

**Return of Final Meeting in a
Creditors' Voluntary Winding Up****S.106**

Pursuant to Section 106 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

02906739

Name of Company

(a) Insert full name of
company

(a) Hilstone Corporation Limited

(b) Insert full name(s) and
address(s)

We (b)

Stephen Paul Grant & Anthony Malcolm Cork both of Wilkins Kennedy LLP, Bridge House, London Bridge, London, SE1 9QR

(c) Delete as applicable

(d) Insert date

(e) The copy account must
be authenticated by the
written signature(s) of the
liquidator(s)

1 give notice that a general meeting of the company was duly (c) summoned for (d) 17 February 2015 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached (e)) laid before it showing how the winding up of the company has been disposed of and (c) no quorum was present at the meeting,

2 give notice that a meeting of the creditors of the company was duly (c) summoned for 17 February 2015 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up of the company has been conducted and the property of the company has been disposed of and (c) no quorum was present at the meeting

(f) Insert venue of the
meeting

The meeting was held at (f) Bridge House, London Bridge, London, SE1 9QR

The report covers the period from (d) 15 December 2011 (opening of winding up) to (d) 17 February 2015 (close of winding up)

The outcome of the meeting (including any resolutions passed at the meeting) was as follows

1 That the Joint Liquidators obtain their release from office

The meetings were not quorate and as such the resolution was not voted on

Signed



Date 17 February 2015

Presenter's name, address
and reference (if any)

Stephen Paul Grant
Wilkins Kennedy LLP
Bridge House
London Bridge
London
SE1 9QR



**Hilstone Corporation Limited
In Liquidation
("the Company")**

**Final Progress Report to the Members and Creditors
Pursuant to Section 106 of the Insolvency Act 1986**

For the Period: 15 December 2013 to 17 February 2015

Wilkins Kennedy LLP
Bridge House
London Bridge
London
SE1 9QR

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- III Schedule of current charge out rates, disbursement & complaints policies (A&B)
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1. INTRODUCTION

This is the final report in this matter

I can confirm that there have been no material changes since my draft final report was issued to members and creditors on 15 December 2014 and presented at the final meetings of members and creditors convened in accordance with Section 106 of the Insolvency Act 1986

The report issued detailed my acts and dealings as Joint Liquidator for the period 15 December 2013 to the conclusion of the Liquidation and it should be read in conjunction with my previous correspondence to Creditors

The Liquidation is summarised as follows -

- PricewaterhouseCoopers Legal LLP ("PwC") have now confirmed that the Options Over Futures ("OOF") litigation between HM Revenue & Customs ("HMRC") and the PwC clients involved in the scheme has failed to result in any realisations and the matter has been closed
- Total realisations of £997 60 have been made including bank interest
- There are insufficient funds available to declare a dividend to any class of creditor
- I have drawn remuneration of £997 60 plus VAT in respect of my time costs The balance and all expenses incurred have been written off

2. BACKGROUND

The members' and creditors' meetings were held on 15 December 2011, when Stephen Paul Grant and I were appointed Joint Liquidators of the Company

The Company's registration number is 02906739 and its current registered office is Bridge House, London Bridge, London SE1 9QR

The Company's former registered office and trading address was 5th Floor, 1 Great Cumberland Place, London W1H 7AL

3. RECEIPTS AND PAYMENTS ACCOUNT

Appendix I is a summary of receipts and payments from the date of liquidation on 15 December 2011 to the conclusion of the liquidation

As at 12 December 2014 a total of £3 96 was held in the liquidation account A remuneration invoice was raised and the sum of £3 96 was paid to clear the account prior to the final meetings being held

The bank account was formerly held with Bank of Ireland Plc and was interest bearing This account was subsequently closed due to the withdrawal of UK banking services by Bank of Ireland Plc A new interest bearing account was opened with Metro Bank Plc and the funds held transferred The account was reconciled to the bank statements and has now been closed

4. ASSET REALISATIONS

Full details regarding the realisations in this matter were provided in my previous progress reports and are summarised below -

	15/12/2011 – 14/12/2012	15/12/2012 – 14/12/2013	15/12/2013 – 17/02/2015	Total
Cash at Bank	£993 64	-	-	£993 64
Bank Interest	£3 39	£0 56	£0 01	£3 96
Total	£997.03	£0.56	£0.01	£997.59

Corporation Tax Refund

As previously advised, the Company was a member of a litigation group organised by PwC to appeal against the decision of HMRC in relation to the OOF tax scheme

In October 2013, the OOF litigation group voted to terminate the group funding agreement and as such the group has now been dissolved. I was subsequently advised by PwC that they were still liaising with HMRC regarding the individual taxpayers and as a result of this, HMRC were considering a sample of cases, which included a number of companies that were subject to insolvency proceedings

If the Company was successful in appealing HMRC's decision, the corporation tax refund due to the Company of £102,240 00 would have been released for the benefit of the liquidation

Since my last report, confirmation has been received from PwC that advice from their Tax Counsel confirmed that the cases could not be further pursued and no realisations are therefore expected in this respect

Other Assets

I have not become aware of any other assets capable of being realised in the liquidation

5. EXPENDITURE

Pre Appointment Remuneration

At a meeting held on 15 December 2011, the creditors authorised the payment of a fee of £10,000 00 plus VAT and disbursements for assisting in the preparation of the Statement of Affairs and producing and circulating the notices for the meetings of members and creditors prior to my appointment

The full £10,000 00 plus VAT was paid by the Company in full and final settlement of these costs prior to the meeting of creditors being held

Joint Liquidators' Remuneration

My remuneration was authorised by creditors at a meeting held on 15 December 2011 to be drawn on a time costs basis

My total time costs to the conclusion of the winding up amount to £17,039 95, which represents 109 30 hours at an average rate of £155 90 per hour. A total of £996 94 plus VAT has been drawn. The balance will be written off. An analysis of these charges is attached at Appendix II (A)

Of this, time costs of £4,506 50 comprised of 24 60 hours charged at an average rate of £183 19 per hour were incurred during this reporting period. £3 30 plus VAT was drawn in this period. An analysis of these charges is also attached at Appendix II (B)

A description of the routine work undertaken in the liquidation is set out at Appendix III. In addition to the routine work, I have spent additional time as follows

- Liaising with PwC in respect of the OOF litigation and finalisation of the same

A "Creditors' Guide to Liquidators' Fees" is available at the following internet link, www.r3.org.uk/index.cfm?page=1210. A hard copy of this document is available free of charge upon request to my office.

Joint Liquidators' Expenses

The following expenses which amount to £498.60 plus VAT have been paid from my office account but not recharged:

<u>Particulars of Expense</u>	<u>Type of Expense (Category 1 or 2)</u>	<u>Amount Incurred/ Accrued To Date</u>	<u>Amount Outstanding</u>
IT Administration Fee	Category 1	£110.00	£110.00
Postage	Category 1	£3.20	£3.20
Statutory Advertising	Category 1	£253.00	£253.00
Statutory Bonding	Category 1	£20.00	£20.00
Storage Costs	Category 1	£58.00	£58.00
Mail Re-Direction Fee	Category 1	£54.40	£54.40

No expenses have been paid directly from the Liquidation account.

6. INVESTIGATION

The Joint Liquidators undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. In particular, transactions which took place at the time of and immediately prior to the company ceasing to trade were considered.

There were no matters that required further investigation.

Within six months of appointment, the Joint Liquidators were required to submit a confidential report to the Secretary of State to include any matters which had come to their attention during the course of this work which may indicate that the conduct of any past or present director would make them unfit to be concerned with the management of the company. I can confirm that my report has been submitted. The contents of this report are, and will remain confidential.

7. CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

Secured Creditor

There were no secured creditors at the date of my appointment and I have not become aware of any during my administration of the liquidation.

Preferential Creditors

Following the abolition of crown preference the only preferential creditors in this matter are the former employees with regard to arrears of wages and holiday pay and the Redundancy Payments Office ("RPO") in respect of any payments made to employees from the National Insurance Fund.

The Company did not have any employees at the date of liquidation and as such there have been no preferential creditor claims received.

Unsecured Creditors

To date, I have received three unsecured claims totalling £1,363,219.43 compared to £859,255.80 estimated in the Statement of Affairs. The difference is due to a large claim being received from HMRC which included a provision for their liability in the event that their decision regarding the OOF scheme is upheld.

There are insufficient funds available to declare a dividend to unsecured creditors in this case.

8. FINAL MEETINGS

The final meetings of members and creditors were convened and held under Section 106 of the Insolvency Act 1986 on 17 February 2015. The notice convening the meetings was contained in the draft final report distributed to all known members and creditors on 15 December 2014. The documents circulated to this effect are attached at Appendices IV & V.

The following resolution was put before these meetings -

- 1) That the Joint Liquidators obtain their release from office.

The meetings of members and creditors were inquorate with no proxies received or attendees and as such the resolutions were not voted on.

If you require any further information please contact Chloë Edges of this office.



 **Anthony Malcolm Cork**
Joint Liquidator

**Hilstone Corporation Limited - In Creditors Voluntary Liquidation
Joint Liquidators' Abstract of Receipts & Payments**

From 15 December 2011 to 17 February 2015

S of A	As Previously Reported	15/12/13 To 17/02/15	Total
£	£	£	£
RECEIPTS			
1,011 Cash at Bank	993 64	-	993 64
NIL Bank Interest Gross	3 95	0 01	3 96
2,155 Vat Refund	-	-	-
3,166	997 59	0 01	997 60
PAYMENTS			
Office Holders Fees	993 64	3 30	996 94
VAT Irrecoverable	-	0 66	0 66
	993 64	3 96	997 60
CASH IN HAND			
	3 95	-3 95	-

WHOLE LIQUIDATION PERIOD (A)

SCHEDULE OF JOINT LIQUIDATORS' REMUNERATION FOR HILSTONE CORPORATION LIMITED

FOR THE PERIOD 15 DECEMBER 2011 TO THE CONCLUSION OF THE WINDING UP

Classification of Work Function	HOURS						£	£
	Partner	(Senior) Manager	Supervisor / Senior	Junior / Administrator	Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	4 75	2 90	11 20	43 80	-	62 65	8,941 00	142 71
Cashiering and Accounting	4 00	-	-	1 70	4 90	10 60	2,162 00	203 96
Realisation Of Assets	0 50	-	-	-	-	0 50	200 00	400 00
Trading	-	-	-	-	-	-	-	-
Investigations	0 80	5 00	-	0 10	-	5 90	1,830 00	310 17
Creditors	0 30	0 10	1 60	2 00	-	4 00	634 70	158 68
Statutory Matters	1 05	2 10	0 20	22 30	-	25 65	3,272 25	127 57
Case Specific Matters	-	-	-	-	-	-	-	-
Total Hours	11 40	10 10	13 00	69 90	4 90	109 30	17,039 95	155 90
Total Fees Drawn £							996 94	

WILKINS KENNEDY LLP CHARGE OUT RATES

Apr 14 -	£	Aug 13 - Apr 14	£	Feb 12 - Aug 13	£
Partner	400-450	Partner	400-450	Partner	345-400
Senior Manager/Manager	270-300	Senior Manager/Manager	270-300	Senior Manager/Manager	190-300
Supervisor/Senior	145-205	Supervisor/Senior	145-205	Supervisor/Senior	175-210
Junior/Administrator	25-160	Junior/Administrator	65-160	Junior/Administrator	110 00
Support Staff	75-90	Support Staff	75-90	Support Staff	45-75

[Time is recorded in units of 6 minutes]

REPORT PERIOD (B)

SCHEDULE OF JOINT LIQUIDATORS' REMUNERATION FOR HILSTONE CORPORATION LIMITED

FOR THE PERIOD 15 DECEMBER 2013 TO THE CONCLUSION OF THE WINDING UP

Classification of Work Function	HOURS						£	£
	Partner	(Senior) Manager	Supervisor / Senior	Junior / Administrator	Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	2 10	0 90	4 80	7 10	-	14 90	2,721 50	182 65
Cashiering and Accounting	1 20	-	-	-	1 00	2 20	570 00	259 09
Realisation Of Assets	0 10	-	-	-	-	0 10	40 00	400 00
Trading	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-
Creditors	0 20	0 10	1 60	0 20	-	2 10	439 00	209 05
Statutory Matters	-	1 10	0 20	4 00	-	5 30	736 00	138 87
Case Specific Matters	-	-	-	-	-	-	-	-
Total Hours	3 60	2 10	6 60	11 30	1 00	24 60	4,506 50	183 19
Total Fees Drawn £							3 30	

WILKINS KENNEDY LLP CHARGE OUT RATES

Apr 14 -	£	Aug 13 - Apr 14	£
Partner	400-450	Partner	400-450
Senior Manager/Manager	270-300	Senior Manager/Manager	270-300
Supervisor/Senior	145-205	Supervisor/Senior	145-205
Junior/Administrator	25-160	Junior/Administrator	65-160
Support Staff	75-90	Support Staff	75-90

[Time is recorded in units of 6 minutes]

APPENDIX III

**CURRENT CHARGE OUT RATES, TIME CHARGING POLICY, DISBURSEMENT & COMPLAINTS
POLICIES**

CURRENT CHARGE OUT RATES, TIME CHARGING POLICY, DISBURSEMENT AND COMPLAINTS POLICY (A)

Explanation of office-holders time charging policy

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP9"), the chargeout rates detailed on the next page are applicable to this appointment exclusive of VAT. Rates are normally reviewed on an annual basis and adjustments made accordingly where deemed appropriate.

Time is recorded in 6 minute units by each staff member working on the case. A description of the routine work undertaken which time will be recorded for is detailed as follows:

- 1 Administration and planning
 - Preparing documentation and dealing with the formalities of appointment
 - Statutory notifications and advertising
 - Dealing with all routine correspondence
 - Maintaining physical case files and electronic case details
 - Reviewing the ongoing progression of case files
 - Arranging the collection and storage of company records
 - Ensuring an appropriate case bordereau is in place
 - Case planning and administration
 - Preparing reports to members and creditors
 - Convening and holding meetings of members and creditors where appropriate
- 2 Investigations
 - Review and storage of the company's books and records
 - Preparation of returns / reports pursuant to the Company's Directors Disqualification Act 1986
 - Conduct investigations into any suspicious transactions
 - Reviewing the books and records to identify any transactions or actions that the officeholder may take in order to recover funds for the benefit of creditors
- 3 Realisation of assets
 - Identifying, securing and obtaining sufficient insurance in respect of company assets
 - Dealing with any retention of title or other third party claims
 - Debt collection functions
 - Negotiating and completing property, business and asset sales
- 4 Trading
 - Management of trading operations
 - Maintaining and preparing accounting records for the period of trade
 - Dealing with ongoing employee issues
- 5 Creditors
 - Dealing with creditor correspondence and telephone conversations
 - Maintaining creditor information and claims (including those submitted by secured creditors, employees and other preferential creditors)

Work carried out in addition to that described above is detailed in the main progress report.

Complaints procedure

Details of our complaints procedure are available on our website using the following link:
<http://www.wilkinskennedy.com/services/wk-restructuring-recovery/insolvency/complaints-procedure>

CURRENT CHARGE OUT RATES, TIME CHARGING POLICY, DISBURSEMENT AND COMPLAINTS POLICY (B)

Wilkins Kennedy LLP Current Charge Out Rates from 28 April 2014

	£ p/hr
Partner	400-450
Senior Manager/Manager	270-300
Supervisor/Senior	145-205
Junior/Administrator	25-160
Support Staff	75-90

[Time is recorded in units of 6 minutes]

Explanation of office-holders disbursement recovery policy

Statement of Insolvency Practice 9 ("SIP9") – Remuneration of Insolvency Office Holders, requires that the office holder provide a statement of the office-holder's policy in relation to recharges of disbursements. SIP 9 defines disbursements as either **Category 1** or **Category 2** disbursements -

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements will generally comprise costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs.

Charging and disbursement recovery policy

Category 1 disbursements are recoverable without approval, and will be recovered by the office holder as they are incurred.

Category 2 disbursements do require approval, and should be identified and subject to approval by those responsible for approving remuneration. SIP 9 provides that, the office holder may make a separate charge for expenses in this category, provided that -

- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation and allocation, it will be persuasive evidence of reasonableness, if the resultant charge to creditors is in line with the cost of external provision, and
- the basis of the proposed charge is disclosed and is authorised by those responsible for approving his remuneration.

Payments to outside parties in which the office holder or his firm or any associate (as defined by section 435 of the Insolvency Act 1986) has an interest should be treated as category 2 disbursements.

The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Photocopying	£0.05 per sheet
Mileage	£0.45 per mile
Meeting Room Hire	£50.00 per meeting

Category 2 disbursements are recovered by the office holder in accordance with the above guidance.

NOTICE OF FINAL MEETINGS

IN THE MATTER OF HILSTONE CORPORATION LIMITED – IN LIQUIDATION

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

NOTICE IS HEREBY GIVEN that a final meeting of the members of Hilstone Corporation Limited will be held at 10 00 am on 17 February 2015 to be followed at 10 15 am on the same day by a meeting of the creditors of the Company. The meetings will be held at Wilkins Kennedy LLP, Bridge House, London Bridge, London, SE1 9QR.

The meetings are called pursuant to Section 106 of the Insolvency Act 1986 for the purpose of receiving an account from the Joint Liquidators explaining the acts and dealings of the winding up of the company during the preceding year. A member or creditor entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member or creditor.

The following resolutions will be considered at the creditors' meeting:

- 1) That the Joint Liquidators obtain their release from office.

Proxies to be used at the meetings must be returned to the offices of Wilkins Kennedy LLP, Bridge House, London Bridge, London, SE1 9QR no later than 12 noon on the working day immediately before the meetings.

Should you require any further details, please contact Chloë Edges at chloe.edges@wilkinskennedy.com or on 0207 403 1877.

Signed _____


Stephen Paul Grant
Joint Liquidator

Date 12 December 2014

Names of Joint Liquidators: Stephen P Grant (008929) & Anthony M Cork (009401)
Address: Wilkins Kennedy LLP, Bridge House, London Bridge, London, SE1 9QR
Date of Appointment: 15 December 2011

Proxy (Members' or Creditors' Voluntary Winding Up)

HILSTONE CORPORATION LIMITED

	Name of Creditor/Member Address	_____ _____
Please insert name of person (who must be 18 or over) or the chairman of the meeting (see note below) if you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well	Name of Proxy Holder 1 _____ 2 _____ 3 _____	
Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion	I appoint the above person to be my/the creditor's/member's proxy holder at the meeting of creditors/members to be held on 17 February 2015 or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)	
Any other resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space provided below paragraph 1. If more room is required please use the other side of this form.	1 That the Joint Liquidators obtain their release from office * Please delete as applicable	
This form must be signed	Signature _____ Date _____ Name in CAPITAL LETTERS - _____	
Only to be completed if the creditor/member has not signed in person	Position with creditor/member or relationship to creditor/member or other authority for signature _____ Please note that if you nominate the chairman of the meeting to be your proxy-holder he will either be a director of the company or the current liquidator.	