



EMPLOYMENT TRIBUNALS

Claimant: Mr Sean Keenan

Respondents: (1) Proper Group AG
(2) Utopia Accelerate (UK) Limited

Heard at: East London Hearing Centre (By Video)

On: 25 February 2025

Before: Employment Judge Crosfill

Representation

Claimant: In person
Respondent: No appearance or representation

JUDGMENT

1. The Claimant was employed by the Second Respondent and not the First Respondent. All claims against the First Respondent are dismissed.
2. The Claimant was continuously employed by the Second Respondent from 22 January 2022 to 26 August 2024.

Unfair dismissal

3. The Claimant's claim that he was unfairly (constructively) dismissed by the Second Respondent contrary to Part X of the Employment Rights Act 1996 is well founded.
4. Had the Claimant not been unfairly dismissed his employment would have ended on 26 November 2024 the date upon which the Second Respondent entered creditors voluntary liquidation.
 - 4.1. The Claimant is entitled to a basic award on the basis that the Claimant worked for the Second Respondent for 2 years and was 38 at the date of the dismissal
 $= 2 \times £700.00 = \underline{\underline{£1,400.00}}$.
 - 4.2. The Claimant is entitled to a compensatory award made up of the following elements:
 - 4.2.1. The wages payable between the date of the dismissal 26 August 2024 and 26 November 2024 (which is 92 days); and

- 4.2.2. The cash allowance payable in respect of the same period; and
- 4.2.3. The Employer's pension contributions in respect of the same period.
- 4.3. The Claimant's annual salary was £145,000 Gross and the annual value of the Cash allowance was $12 \times £125 = £1,500$ a total of £146,500.00 gross.
- 4.4. The equivalent net pay of an annual remuneration of £146,500.00 is £244.92 per day.
- 4.5. The Claimant's net loss of salary and cash allowance is $92 \times £244.92 = £22,532.64$.
- 4.6. Such part of the award that is referable to the Claimant's contractual notice period will be subject to income tax as it falls outside the exemption given by Section 401 of ITEPA 2003. The period of loss corresponds exactly with the contractual notice period that the Claimant was entitled to. It is therefore necessary to gross up the sum of £22,532.64 to ensure that the Claimant has that sum after taxation. He will be pay tax on that sum at the rate of 40%. To gross up the sum it is necessary to multiply the net loss by 1.6. The grossed up loss is therefore $1.6 \times £22,532.64 = \textbf{£36,052.22}$
- 4.7. The Claimant made pension contributions of 5% of his gross basic salary and the Respondent matched those contributions. The value of the pension contributions made by the Respondent was £7,250 per annum or £19.86 per day. The loss caused by the failure to make these contributions is $92 \times £19.86 = \textbf{£1,827.12}$
- 4.8. The total compensatory award is therefore **£37,879.34**

The claim for a redundancy payment

5. The Claimant was dismissed by reason of redundancy.
6. His claim for a redundancy payment is well founded.
7. No separate award is made on the basis that the Claimant has been awarded a basic award.

Breach of Contract

8. The Claimant's claim for breach of contract brought under the Employment Tribunals Extension of Jurisdiction (England and Wales) Order 1996 succeeds in two respects.
- 8.1. The Claimant was entitled to three months' notice of the termination of his contract. He was unlawfully dismissed without notice on 26 August 2025; and
- 8.2. The Respondent failed to pay 5% of the Claimant's salary by way of employers pension contributions from 25 March 2024 to 26 August 2024 the date of termination of the Claimant's contract. The daily value of the said contributions being £19.86 as set out above.

9. The damages suffered by reason of the said unlawful dismissal are (1) 3 months loss of salary and cash allowance and (2) the value of the employer's pension contributions.
10. The first 92 days of the Claimant's losses have been accounted for within the compensatory award for unfair dismissal and accordingly **no further loss or damage has been suffered**.
11. The Claimant has suffered loss representing the failure to make pension contributions between 25 March 2024 and 26 August 2024 = 154 days x £19.86 = **£3058.44** and the Claimant is awarded that sum as damages for breach of contract.

Unlawful deduction from wages.

12. The Claimant was not paid his salary nor the cash allowance between 25 March 2024 and 25 August 2025 a period of 4 months. The Claimant's gross monthly salary is £12,083.33 and his monthly cash allowance was £125.
13. The Second Respondent unlawfully deducted the sum of 4 x (£12,083.33 + £125) = **£48,833.32** from the Claimant's wages

ORDERS TO PAY

14. The Respondent is ordered to pay the Claimant the following sums:
 - 14.1. **£1400** as a basic award for unfair dismissal
 - 14.2. **£37,879.34** as a compensatory award for unfair dismissal
 - 14.3. **£3058.44** as damages for breach of contract (pension payments)
 - 14.4. **£48,833.32** in wages for the period 25 March 2024 to 25 August 2024

LESS

- 14.5. The sum of **£6,396.72** the monies received by the Claimant from the Redundancy Payment Service.

Employment Judge Crosfill
Dated: 27 February 2025

Note

Reasons for the judgment above having been given orally at the hearing, written reasons will not be provided unless a request was made by either party at the hearing or a written request is presented by either party within 14 days of the sending of this written record of the decision.

Public access to employment tribunal decisions

All judgments (apart for judgment under Rule 51) and reasons for the judgments are published, in full, online at www.gov.uk/employment-tribunal-decisions shortly after a copy has been sent to the claimant(s) and respondent(s) in a case.