

# WU07

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



Companies House

SATURDAY



\*A8KT5NAI\*

A33

21/12/2019

#294

COMPANIES HOUSE

### 1 Company details

Company number 6 5 3 1 5 6 8

Company name in full R Square Properties Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Henry Anthony

Surname Shinnars

### 3 Liquidator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

### 4 Liquidator's name

Full forename(s) Nicholas

Surname Myers

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region


Postcode

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

WU07

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

<b>6</b>	<b>Period of progress report</b>															
From date	<sup>d</sup>	0	<sup>d</sup>	5	<sup>m</sup>	1	<sup>m</sup>	1	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	8
To date	<sup>d</sup>	0	<sup>d</sup>	4	<sup>m</sup>	1	<sup>m</sup>	1	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	9
<b>7</b>	<b>Progress report</b>															
<input checked="" type="checkbox"/> The progress report is attached																
<b>8</b>	<b>Sign and date</b>															
Liquidator's signature	Signature  X												X			
Signature date	<sup>d</sup>	2	<sup>d</sup>	0	<sup>m</sup>	1	<sup>m</sup>	2	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	9

WU07

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



### 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 **Robbie Abraham**

Company name **Smith & Williamson LLP**

Address **25 Moorgate**

**London**

Post town **EC2R 6AY**

County/Region

Postcode

Country

DX **119507 Finsbury Square EC2**

Telephone **020 7131 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)



# R Square Properties Limited (in compulsory liquidation)

Joint liquidators' annual progress report for the period from 5  
November 2018 to 4 November 2019

16 December 2019



# Contents

1.	Glossary	1
2.	Introduction and statutory information	2
3.	Realisation of assets	2
4.	Investigations	4
5.	Creditors	4
6.	Liquidators' remuneration	5
7.	Liquidation expenses	6
8.	Outstanding matters	8
9.	Privacy and Data Protection	8
10.	Creditors' rights	9
11.	Next report	9

# Appendices

I	Receipts & payments account	11
II	Time analysis for the period	13
III	Fee estimate	15
IV	Staffing, charging, subcontractor and adviser policies and charge out rates	17



# 1. Glossary

Abbreviation	Description
the Company	R Square Properties Limited
Company Number	6531568
the Liquidators/Joint Liquidators	Henry Anthony Shinnars and Nicholas Myers
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SIA	SIA Group Limited
Trowers	Trowers & Hamlins LLP
OR	Official Receiver

## 2. Introduction and statutory information

This report provides an update on the progress in the liquidation of the Company for the year ended 4 November 2019. It should be read in-conjunction with any previous reports. By way of reminder, we, Henry Anthony Shinnars and Nicholas Myers, both of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed liquidators of the Company on 5 November 2018 following the presentation of a petition by Reach Learning Limited for the compulsory winding up of the Company. The winding up order was made on 15 August 2018 under court reference number 4802 of 2018.

The principal trading address of the Company was GPF Lewis House, Olds Approach, Tolpits Lane, Watford, United Kingdom, WD18 9AB.

The Company's registered office is 25 Moorgate, London, EC2R 6AY and its registered number is 6531568.

## 3. Realisation of assets

Attached at appendix I is our receipts & payments account for the period from 5 November 2018 to 4 November 2019.

The receipts & payments account also includes a comparison with the OR's report to creditors.

In addition to asset realisations, interest of £275.00 has been received in respect of monies held in the Insolvency Services Account maintained within the Department for Business, Energy & Industrial Strategy.

The assets listed in the OR's report handed over following our appointment as liquidators together with any other assets that have come to our attention have been dealt with as follows:

### 3.1 Leasehold and Freehold Properties

The liquidators were aware of the Company's interest in the following properties at the date of their appointment and I have provided further narrative below:

Property address	Interest of Company	Status
Unit 6 Westham Business Park, Westham, Pevensy, BN24 5NP	Leasehold	This property was sold prior to the liquidation of the Company and the joint liquidators are investigating the transaction.
Unit 7 Westham Business Park, Westham, Pevensy, BN24 5NP	Leasehold	This property was sold prior to the liquidation of the Company and the joint liquidators are investigating the transaction.
Unit 6 Kingfisher Business Park, Henwood Industrial Estate, Ashford, TN24 8DH	Freehold	Sold by the joint liquidators for £151,000 plus VAT.
GPF Lewis House, Olds Approach, Tolpits Lane, Watford, United Kingdom, WD18 9AB	Leasehold	This property was disclaimed by the joint liquidators on 15 November 2018 on the basis that the lease held no value for creditors and the ongoing rent liability was an onerous obligation.

#### 3.1.1 Unit 6 and 7 Westham Business Park, Westham, Pevensey, BN24 5NP

From reviewing land registry records, the joint liquidators identified that Units 6 and 7 Westham Business Park were registered in the name of the Company. However, the directors subsequently advised that these units were sold prior to the liquidation.

The joint liquidators are investigating the transactions and further information will be provided to creditors in due course.

#### 3.1.2 Unit 6 Kingfisher Business Park, Henwood Industrial Estate, Ashford, TN24 8DH

The liquidators were advised that this freehold property was let to Vertigo Property Management Limited for a term of 10 years. Agents were instructed to view and value the property. Our agents advised that the property had been abandoned by the tenant and an unoccupied property in that location would achieve the best realisation at an auction.

Subsequently, Allsops LLP were instructed to market and sell the property at auction. The auctioneers advised that the estimated to realise value would be in the region of £100,000 - £125,000. The auction took place on 7 June 2019 and the liquidators achieved a sale price of £151,000, exceeding the initial estimate.

In addition, a service charge refund of £386 was received for this property.

#### 3.1.3 GPF Lewis House, Olds Approach, Tolpits Lane, Watford, WD18 9AB

On 15 November 2018, the joint liquidators disclaimed the Company's leasehold interest in this property on the basis that, in accordance with the legal advice provided by Trowers, the lease held no value for the creditors and the ongoing rent liability was an onerous obligation.

### 3.2 Properties sold by the Company prior to liquidation

In addition, the joint liquidators are aware that the Company sold a number of further properties during the period prior to the presentation of the winding up petition and all such transactions are in the process of being reviewed by the joint liquidators.

Due the confidential nature of the liquidators' investigations, they are currently unable to provide any further information to creditors.

### 3.3 Software licence

In October 2017, the Company entered into a licence agreement to the value of £6.7 million in relation to the selling of virtual reality software and hardware to the property development industry. This software allows potential purchasers to "virtually" walk through rooms.

The liquidators instructed Trowers to review the software licence agreement and they advised that the only way the liquidators could realise value for creditors under the agreement is to sell sub-licences to third parties. However, prior to the liquidation, the Company had not sold any sub-licence agreements. The liquidators have concluded that it would not be commercially viable to market and sell any sub-licences.

In addition, the Company did not own the software or any intellectual property rights and accordingly would not have been able to realise any funds for the benefit of creditors.



### 3.4 Items subject to financing agreements

The joint liquidators understand that the Company previously held a number of motor vehicles and other items of equipment that were subject to finance agreements. SIA assessed these assets and advised they had no value, accordingly, they were returned to the relevant finance companies.

In addition, the Company entered into lease agreements with Telsa Financial Services in relation to three Telsa motor vehicles. The joint liquidators are in the process of assessing whether there is any equity in these vehicles.

### 3.5 Cash at Bank

A sum of £26.20 was realised from the Company's bank account.

### 3.6 Assets still to be realised

The matter outstanding are detailed above and no further assets have been identified.

## 4. Investigations

Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by the Official Receiver and creditors.

The liquidators are in the process of reviewing the Company's records and due to the confidential nature of our investigations further details will be provided in due course, as appropriate.

Creditors should also note that this liquidation is connected to four other liquidations, Chemistree Homecare Limited, Kool Pharma Limited, Moors Properties Limited and Qualapharm Limited, in respect of which the joint liquidators are also the appointed liquidators and are progressing ongoing investigations.

Please note that Shamir Pravinchandra Budhdeo, Joshy Mathew and Amarjit Singh Hundal were declared bankrupt on 3 December 2019.

## 5. Creditors

### 5.1 Secured creditors

We understand that the debt owed to the Company's secured lenders has been discharged in full.

### 5.2 Prescribed part

Insolvency legislation provides for funds to be set aside for the unsecured creditors from any assets subject to a floating charge that was created after 15 September 2003. These funds (the prescribed part) are paid to the unsecured creditors and are not available for the chargee, unless the unsecured creditors have been paid in full.

The Company does not have any floating charge liabilities and accordingly, the prescribed part principles do not apply.

### 5.3 Preferential creditors

No preferential claims were disclosed by the Company and no preferential claims have been received or identified.

### 5.4 Unsecured creditors

We have received claims totalling £9,763,682 from 20 creditors. Total claims as per the OR's report to creditors were £5,238,370.

Based on current information it is likely that a distribution will be declared to the unsecured creditors however the quantum and timing is dependent on the outcome of the joint liquidators' investigations.

## 6. Liquidators' remuneration

The creditors 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. This was granted following the joint liquidators providing a fees' and expenses' estimate and the requisite majority of creditors approving by means of a decision by correspondence on 31 December 2018.

The liquidators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
5 November 2018-4 November 2019	95.25	27,206.75	285.64	Nil
<b>Total</b>	<b>95.25</b>	<b>27,206.75</b>	<b>285.64</b>	<b>Nil</b>

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 body of this report.

The joint liquidators' costs to date are £27,207, as above, compared to our original estimate of £45,000 and only the incurred time costs within the approved estimate will be drawn. Any sum in excess of the approved estimated time costs will not be recovered by the joint liquidators. Appendix II provides a detailed breakdown of the current period's costs, while appendix III provides a copy of the previously authorised time cost estimate breakdown.

A detailed narrative explanation of these costs can be found in the "Outstanding matters" section of this report.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising. In the event that the fees estimate is likely to be exceeded, the joint liquidators will need to provide an update and seek approval from the creditors before drawing any additional sums. Fee estimates may be given up to a certain milestone or for a designated period if it is not possible to provide an accurate estimate at any given point.

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and complying with anti-money laundering regulations.

A copy of 'A Creditors' Guide to Liquidators' Fees' is available free of charge upon request or can be downloaded from the ICAEW's website at the following address:



<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>

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

On a general note, please be aware that the charge out rates are subject to an annual review.

## 7. Liquidation expenses

### 7.1 Subcontractors

There has been no need to instruct any subcontractors in this case.

### 7.2 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 £
Irowers (legal advice re: the sale of the property, the licence agreement and general assistance)	Hourly rate and disbursements	17,158.50	12,158.50	Nil
Allsop LLP (Auctioneers re: the sale of the freehold property)	1.5% of sale price, Auction entry fee of £1,250.00 and accompanied viewing fee	3,665.00	3,665.00	Nil

### 7.3 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	81.45	Nil	81.45
Liquidators' bonds	140.00	Nil	140.00

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Property costs	1,287.50	Nil	1,287.50
Land registry searches	45.00	Nil	45.00
Insurance	1,647.10	Nil	1,647.10
<b>Total</b>	<b>1,553.95</b>	<b>Nil</b>	<b>1,553.95</b>

#### 7.4 Category 2 disbursements

No category 2 disbursements have been incurred or paid.

#### 7.5 BEIS and Secretary of State charges

All monies received by the liquidators must be paid into the Insolvency Service's Account. This account is held by a division of the Department for Business, Energy & Industrial Strategy ("BEIS") with National Westminster Bank Plc and is under the control of the Secretary of State. This account attracts charges which are deducted at source and apply in all cases.

The current and most recent charges are listed below. Details of previous charges can be found on the Insolvency Service's website.

Fee type	Current fee £
Banking Fee	22.00
BACS Payment	0.15
Cheque Fee	1.10
CHAPS Payment	10.30
Unclaimed Dividend Fee	25.75

Type of Fee	Fees applicable for Winding Up Petitions presented on or after 21 July 2016
One off "General Fee" (applied at the start of the appointment)	£6,000.00

Details of the various fees and charges levied in this case are contained within the liquidators' receipts & payments account at appendix I.

## 7.6 Policies regarding use of third parties and disbursement recovery

Appendix IV 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 joint liquidators' costs to date are £27,206.75, as detailed in section six, compared to our original estimate of £45,000 and only the incurred time costs within the approved estimate will be drawn. Currently the joint liquidators have not exceeded their time estimate.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising. In the event that the fees estimate is likely to be exceeded, the joint liquidators will need to provide an update and seek approval from the creditors before drawing any additional sums. Fee estimates may be given up to a certain milestone or for a designated period if it is not possible to provide an accurate estimate at any given point.

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and preparing accounts and reports.

A detailed narrative explanation of these future costs can be found below.

- Finalising the joint liquidators' investigations into the Company and group
- Finalising our analysis of the property transactions undertaken by the directors and if appropriate, bring formal proceeding against the relevant parties.
- Closure of the liquidation, including preparing and issuing the final report.

Currently the joint liquidators have not exceeded their costs estimate and due to their ongoing investigations they are unable to estimate their future time costs. Based on current information, the benefit to creditors is that they are likely to receive a dividend.

# 9. Privacy and Data Protection

As part of our role as joint liquidators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at

<https://smithandwilliamson.com/rsgdpr>

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact Anjna Kalia of our office if you believe this applies.

## 10. Creditors' rights

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 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 secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors 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.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Henry Anthony Shinnors or Nicholas Myers in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

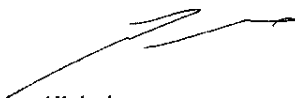
i) Email: [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk)

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

## 11. Next report

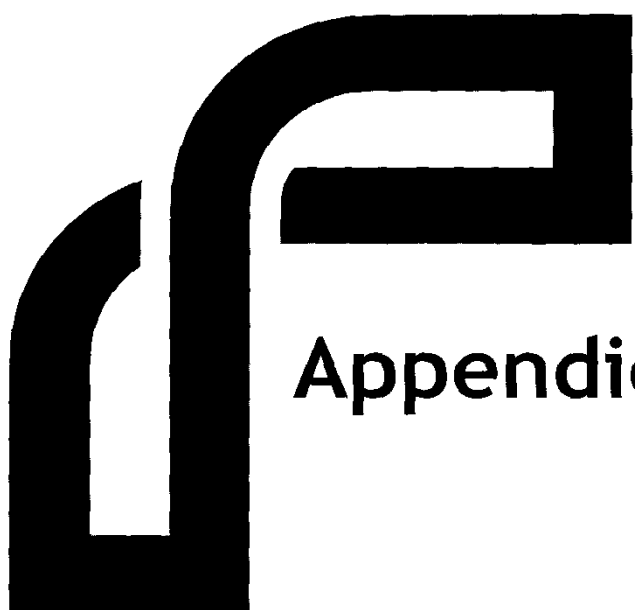
We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors and members with our final account.



**Nicholas Myers**

Joint Liquidator

16 December 2019



# Appendices

# I Receipts & payments account

OR's report		From 05/11/2018 To 04/11/2019	From 05/11/2018 To 04/11/2019
£		£	£
	ASSET REALISATIONS		
	BEIS Interest Gross	275.20	275.20
	Cash at Bank	26.38	26.38
144,996.94	Freehold Land & Property	151,000.00	151,000.00
	Official Receiver Credit Balance (Net)	816.80	816.80
	Service Charge refund	386.27	386.27
		152,504.65	152,504.65
	COST OF REALISATIONS		
	Auction Fees	3,665.00	3,665.00
	BEIS Banking Fees	88.00	88.00
	Corporation Tax	55.04	55.04
	General Fee	6,000.00	6,000.00
	Legal Expenses	411.73	411.73
	Legal Fees	12,158.50	12,158.50
	OR - Insurance Premium	1,169.15	1,169.15
		(23,547.42)	(23,547.42)
144,996.94		<b>128,957.23</b>	<b>128,957.23</b>
	REPRESENTED BY		
	ISA Interest Bearing A/c		155,933.88
	VAT Payable		(30,200.00)
	VAT Receivable		3,223.35
			<b>128,957.23</b>

## Notes and further information required by SIP 9

The main payment in the receipts and payments accounts relates to the legal fees incurred in relation to the sale of the property and assessing the value of the licence agreement. The payment was necessary because the liquidators realised a sum of £151,000 from the sale of the property. The benefit to creditors is they are likely to receive a dividend.

## Notes and further information required by SIP 7

- The liquidators' remuneration has been approved.
- We have sought approval to draw any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate.
- 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.
- All bank accounts are interest bearing.



- 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

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
<b>Administration and planning</b>								
Statutory returns, reports & meetings	1.50	0.00	0.50	7.45	0.00	9.45	2,478.50	262.28
Initial post-appointment notification letters, including creditors	0.00	0.00	0.00	1.85	0.00	1.85	425.50	230.00
Cashiering general, including bonding	0.00	0.00	0.30	0.00	1.70	1.50	464.25	309.50
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	5.05	0.00	4.05	3.20	0.05	12.35	4,249.50	344.09
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.00	0.00	0.00	1.10	0.00	1.10	211.75	192.50
Insurance & general asset protection	0.10	0.00	0.00	1.05	0.00	1.15	288.50	250.87
Filing, file and information management	0.00	0.00	0.00	1.25	0.00	1.25	218.75	175.00
Director/manager review, approval and signing	1.05	0.00	0.00	0.00	0.00	1.05	546.00	520.00
Other	0.00	0.00	0.20	4.90	0.00	5.10	917.50	179.90
<b>Investigations</b>								
Directors' correspondence & conduct questionnaires	0.00	0.00	0.00	1.50	0.00	1.50	345.00	230.00
Statutory books and accounting records review	0.10	0.00	0.60	4.20	0.00	4.90	1,215.00	247.96
Investigation of legal claims	1.55	0.00	7.80	0.00	0.00	9.35	3,003.50	321.23
SIP2 and SIP4 obligations (inc CDDA86 forms)	0.25	0.00	0.00	0.00	0.00	0.25	130.00	520.00
Asset tracing (e.g. Land Registry and Company Searches)	0.00	0.00	0.90	0.00	0.00	0.90	270.00	300.00
Enquiries of advisers	0.00	0.00	0.90	0.35	0.00	1.25	350.50	280.40
<b>Realisation of assets</b>								
Freehold Property (land and buildings)	3.35	0.00	6.55	14.55	0.00	24.45	6,760.50	276.50
Other chattel assets	0.45	0.00	1.05	1.30	0.00	2.80	827.50	293.75
Financed assets (only if equity-otherwise creditors, incl HP and leasing)	0.35	0.00	0.00	0.75	0.00	1.10	364.00	330.91
Cash at Bank	0.00	0.00	0.00	1.75	0.00	1.75	402.50	230.00
Other	0.10	0.00	4.80	2.00	0.00	6.90	1,949.00	282.46
<b>Trading</b>								
Premises issues (inc landlord and site clearance)	0.10	0.00	0.00	0.00	0.00	0.10	45.00	450.00
<b>Creditors</b>								
HP & lease creditors	0.25	0.00	0.00	0.00	0.00	0.25	130.00	520.00
Crown (not RPO etc)	0.30	0.00	0.65	0.00	0.00	0.95	337.00	354.74
Unsecured creditors	1.10	0.00	0.70	1.95	0.15	3.90	1,250.00	320.51
<b>Case-Specific 3, AML/Compliance</b>								
AML - if done post appointment	0.00	0.00	0.00	0.00	0.10	0.10	32.00	320.00
<b>Total</b>	<b>15.60</b>	<b>0.00</b>	<b>29.00</b>	<b>49.15</b>	<b>1.50</b>	<b>95.25</b>	<b>£27,206.75</b>	<b>£285.64</b>

### Explanation of major work activities undertaken

#### Administration and Planning

This section of the analysis encompasses the cost of the liquidators and their staff in complying with their statutory obligations and internal compliance requirements. This work includes the following:

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Maintaining physical case files and electronics case details on IPS (case management software)
- Case planning and administration
- Preparing reports to creditors
- Maintaining and managing the liquidators' cash book and bank accounts
- Liaising with the liquidators' insurance broker

#### Investigations

- Issuing correspondence to request information on the Company's dealings from third parties
- Reviewing questionnaires submitted by the directors
- Reviewing Company's books and records and writing to all notable transacting parties identified in the bank statements
- Reviewing specific transactions and liaising with third parties regarding certain transactions
- Holding discussions with key creditors
- Investigating the directors and shadow directors
- Reviewing the property transactions undertaken by the Company

#### Realisation of assets

- Liaising with our agents and legal advisors in relation to the leased and freehold properties.
- Reviewing the software licence agreement.
- Realising the cash at bank.
- Establishing whether any assets subject to hire purchase agreements had any equity.

#### Creditors

- Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:
- Dealing with *creditor correspondence* via email and telephone.
- Holding discussions with key creditors.
- Liaising with hire purchase creditors.

# III Fee estimate

From 5 November 2018 to 4 November 2021

R Square Properties Limited In Compulsory Liquidation Fees estimate according to number of hours, grade of staff and expected work to be undertaken							
Anticipated case duration	3	Years					
<i>*The duration of the liquidation is estimated at 3 years however the fee estimate has been provided for the 1st year</i>	Partner / Director	Associate Director	Manager / Assistant Manager	Senior Administrator / Administrator	Assistants & support staff		
Hourly rate (£)	450	380	290	230	90		
	Hours				Total hours	Total estimated time costs (£)	Average hourly rate
Classification of Work function							
Anti Money Laundering & Compliance (if not dealt with pre-appointment)							
General compliance, e.g. review ethics checks, update AML etc (internal)				1.00	1.00	230.00	230.00
Statutory returns, reports & meetings	1.00		3.00	6.00	10.00	2,700.00	270.00
Initial post-appointment notification letters, including creditors	1.00		3.00	2.00	6.00	1,780.00	296.67
Cashiering general, including bonding					1.00	90.00	90.00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	1.00		3.00	3.00	7.00	2,010.00	287.14
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	1.00		1.00	1.00	3.00	970.00	323.33
Insurance & general asset protection				1.00	1.00	230.00	230.00
Agents and advisers, general			2.00		2.00	580.00	290.00
Investigations							
Directors' correspondence & conduct questionnaires	5.00		10.00	9.00	24.00	7,220.00	300.83
Statutory books and accounting records review	3.00		5.00	9.00	17.00	4,870.00	286.47
Investigation of legal claims			1.00	1.00	2.00	520.00	260.00
Asset tracing	1.00		4.00	9.00	14.00	3,680.00	262.86
Realisation of assets							
Freehold property (land and buildings)	2.00		6.00	7.00	15.00	4,250.00	283.33
Leasehold property (land and buildings)	2.00		6.00	7.00	15.00	4,250.00	283.33
Plant & machinery	2.00		3.00	4.00	9.00	2,690.00	298.89
Intellectual property	3.00		5.00	6.00	14.00	4,180.00	298.57
Cash at Bank			1.00		1.00	290.00	290.00
Creditors							
HMRC	2.00		3.00	2.00	7.00	2,230.00	318.57
Unsecured creditors	2.00		3.00	2.00	7.00	2,230.00	318.57
Total	26.00		59.00	70.00	156.00	45,000.00	288.46

R Square Properties Limited In Compulsory Liquidation Estimated expenses in accordance with Categories 1 (SIP 9) and payable to third parties	
Estimated expenses applicable to all cases	Total
Specific bond	140.00
Statutory advertising costs	200.00
Search costs (HM Land Registry & Companies House)	50.00
Case specific costs - where applicable	
Security & other property costs	500.00
Insurance	1,000.00
Agents' fees	10,000.00
Legal fees	40,000.00
Storage costs	500.00
Total	52,390.00
Category 1 expenses, in accordance with Statement of Insolvency Practice 9 are specific costs payable to an independent third party and relate directly to the case in question. Category 2 expenses are payable to the office holder's firm and are shared or allocated costs, most notably business mileage.	

## Comparison to initial fee estimate

Creditors may recall that our current agreed fee estimate is £45,000. Our time costs for the first year are lower than originally anticipated as the fee estimate was provided for a three-year period and the investigations remain ongoing. Our actual time costs for the current period were £27,206.75. A comparison is shown below.

Category	Estimate (£)	Actual (£)	Difference (£)
Administration & Planning	8,360.00	9,800.25	(1,440.25)
Investigations	16,290.00	5,314.00	10,976.00
Realisation of Assets	15,660.00	10,298.50	5,361.50
Trading	Nil	45.00	45.00
Creditors	4,460.00	1,717.00	2,743.00
AML	230.00	32.00	198.00
<b>Total</b>	<b>45,000.00</b>	<b>27,206.75</b>	<b>18,793.25</b>

We have not exceeded the fee estimate as there are a number of actions in relation to the investigations and creditors which still need to be taken, including finalising the investigations into the affairs of the Company and declaring a distribution (if appropriate).

#### Comparison to initial disbursement estimate

The joint liquidators estimated disbursements of £53,390.00 however to date they have incurred expenses of £19,024.55.

Estimated and incurred expenses in accordance with Categories 1 (SIP 9) and payable to third parties			
Estimated expenses applicable to all cases	Estimated (£)	Incurred (£)	Difference (£)
Specific bond	140.00	140.00	Nil
Statutory advertising costs	200.00	81.45	118.55
Search costs (HM Land Registry & Companies House)	50.00	45.00	5.00
Case specific costs - where applicable			
Security & other property costs	500.00	1,287.50	(787.50)
Insurance	1,000.00	1,647.10	(647.10)
Agents' fees	10,000.00	3,665.00	6,335.00
Legal fees	40,000.00	12,158.50	27,841.50
Storage costs	500.00	Nil	500.00
<b>Total</b>	<b>52,390.00</b>	<b>19,024.55</b>	<b>33,365.45</b>

The legal fees have not been exceeded as the joint liquidators' investigations are ongoing. The agent's fees are lower than anticipated because at the commencement of the liquidation, the liquidators were uncertain of assets position.

# IV 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 director 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 creditors. 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 creditors. 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 creditors at the time the basis of the liquidators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2019.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2018	London office £/hr	Regional offices £/hr
Partner / Director	450-520	360-380
Associate Director	420	290-320
Managers	250-365	225-310
Other professional staff	170-320	140-185
Support & secretarial staff	90	60-140

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2019	London office £/hr	Regional offices £/hr
Partner / Director	470-540	376-432
Associate Director	440	352
Managers	270-380	216-304
Other professional staff	180-380	144-192
Support & secretarial staff	100	80

### 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 cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.



[www.smithandwilliamson.com](http://www.smithandwilliamson.com)

**Principal offices:** London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

**Smith & Williamson LLP** is regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. A member of Nexia International. Registered in England at 25 Moorgate, London EC2R 6AY No OC369871.

**Nexia Smith & Williamson Audit Limited** is registered to carry on audit work and regulated by the Institute of Chartered Accountants in England and Wales for a range of Investment business activities. A member of Nexia International.



Smith & Williamson is a member of Nexia International, a worldwide network of independent accounting and consulting firms.

© Smith & Williamson Holdings Limited 2013