

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 06/04/2013 to 05/04/2014

Signed



Date

29/5/14

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 06/04/2013 To 05/04/2014	From 06/04/2011 To 05/04/2014
	ASSET REALISATIONS		
38,710 00	Plant & machinery	NIL	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	NIL	12,846 50
78,091 36	Retentions	5,333 33	89,940 32
	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	1,265 76	4,905 96
	Bank interest net of tax	NIL	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>6,599 09</u>	<u>403,759 11</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	12,333 90	79,037 56
	Office holder's expenses	369 76	1,732 65
	Security Costs	NIL	73 50
	Agents fees book debts / creditors clai	NIL	2,882 50
	Agents/Valuers fees	NIL	18,954 46
	Agents fees re claim agreement	4,187 50	9,187 50
	Legal fees	600 00	2,050 00
	Corporation tax	438 84	728 04
	CIS Deductions	500 00	1,207 13
	Employee calculations	NIL	1,985 00
	Re-Direction of mail	NIL	27 20
	Statutory advertising	NIL	356 40
	Rates	NIL	2,076 99
	Other property expenses	1 20	742 71
	Insurance of assets	NIL	550 24
		<u>(18,431 20)</u>	<u>(124,658 48)</u>
	PREFERENTIAL CREDITORS		
(2,698 56)	Employees	<u>NIL</u>	<u>2,703 92</u>
		NIL	(2,703 92)
	UNSECURED CREDITORS		
(452,866 65)	Trade & expense creditors	128,842 70	128,842 70
(218,346 61)	Employees	44,441 54	44,441 54
(45,331 91)	HM Revenue & Customs (VAT)	11,482 95	11,482 95
(13,466 76)	HM Revenue & Customs (PAYE/NI)	3,170 51	3,170 51
(115,601 00)	Leasehold Property Dilapidations & Re	12,062 30	12,062 30
		<u>(200,000 00)</u>	<u>(200,000 00)</u>
	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 06/04/2013 To 05/04/2014	From 06/04/2011 To 05/04/2014
(187,500 00)	3% Non Cumulative Redeemable Pref	NIL	NIL
(5,720 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(639,205.27)		(211,832.11)	76,396.71
REPRESENTED BY			
	Bank 1 Current		26,396 71
	Bank 1 Fixed Term Deposit		50,000 00
			76,396 71

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**

**R S L (SOUTH WEST) LIMITED
- IN LIQUIDATION
6 APRIL 2013 TO 5 APRIL 2014**

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- 3 Investigations
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- 7 Creditors' Rights
- 8 Next Report

APPENDICES

- A Receipts and Payments Account from 6 April 2013 to 5 April 2014, together with a cumulative time analysis for the period 6 April 2011 to 5 April 2014
- B Time Analysis for the period 6 April 2013 to 5 April 2014
- C Cumulative time analysis for the period 6 April 2011 to 5 April 2014
- 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 R S L (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 2014 and should be read in conjunction with my previous reports for the periods 6 April 2011 to 5 April 2013.
- 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 2013 to 5 April 2014, together with a cumulative Receipts and Payments Account for the period from 6 April 2011 to 5 April 2014.

Book Debts and Retentions

- 2 2 You will recall from my last report that there were four book debt/retention matters left to be resolved.
- 2 3 One of the debt matters was in relation to a contract for specialist works carried out at Aldermaston for Kier Construction Limited (Kier), and that this is the contract that the directors attributed the failure of the Company to. Whilst sums were listed as due to the Company from Kier, a counterclaim was received by me from them in the amount of £523,818.
- 2 4 Considerable communication with Kier has taken place previously and I engaged a specialist Quantity Surveyor from a national firm in order to establish the validity of the claim submitted by Kier.
- 2 5 Following extensive correspondence between myself, the Quantity Surveyor appointed by me, former directors of the Company and the debtor, I can confirm that the claim submitted by Kier has been agreed at £185,000 and, accordingly, I have written off the remainder of the sums due from Kier in agreeing this figure.
- 2 6 I am pleased to confirm that of the three remaining debt matters I have obtained compromise payments totalling £3,250 from two of the debtors.
- 2 7 The final debt matter relates to retention monies held on a contract for MIDAS Construction Limited whereby at present the making good of defects certificate is yet to be issued to the contractor and, accordingly, payment will not be made to the Company until this document is issued.

- 2 8 I am in regular contact with MIDAS and am advised that they are in the process of considering legal action against their client as there appears no valid reason why the relevant certification should not be issued
- 2 9 One further matter, which I had previously considered unrealisable, was revisited by me following advice from a firm of solicitors
- 2 10 MIDAS/MI-Space Limited had disputed payment on a contract due to the Company because of a specific clause in their contract with the Company which allowed them to withhold 5% of the entire contract sum for a period of twelve years in the event that the Company becomes insolvent
- 2 11 My solicitors, Stephen Scown LLP, sought to argue that such contractual terms are contrary to insolvency legislation Whilst not tested in court, a settlement totalling £2,083 33 was negotiated, resulting in a payment to the Company on 20 January 2014

Bank Interest

- 2 12 Interest totalling £1,265 76 has been received in the period of this report which will be subject to Corporation Tax.
- 2 13 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 were paid in full on 5 December 2011

Unsecured Creditors

- 4.4 I have agreed claims totalling £789,377.36 from 83 creditors and have paid an interim distribution to unsecured creditors in the amount of 25.33p/£ on 11 October 2013
- 4.5 I would confirm that a further dividend to creditors will be made in this case, however, the quantum and timing of a further distribution will not be known until the final retention debt is collected

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

My time costs for the period from 6 April 2013 to 5 April 2014 are £13,132.89. This represents 109.85 hours at an average rate of £119.55 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.

- 5.2 Also attached as Appendix C is a cumulative Time Analysis for the period from 6 April 2011 to 5 April 2014. To date, £79,037.56 plus disbursements of £1,732.65 have been drawn on account.

- 5.3 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. Agreeing creditor claims and distributing an interim to agreed creditors.

- 5.4 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 5 Since the 6 April 2013 the following Category 2 disbursements have been taken

- Mailing Fee £97 20
- Archive Management £341 75
- Photocopying £16 80

6.0 LIQUIDATOR'S EXPENSES

6 1 Between 6 April 2013 and 5 April 2014 the following expenses have been incurred and paid

Description	Outstanding from prior period	Incurred in this period	Paid in this period	Outstanding
Agents Fees re Claim Agreement	Nil	£4,187 50	£4,187 50	Nil
Legal Fees re retentions	Nil	£600 00	£600 00	Nil
Total	Nil	£4,787.50	£4,787.50	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 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.

Yours faithfully



TIMOTHY ALEXANDER CLOSE
Liquidator

Enc

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

Appendix A

Statement of Affairs	From 06/04/2013 To 05/04/2014	From 06/04/2011 To 05/04/2014
ASSET REALISATIONS		
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(115,601 00) Leasehold Property Dilapidations & Rent	12,062 30	12,062 30
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R S L (South West) Limited
(In Liquidation)
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REPRESENTED BY			
Bank 1 Current			26,396 71
Bank 1 Fixed Term Deposit			50,000 00
			76,396.71

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 £

Unsecured Distribution paid on 11/10/2013 of 25 33p in £

R S L (South West) Limited
Time and disbursement analysis
For the period 6 April 2013 to 5 April 2014

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg Hourly Rate (£)
Administration & planning	1 65	3 87	10 75	4 86	21 13	2,410 29	114 07
Investigations	0 00	0 07	0 00	0 00	0 07	12 25	175 00
Realisations	1 75	2 33	14 55	8 65	27 28	2,898 15	106 24
Creditors	9 95	9 09	34 20	8 13	61 37	7,812 20	127 30
Total time	13 35	15 36	59 50	21 64	109 85	13,132 89	119 55
Disbursements							
Photocopying						16 80	
Mailing Fee (Insolvency)						97 20	
Archive Management (Insolvency)						341 75	
Total disbursements						455 75	
Amount from previous period(s)						68,436 56	
				Grand Total		82,025.20	

N B For a more detailed explanation of the categories above please see the attached analysis

R S L (South West) Limited
Time and disbursement analysis
For the period 6 April 2011 to 5 April 2014

Charge group	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total	Total cost (£)	Avg. Hourly Rate (£)
Administration & planning	8 65	28 59	96 60	49 71	183 55	17,042 21	92 85
Investigations	0 50	1 37	32 80	0 60	35 27	3,262 30	92 50
Realisations	28 00	36 29	220 00	46 20	330 49	34,241 03	103 61
Creditors	23 65	30 98	165 50	26 53	246 66	25,659 02	104 03
Total time	60 80	97 23	514 90	123 04	795 97	80,206 56	100 77
Disbursements							
Faxes						4 50	
Photocopying						205 90	
Binding Accounts						9 00	
Postage						1 12	
Mileage						163 45	
Room Hire (Insolvency)						70 00	
Mailing Fee (Insolvency)						342 15	
Archive Management (Insolvency)						1,015 52	
Company Searches						7 00	
Total disbursements						1,818 64	
				Grand Total		82,025.20	

N B For a more detailed explanation of the categories above please see Paragraph 5 3 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 & disbursements
Time Quantum Expert Forensics Limited - (specialist quantity surveyor)	Hourly rate & 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
Licensed Insolvency Practitioners	200-250
Managers and Supervisors	110-180
Case Administrators and other Administrative staff	30-90

- 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/>