

Annual Progress Report

ALPHA HOLIDAYS LIMITED IN CREDITORS' VOLUNTARY LIQUIDATION

30 January 2023

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COMPANY INFORMATION

REGISTERED NAME, ADDRESS AND NUMBER

Alpha Holidays Limited (In Liquidation), ("the Company")

Company Number: 10270092

Date of Incorporation: 08 July 2016

Nature of Business: Travel Industry

Registered Office: Formerly:
192/198 Vauxhall Bridge Road, London, SW1V 1DX

Changed to:
5/7 Ravensbourne Road, Bromley, Kent, BR1 1 HN

Trading address: 192/198 Vauxhall Bridge Road, London, SW1V 1DX

Current Directors at the date of Liquidation

Name	Date Appointed
Sridhar Kumar EDARA	20 October 2016

Prior Directors in previous three years

Name	Date Appointed	Date Resigned
Richard David FRANCIS	16 July 2019	31 May 2020
Petrakis PANTELI	16 February 2017	30 November 2020
Christopher Michael THORPE	26 January 2018	16 July 2019

Share Capital: The authorised share capital is 99990 ordinary shares of £0.40 each, of which all have been issued and fully paid as follows:

Name	Number of Shares	Class
Truly Holdings Limited	99990	Ordinary A

Date of Liquidation 1 December 2021

Liquidator Bijal Shah and Rob Cundy
Edge Recovery Limited

Address 5/7 Ravensbourne Road, Bromley, Kent, BR1 1HN

IP Numbers 8717, 9495

RECEIPTS AND PAYMENTS

Our Receipts & Payments Account for the period from 1 December 2021 to 30 November 2022 is attached at Appendix 1. The balance of funds are held in a non-interest bearing estate bank account.

LIQUIDATORS' ACTIONS SINCE APPOINTMENT

Assets

According to the statement of affairs lodged in these proceedings, the assets of the company had an estimated realisable value of £339,097 which comprised of trust funds for £189,097 and tax refunds for £150,000. Further information is included below.

Assets subject to fixed charge

Trade refund debtors and Supplier deposits

The statement of affairs included trade refunds with a book value of £3,875,000 with an uncertain realisable value as well as supplier deposits with a book value of £369,539 with an uncertain realisable value. These refunds and deposits related to monies owed by accommodation and travel operators. The refunded money has been claimed by the TTA to set off against amounts owed to consumers for refunds for cancelled travel arrangements.

Trust Funds

The statement of affairs indicated that funds totalling £189,097 were held in a trust account. The funds were noted as being due to the Travel Trust Association ("the TTA"), who were due to take on the obligation to consumer creditors in respect of travel refunds.

The matter is still under investigation and with the trust accounts being under control of the TTA, we are currently waiting for a full account of all funds received by the TTA and how these have been allocated.

We are continuing to communicate with the TTA to verify the status of the trust arrangements and the facilities in place to enable a refund to customers with valid claims. At present, we have not finalised the investigations into the trust arrangements and we are waiting for a full account of all monies received and all amounts paid through the TTA.

Uncharged assets

Leasehold Property

According to the director's statement of affairs, the company held leasehold property with a book value of £25,559 and estimated to realise nil. This relates to improvements made to the company's premises. The book value was taken from the accounts ending 31 October 2019 without taking into consideration any depreciation for the following accounting periods. This is irrecoverable as, with no formal lease, there is no tangible asset to sell.

Computer Equipment

According to the statement of affairs lodged in these proceedings, computer equipment with a book value of £53,035 had an estimated to realise value of nil. These were located at the company's premises and the book value was as per the company's last accounts for year ending 31 October 2019 without taking into account any further depreciation. Asset Valuation and Sales Ltd, independent agent and valuers, advised us that these have no value due to the age of the equipment and costs of disposal.

Book Debts

The statement of affairs included book debts with a book value of £248,558 with a nil realisable value. These debts related to amounts owed by customers for future travel bookings. As the future bookings were not honoured by the company, the debts are not collectable. No realisations are expected.

Investments in subsidiaries

The investments relate to shares held in Truly Travel (IRE) Limited. That company is also in an insolvent liquidation and there is no surplus anticipated. Accordingly, these shares have no value.

Tax Refund

The statement of affairs included a tax refund with a book value of £564,435 and a realisable value of £150,000. This asset consists of an expected realisation from a historical contract entered into by the company, when the business was acquired. There are funds held by a solicitors' practice which require the approval of both the company and the original seller of the business before the funds can be released. The amounts involved are dependent on an ongoing dispute involving VAT treatment of travel income.

To date, the original seller has not provided consent and therefore we are now considering initiating legal action to enforce the terms of the contract. Any possible recovery, after taking account of costs involved, is not yet known.

Prepayments

The statement of affairs included prepayments with a book value of £15,859 and a nil realisable value. The prepayments related to advances made, where no recovery was possible.

Intangible assets

The statement of affairs included intangible assets with a book value of £331,330 and a nil realisable value. The intangible assets relate to goodwill and, with the company ceasing to trade, there is no value expected from this source.

Cash at Bank

Following our appointment, we formally asked the company's bankers to close the accounts and remit any credit balances. The total sum of £5,246.42 was received from Natwest Bank Plc and the balance from various currency accounts, amounting to £1,643.66 were received from Barclays Bank.

CREDITORS' CLAIMS & DIVIDEND PROSPECTS

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets. The only creditor noted as being secured is the TTA in respect of the trust funds and refunds mentioned above. This claim is still under review.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

Primary Preferential creditors

The statement of affairs did not anticipate any primary preferential creditors relating to employee claims and no primary preferential claims have been received.

Secondary Preferential Creditors

The statement of affairs did not anticipate any secondary preferential creditors relating to HM Revenue & Customs' (HMRC) claim. No claim has been received from HMRC.

Non-Preferential Unsecured Creditors

The Statement of Affairs included 139 non-preferential unsecured creditors with an estimated total liability of £8,600,794. We have received claims from 47 creditors at a total of £6,500,568. We have not received claims from 113 creditors with original estimated claims in the Statement of Affairs of £3,750,976. We have not yet adjudicated on creditors' claims as any dividend will depend on the possible recovery from the tax refund action.

Consumers

The statement of affairs included the TTA in the place of possible consumer claims. This was done on the understanding that the TTA would settle all consumer creditor claims. The consumers have been filing their claims with the TTA. However, there has been no visibility of the processes undertaken, which consumer claims have been paid and whether any have not been paid.

Until such time as we have been provided with a full account of the amounts paid by the TTA, we are unable to advise who may remain as creditors and whether there are consumers still owed monies.

ENQUIRES AND INVESTIGATIONS

During the Review Period, the Joint Liquidators carried out an initial review of the Company's affairs in the period prior to appointment. This included seeking information and explanations from the directors by means of questionnaires; making enquiries of the Company's accountants; reviewing information received from creditors; and collecting and examining the Company's bank statements, accounts and other records.

The directors provided the books and records and a completed questionnaire as well as a Statement of Affairs.

The information gleaned from this process enabled the Joint Liquidators to meet their statutory duty to submit a confidential report on the conduct of the directors (past and present) to the Insolvency Service.

This work was also carried out with the objective of making an initial assessment of whether there were any matters that may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

This initial assessment has been completed and the Joint Liquidators did not identify any further assets or actions which might lead to a recovery for creditors.

Although this work did not generate any financial benefit to creditors, it was necessary to meet the statutory duties as well as conduct appropriate enquiries and investigations into potential rights of actions to enhance realisations.

FEES AND EXPENSES

Pre-Appointment Fees & Expenses

Paid by Company prior to appointment

A fixed fee of £30,000 plus VAT was agreed by directors on 22 November 2021 and paid by Company prior to the decision procedure. Fees have been paid in connection to the preparation of the Statement of Affairs, calling the relevant decision procedure, communications with customers and creditors and a court case with the CMA including Court applications in respect of how to deal with the claims of consumer creditors.

The costs include fees incurred for setting up the IT systems and call handling systems to deal with consumer claims.

Liquidator's Remuneration

The basis of Liquidators' remuneration has not yet been approved and therefore no remuneration has been drawn to date. A decision procedure with liquidators' fee resolutions will be sought from creditors at a later date.

Our total time costs to 30 November 2022 amount to £51,945, representing 246.4 hours work at a blended charge out rate of £210.82 per hour. A detailed schedule of my time costs incurred to date 30 November 2022 is attached as Appendix 3.

Expenses

We have incurred expenses to 30 November 2022 of £836.23 which represent the simple reimbursement of actual out of pocket payments made on behalf of the assignment. This is made up as follows:

Statutory Advertising	£166.00
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Bordereau	£400.00
Case Management Fee	£110.00
Registration of trade mark	£111.13
Telephone costs	£ 49.10

We have not been able to draw any expenses in this matter.

Anticipated future costs

We anticipate that the total expenses we will incur in this matter will increase as a result of the continual need for the telephone answering services and bordereau / advertising costs if funds are received from the tax refund action.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' may be found at <http://www.edgerecovery.com/links-and-downloads/document-downloads/>. The firm's charge-out rate and disbursement policy may be found at <http://www.edgerecovery.com/links-and-downloads/document-downloads/>.

Other professional costs

Solicitors

Trowers & Hamlins, Solicitors were instructed as legal advisors in relation to Court applications around consumer claims and actions being taken by the CMA in the pre-appointment period. These matters continued into the post-liquidation period as consent Orders were concluded. The Court ordered that such costs were to rank as an expense of the liquidation. Accordingly, there is an amount of £18,977.93 owed, none of which has been paid. Their costs have been agreed on the basis of their standard hourly charge out rates, plus disbursements and VAT.

Trowers & Hamlins have also been instructed to assist with a review of the trust arrangements with the TTA. The costs are continuing on this aspect, with costs of less than £10,000 being incurred to date. However, if legal actions are necessary, these costs could increase by up to £50,000.

Fieldfisher, Solicitors have also been instructed to assist with pursuing recovery from the tax refund action. Fieldfisher were the instructed solicitors in respect of the original action prior to the liquidation and have in-depth knowledge about this action. Costs have been agreed on the basis of standard hourly rates plus a possible uplift of up to 100% of time spent. The costs to date are less than £10,000. However, if legal action becomes necessary, this could increase costs up to £50,000.

Agents and valuers

Asset Valuation and Sales Ltd, agents and valuers advised us in relation to leasehold improvements and computer equipment. Their costs have been agreed on a time-cost basis, plus disbursements and VAT. The agents' fees for the period 1 December 2021 to 30 November 2022 are estimated at £500 plus VAT for valuation advice, none of which has been paid.

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), may request in writing that the Liquidator provides further information about his 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), 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 Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

We would inform you that 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 Edge Recovery Limited can be found at <http://www.edgerecovery.com/links-and-downloads/document-downloads/>.

Edge Recovery Limited uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how Edge Recovery Limited uses your personal information on our website at <http://www.edgerecovery.com/links-and-downloads/document-downloads/external-privacy-statement>.

A hard copy of all documents available on line through the above links may be obtained free of charge on request

WHAT REMAINS TO BE DONE

The administration of the case will be continuing to finalise the following outstanding matters that are preventing this case from being closed:

- Possible recovery from tax refund action
- Payment of dividend, should sufficient funds be received from the tax refund action

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 with our final account.

If you require any further information, please contact us on 0208 315 7430 or at info@edgerecovery.com.



Robert Cundy
Joint Liquidator

30 January 2023

Alpha Holidays Limited T/A Alpharooms - In Creditors Voluntary Liquidation
Joint Liquidators' Abstract of Receipts & Payments

From 01 December 2021 To 30 November 2022

S of A £		As Previously Reported	01/12/21 to 30/11/22	Total £
RECEIPTS				
189,097	Trust funds	NIL	NIL	NIL
150,000	Tax Refund	NIL	NIL	NIL
NIL	Cash at Bank	NIL	6,890.08	6,890.08
<u>339,097</u>		<u>NIL</u>	<u>6,890.08</u>	<u>6,890.08</u>
PAYMENTS				
NIL		NIL	NIL	NIL
<u>0</u>		<u>NIL</u>	<u>NIL</u>	<u>(NIL)</u>
<u>339,097</u>	CASH IN HAND	<u>NIL</u>	<u>6,890.08</u>	<u>6,890.08</u>

Detailed list of work undertaken for Alpha Holidays Limited in Creditors' Voluntary Liquidation for the review period 1 December 2021 to 30 November 2022

General Description	Includes
Administration and planning	<i>This represents the work that is involved in the routine administrative functions of the case by the office holder and his staff, together with the control and supervision of the work done on the case by the office holder and his managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.</i>
Statutory/advertising	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements Bonding the case for the value of the assets
Document maintenance/file review/checklist	Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening accounts Requesting bank statements Bank account reconciliations Maintenance of the estate cash book
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Reporting	<i>Statutory reporting is a requirement under the insolvency legislation.</i>
	Circulating initial report to creditors upon appointment
Realisation of Assets	<i>This is the work that needs to be undertaken to protect and then realise the known assets in the case.</i>
Tax refunds	Liaising with and providing instructions to solicitors Reviewing contracts Attending to negotiations
Other assets: Computer equipment; leasehold improvements	Liaising with agents to agree value and possible disposal strategy Examining company records
Creditors and Distributions	<i>Claims of creditors - the office holders need to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.</i>
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post
Dealing with proofs of debt	Receipting and filing POD when not related to a dividend
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD
Pension scheme	Identifying whether there is a pension scheme Submitting the relevant notices if a pension scheme is identified
Investigations	<i>The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors. If potential recoveries or matters for further investigation are identified then the office holder will need to incur additional time to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary. The office holder is also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.</i>
SIP 2 Review	Collection and making an inventory of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors

Annual Progress Report of Alpha Holidays Limited in Creditors Voluntary Liquidation

General Description	Includes
	Reconstruction of financial affairs of the company Reviewing company's books and records Review of specific transactions and liaising with directors regarding certain transactions
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary report if required Assisting the Insolvency Service with its investigations
Litigation Recoveries /	Strategy meeting regarding possible litigation Reviewing terms of solicitors' conditional fee agreements Preparing brief to solicitors Liaising with solicitors regarding recovery actions Attending to negotiations Attending to settlement matters

Joint Liquidators' Remuneration Schedule
Alpha Holidays Limited
Between 01 December 2021 and 30 November 2022

Classification of work function	Partner/ Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration and Planning	9.50	0.60	0.00	8.30	18.40	6,497.00	353.10
Enquiries & Investigations	6.90	0.10	0.00	11.10	18.10	5,818.00	321.44
Realisation of Assets	18.50	0.00	0.00	0.00	18.50	9,021.00	487.62
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors (inc Employee Matters)	14.80	0.00	0.00	173.90	188.70	30,098.00	159.50
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Statutory and compliance	0.50	0.00	0.00	0.20	0.70	251.00	358.57
Reporting	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre-appointment	0.00	0.00	0.00	2.00	2.00	260.00	130.00
Total hours	50.20	0.70	0.00	195.50	246.40		
Time costs	24,222.00	237.00	0.00	27,486.00		51,945.00	
Average hourly rate	482.51	338.57	0.00	140.59			210.82

Description	Total Incurred £	Total Recovered £
Statutory Advertising	166.00	0.00
Bordereaux	400.00	0.00
Insolv System Set Up	110.00	0.00
Telephone costs	49.10	0.00
Professional fees	111.13	0.00
Totals	836.23	0.00

Summary of Fees

Time spent in administering the Assignment	Hours	246.40
Total value of time spent to 30 November 2022	£	51,945.00
Total Joint Liquidators' fees charged to 30 November 2022	£	0.00