

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

02294264

Name of Company

Investment Strategies (UK) Limited

I/ We

Stephen John Adshead, Imperial House, 18-21 Kings Park Road, Southampton, Hampshire SO15 2AT

Gregory Andrew Palfrey, Imperial House, 18-21 Kings Park Road, Southampton, Hampshire SO15 2AT

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 23/12/2014 to 22/12/2015

Signed



Date

11/2/16

Smith & Williamson LLP
Imperial House
18-21 Kings Park Road
Southampton
SO15 2AT

Ref IN469/KP3/CT3/NME

TUESDAY



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COMPANIES HOUSE



Investment Strategies (UK) Limited (in members' voluntary liquidation)

Joint liquidators' annual progress report for the period from 23
December 2014 to 22 December 2015

11 February 2016



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1. Glossary

Abbreviation	Description
the Company	Investment Strategies (UK) Limited
the liquidators/joint liquidators	Stephen John Adshead and Gregory Andrew Palfrey
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR86	Insolvency Rules 1986 If preceded by R this denotes a rule number
DOS	Declaration of Solvency
ETR	Estimated to realise
HMRC	HM Revenue & Customs
RBS	The Royal Bank of Scotland Plc
Old Mutual	Old Mutual Plc
OMWHL	Old Mutual Wealth Holdings Limited
AR	Appointed Representative

Note The IA86 and IR86 have been subject to a number of significant amendments since their original issue, including a number of substantial and important changes in April 2010. References to IA86 and IR86 in this report are to the legislation as it applies to this case.

2. Introduction and statutory information

This report provides an update on the progress in the liquidation of the Company for the year ended 22 December 2015. It should be read in conjunction with any previous reports. By way of reminder, we, Stephen John Adshead and Gregory Andrew Palfrey, of Smith & Williamson LLP, Imperial House, 18-21 Kings Park Road, Southampton, Hampshire SO15 2AT, were appointed liquidators of the Company on 23 December 2014.

The Company's registered office is Imperial House, 18-21 Kings Park Road, Southampton, SO15 2AT and its registered number is 02294264.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 23 December 2014 to 22 December 2015.

The receipts and payments account also includes a comparison with the directors' DOS values.

3.1 Cash at Bank

The directors' DOS detailed cash at bank of £208,617, being funds held in the Company's existing account with RBS. We received the final balance of £209,117 from RBS.

3.2 Intercompany loans

The directors' DOS detailed intercompany loans receivable of £993,000 from OMWHL. During the first year of the liquidation we have received a repayment of £40,000 from OMWHL.

Any further repayments will depend on the cash requirements for the remainder of the liquidation period in respect of payments to creditors and/or costs of the liquidation. Any remaining balance upon closure of the liquidation will be distributed in specie to OMWHL as shareholder.

3.3 Assets still to be realised

Other than the intercompany loans detailed in section 3.2, there are no remaining assets to be realised.

3.4 Taxation matters

During the reporting period:

- We have liaised with Old Mutual in respect of the submission of the final pre-appointment Corporation Tax return.
- Our tax department has prepared the liquidation period Corporation Tax return, as agreed with OMWHL. In the period since 22 December 2015, the return has been submitted to HMRC and we have obtained clearance from HMRC to close the liquidation.

- We have accounted to HMRC in respect of tax deducted from interest paid on agreed claims

4. Creditors

4.1 Appointed representatives

Shortly following our appointment we wrote to all former ARs of the Company to give them notice to prove any claim they had against the Company, in accordance with the approach agreed with Old Mutual and Bond Dickinson solicitors prior to liquidation

Following the issue of this notice to prove we received one claim from a former AR against the Company for £10,000. The Company's records indicated an amount outstanding to the former AR of £157, and their claim was accepted and paid in this amount, plus statutory interest. The balance of the claim was rejected.

We also received various enquiries from former ARs in response to our letter, none of which resulted in the submission of claims against the Company.

4.2 Consumer complaints

During the first year of the liquidation we have, in conjunction with Old Mutual employees, dealt with a number of claims against the Company from former customers of ARs (for which the Company is responsible) in respect of matters arising from the sale of financial products.

During the first year of the liquidation

- we accepted and paid 5 claims from consumer complainants with a total value of £169,195
- a total of 41 claims from consumer complainants have been rejected or not otherwise pursued
- a further 5 claims were not finalised at 22 December 2015. Two of these have been dealt with in the period between the anniversary of our appointment and the issue of this report. Further detail in respect of these claims will be included in our next report.

In July 2015 we agreed with OMWHL that all claims received on or after 15 August 2015 would be dealt with by them under the indemnity it gave to the Company and the liquidators, in order that the necessary steps could be taken to conclude the liquidation.

4.3 Distribution schedule

A schedule of the distribution payments made to creditors in the first year of the liquidation is set out below

Date	Type of claim	Total amount of	Rate of dividend
		dividend paid £	p in the £
2 March 2015	Consumer	3,070 74	100p
4 March 2015	Consumer	8,902 33	100p
2 July 2015	AR	157 31	100p
27 October 2015	Consumer	150,000 00	100p
30 October 2015	Consumer	3,582 71	100p
25 November 2015	Consumer	3,639 24	100p
Total paid		169,352 33	100p

4.4 Interest on creditor claims

Statutory interest at the official rate has been paid on all accepted unsecured creditor claims. The total amount of interest paid on these claims is £8,128.

4.5 Directors' statement regarding solvency

Prior to the Company entering into solvent liquidation the directors made a DOS to the effect that all of the Company's debts would be paid in full, together with statutory interest, within 12 months of the commencement of the winding up.

As noted above there were 5 claims against the Company outstanding at the end of the 12 month period, two of which have now been dealt with. Of the remaining three claims, two are awaiting the outcome of reviews by the Financial Ombudsman Service and one is under review and awaiting the provision of information from a third party.

Should any of the remaining claims be upheld and accepted in the liquidation, we are satisfied that the Company will be able to meet these claims together with statutory interest and that the only reasons these claims have not been paid in the twelve month period are relating to issues over their validity and quantum. Depending on the timing of the outcomes of the ongoing claims, we may pass one or more of these to OMWHL to conclude under its indemnity.

5. Distributions to members

No distributions have been made to members, either in cash or in specie. We anticipate that any outstanding intercompany loan balance will be distributed in specie, or partially repaid in cash should a balance be held, to OMWHL upon conclusion of the liquidation. The level of distribution will be dependent on any further cash requirements in the liquidation (which will be met by way of partial repayment(s) of the outstanding loan).

6. Liquidators' remuneration

The members approved that the basis of the liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the liquidation.

The liquidators' time costs are

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
23 December 2014 to 23 December 2015	230.90	51,363.75	222.45	35,989.75

We anticipate that further time costs will be in the region of £10k. The level of fees to be drawn will be agreed with OMWHL in due course.

Attached as Appendix II is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Details of work carried out in the period are also included in the appendix.

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix III.

6.1 Pre-appointment costs

During the liquidation period we have also drawn an element of our pre-appointment costs from liquidation funds, as detailed below.

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
Pre-appointment	35.45	8,591.00	242.34	8,591.00

In addition to the above amounts, before the start of the liquidation we received the sum of £27,770.50 from the Company in respect of work undertaken prior to the liquidation appointment.

7. Liquidation expenses

7.1 Professional advisers

On this assignment we have used the professional advisers 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 adviser	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Bond Dickinson LLP (legal advice re claims)	Hourly rate and disbursements	2,665 00	702 00	1,963 00

7.2 Liquidators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Statutory advertising	1,371 00	1,371 00	-
Liquidators' bonds	140 00	140 00	-
Company searches	6 00	1 00	5 00
Total	1,517 00	1,512 00	5 00

7.3 Policies regarding use of third parties and disbursement recovery

Appendix III provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

8. Outstanding matters

The remaining actions to be concluded in the liquidation are as follows

- Payment of the final expenses of the liquidation and recovering any VAT thereon
- Finalising or handing over any remaining claims against the Company that are being dealt with by the liquidators (i.e. claims received before 15 August 2015)
- Closure of the liquidation, including preparing and issuing the final report, calling and holding the final meeting

9. Members' rights

Within 21 days of the receipt of this report, members with at least 5% of the total voting rights of all members having the right to vote at general meetings of the Company or otherwise with the court's permission may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report

Any members with at least 10% of the total voting rights of all members having the right to vote at general meetings of the Company or otherwise with the court's permission may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the liquidators, as set out in this report, are excessive

These rights apply only to matters which have not been disclosed in previous reports

Further information regarding members' rights is available on application to the liquidators

10. Next report

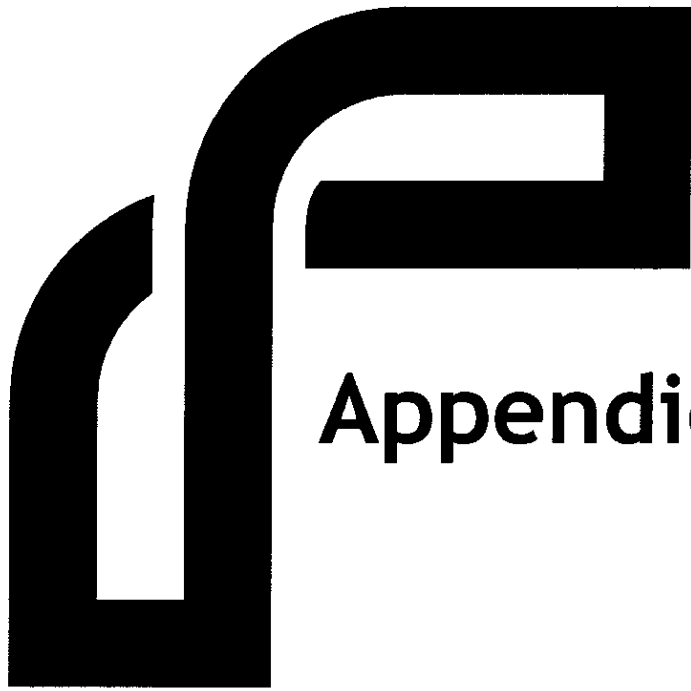
We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all members with our final progress report and convene the final meeting of members



Stephen John Adshead and Gregory Andrew Palfrey

Joint Liquidators

Date 11 February 2016



Appendices

I Receipts and payments account

Receipts and payments account to 22 December 2015

	Declaration of Solvency £	Total £
RECEIPTS		
Loans Receivable	993,000 00	40,000 00
Cash at Bank	208,617 00	209,117 44
Bank Interest Gross		436 36
		<u>249,553 80</u>
PAYMENTS		
S&W Pre-Appointment Fees		8,591 00
Liquidators' Fees		35,989 75
Liquidators' Expenses		1,512 00
Legal Fees		702 00
Data Protection Registration		35 00
Bank Charges		16 58
Other Creditors	(208,985 00)	169,195 02
Authorised Representatives		157 31
Statutory Interest		8,128 19
		<u>224,326 85</u>
Balance in hand		<u>25,226 95</u>
		<u>249,553 80</u>
Balance in hand made up as follows		
VAT Receivable		140 40
Current account (non-interest bearing)		27,323 38
Tax deducted on interest control		<u>(2,236 83)</u>
		<u>25,226 95</u>

Notes and further information required by SIP 7

- As noted in section 6.1, we received £27,770.50 from the Company in respect of our pre-appointment costs prior to our appointment as liquidators
- Details of significant expenses paid are provided in the body of our report
- Information concerning the liquidators' remuneration and disbursements incurred is provided in the body of our report
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report
- The liquidation bank account was made non-interest bearing on 29 July 2015 to allow us to finalise the liquidation period tax affairs
- There are no foreign currency holdings
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT

II Time analysis for the period

From 23 December 2014 to 22 December 2015

Activity	Partner / Associate Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	£	Avg Rate £ / hr
Administration & Planning							
Statutory Returns Reports & Meetings	0 20	0 05	0 10	-	0 35	96 50	275 71
Initial post-appointment notification letters	1 10	0 15	3 65	-	4 90	1 122 75	229 13
Cashiering general including bonding	-	0 40	4 20	-	4 60	783 00	170 22
Job planning reviews and progression	4 00	-	6 55	-	10 55	2 559 00	242 56
Post-appointment taxation	1 00	0 10	9 65	-	10 75	1,963 75	182 67
Protection of company records	0 15	-	1 35	-	1 50	308 25	205 50
Filing, file and information management	-	-	1 50	5 10	6 60	448 50	67 95
Pre-appointment non-creditor tax	0 15	-	1 45	-	1 60	337 50	210 94
Agents & advisers general	-	0 05	0 50	-	0 55	111 00	201 82
Director/Manager review, approval and signing	0 60	0 15	-	-	0 75	234 00	312 00
Other	0 15	0 15	2 95	-	3 25	665 25	204 69
	7 35	1 05	31 90	5 10	45 40	8,629 50	190 08
Realisation of Assets							
Intercompany debtors	-	-	0 20	-	0 20	40 00	200 00
Cash at Bank	0 20	0 05	1 75	-	2 00	411 75	205 88
Other	0 50	0 05	-	-	0 55	161 00	292 73
	0 70	0 10	1 95	-	2 75	612 75	222 82
Creditors							
Employees & pensions	-	-	0 15	-	0 15	30 00	200 00
Crown	0 35	-	0 35	-	0 70	176 00	251 43
Unsecured creditors	2 05	0 75	2 30	1 20	6 30	1 137 25	180 52
Distributions for prefs and unsecured	0 35	0 15	-	-	0 50	129 50	259 00
Appointed representatives	2 80	-	14 60	-	17 40	3 755 25	215 82
Consumer complaints	39 70	-	104 65	0 35	144 70	33 476 50	231 35
Filing - creditors	-	-	0 10	-	0 10	19 50	195 00
Director/Manager review approval and signing	0 05	-	-	-	0 05	11 50	230 00
Other	1 40	-	-	-	1 40	485 00	346 43
	46 70	0 90	122 15	1 55	171 30	39,220 50	228 96
Shareholders							
Shareholder general communications	4 85	-	1 50	-	6 35	1 821 50	286 85
Shareholder non-statutory reporting	0 35	-	3 05	-	3 40	724 50	213 09
Other	0 10	-	1 60	-	1 70	355 00	208 82
	5 30	-	6 15	-	11 45	2,901 00	253 36
Total Hours	60 05	2 05	162 15	6 65	230 90		
Total £	7,436 25	12,374 50	24,387 50	108 00		51,363 75	222 45

Explanation of major work activities undertaken

Administration and planning

Activities undertaken include

- Initial notification of appointment to stakeholders,
- Maintaining bank accounts A proportion of time recorded as cashiering in the analysis will relate to making payments to creditors,
- Liquidation period VAT and Corporation Tax compliance (including accounting to HMRC in respect of tax deducted from interest paid on claims),
- Progress reviews of the case

Realisation of assets

The majority of time spent in this area relates obtaining the transfer of funds held in the Company's pre-liquidation bank account to the liquidation account

Creditors

The time spent includes the following matters

- Issuing initial letters to ARs and consumer complainants regarding the liquidation appointment
- Liaising with OMWHL in respect of consumer complaints
- Issue of final response letters in respect of consumer complaints

- Dealing with queries and correspondence received directly from claimants
- Calculating and issuing payments in relation to agreed claims

III Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are

- Smith & Williamson LLP's policy in relation to
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a partner and a partner or associate director as joint office holders, 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. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including

- The industry and/or practice area expertise required to perform the required work
- The complexity and nature of the assignment
- The availability of resources to meet the critical deadlines in the case
- The charge out rates or fee structures that would be applicable to the assignment
- The extent to which we believe that the advisers in question can add value to the assignment

Disbursements

Category 1 disbursements do not require approval by members. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, 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.

Category 2 disbursements do require approval from members. These are 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, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to members at the time the basis of the liquidators' remuneration was approved.

The rates applicable to this appointment are set out below.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr		Regional offices £/hr	
	From 1/7/14	From 1/7/15	From 1/7/14	From 1/7/15
Partner	480	480	350	350
Associate Director	370	370	295-325	295-325
Managers	235-310	235-310	210-285	220-290
Other professional staff	150-235	150-235	110-195	120-200
Support & secretarial staff	85	85	28-75	30-135

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashing function is centralised and London rates apply. The cashing function time is incorporated within "Other professional staff" rates.
4. The majority of time spent in relation to the case has been by Steve Adshead (Partner - current charge out rate £350 per hour), Kevin Parish (Associate Director - current charge out rate £300 per hour) and Chris Trimble (Assistant Manager - included within Other Senior Professional - current charge out rate £200 per hour).

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