

WU07

Notice of progress report in a winding-up by the court



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 5 7 7 8 5 6 9

Company name in full Universal Payroll Services Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Keith

Surname Algie

3 Liquidator's address

Building name/number 3 Hardman Street

Street

Post town

Manchester

County/Region

Postcode

M 3 3 H F

Country

4 Liquidator's name ①

Full forename(s) Mark

Surname Wilson

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 25 Farringdon Street

Street

Post town

London

County/Region

Postcode

E C 4 A 4 A B

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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Period of progress report

From date

^d 1 ^d 0 ^m 1 ^m 1 ^y 2 ^y 0 ^y 2 ^y 0

To date

^d 0 ^d 9 ^m 1 ^m 1 ^y 2 ^y 0 ^y 2 ^y 1

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X *Kei & Algie*

X

Signature date

^d 1 ^d 6 ^m 1 ^m 2 ^y 2 ^y 0 ^y 2 ^y 1

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Keith Algie
Company name	RSM UK Restructuring Advisory LLP
Address	9th Floor, 3 Hardman Street
Post town	Manchester
County/Region	
Postcode	M 3 3 H F
Country	
DX	
Telephone	0161 830 4000

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

UNIVERSAL PAYROLL SERVICES LIMITED IN LIQUIDATION

JOINT LIQUIDATORS' PROGRESS REPORT
FOR THE TWELVE MONTH PERIOD TO 09 NOVEMBER 2021

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING





INTRODUCTION

Contact details

The key contacts at RSM in connection with this report are:

Primary office holder	Case manager
Keith Algie RSM UK Restructuring Advisory LLP 3 Hardman Street, Manchester, M3 3HF Tel: 0161 830 4000	Sarah Mikelas RSM UK Restructuring Advisory LLP 25 Farringdon Street, London EC4A 4AB Tel: 0203 201 8000

Basis of preparation

This report has been prepared solely to comply with the statutory requirements of the relevant legislation to provide creditors with information relating to the progress of the liquidation. It should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to revision and additional costs. They should not be used as the basis for any bad debt provision or any other purpose. Neither the Joint Liquidators nor RSM UK Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report. The Joint Liquidators act as agents of the Company and without personal liability.

General guidance on the Liquidation process

You can find guidance on the different insolvency processes at the R3 website www.R3.org.uk. R3 is the trade association for the insolvency profession.

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CONDUCT OF THE LIQUIDATION

Realisation of assets

There have been no realisations in this reporting period, however, the time costs incurred to date in respect of asset realisations are shown on the attached analysis of time costs and relate to on-going enquiries which are covered more under investigations.

Investigations

The work done only leads to a financial return to creditors if any rights of action become visible during the course of the investigations, which lead to a recovery for the benefit of the estate.

In this instance, further investigations remain on-going and certain lines of enquiry in respect of associated companies and transactions between them and this company. The Joint Liquidators are liaising with their solicitors, Gateley Plc, and are awaiting legal advice as regards taking any actions further than those referred to below. The Joint Liquidators reserve all rights in that regard and shall proceed in accordance with legal advice.

Further to legal advice, a letter before claim was issued against a party, which is being defended. The matter remains under review by the Joint Liquidators and their solicitors, and all rights are reserved.

The Joint Liquidators are also in correspondence with Levy & Levy as regards the issue of a late appeal against HM Revenue and Customs in respect of Corporation Tax liability and penalty assessments. The matter remains on-going, and the Joint Liquidators' solicitors are liaising with Levy & Levy for information in order that they can consider the matter further. The Joint Liquidators will proceed in accordance with legal advice.

At this time it is uncertain if any of these enquiries will lead to any action against third parties, which might in turn result in a financial return for the benefit of creditors, as such it is also not possible at this time to estimate the timescale for conclusion and future costs that may be incurred.

The time costs incurred to date in dealing with these matters is set out in the attached analysis of time costs.

Case specific matters – Legal matters

As outlined above my solicitors are assisting me with further lines of enquiry in respect of potential antecedent transactions, which are connected to the on-going investigations. The Joint Liquidators are unable to determine the timescale, future costs or eventual outcome at this time.

The time costs incurred to date in dealing with these matters is set out in the attached analysis of time costs.

Statutory and case management matters

The following work does not usually result in a financial return to creditors but is required by legislation, best practice and to ensure that the case is managed efficiently and effectively. Key work done in the period included:

Statutory requirements

- recording and reporting outcome of a qualifying decision procedure and associated formalities to prescribed parties
- preparing, review and issuing a progress report to creditors and other prescribed parties
- taxation matters, post appointment corporation tax returns

Case management matters

- periodic case reviews, ongoing case planning and statutory, liaising with joint office holders
- maintaining and updating computerised case management records
- dealing with routine correspondence not attributable to other categories of work
- maintenance of cashing records, bank accounts, receipts and payments, billing
- ongoing consideration of ethical, conflict & anti money laundering checks

The time costs incurred to date in dealing with these matters is set out in the attached analysis of time costs.

Receipts and payments

A summary of receipts and payments is attached. Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

OUTSTANDING MATTERS

Assets remaining to be realised

There are no known tangible assets to be realised. Investigation enquiries may lead to realisations as set out in the "Conduct of the Liquidation" section above.

Other outstanding matters

Once all lines of enquiries and potential investigation matters are complete, then the Joint Liquidators will be in a better position to determine if there is any financial benefit to creditors in taking any actions further. This may still take some time to determine, and the Joint Liquidators will report further in the next progress report to creditors.

As reported previously this liquidation is connected to a wider group of companies and it may be appropriate to keep this case open until such time as the inter-company liquidations are resolved.

CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

Dividend prospects

	Owed (£)	Paid to date (£)	Estimated future prospects
Secured creditor: HSBC Bank plc	NIL	N/A	N/A
Preferential creditors	NIL	N/A	N/A
Unsecured creditors	£25,101,275	NIL	Unknown
Estimated Net Property	N/A	N/A	N/A
Estimated 'Prescribed Part' available for creditors	N/A	N/A	N/A

Prescribed Part

The 'Prescribed Part' is a statutory amount set aside for unsecured creditors from funds ('Net Property') available to a Qualifying Floating Charge Holder ('QFCH'). The amount of Net Property is calculated on a sliding scale up to a maximum of £800,000 depending on when the floating charge was created and whether or not it is a first ranking floating charge.

However, there are no QFCHs and the Prescribed Part does not, therefore, apply.

Agreement of claims

Creditors' claims are usually only agreed if there is a likelihood of a dividend being made to that particular class of creditor.

In this case, based on current information, as there is no likelihood of a dividend being paid to any class of creditor, no work has been done to agree creditors' claims, other than that necessary for the purposes of admitting claims for voting, where applicable.

Creditors whose debts are treated as a small debt in accordance with Rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must still deliver a proof of debt if they wish to vote. Rule 14.31(1) states that Office Holders may treat a debt, which is a small debt according to the accounting records or the statement of affairs of the company, as if it were proved for the purposes of paying a dividend. Small debts are defined in Rule 14.1(3) as a debt (being the total amount owed to a creditor) which does not exceed £1,000.

Dividend payments

As noted above, there is no likelihood of a dividend being paid to any class of creditor, based on current information.

Creditor communication

The following work was done in the period to comply with legislation, best practice and to ensure creditors were kept informed:

- dealing with communication with creditors

Creditors only derive an indirect financial return from this work on cases where a dividend has been, or will be, paid.

The time incurred in dealing with these matters during the period is set out in the attached post appointment analysis of time costs.

JOINT LIQUIDATORS' FEES, COSTS AND EXPENSES

Guide to Liquidator's fees and expenses

A Guide to Liquidator's Fees, which provides information for creditors in relation to the fees and expenses of a Liquidator, can be accessed at [www.gov.uk/government/publications/guide-to-liquidator-fees](#) under 'general information for creditors'. A hard copy can be requested from this office by telephone, email or in writing. All fees, costs and expenses are subject to VAT.

Relevant Approving Body

The unsecured creditors are the Relevant Approving Body and will be responsible for approving the Joint Liquidators' fee basis and, where applicable, 'Category 2' expenses. However, if a liquidation committee is established at any stage, this will become its responsibility and it will be the Relevant Approving Body.

Post Appointment fees, costs and expenses

Basis for remuneration

Insolvency legislation allows a Liquidator to charge fees on one of, or a combination of, the following bases:

- as a percentage of the value of the property the Liquidator has to deal with (percentage basis);
- to the time spent by the Liquidator or their staff on the administration of the case (time cost basis);
- as a set amount (fixed fee basis); or
- a combination of the above (mixed fee basis).

The Relevant Approving Body approved the Joint Liquidators' fees on a time cost basis, limited to the sum of £50,000.00 in accordance with the fee estimate provided to creditors on 4 January 2019. The fee estimate was prepared for the first year of the liquidation only, which focused primarily on statutory requirements and initial investigation work.

Fee Estimate Exceeded

The Joint Liquidators' time charged to date has exceeded the fee estimate, whilst work remains to be done as set out earlier in this report. The fee estimate was exceeded because the following matters had not been identified and/or proved to be more complex and time consuming to deal with than originally anticipated:

- the liquidation has been active for more than one year
- further investigation work has been undertaken which has proved protracted, and more complex and costly
- this in turn has involved greater liaison with solicitors
- lack of co-operation by director

This also resulted in additional case administration costs also being incurred, because the case has been active longer and so additional case reviews and progress reports have been undertaken.

Remuneration Charged

Legislation requires that 'remuneration charged' is reported. Remuneration is charged when the work to which it relates is done. It does not mean the Joint Liquidators' fees have been paid. Amounts paid to date, if any, are shown in the attached receipts and payments account.

During the period, the remuneration charged by the Joint Liquidators, on the basis set out above, totalled £19,830.00. An analysis of time incurred in the period is attached. Time costs incurred since appointment totals £141,860.00.

Further fee approval

The amount of fees that can be drawn is limited to the amount approved by the Relevant Approving Body, whether calculated on the basis of time in accordance with a fee estimate, or for a fixed amount or a percentage rate. It cannot be further increased or the percentage rates changed, without their approval.

The Joint Liquidators anticipate that it may be necessary to seek further approval for additional fees in due course, for the reasons set out above, however this will only be requested if there are realisations into the estate.

Expenses and professional costs

The total costs and expenses estimated to be incurred by the Joint Liquidators are set out below together with details of those incurred in the period. Amounts incurred in the period may include estimates where actual invoices have not been received. Amounts paid to date are shown in the attached receipts and payments account. The quantum of costs and expenses is in line with the estimates previously provided to creditors.

Category 1 expenses

These comprise external supplies of incidental services specifically identifiable to the insolvency estate. They do not require approval of the Relevant Approving Body prior to being paid.

Type of expense	Total estimated (£)	Incurred in period (£)
Bond	85.00	Nil
Companies House search fees	20.00	Nil
Financial Intelligence agent fees	750.00	Nil
HM Land Registry search fees	Nil	Nil
Postage	Nil	5.31
Statutory advertising	200.00	Nil
Storage agent (collection / storage of records)	250.00	Nil
Website fee	8.00	Nil
Total	1,313.00	5.31

Category 2 expenses

These are costs which are not capable of precise identification or calculation, or that may include an element of shared or allocated costs. Payments to outside parties that the Joint Liquidators, firm, or any associate has an interest, are also treated as 'Category 2' expenses. These expenses require the specific approval of the relevant Approving Body before being paid from the insolvency estate.

The Relevant Approving Body has approved the payment of the 'Category 2' expenses, at the rates prevailing at the date they were incurred. Details of the current rates are set out below.

Type of expense	Total estimated (£)	Incurred in period (£)
Room hire (£165)	Nil	Nil
Mileage (42.5p per mile)	Nil	Nil
Tracker reports (£10 per report)	Nil	Nil
Total	Nil	Nil

Other professional costs

The Joint Liquidators retained the following advisers based on their experience and expertise. These costs are not subject to approval by the Relevant Approving Body. However, they are subject to review and approval by the Joint Liquidators.

Party	Nature of advice	Total estimated (£)	Incurred in period (£)
Gateley plc	Legal advice – in respect of potential rights of action / antecedent transactions	50,000.00	8,380.30
Gateley plc	Legal expenses	250.00	Nil
Total		50,250.00	8,380.30

Creditors' right to information and ability to challenge remuneration and expenses

In accordance with the relevant legislation creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

If you wish to make a request for further information, then it must be made within 21 days of receipt of this report in writing by either by (i) any secured creditor or (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court on the grounds that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive. Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

Keith Algie

Keith Algie
RSM UK Restructuring Advisory LLP
Joint Liquidator

Keith Algie and Mark Wilson are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales
Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

APPENDICES

APPENDIX A - STATUTORY INFORMATION

Company information

Company name:	Universal Payroll Services Limited
Company number:	05778569
Date of incorporation:	12/04/2016
Trading name:	None
Trading address:	1st Floor, Burford Business Centre, 11 Burford Road, Strafford E15 2ST
Principal activity:	Payroll company (mainly dealing with CIS based payments)
Registered office:	RSM UK Restructuring Advisory LLP 9th Floor, 3 Hardman Street, Manchester, M3 3HF
Previous company names:	N/A
Directors:	John Bounds (resigned 09/02/2015)
Secretary:	Frankie Samantha Mitchell (resigned 08/11/2013)

Liquidation information

Count reference:	High Court of Justice No 003081 of 2017	
Joint Liquidators:	Keith Algie and Mark Wilson	
Date of appointment:	10/11/2017	
Joint Liquidators contact details:	Primary office holder: Keith Algie RSM UK Restructuring Advisory LLP 9th Floor, 3 Hardman Street, Manchester, M3 3HF 0161 830 4008 IP Number: 14090	Joint office holder: Mark Wilson RSM UK Restructuring Advisory LLP 25 Farringdon Street, London, EC4A 4AB 0203 201 8000 IP Number: 008612

APPENDIX B - RECEIPTS AND PAYMENTS SUMMARY

**Universal Payroll Services Limited
In Liquidation
Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs		From 10/11/2020 To 09/11/2021	From 10/11/2017 To 09/11/2021
£		£	£
	COST OF REALISATIONS		
	Company Liquidation Admin Fee	NIL	5,000.00
	ISA Quarterly Charges	88.00	352.00
	Official Receivers Remuneration	NIL	6,000.00
	Petitioners Deposit	NIL	(1,600.00)
		<u>(88.00)</u>	<u>(9,752.00)</u>
	DISTRIBUTIONS		
(3.00)	Ordinary Shareholders	NIL	NIL
(2.00)	Preference Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(5.00)</u>		<u>(88.00)</u>	<u>(9,752.00)</u>
	REPRESENTED BY	<u><u> </u></u>	<u><u> </u></u>
	Insolvency Service Account (ISA) LQD		(9,752.00)
			<u>(9,752.00)</u>

APPENDIX C - POST-APPOINTMENT TIME ANALYSIS

Joint Liquidators' post appointment time cost analysis for the period 10 November 2020 to 09 November 2021

Please note that we have re-designed our SIP9 analysis table to provide a more detailed breakdown of the work carried out. This change does not alter the value of time costs recorded, purely the row within the table to which that time, and cost, has been allocated.

On 1 July 2021, RSM UK Restructuring Advisory LLP changed the job titles of some of their staff, and this is reflected in the SIP 9 analysis table. This change does not alter the value of time costs recorded or the column within the table to which that time has been allocated.

Hours Spent	Partners	Directors / Associate Directors	Managers	Associates	Executives & Analysts	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Statutory Requirements									
Creditors/shareholders decisions, meetings & reports	0.0	1.8	0.8	6.7	1.7	0.0	11.0	£ 2,922.50	265.68
Taxation	0.0	0.3	0.0	0.3	0.9	0.1	1.6	£ 388.00	242.50
Total	0.0	2.1	0.8	7.0	2.6	0.1	12.6	£ 3,310.50	262.74
Realisation of Assets									
Assets - litigation / investigation	0.2	0.0	0.0	0.0	0.0	0.0	0.2	£ 125.00	625.00
Debtors & sales finance	0.0	0.2	0.0	0.0	0.0	0.0	0.2	£ 96.00	480.00
Total	0.2	0.2	0.0	0.0	0.0	0.0	0.4	£ 221.00	552.50
Investigations									
Investigations/CDDA	0.0	6.4	0.3	0.2	6.8	0.3	14.0	£ 4,136.50	295.46
Total	0.0	6.4	0.3	0.2	6.8	0.3	14.0	£ 4,136.50	295.46
Case Specific Matters									
Director(s)/Debtor/Bankrupt	0.0	0.1	0.4	0.0	0.0	0.0	0.5	£ 147.50	295.00
Legal Matters	0.0	7.6	2.9	1.5	0.0	0.0	12.0	£ 4,920.00	410.00
Total	0.0	7.7	3.3	1.5	0.0	0.0	12.5	£ 5,067.50	405.40
Creditors									
Unsecured Creditors	0.0	1.0	0.0	0.0	0.0	0.0	1.0	£ 490.50	490.50
Total	0.0	1.0	0.0	0.0	0.0	0.0	1.0	£ 490.50	490.50
Administration and Planning									
Appointment & SoA	0.0	0.1	0.0	0.0	0.0	0.0	0.1	£ 48.00	480.00
Case Management	0.1	1.3	11.0	9.2	1.2	0.0	22.8	£ 6,356.00	278.77
Cashiering	0.0	0.1	0.0	0.0	0.0	0.8	0.9	£ 200.00	222.22
Total	0.1	1.5	11.0	9.2	1.2	0.8	23.8	£ 6,604.00	277.48
Total Hours	0.3	18.9	15.4	17.9	10.6	1.2	64.3	£ 19,830.00	308.40
Total Time Cost	£ 190.00	£ 9,142.50	£ 4,072.50	£ 4,815.50	£ 1,416.00	£ 193.50	£ 19,830.00		
Average Rates	633.33	483.73	264.45	269.02	133.58	161.25	308.40		