

11 April 2025

TO ALL KNOWN CREDITORS & MEMBERS

Our Ref: SI352CVL/SK/NN/CS/XCVL
1202vmP
Your Ref: SI352CVL
Contact: Nick Nicola
DD: 020 8343 5900

Dear Sir or Madam

Simpson House 3 Ltd (In Creditors' Voluntary Liquidation) ("the Company")
Trading Address: 4th Floor Charles House, 108-110 Finchley Road, London, NW3 5JJ
Nature of Business: Other letting and operating of own or leased real estate

I write to advise that the Company entered into creditors' voluntary liquidation, following a winding up resolution being passed by the Company's members on 18th March 2025 and a decision of creditors being made on the same date. Asher Miller and I were appointed as Joint Liquidators of the Company.

Statement of affairs and Report on the Company's financial position

The directors were required to deliver to creditors a copy of the Company's statement of affairs by no later than the business day before the Decisions Date. This was delivered to creditors on 3rd March 2025. The directors were also required to provide a report on the financial affairs of the Company ahead of the decision on the nomination of liquidators being taken. This was delivered to creditors on the same date.

Formal Business

A decision on the nomination of the liquidators was sought from creditors during a virtual meeting. The creditors voted for the appointment of Stephen Katz and Asher Miller as joint liquidators on 18th March 2025.

I am authorised to act as an insolvency practitioner in relation to the Company, within the meaning of section 388 of the Insolvency Act 1986 ("the Act"), by the Institute of Chartered Accountants of England & Wales ("ICAEW"). Asher Miller is authorised to act by the ICAEW.

Creditors' committee

No nominations were received from the creditors in respect of establishing a committee.

Pearl Assurance House, 319 Ballards Lane, Finchley, London, N12 8LY
T: 020 8343 5900 E: finchley@btguk.com W: www.begbies-traynor.com

Begbies Traynor is a trading name of Begbies Traynor (London) LLP, a limited liability partnership, registered in England No: OC412043, registered office 340 Deansgate, Manchester, M3 4LY

Stephen Katz and Asher Miller are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

Please be aware that our licensed insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out professional work relating to an insolvency appointment.

Any reference to a partner is to a member of the limited liability partnership. A list of partners is available for inspection at the registered office. A member of the Begbies Traynor Group; Specialist Professional Services www.begbies-traynorgroup.com

Partners, Directors, and Consultants acting as administrators or administrative receivers contract as agents and without personal liability.

Expenses of Statement of affairs and decisions sought from creditors

Please note that the costs of Begbies Traynor for assisting with preparing the statement of affairs and seeking the creditors decision on the nomination of liquidators in the total sum of £6,000 plus VAT and expenses have been agreed by the creditors.

The Joint Liquidators Remuneration and Expenses

Prior to the virtual meeting, all creditors were issued with our initial letter which included details of how the proposed joint liquidators were seeking to be remunerated. The letter and notice also included the relevant estimates of the fees and expenses likely to be incurred during the course of the liquidation, and details of the work likely to be carried out. Providing this level of detail has enabled creditors who attended the virtual meeting to make a decision on the proposed remuneration basis.

Our remuneration has been fixed by a decision of the creditors on 18th March 2025 obtained during a virtual meeting by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (London) LLP in attending to matters arising in the winding up as set out in the fees estimate dated 6th March in the sum of £40,705. We are also authorised to draw expenses for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy.

Dividend Prospects

The dividend prospects for all categories of creditors was provided in our original letter sent to you on 6th March 2025. The position remains the same.

The prescribed part of the Company's net property

To the best of our knowledge and belief, the Company's undertaking and assets are not subject to any unsatisfied floating charges and the provisions of section 176A of the Act have no application and consequently the value of both the *prescribed part* and the Company's *net property* is nil.

Connected party transactions

These transactions were made clear to creditors in the attached report.

In accordance with provisions contained in sections 104A and 106 of the Act, we will report again to all creditors in around 12 months or at the conclusion of the liquidation, whichever is sooner.

Yours faithfully
For Simpson House 3 Ltd



Stephen Katz
Joint Liquidator
Enc

**Rule 6.20 of
the
Insolvency
(England and
Wales) Rules
2016**

**Certificate of Appointment of Two or More Liquidators by the creditors
of the Company**

SIMPSON HOUSE 3 LTD ("the Company")

(Registered Company Number: 08579416)

This is to certify that at a physical meeting of creditors of the above-named Company,

Stephen Katz and Asher Miller of Begbies Traynor (London) LLP, Pearl Assurance House,
319 Ballards Lane, Finchley, London, N12 8LY

having provided written statements that they are qualified to act as insolvency practitioners
in relation to the above-named company under the provisions of the Insolvency Act 1986
and that they consent to act, were appointed as Joint Liquidators of the company on 18
March 2025

The Joint Liquidators are to act jointly and severally

Any act required or authorised under any enactment to be done by the Joint Liquidators
may be done by them jointly or by each alone.

You can contact the Joint Liquidators at Begbies Traynor (London) LLP by e-mail at
teamnn@btguk.com or by telephone on 020 8343 5900

Date 18 MARCH2025

Signed *Lambros Hadjiioannou*

Name in BLOCK LETTERS LAMBROS HADJIIOANNOU
(Chair)

Simpson House 3 Ltd (“the Company”)

Report on the financial position of the Company (pursuant to Statement of Insolvency Practice 6)

Contents

- Introduction
- Relevant trading activity and financial history, comprising of:
 - Explanation of the causes of the Company’s failure
 - Statutory Information in relation to the Company
 - Extracts from the Company’s recent accounts
 - Statement of affairs of the Company
 - Notes to the statement of affairs
 - Estimated deficiency account
 - Other relevant information

INTRODUCTION

Purpose of report

The purpose of this report is to provide information to the Company's creditors on the Company's financial position, so as to enable them to make an informed decision about the nomination of insolvency practitioners to act as liquidators of the Company.

Assistance provided to the Company and its director's

On 2 September 2024, the Directors of Simpson House 3 Ltd ('the Company'), approached Begbies Traynor (London) LLP of Pearl Assurance House, 319 Ballards Lane, Finchley, London, N12 8LY for advice about the Company's financial position. Begbies Traynor (London) LLP is a professional services firm specialising in insolvency and corporate rescue. The Company ceased to trade on 27 June 2023 at which time it was dissolved via compulsory strike-off before being reinstated to the Registrar of Companies on 19 September 2024 by order of the Court.

The advice culminated in a board resolution on 24 February 2025 that the Company was unable to pay its debts. Notice of the resolutions to wind up and appoint Liquidators being sought by Written Resolution procedure was sent to the Company's shareholder on 26 February 2025. Stephen Katz and Asher Miller, both of Begbies Traynor (London) LLP have signified their consent to act as Liquidators for the purpose of the winding-up. The Director and the proposed liquidators confirm that they are not aware of any prior involvement with the Company or its directors that could reasonably be perceived as presenting a threat to the proposed liquidators' objectivity.

Pursuant to section 100 of the Insolvency Act 1986 ("the Act") and Rule 6.14 of the Insolvency (England and Wales) Rules 2016 ("the Rules"), the directors of the Company are under a duty to seek a decision from the Company's creditors on the nomination of liquidators to act in relation to the Company for the purpose of winding up the Company's affairs and distributing its assets.

The date on which the the directors gave instructions to proceed with seeking the creditors' decision on the nomination of liquidators at a virtual meeting of creditors was 12 November 2024 being the date the signed engagement letter was received. Formal notice convening a Virtual Meeting of creditors was posted on 26 February 2025 and instructions for advertising the Decision by Creditors in the London Gazette were sent out on the same date.

Costs of preparing the Company's statement of affairs and seeking a decision of creditors on the nomination of liquidators

Begbies Traynor (Central) LLP's professional fees for assisting the Company and its the director in preparing the statement of affairs and seeking the creditors' decision on the nomination of liquidators have been fixed at £7,500 plus VAT and expenses. These costs have not yet been paid and approval from creditors is being sought for the payment of the same at the virtual meeting. The sum of £9,000 has been provided by Westminster Management Services Limited, for the purpose of defraying these costs. These costs have been met on the understanding that they are repaid from first realisations ahead of other costs and may be analysed as follows:

Preparation of the statement of affairs	£3,750 for preparing the Statement of Affairs + VAT and disbursements + VAT where applicable
Seeking the creditors' decision on the nomination of liquidators	£3,750 fee for convening meetings of members and creditors & seeking decisions on nomination + VAT

RELEVANT TRADING ACTIVITY AND FINANCIAL HISTORY

Explanation of the causes of the Company's failure

Simpson House 3 Ltd was incorporated in June 2013 and was intended to collect rental payments for a mixed-use property known as Simpson House, 92-100 Stoke Newington Road, London, N16 7XB that included both commercial and residential units. The property was transferred into the Company's accounts in December 2013 from another separate corporate entity within the same group at which point the Company started trading. The Company's primary income stream being generated from residential tenants. The initial director of the Company was Christopher Christou and he was later joined as Director by Lambros Hadjiioannou in 2016. The financing for the Company was provided by a combination of bank loans, the rental incomes of the individual units, and the income derived from activities within the overall group, allowing the Directors to maintain Company operations throughout the trading period.

The property traded successfully between the time of the property's transfer to the point at which the general economy was decimated by the onset of the Covid-19 pandemic in 2020. The ramifications of this continued to affect the real estate sector, which was severely impacted beyond the periods of lockdown. The business model of the Company relied, in the vast majority, on foreign students studying in London and, to a much lesser extent, on individuals from overseas who were based in London for work purposes. As soon as the onset of Covid began, a significant number of these tenants abandoned the units to return to their respective countries for fear of being isolated. As a result, the business experienced severe financial difficulties, primarily due to the non-recovery of debts from tenants and a marked increase in operational expenses.

The property was originally acquired at c£26.1m and was, during the period of trading, revalued in the books of the Company to £42m. At the point that Covid hit, and in the year ended 30 April 2021, the Company had outstanding creditors of primarily bank borrowing of c£17m and intercompany debt of £7.5m.

The Company disposed of its property for £38.795m in early 2022 to another of the group entities at which time it was refinanced and the existing finance was settled which exhausted the surplus shareholders' funds.

Following the dissolution and eventual reinstatement of the Company to the Companies House register the Director sought the professional advice of Begbies Traynor (London) LLP. After extensive discussions and consideration of various options, the difficult decision was made to liquidate Simpson House 3 Ltd.

In conclusion the the director attributes the failure of the Company to the following main reasons:

- The Covid-19 Pandemic leading to a cessation of rental income.
- A significant increase in general operational costs.
- A general downturn in inner city rental properties

Statutory Information in relation to the Company

Company number:	08579416		
Date of incorporation:	21 June 2013		
Principal activity:	Others - Other letting and operating of own or leased real estate		
Previous names:	None		
Registered office:	4th Floor, Charles House, 108-110 Finchley Road, NW3 5JJ		
Registered office (previously):	6th Floor, Charles House, 108-110 Finchley Road, London, NW3 5JJ		
Trading address:	4th Floor, Charles House, 108-110 Finchley Road, London, NW3 5JJ.		
Share capital:	100 ordinary shares of £1 each		
Shareholders and classes of shares held:		<u>Shares held</u>	<u>Share type</u>
	Simpson House 2 Ltd	100	Ordinary
		<u>Appointed</u>	<u>Resigned</u>
Directors (within the past three years):	Lambros Hadiioannou	12 Feb 2016	
	Christopher Christou	21 June 2013	8 Sept 2022
Auditors/Accountants:	Numera Partners LLP (Auditor), 4th Floor, Charles House, 108-110 Finchley Road, NW3 5JJ		
Mortgages and Charges:	A fixed and floating charge granted over the land and property known as 92 - 100 (even numbers) Stoke Newington Road, London in favour of Abbey National Treasury Services PLC (Trading as Santander Corporate Banking)		
Parent company:	Simpson House 2 Ltd		
Associated companies	As listed in Appendix 1		

Extracts from the Company's recent accounts

	<i>Report of the Directors & Financial Statements for year to 30 April 2021</i>	<i>Report of the Directors & Financial Statements for year to 30 April 2020</i>	<i>Report of the Directors & Financial Statements for year to 30 April 2019</i>
	£	£	£
Date of auditor's report	26 Jan 2022	29 Jan 2021	28 Jan 2020
Turnover	1,329,569	1,564,373	1,632,743
Gross profit (loss)	346,775	546,506	2,390,235
Profit (loss) for the financial period	346,775	471,421	2,043,085
Accumulated profits/(losses) at period end	12,180,396	11,833,621	12,062,300
Directors' remuneration	Nil	Nil	Nil
Dividends paid	Nil	Nil	Nil
Fixed Assets	42,071,000	42,071,000	42,045,000
Current Assets	150,413	303,629	206,111
Current Liabilities	(8,507,923)	(8,785,495)	(8,215,920)
Long term Liabilities	(16,838,948)	(17,061,367)	(17,283,785)
Shareholders funds/net assets (net liabilities)	12,180,496	11,833,721	12,062,300

* The Company was entitled to exemption from an audit under section 249A (1) of the Companies Act 1985 or section 477(1) of the Companies Act 2006. The accounts were prepared in accordance with the special provisions relating to small companies within Part vii of the Companies Act 1985 or Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities

Statement of affairs of the Company as at 24 February 2025

Simpson House 3 Ltd
Company Registered Number: 08579416

Estimated Statement Of Affairs as at 24 February 2025

	Book Value £	Estimated to Realise £	£
ASSETS			
Third Party Funds	9,000.00		9,000.00
Cash at Bank	4,350.00		4,350.00
			13,350.00
LIABILITIES			
PREFERENTIAL CREDITORS:-			NIL
			13,350.00
2nd PREFERENTIAL CREDITORS:-			NIL
			13,350.00
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003 OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			NIL
			13,350.00
Estimated prescribed part of net property where applicable (to carry forward)			NIL
			13,350.00
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			NIL
			13,350.00
Estimated prescribed part of net property where applicable (brought down)			NIL
			13,350.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		235,319.40	
Intercompany loan		1,040,959.00	
			1,276,278.40
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			(1,262,928.40)
			(1,262,928.40)
Issued and called up capital			
Ordinary Shareholders		100.00	100.00
TOTAL SURPLUS/(DEFICIENCY)			(1,263,028.40)

Notes to the statement of affairs

Dissolution and reinstatement

The Company, having ceased trade and believing they did not have further liabilities to any party other than connected inter-company loans, did not submit annual accounts or an annual return for the period to April 2022 and as a result of this non-compliance the Company was struck from the Companies House register. Subsequently a number of tenants appealed to have the Company reinstated as they believed they were owed money but could not make any claims until such time as the Company was reinstated. Following application to the Court, the Company was reinstated as noted above.

Secured Assets

Companies House shows that one fixed and floating charge over the land and property known as 92 - 100 (even numbers) Stoke Newington Road, London was registered against the Company in favour of Abbey National Treasury Services PLC (Trading as Santander Corporate Banking), on 24 December 2013. The Company Director has advised that there is no liability due in respect of the charge.

The Company Director has advised that no further assets remain in the Company. It will upon the duly appointed Liquidators to review the Company's financial position.

Preferential creditors

The claims of the Department for Business, Energy and Industrial Strategy represent employees' estimated claims under The Employment Rights Act 1996 in respect of arrears of pay to a maximum of £800 per employee and holiday pay which are claimed preferentially, and pay in lieu of notice, redundancy pay and arrears of pay in excess of £800 which are unsecured.

The Company had no employees and therefore no employee claims are anticipated.

Secondary preferential creditors

Secondary preferential creditors

The Finance Act 2020 which took effect from 1 December 2020, has given HM Revenue & Customs, ("HMRC") a secondary preferential claim in insolvencies. This secondary preferential status will enable HMRC to be paid in priority to the floating charge holder and the general unsecured creditors in respect of certain taxes owed by the business to HMRC. These taxes include VAT, PAYE, Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions.

In this case, the Company Director has advised that there is no indebtedness to HMRC.

Estimated prescribed part of net property

Section 176A(1)(a) of the Act requires the liquidators to set aside the prescribed part of the Company's net property for the satisfaction of unsecured debts. "**Net property**" means the amount which would, if it were not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of realisation) and if the floating charge was created on or after 15 September 2003. The prescribed part of the Company's Net property is calculated by reference to a sliding scale as follows:

If the charge was created between 15th September 2003 and up to 6th April 2020

- 50% of the first £10,000 of *net property*;
- 20% of *net property* thereafter;
- Up to a maximum amount to be made available of £600,000

Or where the charge was created on or after 6th April 2020

- 50% of the first £10,000 of *net property*;
- 20% of *net property* thereafter;
- Up to a maximum amount to be made available of £800,000

For cases where charges were created both pre and post 6th April 2020, please refer to the following intranet guidance: <https://intranet/compliance/technical-library/?slug=changes-prescribed-part-coming-effect-6-april-2020>

The liquidator will not be required to set aside the prescribed part if:

- a. The net property is less than £10,000 and he thinks that the cost of distributing the prescribed part would be disproportionate to the benefit;
- a. Or if the net property is more than £10,000, if the provision is dis-applied by the court on the application of the liquidator on cost-benefit grounds.

If the floating charge was created before 15 September 2003 there is no net property and, consequently, no prescribed part of net property. In this matter there are no outstanding sums due in respect of the charge registered against the Company and therefore the provisions of the prescribed part will not apply.

Unsecured non-preferential claims

The Company is potentially indebted in the sum of £235,319.40 to nine trade and expense creditors being tenant claims against the Company which it disputes

The Director has advised that £1,040,959 is due to Simpson House 2 Ltd, a company with common directors which was the sole shareholder of the Company. .

Estimated deficiency as regards members

Creditors' claims are subject to agreement by the liquidator and will not be prejudiced by omission from the statement of affairs or by inclusion in a different amount from that claimed.

The estimated total deficiency of £1,263,028.40, including the calculation of the prescribed part (if any), is subject to the costs of winding up for which no provision is made in the statement of affairs.

Material transactions conducted within the previous 12 months other than in the ordinary course of business

Best practice requires disclosure of any material transactions (other than in the ordinary course of business) within the previous 12 months. I am advised by the Director that there have been transactions between companies within the ownership of the parent company as part of an overall restructuring. The details of which and whether this has led to any effect on the Company will be investigated by the duly appointed Liquidators.

Estimated deficiency account (reconciling the position shown by the most recent balance sheet to the deficiency in the statement of affairs)

	£	£
Shareholders reserves brought forward as at 30 April 2021		12,180,496
Less:		
Amounts written off assets for the purpose of preparing the statement of affairs:		
Fixed Assets	<u>0</u>	<u>0</u>
		12,180,496
Amounts arising as a consequence of liquidation		
Other	<u>0</u>	0
Balancing figure, being trading and other (losses)/profit for the period from 1 May 2021 to 24 February 2025		(13,443,524)
Total deficiency as regards the members as per the estimated statement of affairs		<u><u>(1,263,028)</u></u>

As the balancing figure indicated above appears excessive, the Company's financial records have been reviewed to seek an explanation for such a large loss.

The financial records indicate a loss on disposal of the property in 2022 of £2.184m. As the Company ceased trade it released the deferred tax provision of £4.684m as stated in its 2021 financial accounts. The intercompany loan that had been stated as being £7m in the last Company accounts has also reduced to £1m and these three adjustments account for the balancing figure shown.

Dated 24 February 2025



Lambros Hadjiioannou
On behalf of the directors