

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

01639642

Name of Company

R S L (South West) Limited

I / ~~We~~
Timothy Alexander Close
Winchester House
Deane Gate Avenue
Taunton
Somerset
TA1 2UH

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

The Progress Report covers the period from 06/04/2012 to 05/04/2013

Signed



Date

20/5/13

Milsted Langdon LLP
Winchester House
Deane Gate Avenue
Taunton
Somerset
TA1 2UH

Ref RSLSPPOST/TAC/KA/JB

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R S L (South West) Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs		From 06/04/2012 To 05/04/2013	From 06/04/2011 To 05/04/2013
ASSET REALISATIONS			
38,710 00	Plant & machinery	(338 00)	65,320 00
1,040 00	Office & IT	NIL	2,163 00
9,750 00	Motor vehicles	NIL	9,860 00
4,500 00	Stock	NIL	9,150 00
119,259 80	Book debts	11,252 82	12,846 50
78,091 36	Retentions	47,706 88	84,606 99
	Insurance refund	NIL	807 41
190,934 91	Cash at bank	NIL	203,591 92
80 15	Credit Card	NIL	80 15
500 00	Cash at hand	NIL	493 02
	Bank interest gross	2,194 47	3,640 20
	Bank interest net of tax	724 60	724 60
3,740 00	Cash held by third party	NIL	3,740 00
	BT Refund	NIL	117 16
	Miscellaneous Refunds	NIL	19 07
		<u>61,540 77</u>	<u>397,160 02</u>
COST OF REALISATIONS			
	Specific bond	NIL	400 00
	Pre-Appointment fees	NIL	2,500 00
	Pre-Appointment expenses	NIL	166 60
	Office holder's fees	19,661 91	66,703 66
	Office holder's expenses	391 30	1,362 89
	Security Costs	NIL	73 50
	Agents fees book debts / creditors clai	245 00	2,882 50
	Agents/Valuers fees	NIL	18,954 46
	Agents fees re claim agreement	5,000 00	5,000 00
	Legal fees	250 00	1,450 00
	Corporation tax	289 20	289 20
	CIS Deductions	707 13	707 13
	Employee calculations	NIL	1,985 00
	Re-Direction of mail	NIL	27 20
	Statutory advertising	NIL	356 40
	Rates	2,076 99	2,076 99
	Other property expenses	NIL	741 51
	Insurance of assets	NIL	550 24
		<u>(28,621 53)</u>	<u>(106,227 28)</u>
PREFERENTIAL CREDITORS			
(2,698 56)	Employees	NIL	2,703 92
		NIL	(2,703 92)
UNSECURED CREDITORS			
(452,866 65)	Trade & expense creditors	NIL	NIL
(218,346 61)	Employees	NIL	NIL
(45,331 91)	HM Revenue & Customs (VAT)	NIL	NIL
(13,466 76)	HM Revenue & Customs (PAYE/NI)	NIL	NIL
(115,601 00)	Leasehold Property Dilapidations & Re	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(44,280 00)	10% Non Cumulative Redeemable Pre	NIL	NIL

**R S L (South West) Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 06/04/2012 To 05/04/2013	From 06/04/2011 To 05/04/2013
(187,500 00)	3% Non Cumulative Redeemable Pref	NIL	NIL
(5,720 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(639,205.27)		32,919 24	288,228.82

REPRESENTED BY

Vat receivable	2,567 85
Bank 1 Current	14,694 22
Bank 1 Fixed Term Deposit	275,000 00
VAT payable	(4,033 25)
	288,228 82

Note

The payment of £338 under the heading of Plant and Machinery relates to the payment of a settlement sum to a retention of title creditor made on 26/06/2012 from the proceeds of items sold which were subject to their claim of retention



Timothy Alexander Close
Liquidator

**Liquidator's Annual
Progress Report to
Members and Creditors**

**RSL (SOUTH WEST) LIMITED –
IN LIQUIDATION
6 APRIL 2012 TO 5 APRIL 2013**

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- 3 Investigations
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- 8 Next Report

APPENDICES

- A Receipts and Payments Account from 6 April 2012 to 5 April 2013, together with a cumulative analysis for the period 6 April 2011 to 5 April 2013
- B Time Analysis for the period 6 April 2012 to 5 April 2013
- C Cumulative time analysis for the period 6 April 2011 to 5 April 2013
- D Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9

1 0 **Introduction and Statutory Information**

1 1 I, Timothy Alexander Close of Milsted Langdon LLP, Winchester House, Deane Gate Avenue, Taunton, Somerset, TA1 2UH, was appointed as Liquidator of RSL (South West) Limited ("the Company") on 6 April 2011. This report provides an update on the progress in the liquidation for the year ended 5 April 2013 and should be read in conjunction with my previous report for the period 6 April 2011 to 5 April 2012.

1 2 The principal trading address of the Company was Unit 15, Millfield Industrial Estate, Chard, Somerset, TA20 2BB. The business traded under the name RSL (South West) Limited.

1 3 The registered office of the Company has been changed to Winchester House, Deane Gate Avenue, Taunton, Somerset, TA1 2UH and its registered number is 01639642.

2 0 **Realisation of Assets**

2 1 Attached at Appendix A is my Receipts and Payments Account for the period from 6 April 2012 to 5 April 2013 together with a cumulative Receipts and Payments Account for the period from 6 April 2011 to 5 April 2013.

Book Debts and Retentions

2 2 At the date of my last report I confirmed that following extensive and time consuming correspondence, funds totalling £38,494 had been recovered in respect of eleven of the twenty six contracts, although counter claims have resulted in write-offs to achieve these realisations.

2 3 Shortly after my appointment as liquidator one of the company debtors, Sterling Building Services Limited, entered into liquidation owing the Company £10,902. I have received confirmation that no payment will be made to unsecured creditors of this debtor Company and this debt has subsequently been written off.

2 4 The principal contract of the Company was with Kier Construction Limited ('Kier') for specialist work at Aldermaston and the directors attributed the failure of the

Company to the difficulties they experienced on this contract. The Statement of Affairs indicated that £8,064 was owing in respect of technical drawing fees and retention monies withheld from funds paid to date for this contract

- 2 5 Whilst the directors did not believe that the outstanding work in progress on this contract would be collectable, they did not believe that there was a liability to Kier. A claim has been subsequently received by me in the amount of £523,818 relating to contractual costs and claims in relation to the contract, which the Company was unable to complete due to its insolvency
- 2 6 As is to be expected on a contract of this magnitude and complexity there has been considerable communications with Kier since my appointment and I have worked closely with Mr Barnard, the former surveying director of the Company, to establish the validity of the claims submitted. Given the complexity of the issues, it was necessary for me to instruct an independent specialist insolvency Quantity Surveyor from a national firm in order to establish the validity of the claim submitted on this contract
- 2 7 Whilst some progress has been made, at present I am unable to determine the validity of a large element of Kier's claim. Correspondence has continued during the last twelve months due to Kier's refusal to provide information in support of certain aspects of their claim. At present I have no alternative other than to reject these elements of their claim although I am at present awaiting a response to my agent's letter to Kier again requesting substantiation of the disputed items included in their claim
- 2 8 For the period following my last report I can confirm that a total of £60,677 has been recovered from a further eleven debtors although, once again, it has proven necessary for me to agree settlements with a number of the debtors due to counter claims which have resulted in various write offs being made
- 2 9 At present I have four remaining book debt/retention matters still to be resolved, including the Kier contract

- 2 10 Of the remaining three matters I am expecting an agreed settlement of £2,500 imminently leaving two retention debts where the making good of defects certificate is yet to be signed off I am in regular contact with these two remaining debtors and it is anticipated that these debts can be concluded in the near future

Bank Interest

- 2 11 Interest totalling £2,919 has been received in the period of this report which will be subject to Corporation Tax.
- 2 12 I am in the process of agreeing the Corporation Tax liability with HM Revenue & Customs and, once agreed, the appropriate remittance will be made

3 0 Investigations

- 3 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS) As this is a confidential report, I am not able to disclose the contents

4 0 Creditors

Secured Creditors

- 4 1 The Company has no secured creditors

Preferential Creditors

- 4 2 A summary of preferential claims is detailed below.

	Agreed Claim £	Statement of Affairs £
Employee Claims	1,933	2,699
DBIS (Redundancy Fund)	771	Nil
	<u>2,704</u>	<u>2,699</u>

4 3 Preferential creditors have been agreed and were paid in full on 5 December 2011

Unsecured Creditors

4 4 I have received claims totalling £1,282,549 from ninety seven creditors although I have not yet formally admitted these claims pending the resolution of Kier's claim referred to in paragraphs 2 4 to 2 7 above I have yet to receive claims from three small trade creditors

4.5 The Company did not grant any floating charges to a secured creditor Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors, which only applies to charges created after 15 September 2003

4 6 Although I am holding significant realisations, and I anticipate that a dividend will be paid to unsecured creditors, the quantum and timing is dependent upon the agreement of counter claims as noted in paragraphs 2 4 to 2 7 above, and the recovery of the remaining retention monies

4 7 In view of the uncertainty over Kier's claim, the materiality of it, and the possibility of litigation over this, I am not in a position to declare a dividend to creditors at the present time, or to determine with any certainty the likely timing of this

4 8 If you have not already submitted a claim in the liquidation can you please complete and return the enclosed Statement of Claim form and return it to me with backup documentation in respect of your claim

4 9 Alternatively, I would be obliged if you could inform me if you have no claim in the liquidation

5 0 Liquidator's Remuneration

5 1 The creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation

5 2 My time costs for the period from 6 April 2012 to 5 April 2013 are £17,379 22 This represents 176 54 hours at an average rate of £98 44 per hour Attached as Appendix

B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation

5 3 Also attached as Appendix C is a cumulative Time Analysis for the period from 6 April 2011 to 5 April 2013 which provides details of my time costs since appointment To date £66,703 66 plus disbursements of £1,362 69 has been drawn on account

5 4 Below is further guidance on the work involved for each category

Description	Explanation
Administration & Planning	This time relates to the administrative duties undertaken by me and my staff It includes all statutory duties in respect of my obligations to the Court, Companies House and periodic reviews It includes time spent attending to tax and VAT issues
Realisations	This relates to the time spent in dealing with the funds held at the company's bank and collecting outstanding book debts and retentions, communicating with debtors and advising and agreeing/investigating retention and latent defect issues as well as collecting any other monies due to the Company This section also includes time spent in selling or disposing of the company assets
Creditors	This time relates to dealing with creditors' claims, employee claims and other general enquiries and correspondence, including Kier's claim

5 5 Attached as Appendix D is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

5 6 In the period 6 April 2012 to 5 April 2013 the following Category 2 disbursements have been taken

- Mailing Fee (Insolvency) £137 70
- Archive Management £253 00
- Photocopying £0 60

6 0 Liquidator's Expenses

6 1 Between 6 April 2012 and 5 April 2013 the following expenses have been incurred and paid

Description	Outstanding from prior period	Incurred in this period	Paid in this period	Outstanding
Agents Fees regarding book debts	Nil	£245	£245	Nil
Agents Fees regarding claim agreement	Nil	£5,000	£5,000	Nil
Legal Fees	£220	£30	£250	Nil
Local Council Rates	£2,076 97	Nil	£2,076 97	Nil
Total	£2,296.97	£5,275	£7,571.87	Nil

7 0 Creditors' rights

7 1 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 provide further information about his remuneration or expenses which have been itemised in this progress report

7 2 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

8 0 **Next Report**

8 1 It is anticipated that once agreement of creditor claims has been finalised the liquidation can be concluded within the next twelve months and therefore that the next progress report will be a final report concluding the liquidation. If the resolution of Kier's claim becomes protracted, however, this may not be possible.

Yours faithfully

A handwritten signature in black ink, appearing to be 'TAC', written over a horizontal line.

TIMOTHY ALEXANDER CLOSE
Liquidator

Enc

R S L (South West) Limited
(In Liquidation)
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R S L (South West) Limited
(In Liquidation)
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	Bank 1 Current		14,694 22
	Bank 1 Fixed Term Deposit		275,000 00
	VAT payable		(4,033 25)
			288,228.82

Notes

This estate is VAT registered and therefore VAT should be recoverable

The payment of £338 under the heading of Plant and Machinery relates to the payment of a settlement sum to a retention of title creditor made on 26/06/2012 from the proceeds of items sold which were subject to their claim of retention

The following dividends have been paid to creditors,

Preferential Distribution paid on 05/12/2011 of 100p in £

R S L (South West) Limited
Time and disbursement analysis
For the period 6 April 2012 to 5 April 2013

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg. Hourly Rate (£)
Administration & planning	2 25	3 52	15 35	15 32	36 44	3,083 12	84 61
Realisations	4 85	9 36	46 00	24 15	84 36	8,151 98	96 63
Creditors	7 95	4 09	35 05	8 65	55 74	6,144 12	28 00
Total time	15 05	16 97	96 40	48 12	176 54	17,379 22	98 44
Disbursements							
Mailing Fee (Insolvency)						137 70	
Archive Management (Insolvency)						253 00	
Total disbursements						<u>390 70</u>	
Amount from previous period(s)						50,666 64	
				Grand Total		68,436.56	

N B For a more detailed explanation of the categories above please see Paragraph 5 4 of the report

R S L (South West) Limited
Time and disbursement analysis
For the period 6 April 2011 to 5 April 2013

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg. Hourly Rate (£)
Administration & planning	7 00	24 72	82 60	48 10	162 42	14,633 92	90 10
Investigations	0 50	1 30	32 80	0 60	35 20	3,250 05	92 33
Realisations	26 25	33 96	189 95	53 05	303 21	31,342 88	103 37
Creditors	13 70	21 89	127 75	21 95	185 29	17,846 82	96 32
Total time	47 45	81 87	433 10	123 70	686 12	67,073 67	97 76
Disbursements							
Faxes						4 50	
Photocopying						189 10	
Binding Accounts						9 00	
Postage						1 12	
Mileage						163 45	
Room Hire (Insolvency)						70 00	
Mailing Fee (Insolvency)						244 95	
Archive Management (Insolvency)						673 77	
Company Searches						7 00	
Total disbursements						1,362 89	
				Grand Total		68,436.56	

N B For a more detailed explanation of the categories above please see Paragraph 5 4 of the report

**ADDITIONAL INFORMATION IN RELATION TO THE
OFFICE HOLDER'S FEES PURSUANT TO STATEMENT OF
INSOLVENCY PRACTICE 9**

APPENDIX D

1. Staff Allocation and the use of Sub-contractors

- 1 1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case
- 1 2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Our charge out rate schedule below provides details of all grades of staff and their experience level
- 1 3 We have not utilised the services of any sub-contractors in this case

2. Professional Advisors

- 2 1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
Ashfords LLP (legal advice)	Hourly rate & disbursements
Stephens Scown LLP (legal advice)	Hourly rate & disbursements
MST Auctioneers Limited (Sale and valuation of assets)	Percentage of sale proceedings and fixed cost and disbursements
AUA Insolvency Risk Services Limited (asset insurance)	Set fee
ERA Solutions (Tamworth) Limited (employment claims)	Set fee per employee
J P Gainsford Associates (dilapidation claims re rental property)	Hourly rate & disbursements
Barnard Surveying Limited	Hourly rate & disbursements
Craig Barnard	Hourly rate and disbursements
Time Quantum Expert Forensics Limited - (specialist quantity surveyor)	Hourly rate and disbursements

- 2 2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

3. Disbursements

- 3 1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.
- 3 2 Category 2 disbursements do require approval from creditors. These are the costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, faxes and photocopying.
- 3 3 We would advise that Category 2 disbursements are currently charged by this firm at the following rates:

Disbursement	Charge
Faxes	20p per sheet
Internal room hire for creditors' meetings	£70
Mailing fees (including postage)	
VA Proposals	£3 25 per pack
Large – over 20 pages	£1 00 per pack
Large	80p per pack
Small	60p per pack
Mileage	45p per mile
Photocopies	10p per sheet

4. Charge-out Rates

- 4 1 A schedule of our charge-out rates for this assignment is detailed below. These rates are reviewed on an annual basis but there have been no material increases in these rates since the commencement of this case.

	£/hr
Partners	230-250
Managers and Administrators	85-175
Other administrative staff	29-65

- 4 2 Please note that this firm records its time in minimum units of 1 minute.

5. Creditors' Guide to Fees

- 5 1 A Creditors' Guide to the manner in which remuneration charged in this case and the rules relating to this area are detailed in the guides available on our website at <http://www.milsted-langdon.co.uk/specialisms/insolvency/creditors-guides-to-remuneration/>.