 00	4 80	0 00	7 30	1,902 50	260 62
Filing, file and information management	0 00	0 00	0 00	0 55	0 00	0 55	84 00	152 73
Director/manager review, approval and signing	0 05	0 00	0 00	0 00	0 00	0 05	22 00	440 00
Other	0 00	0 00	0 00	0 35	0 00	0 35	70 00	200 00
Investigations								
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	0 00	0 00	1 50	0 00	1 50	300 00	200 00
Realisation of assets								
Other	0 00	0 40	0 00	0 40	0 00	0 80	228 00	285 00
Creditors								
Unsecured creditors	5 50	12 00	0 00	14 60	8 75	40 85	9,982 75	244 38
Corporate Tax								
Corporate Tax	16 25	0 00	0 00	43 50	1 25	61 00	11,945 00	195 82
Total	25 80	19 85	1 60	73 60	10 90	131 75	29,846 25	226 54

Appendix III. Time Analysis (SIP9) from 1 September 2011 to 31 August 2013

The Synergy Group Limited
Breakdown of time spent by Smith & Williamson LLP employees
for the period ended 1 September 2011 to 31 August 2013

Hours

Classification of work function	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff	Total hours	Time cost	Average hourly rate
Administration and planning								
Statutory returns, reports & meetings	3 00	6 25	0 10	6 15	0 30	15 80	4,610 00	291 77
Initial post-appointment notification letters, including creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
Cashiering general, including bonding	0 00	0 00	5 15	0 40	1 55	7 10	1,423 00	200 42
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	1 00	1 70	10 75	5 30	0 00	18 75	4 899 75	261 32
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	1 00	1 50	0 00	5 30	0 00	7 80	2,002 50	256 73
Filing, file and information management	0 00	0 00	0 00	0 55	0 00	0 55	84 00	152 73
Pre-appointment non creditor tax	0 00	0 00	0 50	0 00	0 00	0 50	132 50	265 00
Director/manager review, approval and signing	0 05	0 00	0 00	0 00	0 00	0 05	22 00	440 00
Other	0 00	0 00	1 00	13 15	2 25	16 40	3,041 25	185 44
Investigations								
SIP2 and SIP4 obligations (inc CDDA86 forms)	0 00	0 00	1 50	3 45	0 00	4 95	1,087 50	219 70
Realisation of assets								
Debtors subject to invoice discounting/factoring	0 85	0 00	0 50	0 00	0 00	1 35	506 50	375 19
Cash at Bank	0 00	0 00	0 00	0 70	0 00	0 70	140 00	200 00
Other	0 00	0 40	0 00	0 40	0 00	0 80	228 00	285 00
Creditors								
Unsecured creditors	6 40	14 00	0 85	16 40	8 75	46 40	11 623 50	250 51
Director/manager review, approval and signing	1 85	0 00	0 00	0 00	0 00	1 85	818 00	442 16
Case-Specific 3, AML/Compliance								
AML - If done post appointment	0 00	0 00	1 65	0 00	6 65	8 30	762 25	91 84
Total	30 40	23 85	22 00	95 30	20 75	192 30	43,325 75	225 30

Appendix IV. Liquidators' use of staff, contractors and advisors, the recovery of disbursements and liquidators' charge out rates

INFORMATION IN RELATION TO THE LIQUIDATORS' USE OF STAFF, SUBCONTRACTORS AND ADVISORS, THE RECOVERY OF DISBURSEMENTS, AND DETAILS OF THE LIQUIDATORS' CHARGE OUT RATE

A I Policy

Detailed below is Smith & Williamson LLP's policy in relation to:

Staff allocation and the use of subcontractors

Professional advisors

Disbursements

A II Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a partner and a partner or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report

A III Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment
- The availability of resources to meet the critical deadlines in the case
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment



A IV Disbursements

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

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 our policy is to recover only one type of Category 2 disbursement, namely business mileage at HM Revenue & Customs' approved mileage rates at the relevant time. Prior to that, approval may have been obtained to recover other types of Category 2 disbursements.

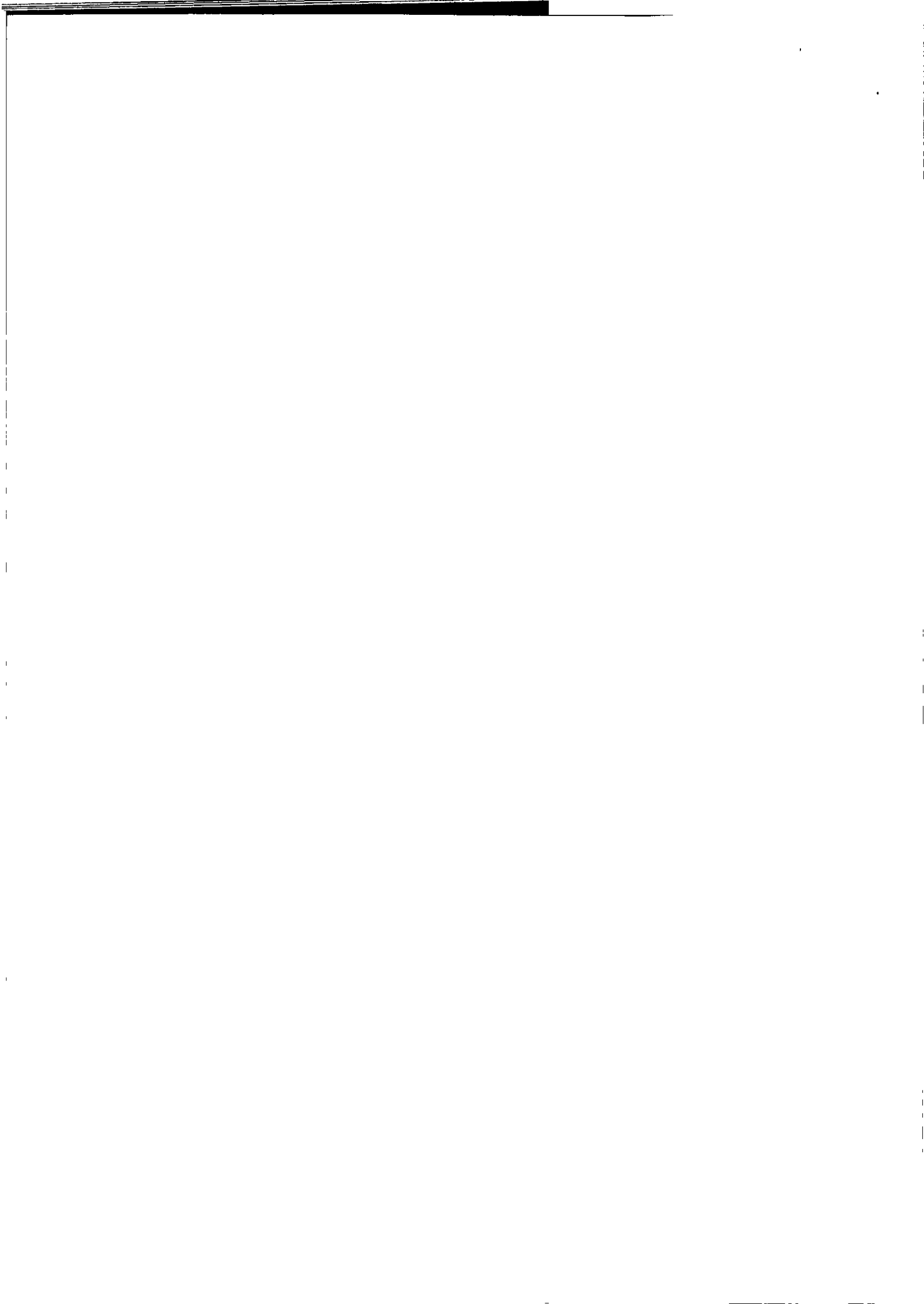
Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

A V Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the liquidators' remuneration was approved.

Time is recorded in a minimum of three minute units at the charge out rate prevailing at the time the work is performed.

The charge out rates of Smith and Williamson LLP's Restructuring and Recovery department are as follows:



**Smith & Williamson LLP
Restructuring & Recovery Services
Charge out rates as at 1 July 2012**

	London office	Regional offices
	£	£
Partner	440	350-375
Associate Director	335	295-325
Managers	200-275	180-275
Other professional staff	150-200	100-165
Support & secretarial staff	65-80	28-75

Notes:

- 1 Time is recorded in units representing 3 minutes or multiples thereof
- 2 It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual case
- 3 The firm's cashienng function is centralised and (with the exception of the Worcester office) London rates apply

The charge out rates of Smith and Williamson LLP's Restructuring and Recovery with effect from 1 July 2013 are as follows

**Smith & Williamson LLP
Restructuring & Recovery Services
Charge out rates as at 1 July 2013**

	London office	Regional offices
	£	£
Partner	480	350-375
Associate Director	370	295-325
Managers	235-310	190-285
Other professional staff	150-235	100-170
Support & secretarial staff	85	28-75

The charge out rates of Smith and Williamson LLP's tax department are as follows

Smith & Williamson LLP Corporate Tax	
Charge out rates listed by staff classification	
	£
Partner	435-520
Associate Director	340-350
Senior Manager	285
Manager	235
Assistant Manager	180
Senior	155
Tax Trainee	80-100

The charge out rates of Smith and Williamson LLP's tax department with effect from 1 July 2013 are as follows

Smith & Williamson LLP Corporate Tax	
Charge out rates listed by staff classification	
Charge out rates as at 1 July 2013	
	£
Partner	470-535
Associate Director	350-360
Senior Manager	295
Assistant Manager & Manager	175-245
Senior	85-155
Tax Trainee	100-80
Support & secretarial staff	50-60

www.smith.williamson.co.uk

Principal offices London, Belfast, Birmingham, Bristol, Dublin, Glasgow, Guildford, Jersey, Manchester, Salisbury, Southampton and Worcester

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