

## **Annual Progress Report**

### **TRULY TRAVEL LIMITED IN CREDITORS' VOLUNTARY LIQUIDATION**

**30 January 2023**

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## COMPANY INFORMATION

### REGISTERED NAME, ADDRESS AND NUMBER

#### Truly Travel Limited (In Liquidation), ("the Company")

**Company Number:** 06856368

**Date of Incorporation:** 24 March 2009

**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 1HN

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

### Current Directors at the date of Liquidation

Name	Date Appointed
Sridhar Kumar EDARA	24 March 2009

### Prior Directors in previous three years

Name	Date Appointed	Date Resigned
Richard David FRANCIS	24 March 2009	31 May 2020
Petrakis PANTELI	1 January 2014	30 November 2020

**Share Capital:** The authorised share capital is 99 ordinary shares of £1 each, of which all have been issued and fully paid as follows:

Name	Number of Shares	Class
Truly Holdings Limited	99	Ordinary

**Date of Liquidation** 1 December 2021

**Liquidator** Bijal Shah  
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 value of £456,121, related to the funds held in a trust account.

### **Assets subject to fixed charge**

#### **Trust Account**

The statement of affairs indicated that funds totalling £456,121 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.

#### **Supplier refunds**

The statement of affairs included supplier refunds with a book value of £4,860,447 with an uncertain realisable value. These refunds 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.

During the period of the report, a total of £271,784.30 has been received by the liquidators, of which £250,000 has been paid to the TTA on the understanding that all relevant consumers would receive a refund and the trust arrangements were proven to be valid. We are aware that the TTA has also received money directly from suppliers. It is not currently clear whether the balance of funds belongs to the company or to the TTA. Accordingly, these realisations are shown as third party funds on the receipts and payments account until our review is concluded.

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**

#### **Computer equipment**

The statement of affairs included computer equipment with a book value of £7,222 and a nil realisable value. The computer equipment was outdated and it was uncommercial to recover any value. No realisations are expected.

#### **Book Debts**

The statement of affairs included book debts with a book value of £358 and a nil realisable value. These debts related to historical amounts which could not be realised and no recoveries are expected.

#### **Refunds and accommodations**

The statement of affairs included refunds from accommodations with a book value of £1,736,641 and nil realisable value. The refunds were due from a company which had cross guarantees against greater amounts owed by other group companies. Accordingly, no realisations are expected.

#### **Prepayments**

The statement of affairs included prepayments with a book value of £68,888 and a nil realisable value. The prepayments related to advances made, where no recovery was possible.

### **Loans & Advances**

The statement of affairs included loans and advances of £3,419,309 with a nil realisable value. These loans related to a deposit paid to Teletext Limited to be held against an ongoing contract for services. The contract stipulated that Teletext Limited could draw down against the advance, based on the number of telephone enquiries made by customers.

We wrote to Teletext Limited during the period and asked for the unused advances to be repaid. Teletext Limited has provided information which indicates that there have been significant calls made which would accumulate a usage of the advance in excess of the funds held. Accordingly, they believe that no refunds are due.

The contract is subject to review and we have been in ongoing contact with Teletext Limited to establish the extent of the charges, whether they have been properly incurred, whether they have been properly invoiced and whether the right of set off applies. At present, we have not accepted that no funds are due and the matter is ongoing. However, any realisations are uncertain.

### **Deposit for costs**

The statement of affairs included deposits with a book value of £9,610 and a nil realisable value. These deposits related to old transactions with no prospect of recovery.

### **Cash at Bank**

Following our appointment, we formally asked the company's bankers to close the accounts and remit any credit balance. The sum of £60.00 was received from NatWest Bank Plc.

### **Sundry Refund**

A refund has been received from Barclaycard Commercial Payments in the sum of £182.14.

## **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 supplier 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 anticipated £19,075 in respect of primary preferential creditors relating to employees claims. Claims have been processed through the Redundancy Payments Service, although no claim has been received for amounts paid.

### **Secondary Preferential Creditors**

The statement of affairs did not anticipate any secondary preferential creditors relating to HM Revenue & Customs' (HMRC) claim. HMRC has not submitted a claim in the liquidation.

### **Non-Preferential Unsecured Creditors**

The Statement of Affairs included 33 non-preferential unsecured creditors with an estimated total liability of £8,254,675. We have received claims from 17 creditors at a total of £6,493,867. We have not received claims from 24 creditors with original estimated claims in the Statement of Affairs of £1,174,161.59. We have not yet adjudicated on creditors' claims as any dividend to creditors in this matter is likely to depend on any recovery from the loans and advances to Teletext Limited.

### **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 and enquiries; 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 £25,000 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.

#### **Liquidators' 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 £57,681, representing 214.8 hours work at a blended charge out rate of £268.53 per hour. A detailed schedule of our time costs incurred to 30 November 2022 is attached in Appendix 3.

#### **Expenses**

We have incurred expenses to 30 November 2022 of £1,579.57 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
Bordereau	£ 180.00
Case Management Fee	£ 110.00
Professional Fees related to Employees	£ 410.00
Telephone Costs/ Line rental	£ 226.05

Professional costs related to  
Telephone answering service £ 487.52

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 Teletext Limited.

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

#### Subcontractors

Subcontractors have been engaged where we believe greater efficiencies will be created for the estate where the sub-contractor works alongside the office holder to assist with the tasks in hand. Care is taken to ensure there is no duplication of work and all work is overseen and reviewed by the Joint Liquidators. I considered that increased costs would be incurred if the work were undertaken by my staff directly.

The following subcontractors have been used in this case:

Service (s)	Provider	Work to be done	Basis of fee arrangement	Anticipated cost £	Total cost £
Employees claims processing	ERA Solutions Limited	Employee claims support, assisting with the submission of employee claims to the Redundancy Payments Service and agreement of employee claims with the office holders.	Fixed fee 6-10 Employees	410.00	410.00
Pension	ERA Solutions Limited	Pension Scheme Closure	1	75.00	75.00

In the period to 30 November 2022, ERA Solutions have been paid £485.00. No further costs are expected unless a dividend becomes payable, at which point ERA Solutions Limited will be used to agree creditor claims.

#### Solicitors

Trowers & Hamblins, 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 £16,130.52 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 & Hamblins have also been instructed to assist with a review of the trust arrangements with the TTA and the terms of the contract and ability to set off a possible recovery from Teletext Limited. The costs are continuing on these aspects, with costs of less than £25,000 being incurred to date. However, if legal actions are necessary, these costs could increase by up to £50,000.

## 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.

I 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:

- Continual review of trust arrangements with the TTA, including reconciliation of amounts paid to consumers
- Review of contract terms and set off of amounts owed by Teletext Limited
- Dividend to creditors, if appropriate and funds permit

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 our office on 0208 315 7430.



**Robert Cundy**  
Joint Liquidator

**30 January 2023**

**Truly Travel Limited T/A Truly Travel / Teletext Holidays - In Creditors Voluntary Liquidation  
Joint Liquidators' Abstract of Receipts & Payments**

**From 01 December 2021 To 30 November 2022**

<b>S of A £</b>		<b>As Previously Reported</b>	<b>01/12/21 to 30/11/22</b>	<b>Total £</b>
<b>RECEIPTS</b>				
456,121	Trust account	NIL	NIL	NIL
NIL	Cash at Bank	NIL	60.00	60.00
NIL	Third Party Funds	NIL	21,784.30	21,784.30
NIL	Sundry Refund	NIL	182.14	182.14
456,121		NIL	22,026.44	22,026.44
<b>PAYMENTS</b>				
NIL	Professional Fees	NIL	(75.00)	(75.00)
NIL	Vat Receivable	NIL	(15.00)	(15.00)
0		NIL	(90.00)	(90.00)
456,121	<b>CASH IN HAND</b>	NIL	21,936.44	21,936.44



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

General Description	Includes
<b>Administration and planning</b>	<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 Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing BACS payments
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
<b>Reporting</b>	<i>Statutory reporting is a requirement under the insolvency legislation.</i>
	Circulating initial report to creditors upon appointment
<b>Realisation of Assets</b>	<i>This is the work that needs to be undertaken to protect and then realise the known assets in the case.</i>
Debtors	Collecting supporting documentation Correspondence with solicitors acting for debtor Reviewing and assessing debtors' ledgers Dealing with disputes, including communicating with directors
<b>Creditors and Distributions</b>	Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Office (RPO). That work will include dealing with queries received from both the ex-employees and the RPO to facilitate the processing of the claims. The office holder is required to undertake this work as part of his statutory functions.  Claims of creditors - the office holder needs 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.
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator
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 Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims
Pension scheme	Identifying whether there is a pension scheme Submitting the relevant notices if a pension scheme is identified Instructing agents to wind up any pension scheme Liaising and providing information to be able to finalise winding up the pension scheme
<b>Investigations</b>	<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</i>

# Annual Progress Report of Truly Travel Limited in Creditors Voluntary Liquidation

General Description	Includes
	<i>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	<ul style="list-style-type: none"> <li>Collection and making an inventory of company books and records</li> <li>Correspondence to request information on the company's dealings, making further enquiries of third parties</li> <li>Reviewing questionnaires submitted by creditors and directors</li> <li>Reconstruction of financial affairs of the company</li> <li>Reviewing company's books and records</li> <li>Review of specific transactions and liaising with directors regarding certain transactions</li> </ul>
Statutory reporting on conduct of director(s)	<ul style="list-style-type: none"> <li>Preparing statutory investigation reports</li> <li>Liaising with Insolvency Service</li> <li>Submission of report with the Insolvency Service</li> <li>Preparation and submission of supplementary report if required</li> <li>Assisting the Insolvency Service with its investigations</li> </ul>
Litigation Recoveries /	<ul style="list-style-type: none"> <li>Preparing brief to solicitors/Counsel</li> <li>Liaising with solicitors regarding recovery actions</li> <li>Attending to negotiations</li> <li>Attending to settlement matters</li> </ul>

**Joint Liquidators' Remuneration Schedule**  
**Truly Travel 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	12.20	0.20	0.00	6.50	18.90	7,267.00	384.50
Enquiries & Investigations	10.30	0.10	0.00	10.90	21.30	7,458.00	350.14
Realisation of Assets	31.70	0.00	0.00	1.20	32.90	15,813.00	480.64
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors (inc Employee Matters)	21.20	0.00	0.00	120.00	141.20	26,918.00	190.64
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	0.00	0.50	225.00	450.00
Reporting	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre-appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total hours</b>	<b>75.90</b>	<b>0.30</b>	<b>0.00</b>	<b>138.60</b>	<b>214.80</b>		
<b>Time costs</b>	<b>36,891.00</b>	<b>105.00</b>	<b>0.00</b>	<b>20,685.00</b>		<b>57,681.00</b>	
<b>Average hourly rate</b>	<b>486.05</b>	<b>350.00</b>	<b>0.00</b>	<b>149.24</b>			<b>268.53</b>

Description	Total Incurred £	Total Recovered £
Statutory Advertising	166.00	0.00
Bordereaux	180.00	0.00
Insolv System Set Up	110.00	0.00
Telephone costs	226.05	0.00
Professional fees	897.52	0.00
<b>Totals</b>	<b>1,579.57</b>	<b>0.00</b>

**Summary of Fees**

Time spent in administering the Assignment	Hours	214.80
Total value of time spent to 30 November 2022	£	57,681.00
Total Joint Liquidators' fees charged to 30 November 2022	£	0.00