

Liquidator's Progress Report

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

S. 192

To the Registrar of Companies

Company Number

04595728

Name of Company

(a) Insert full name
of company

(a) LABOUR SOURCE LIMITED - IN LIQUIDATION

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

I ^(b)Paul Appleton of David Rubin & Partners, 26 - 28 Bedford Row, London
WC1R 4HE

the Liquidator of the company attach a copy of my/our Progress Report
pursuant to Section 192 of the Insolvency Act 1986

The Progress Report covers the period from 15 December 2015 to 14
December 2016

Signed



Date 25 January 2017

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

David Rubin & Partners
26 - 28 Bedford Row
London WC1R 4HE

Tel 020 7400 7900
DX Number 267 DX Exchange London/Chancery Lane

THURSDAY



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COMPANIES HOUSE

IN THE MATTER OF
LABOUR SOURCE LIMITED - IN LIQUIDATION
AND
THE INSOLVENCY ACT 1986

**THE LIQUIDATOR'S SIXTH ANNUAL PROGRESS REPORT
PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT 1986
AND
RULE 4.49C OF THE INSOLVENCY RULES 1986
FOR THE YEAR ENDED 14 DECEMBER 2016**

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LABOUR SOURCE LIMITED - IN LIQUIDATION
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

(a) Introduction

The Company was placed into liquidation by a Special Resolution of the Members followed by a meeting of the Creditors convened pursuant to Section 98 of the Insolvency Act 1986 on 15 December 2010. This Report provides an update on the progress in the liquidation for the year ended 14 December 2016.

Rule 4.49C-CVL(5): Progress Report

(b) Statutory Information

Company name	Labour Source Limited
Registered office	26 - 28 Bedford Row, London, WC1R 4HE
Company number	04595728
Trading address	Alexander House, 106 Pembroke Road, Ruislip, Middlesex, HA4 8NW

(c) Liquidator's names and address

Paul Appleton of David Rubin & Partners, 26-28 Bedford Row, London, WC1R 4HE was appointed Liquidator of the Company on 15 December 2010.

(d) Basis of Liquidator's remuneration

Basis of remuneration

- 1.1 At the first meeting of Creditors, a resolution was passed approving that the basis of my remuneration as Liquidator be fixed by reference to the time properly spent by my staff and myself in attending to matters arising in the winding-up.
- 1.2 In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), a schedule of my firm's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. Aside from an increase to Senior/Managing Partner charge-out rates with effect from 1 November 2013, there has not been any increase in the rates during this appointment. The current hourly charge-out rates, which are charged in units of 6 minutes, exclusive of VAT, are as follows:-

	£
Senior/Managing Partner	450
Partners/Office holders	300 - 395
Managers / Senior Managers	250 - 295
Senior Administrators	180 - 220
Administrators	130 - 160
Cashiers and Assistants	120 - 160
Supports	110 - 120

(d) Basis of Liquidator's remuneration...Cont.

1 3 *Staff allocation and the use of subcontractors*

My general approach to resourcing my 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, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment, and additional staff may be allocated to meet the demands of the case.

I have not utilised the services of any subcontractors in this case.

(e) Liquidator's remuneration

My time costs for the year under review are £2,149. This represents 9 hours and 54 minutes at an average rate of £217 per hour. I attach, as Appendix B, a time analysis, which provides details of the activity during the year, analysed by staff grade.

I have also reviewed my cumulative time costs for the period from 15 December 2010 to 14 December 2016 and would report that my total time costs are £26,899 for 129 hours and 34 minutes, which equates to an average cost of £208 per hour. A breakdown of my time charges is also set out in Appendix B.

To date, I have drawn no fees in respect of these time costs.

To view an explanatory note concerning Liquidators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at www.drpartners.com/cases, using the following log-on details:

USERNAME L852@drco.co.uk

PASSWORD 258Las*1

Alternatively, please contact this office to arrange for a copy to be sent to you.

Included in the work undertaken by me and my staff is, inter alia, the following -

- 1 1 Instructing Agents with a view to valuing the Company's assets, and all correspondence and attendances with the same,
- 1 2 Dealing with creditors' enquiries, both by correspondence and by telephone, and noting their claims,
- 1 3 Carrying out all necessary investigations, including the examination of the Company's statutory books and books of accounts and records, in order to prepare and submit my report on the conduct of the Directors pursuant to the requirements of the Company Directors Disqualification Act 1986,
- 1 4 Preparation and circulation of my Annual Progress Reports and Receipts and Payments Accounts to creditors pursuant to S104A of the Insolvency Act 1986, and submission of the same to the Registrar of Companies,

(e) Liquidator's remuneration...Cont.

- 1 5 Dealing with all matters relating to book debts, including correspondence and telephone attendances with the debtors and my Agents,
- 1 6 Correspondence and telephone attendances with the Company's bankers, National Westminster Bank plc, in respect of the balance of funds held in the Company's current account,
- 1.7 Reviewing the Company's Remuneration Trust and meetings, attendances and correspondence in respect of the claim submitted by HM Revenue & Customs ("HMRC") in relation to the same, and
- 1 8 Sundry statutory and administrative duties

(f) Liquidator's expenses

Expenses incurred in the liquidation are explained at (g) below in my comments on the Receipts and Payments Accounts

(g) Details of progress for the period under review:

A Receipts and Payments Account is attached at Appendix A, which is further explained below

1. Receipts

1.1 Bank Interest Gross

Interest earned on the funds in hand in the period covered by this Report amounts to £0 31

2. Payments

No payments have been made in the period covered by this Report

(h) Details of any assets that remain to be realised

There are no assets, which remain to be realised

(i) Investigations

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.

Creditors will recall from my previous reports that there was an outstanding issue in relation to monies paid to the Company's Remuneration Trust, which had been raised by HMRC In essence, the issues to be determined were whether any funds that were paid into the said Trust could be recovered for the benefit of the Estate and whether HMRC's claim based on tax

(i) Investigations...Cont.

arising from monies paid to the Trust should be a claim in the Liquidation proceedings. In my view, the outcome was affected by the decision in *Murray Group Holdings & Others v HMRC*, which was subject to appeal by HMRC. However, it should be noted that HMRC did not concur with this assessment of the position.

In November 2015, HMRC was successful with its appeal. However, soon after the Liquidators in the test case sought leave to appeal the decision with a view to the case being heard in the Supreme Court.

In the meantime, I had met with HMRC to discuss the position. Given the time that had elapsed, the costs incurred in the Liquidation, the paucity of funds, legal advice to hand, the facts of the test case and the ongoing circumstances surrounding it, I requested the approval of HMRC to close the case.

Despite receiving the requisite approval from the case officer, I was not able to obtain the same confirmation in writing from the local tax office. In that regard, and despite numerous letters from this office, the matter was subsequently forwarded to the Counter Avoidance Team at HMRC in July 2016. I received final approval to closing the liquidation on 5 January 2017.

(j) Creditors' rights – Rule 4.49E and Rule 4.131

1.1 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 Report.

1.2 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 Report, make an application to Court on the grounds that the basis fixed for the Liquidator's remuneration, the remuneration charged, or the expenses incurred by the Liquidator, as set out in this Report, are excessive.

(k) Other relevant information:

1.1 Secured creditors

The Company has no Secured Creditors.

1.2 Preferential creditors

The Company has no Preferential Creditors.

1.3 Unsecured creditors

The claims of Unsecured Creditors have been noted. Based on current information, dividend prospects to this class of creditor are unlikely.

LABOUR SOURCE LIMITED - IN LIQUIDATION
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

(I) Next Report

I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation. However, given that I have now concluded matters, I will shortly write to all creditors with my final progress report ahead of convening the final meeting of creditors.

I trust you will find this Report adequate for your purposes but should you require any further information, please do not hesitate to contact my Manager, Adam Shama, at this office.



PAUL APPLETON - LIQUIDATOR

DATE: 25 January 2017

APPENDIX A

LABOUR SOURCE LIMITED - IN LIQUIDATION
LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FROM 15 DECEMBER 2010 TO 14 DECEMBER 2016

	<u>Estimated</u> <u>to realise</u> £	<u>Realised</u> <u>to-date</u> £	<u>Y/E</u> <u>14-Dec-16</u> £
<u>Receipts</u>			
Book Debts	977 00	700 43	
Cash at Bank	114 00	Nil	
Bank Interest Gross	n/a	6 63	0 31
		707 06	0 31
<u>Payments</u>			
Agents Fees		100 00	
		100 00	Nil
Receipts less Payments		607 06	
Represented by:-			
Balance at Bank		607 06	

LABOUR SOURCE LIMITED - IN LIQUIDATION LIQUIDATOR'S TIME COSTS FOR THE YEAR ENDED 14 DECEMBER 2016 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance, admin and planning	00 30	03 54	02 30	02 42	09 36	2,060 50	214 64
Creditors	00 00	00 18	00 00	00 00	00 18	88 50	295 00
Total hours and costs	00 30	04 12	02 30	02 42	09 54	2,149 00	217 07

LIQUIDATOR'S CUMULATIVE TIME COSTS FOR THE PERIOD FROM 15 DECEMBER 2010 TO 14 DECEMBER 2016 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance, admin and planning	08 24	31 24	32 18	18 54	91 00	18,649 00	204 93
Investigations	01 54	00 00	05 24	00 00	07 18	1,320 00	180 82
Realisations of assets	04 06	03 52	08 42	00 00	16 40	2,748 00	164 75
Creditors	07 06	05 36	01 54	00 00	14 36	4,182 00	286 44
Total hours and costs	21 30	40 52	48 18	18 54	129 34	26,899 00	207 59

The above headings include *inter alia*

Administration and Planning

case planning
appointment notification
maintenance of records
statutory reporting and compliance
tax and VAT

Realisation of Assets

identifying and securing assets
debt collection
property, business and asset sales

Investigations

SIP2 review
reports pursuant to Company Directors Disqualification Act 1986
investigating antecedent transactions

Creditors

communications with creditors
creditors claims (including secured creditors, employees and preferential creditors)

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate.

Postage and stationery: circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

Meeting Costs. Use of Meeting Room is charged at £150 per session

Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £30 per hour.

Mileage incurred as a result of any necessary travelling is charged to the estate at the HM Revenue & Customs approved rate, currently 45p per mile.