

The Insolvency Act 1986

Liquidator's Progress
Report**S.192**Pursuant to section 192 of the
Insolvency Act 1986

To the Registrar of Companies

For official use

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Company Number

00710790

Name of Company

(a) Insert full name of
company

(a) Nortel Networks Properties Limited

(b) Insert full name(s) and
address(es)

I/We, (b)

Richard Barker

Samantha Jane Keen

Ernst & Young LLP

Ernst & Young LLP

1 More London Place

1 More London Place

London

London

SE1 2AF

SE1 2AF

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


Signed



Date

4 April 2017

Presenter's name,
address and reference
(if any):Hassan Rauf
Ernst & Young LLP
1 More London Place
London
SE1 2AF

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	COMPANIES HOUSE	

TO ALL MEMBERS AND CREDITORS

4 April 2017

Ref 5W/RB/SK/PH/KV

Direct line: 020 7951 7130
Hassan Rauf

Email: PHeddell@uk.ey.com
Philip Heddell

Dear Sir or Madam,

Nortel Networks Properties Limited
(in Creditors' Voluntary Liquidation) ("NNPL" or "the Company")

As you are aware, Samantha Jane Keen and Kerry Lynne Trigg were appointed as Joint Liquidators of the Company on 24 February 2012 and the appointment was subsequently ratified by the creditors of the Company at a creditors meeting convened in accordance with Section 98 of the Insolvency Act 1986 (as amended) ("the Act") on the same day. Please note that in accordance with a Court Order dated 1 August 2016, Kerry Lynne Trigg was replaced as Joint Liquidator by Richard Barker, an Insolvency Practitioner licensed by the Insolvency Practitioners Association.

I write to inform you that in accordance with Section 106 of the Insolvency Act 1986, a final general meeting of members and creditors was held on 31 March 2017 at 10:00am and 10.30am, respectively. The purpose of the meetings was to receive our account of the winding up.

This report to members and creditors was presented, covering the period 24 February 2016 to 31 March 2017, at the final general meeting.

In accordance with the provisions of the Insolvency Rules 1986 we are required to provide certain information about the Company and the Joint Liquidators. The information can be found in Appendix A of this report. A copy of our receipts and payments account for the period from 24 February 2016 to 31 March 2017 can be found in Appendix B.

Receipts and Payments

Receipts

The only receipts received during the period were amounts of £293,521 received from Nortel Networks Optical Components Limited (in Creditors' Voluntary Liquidation) ("NNOCL"), in respect of a settlement with the Company (see the Assets section of the report), plus 8% statutory interest of £129,568.

Payments

A first and final distribution to unsecured creditors was made during the period, in the sum of £303,203, together with statutory interest of £119,886. Further details of the distribution to unsecured creditors have been provided below.

Progress during the period of the report

Statutory Matters

Creditors Adjudication

The Joint Liquidators issued a Notice of Intended Dividend on 28 October 2016 and asked potential creditors to submit their final claims by 2 December 2016 as the last date for proving claims. All submitted claims together with Proof of Debt forms and supporting documents were adjudicated and a first and final dividend was declared and paid to creditors with admitted claims on 1 February 2017.

A total of five unsecured creditor claims were received, totalling £1,601,756

I have summarised the details of the five claims received, below:

- Three claims were admitted in full, totalling £29,981
- One claim was partially admitted for £273,222 and an element of £24,366 was rejected
- One claim was rejected in full, in the sum of £1,274,187.

Therefore, of the five claims received, claims totalling £303,203 were admitted in the liquidation of the Company and claims totalling £1,298,553 were rejected.

Distribution to unsecured creditors

On 1 February 2017, the Joint Liquidators issued a Notice of Dividend and paid a first and final distribution to all unsecured creditors of the Company to the value of £303,203. This represents a distribution of 100p in the £. Statutory interest of 8% was calculated from 24 July 2012 to 1 February 2017, in the amount of £119,886 and was also paid to the unsecured creditors on this date.

Therefore, all known creditors were paid in full, together with statutory interest in accordance with S.189 of the Insolvency Act 1986.

Assets

As detailed in the Statement of Affairs, the Company's only assets were intercompany receivables and an indemnity from NNOCL

On 31 January 2017 the Company entered into a Settlement Deed ("the Deed") with NNOCL which resulted in NNOCL paying the Company £423,089, as detailed above.

Liabilities

As detailed in a prior report, the Company did not have any secured creditors and as the Company ceased trading in 1995, there were no known preferential employee claims.

As previously reported, the Company was named lessee on three leases, one in Dublin, one in Wakefield and one in Burgess Hill. Please refer to previous progress reports for details of the leases and landlord claims.

The only future cost to settle is the Joint Liquidators remuneration. Further details in this respect can be found below.

Taxation

The latest corporation tax return for the period ending 23 February 2013 was submitted with the assistance of Nortel Networks UK Limited's ("NNUK") tax team. The cost of preparing the return was also borne by NNUK. No further returns have been submitted since this date as the Company is of dormant status for tax purposes and therefore there is no requirement to submit a return.

As advised previously, the Company was not VAT registered and did not have any employees. As such, I am not aware of or expecting any liabilities in this regard.

Joint Liquidators' remuneration

The creditors resolved at the meeting held on 24 February 2012 that the Joint Liquidators' remuneration be fixed by reference to the time properly given by the Joint Liquidators and their staff in attending to matters arising in the winding up. NNOCL, under the terms of the Deed, has agreed to bear any outstanding Liquidation costs of NNPL

During the period 24 February 2016 to 31 March 2017, we have incurred time costs of £79,402 bringing total time costs incurred from the commencement of the liquidation to £154,332

During the period of the liquidation, we have drawn £133,402 plus £1,632 of disbursements, plus irrecoverable VAT. A final invoice will be raised in due course of £20,931 of incurred time cost, £2,500 in respect of case closure administration and disbursements of £570, plus irrecoverable VAT. The final invoice will be settle by NNOCL. It should be noted that a prior invoice was part paid by the Company, with the remaining balance paid by NNOCL.

In accordance with Statement of Insolvency Practice No.9, we are required to provide you with the following information relating to the Joint Liquidators' fees.-

Appendix D	A summary of time spent by the Joint Liquidators and their staff in the reporting period from 24 February 2016 to 31 March 2017 and for the whole period from 24 February 2012 to 31 March 2017,
Appendix E	A summary of work carried out by the Joint Liquidators and their staff;
Appendix F	A summary of our policy in relation to charging time and disbursements

A copy of the "Creditors Guide to Liquidators' Fees", issued by the Association of Business Recovery Professionals, which sets out provisions relating to liquidators' fees, is available from us free on request, or can be accessed at www.r3.org.uk

Creditors' rights to further information about, and challenge, remuneration and expenses

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if members consider the costs to be excessive. Further information is provided in Appendix C



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Closure of the Liquidation

The final meeting has now been held and the Joint Liquidators' final return has been filed at Companies House. Once Companies House confirms receipt of the aforementioned documents, the Joint Liquidators will vacate office and will be deemed to have received their release. Approximately three months after the filing of the final return, the Company will be dissolved automatically by the Registrar of Companies.

If you require any additional information, please do not hesitate to contact Hassan Rauf on the above direct line.

Yours faithfully
for the Company

A handwritten signature in black ink, appearing to read 'R Barker'.

R Barker
Joint Liquidator

R Barker and S J Keen are licensed in the United Kingdom to act as Insolvency Practitioners by the Insolvency Practitioners Association

We may collect, use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998

**Nortel Networks Properties Limited
(In Creditors' Voluntary Liquidation)**

Information about the Company and the Joint Liquidators

Registered office address of the Company:	1 More London Place, London, SE1 2AF
Registered number:	00710790
Full names of the Joint Liquidators:	Richard Barker and Samantha Jane Keen
Joint Liquidators' address(es):	Ernst & Young LLP, One More London Place, London, SE1 2AF
Date of appointment of the Joint Liquidators:	24 February 2012
Details of any changes of liquidator:	Kerry Lynne Trigg was replaced by Richard Barker as Joint Liquidator on 1 August 2016.

Nortel Networks Properties Limited
(In Creditors' Voluntary Liquidation)

Joint Liquidators' receipts and payments account for the period from
 24 February 2016 to 31 March 2017

Statement of Affairs Estimated to Realise Values (24/02/2012) £		Prior periods 24/02/2012 to 23/02/2016 £	Final period 24/02/2016 to 31/03/2017 £	Total 24/02/2012 to 31/03/2017 £
	Receipts			
11,700	Intercompany Receivables	12,010	-	12,010
	Distribution received from NNOCL			
	- Unsecured claim	-	293,521	293,521
	- 8% Statutory Interest	-	129,568	129,568
		12,010	423,089	435,099
	Payments			
	Joint Liquidators' fees		10,008	10,008
	Irrecoverable VAT		2,002	2,002
	Distribution			
	- Unsecured Creditors	-	303,203	303,203
	- Statutory Interest (8%)	-	119,886	119,886
		-	435,099	435,099
	Balance at bank at 31 March 2017			Nil

Notes

- Receipts and payments are stated net of VAT
- The Joint Liquidators' fees was a part payment by NNPL and the remainder of the balance was settled by NNOCL.
- The balance in hand is held as follows:

Current Account	£	Nil
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Creditors' rights to request further information about remuneration or expenses or to challenge a liquidator's remuneration – Rules 4.49E and 4.131 of the Insolvency Rules 1986 (as amended)

4.49E Creditors' request for further information

- (1) If—
 - (a) within the period mentioned in paragraph (2)—
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii)(b) with the permission of the court upon an application made within the period mentioned in paragraph (2)—
 - (i) any unsecured creditor, or
 - (ii) makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108.
- (2) The period referred to in paragraph (1)(a) and (b) is—
 - (a) 7 business days of receipt of the progress report where it is required by Rule 4.108, and
 - (b) 21 days of receipt of the report or draft report in any other case.
- (3) The liquidator complies with this paragraph by either—
 - (a) providing all of the information asked for, or
 - (b) so far as the liquidator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information.
- (4) Any creditor, who need not be the same as the creditors who asked for the information, may apply to the court within 21 days of—
 - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just.
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4.131(1B) or 4.148C(2) by such further period as the court thinks just.
- (6) This Rule does not apply where the liquidator is the official receiver.

4.131 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4).

(1A) Application may be made on the grounds that—

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4.127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.

(1B) The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application; but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party.

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

(3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge;
- (b) an order fixing the basis of remuneration at a reduced rate or amount;
- (c) an order changing the basis of remuneration;
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation;
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify;

and may make any other order that it thinks just; but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation.

Rules 4.49E and 4.131 are reproduced from the Insolvency (Amendment) Rules 2010 under the terms of Crown Copyright Guidance issued by HMSO

Nortel Networks Properties Limited (In Creditors' Voluntary Liquidation)
SIP 9 Analysis for the period 24 February 2016 to 31 March 2017

Classification of work function	Partner / Director	Manager	Other Senior Professionals	Assistants & Support	Total hours this reporting period	Average Hourly Rate	Time Costs for the reporting period
Accounting and Administration	0.5	15.4	42.7	3.4	62	433.28	26,863.33
Creditors		16.1	47.2	21.2	84.5	406.47	34,346.50
Legal Issues		6.4	0.2		6.6	669.17	4,416.50
Statutory Duties		7.7	12.3	5.5	25.5	421.78	10,755.50
VAT & Taxation		3.1	2.3		5.4	559.35	3,020.50
Grand Total	0.5	48.7	104.7	30.1	184	431.53	79,402.33

Current Charge Out Rates	Grade	Charge out rate per hour (£) (FY 2017)	Charge out rate per hour (£) (FY 2016)
Partner/Director	Partner	985	940
	Executive Director	945	900
	Director	805	765
Manager	Assistant Director	670	655
	Senior Executive	510	485
Other Senior Professionals	Executive	375	355
	Assistant		
	Executive	340	325
	Business Trainee	210	200
	Cashier	270	255

Nortel Networks Properties Limited (In Creditors' Voluntary Liquidation)
SIP 9 Analysis for the period 24 February 2012 to 31 March 2017

Classification of work function	Partner / Director	Manager	Other Senior Professionals	Assistants & Support	Total hours this reporting period	Average Hourly Rate	Time Costs for the whole period
Accounting and Administration	1.6	26.5	73.6	21.4	123.1	369.82	45,524.33
Creditors		30.1	60.7	26.1	116.9	394.92	46,166.50
Debtors		0.1		0.5	0.6	264.17	158.50
Employee Matters		0.4			0.4	485.00	194.00
Immediate Tasks		0.3		2.3	2.6	209.23	544.00
Investigation/CDDA		0.5	1.1	4.3	5.9	229.58	1,354.50
Job Acceptance & Strategy		3.7		5.7	9.4	341.76	3,212.50
Legal Issues		8.4	8.3		16.7	468.32	7,821.00
Members			1.0		1.0	295.00	295.00
Other Matters		6.8	1.4	0.1	8.3	578.43	4,801.00
Property		7.5	18.1	1.2	26.8	342.91	9,190.00
Statutory Duties	2.4	18.6	28.5	42.9	92.4	307.62	28,424.00
VAT & Taxation		6.2	6.8		13.0	511.31	6,647.00
Grand Total	4.0	109.1	199.5	104.5	417.1	370.01	154,332.33

Nortel Networks Properties Limited (In Creditors' Voluntary Liquidation)

A summary of work carried out by the Joint Liquidators and their staff for the period from 24 February 2016 to 31 March 2017

Accounting & Administration

- Cashiering functions, maintaining statutory receipts and payment system
- Internal update and case action point / strategy discussions
- General case administration and filing
- Actively taking steps to close the liquidation and ensuring all liabilities are considered.

Creditors

- Issuance and advertising of the Notice of Intended Dividend
- Adjudication of creditor claims and formally communicating outcomes to creditors
- Preparation of the first and final distribution payment
- Calculating the statutory interest to be paid on the distribution payment
- Liaising and corresponding with creditors including responses to creditor queries
- Reviewing indemnity with NNOCL
- Dealing with employee claims and correspondence
- Issuance of the creditor distribution payment, together with the mailing to creditors.

Legal issues

- Liaising with lawyers in connection with preparing and agreeing the settlement deed entered into with NNOCL.

Statutory Duties

- Completing statutory requirements under the Insolvency Act 1986 and the Insolvency Rules 1986
- Preparing and sending annual progress report for period ending 23 February 2016
- Preparation of the final general meeting report and relevant final filings with the Registrar of Companies.

VAT & Taxation

- Meeting with EY Tax to understand whether any tax considerations need to be taken prior to closure
- Liaising with HM Revenue & Customs in relation to tax clearance.

Nortel Networks Properties Limited (In Creditors' Voluntary Liquidation)

Joint Liquidators' time costs for the period from 24 February 2016 to 31 March 2017

Joint Liquidators' charging policy for remuneration

The creditors have determined that the Joint Liquidators' remuneration should be fixed on the basis of time properly spent by the Joint Liquidators and their staff in attending to matters arising in the Liquidation.

The Joint Liquidators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Liquidators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is included in Appendix D alongside the summary of time spent by the Joint Liquidators and their staff. The current hourly rates may be higher than the average rates if hourly rates have increased over the period covered by this report.