

# WU07

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



Companies House

THURSDAY



\*A9KLGECI\*

A45

24/12/2020

#125

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 ①

Full forename(s) Nicholas

Surname Myers

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

### 5 Liquidator's address ②

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

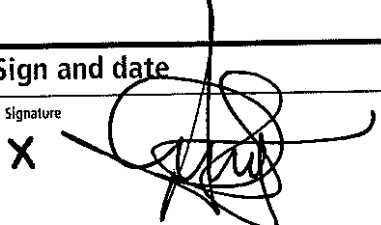
Postcode

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	d	0	d	5	m	1	m	1	y	2	y	0	y	1	y	9	
To date	d	0	d	4	m	1	m	1	y	2	y	0	y	2	y	0	
<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	d	2	d	2	m	1	m	2	y	2	y	0	y	2	y	0	



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 2019 to 4 November 2020

22 December 2020



# Contents

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

# Appendices

I	Receipts & payments account	11
II	Time analysis for the period	13
III	Cumulative time analysis	15
IV	Fee Estimate	16
V	Staffing, charging, subcontractor and adviser policies and charge out rates	18



# 1. Glossary

Abbreviation	Description
the Company	R Square Properties Limited
the liquidators/joint liquidators	Henry Anthony Shinnars and Nicholas Myers
OR	Official Receiver
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
SOA	Statement of Affairs
HMRC	HM Revenue & Customs
DAC	DAC Beachcroft LLP
SIA	SIA GROUP Asset Ingenuity Limited
the Group	Chemistree Homecare Limited, Kool Pharma Limited, Moors Properties Limited, Qualapharm Limited, Corona Properties Limited, Gold Nuts Limited and R Square Properties Limited (all in liquidation)

## 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 2020. 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.

Please note that this report has been produced during the period of the Covid-19 pandemic. In light of the pandemic, we continue to monitor this situation and comply with the current guidance and regulations from the UK government.

As a result of the latest government advice and restrictions, we continue to have limited access to some of our physical case files and where relevant have had to produce this report from records available on our IT systems. We have taken every reasonable step to ensure that the information is accurate but if anything is incorrect or incomplete, we will provide an explanation and corrected information either in the next progress report or as soon as we are in a position to do so.

Our team members are successfully working remotely from home as well as from the office where necessary, and we will continue to do so, as required in line with the UK government's guidelines. We are fortunate to have at hand all the tools needed to communicate virtually, internally and externally.

Please be aware that some case staff may be working outside normal business hours but please be assured that your communications are important to us and will be responded to by the relevant team member who will contact you as soon as they are available to do so. We apologise in advance for any delay in responding to your communication and wish to take this opportunity to thank you for your patience and understanding during this unprecedented and challenging time.

If you have any concerns regarding this matter, please contact Anjna Kalia by email [anjna.kalia@smithandwilliamson.com](mailto:anjna.kalia@smithandwilliamson.com) or by telephone 020 7131 8184.

## 3. Realisation of assets

Attached at appendix I is our receipts & payments account for the period from 5 November 2019 to 4 November 2020.

The receipts & payments account also includes a comparison with the director's SOA values.

Interest of £545 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 during the period of this report:

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

The joint liquidators are aware that the Company sold a number of properties during the period prior to the presentation of the winding up petition and these transactions continue to be reviewed by the joint liquidators.

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



### 3.2 Items subject to financing agreements

The Company entered into lease agreements with Telsa Financial Services in relation to two Telsa motor vehicles. The finance plans for the vehicles were in arrears and the vehicles were recovered by Telsa Financial Services. There was no surplus available following settlement of amounts owed to Tesla Financial Services.

## 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 we are also appointed liquidators of the Group, and our investigations are ongoing in respect of all matters.

Please note that former directors of the Company Shamir Pravinchandra Budhdeo, Joshy Mathew and Amarjit Singh Hundal were declared bankrupt on 3 December 2019. Joshy Mathew and Amarjit Singh Hundal were discharged as bankrupt on 3 December 2020. Shamir Pravinchandra Budhdeo was discharged as bankrupt on 15 December 2020.

## 5. Creditors

### 5.1 Secured creditors

As previously noted, 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 joint liquidators are not aware that the Company has any debt due to any floating charge creditors and accordingly the prescribed part requirements does not therefore apply.

### 5.3 Ordinary 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	97.25	28,286.75	290.87	NIL
5 November 2019 - 4 November 2020	37.05	11,243.22	303.46	20,000.00
<b>Total</b>	<b>134.30</b>	<b>39,529.97</b>	<b>294.34</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.

Also attached as appendix III, is a cumulative time analysis for the period from 5 November 2018 to 4 November 2020 which provides details of the liquidators' time costs since appointment, a total of £20,000 has been drawn on account of these costs.

The joint liquidators' time costs to date are £39,529.97, as above, compared to our original time costs estimate of £45,000. Appendix IV provides a copy of the previously authorised time cost estimate breakdown for comparison purposes. Going forward, the joint liquidators anticipate future costs to be in the region of £5,000 - £15,000 and a 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 V. On a general note, please be aware that the charge out rates are subject to an annual review.

# 7. Liquidation expenses

## 7.1 Subcontractors

On this assignment we have used the subcontractor listed below.

Name of subcontractor	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £	Total costs paid £	Estimated total costs £	Variance £
*SIA GROUP Asset Ingenuity Limited (valuation advice)	Hourly rate and disbursements	Nil	500.00	Nil	500.00	Nil	500.00

\*SIA were instructed in relation to valuing the Company's chattel assets and are regulated by RICS. They were instructed due to their specialism and qualifications.

## 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 £	Total costs paid £	Estimated total costs £	Variance £
DAC Beachcroft LLP (legal advice)	Hourly rate and disbursements	2,360.00	NIL	2,360.00	NIL	40,000.00	37,640.00

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

DAC have incurred time costs and disbursements advising the joint liquidators in relation in respect of their investigations and reviewing unsecured claims of key creditors.

DAC were instructed to advise the liquidators due to their expertise, experience in litigation and investigations. DAC have significant knowledge of the Group's history and background and have provided legal advice to the liquidators for the Group.

DAC provide the best value and service to creditors and are regulated by the Solicitors Regulation Authority (SRA). There are no conflict of interests matters and DAC adhere to professional and ethical standards. Their service and costs are under regular review.

### 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	NIL	81.45	NIL
Liquidators' bond	NIL	140.00	NIL
*Property and agent's costs	NIL	1,287.50	NIL
Land registry searches	NIL	45.00	NIL
<b>Total</b>	<b>NIL</b>	<b>1,553.95</b>	<b>NIL</b>

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

\*The property and agent's costs of £1,287.50 consist of £750 plus VAT paid to SIA in relation to the valuation of the chattel assets of the Company. A sum of £252.50 was paid in relation to the service charge for Unit 6 Kingfisher Business Park, Henwood Industrial Estate, Ashford, TN24 8DH. A sum of £285 plus VAT was paid to The Men-Sec Group Limited in relation to clearing Unit 6 Kingfisher Business Park, Henwood Industrial Estate, Ashford, TN24 8DH. You will note a payment of £1,535 from the estate, which is partial reimbursement of these costs, along with reimbursement of disbursement payments from prior periods.

### 7.4 Category 2 disbursements

No category 2 disbursements have been paid or incurred in this reporting period.

### 7.5 Other expenses

Other expenses (i.e. those not detailed in the preceding sections) paid during the period covered by this report are shown in the receipts and payments summary at Appendix I. Detailed below are those expenses which we consider to be significant in the context of this case. Also detailed below are expenses incurred but not paid in the current period:

Supplier/service provider	Nature of expense incurred	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Trowers & Hamblins LLP	Petitioning costs	Nil	10,259.94	NIL

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid. The costs of the petitioning creditor are payable as an expense of the liquidation.

### 7.6 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 and payment account at Appendix I.

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

Appendix V 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 £39,529.97, 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. Any sum in excess of the approved estimated time costs will not be recovered by the joint liquidators unless further approval is obtained from the creditors.

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

- Obtaining tax clearance
- Conclusion of the joint liquidators' investigations
- Adjudicating the unsecured creditors' claims and declaring a distribution to the unsecured creditors
- Closure of the liquidation, including preparing and issuing final report.

Future costs are estimated to be on the region of £5,000-£15,000 however they are dependent on the joint liquidators' investigations.

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.

## 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:

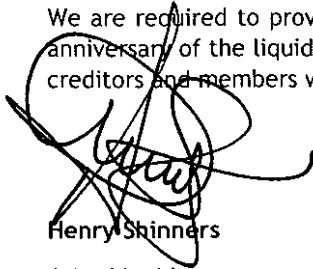
i) Email: [insolvency.enquiryline@insolvency.gov.uk](mailto:insolvency.enquiryline@insolvency.gov.uk)

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.



Henry Shinnars

Joint Liquidator

22 December 2020

# I Receipts & payments account

Statement of Affairs £		From 05/11/2019 To 04/11/2020 £	From 05/11/2018 To 04/11/2020 £
	ASSET REALISATIONS		
	BEIS Interest Gross	545.00	820.20
	Cash at Bank	NIL	26.38
144,996.94	Freehold Land & Property	NIL	151,000.00
	Official Receiver Credit Balance (Net)	NIL	816.80
	Service Charge refund	NIL	386.27
		<u>545.00</u>	<u>153,049.65</u>
	COST OF REALISATIONS		
	Agents/Valuers Fees	1,535.00	1,535.00
	Auction Fees	NIL	3,665.00
	BEIS BACS Fees	0.30	0.30
	BEIS Banking Fees	88.00	176.00
	BEIS Cheque Fees	1.10	1.10
	Corporation Tax	109.00	164.04
	General Fee	NIL	6,000.00
	Land Registry Search	45.00	45.00
	Legal Expenses	NIL	411.73
	Legal Fees	NIL	12,158.50
	Liquidators Fees	20,000.00	20,000.00
	OR - Insurance Premium	NIL	1,169.15
	Petitioners Costs	10,259.94	10,259.94
	Service Charge	252.50	252.50
	Specific Bond	140.00	140.00
	Statutory Advertising	81.45	81.45
		<u>(32,512.29)</u>	<u>(56,059.71)</u>
		<u>(31,967.29)</u>	<u>96,989.94</u>
	REPRESENTED BY		
	ISA Interest Bearing A/c		119,555.80
	VAT Payable		(30,200.00)
	VAT Receivable		7,634.14
			<u>96,989.94</u>

## Notes and further information required by SIP 9

- The significant payments made in this reporting period relate to the joint liquidators' fees and expenses and the petitioning costs. The joint liquidators' have incurred costs in relation to sale of a commercial building, investigating the conduct of the directors and assets of the Company. The benefit to creditors is that based on current information the unsecured creditors will receive a small 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

From 5 November 2019 to 4 November 2020

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	0.25	0.00	0.75	8.10	0.00	9.10	2,345.00	257.69
Cashiering general, including bonding	0.15	0.00	0.00	2.85	0.00	3.00	861.50	287.17
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	1.90	0.00	1.45	4.70	0.00	8.05	2,671.75	331.89
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.15	0.00	0.25	5.03	0.00	5.43	1,435.74	264.25
Filing, file and information management	0.00	0.00	0.45	0.00	0.00	0.45	135.00	300.00
Director/manager review, approval and signing	0.20	0.00	0.00	0.00	0.00	0.20	108.00	540.00
<b>Investigations</b>								
Statutory books and accounting records review	0.00	0.00	0.75	0.00	0.00	0.75	236.25	315.00
Investigation of legal claims	0.50	0.00	0.00	2.35	0.00	2.85	834.00	292.63
Asset tracing (e.g. Land Registry and Company Searches)	0.25	0.00	0.00	0.00	0.00	0.25	142.50	570.00
Enquiries of advisers	0.00	0.00	0.30	0.00	0.00	0.30	94.50	315.00
<b>Realisation of assets</b>								
Freehold Property (land and buildings)	0.25	0.00	0.00	0.00	0.00	0.25	135.00	540.00
Fixed charge other (e.g. chattel mortgages)	0.00	0.00	0.40	0.00	0.00	0.40	120.00	300.00
Other chattel assets	0.10	0.00	0.00	0.00	0.00	0.10	54.00	540.00
Financed assets (only if equity otherwise creditors, incl HP and leasing)	0.00	0.00	0.50	0.00	0.00	0.50	157.50	315.00
Sale of business as a whole, including liaison with legal advisers agents etc	0.15	0.00	0.00	0.00	0.00	0.15	81.00	540.00
Other	0.00	0.00	0.85	0.00	0.00	0.85	249.75	293.82
<b>Creditors</b>								
Crown (not RPO etc)	0.50	0.00	0.00	0.00	0.00	0.50	285.00	570.00
Unsecured creditors	0.10	0.00	0.70	1.63	0.00	2.43	685.74	281.81
<b>Corporate Tax</b>								
Corporate Tax	0.15	0.00	1.33	0.00	0.00	1.48	610.99	411.91
<b>Total</b>	<b>4.65</b>	<b>0.00</b>	<b>7.73</b>	<b>24.67</b>	<b>0.00</b>	<b>37.05</b>	<b>£11,243.22</b>	<b>£303.46</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:

- 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 our tax advisors in relation to the Company's corporation tax returns

#### Investigations

- 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

- Reviewing the software licence agreement.
- 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 Cumulative time analysis

From 5 November 2018 to 4 November 2020

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	1.75	0.00	1.25	15.55	0.00	18.55	4,823.50	260.03
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	0.15	0.00	0.30	2.85	1.20	4.50	1,325.75	294.61
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	7.05	0.00	5.50	7.90	0.05	20.50	6,975.25	340.26
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)	0.15	0.00	0.25	6.13	0.00	6.53	1,647.49	252.17
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	0.45	1.25	0.00	1.70	353.75	208.09
Director/manager review, approval and signing	1.25	0.00	0.00	0.00	0.00	1.25	654.00	523.20
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	1.35	4.20	0.00	5.65	1,451.25	256.86
Investigation of legal claims	2.05	0.00	7.80	2.35	0.00	12.20	3,837.50	314.55
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)	1.75	0.00	0.90	0.00	0.00	2.65	1,222.50	461.32
Enquiries of advisers	0.00	0.00	1.20	0.35	0.00	1.55	445.00	287.10
<b>Realisation of assets</b>								
Freehold Property (land and buildings)	3.60	0.00	6.55	14.55	0.00	24.70	6,895.50	279.17
Fixed charge other (e.g. chattel mortgages)	0.00	0.00	0.40	0.00	0.00	0.40	120.00	300.00
Other chattel assets	0.70	0.00	1.05	1.30	0.00	3.05	957.50	313.93
Financed assets (only if equity otherwise creditors, incl HP and leasing)	0.35	0.00	0.50	0.75	0.00	1.60	521.50	325.94
Sale of business as a whole, including liaison with legal advisers agents etc	0.15	0.00	0.00	0.00	0.00	0.15	81.00	540.00
Cash at Bank	0.00	0.00	0.00	1.75	0.00	1.75	402.50	230.00
Other	0.10	0.00	5.65	2.00	0.00	7.75	2,198.75	283.71
<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	1.95	0.00	1.40	3.58	0.15	7.08	2,355.74	332.58
<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>Corporate Tax</b>								
Corporate Tax	0.15	0.00	1.33	0.00	0.00	1.48	610.99	411.91
<b>Total</b>	<b>22.25</b>	<b>0.00</b>	<b>36.73</b>	<b>73.82</b>	<b>1.50</b>	<b>134.30</b>	<b>£39,529.97</b>	<b>£294.34</b>

# IV Fee Estimate

## Comparison to Initial Fee Estimate

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						
The duration of the liquidation is estimated at 3 years however the fee estimate has been provided for the 1st year	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	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/IRC, 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	1.00	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.		

Creditors may recall that our current agreed fee estimate is £45,000. Our time costs for the second year are lower than originally anticipated as the joint liquidators' investigations remain ongoing and the Company's books and records were reviewed in a cost and time efficient manner.

A comparison is shown below. Our actual time costs for the current period were £11,243.22, while our cumulative time costs are £39,529.97 which we intend to draw when funds permit.

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).

Category	Estimate £	Actual £	Difference £	Reason
Administration & Planning	8,360.00	17,411.24	9,051.24	<p>The fee estimate was provided for 12 months, however due to the ongoing going investigations the liquidation remains ongoing.</p> <p>Accordingly further case reviews, VAT returns and corporation tax returns have been undertaken.</p> <p>In addition, several strategy meetings have been held to discuss the liquidation.</p>
Investigations	16,290.00	7,431.25	(8,858.75)	Time allocated to this category is significantly less than originally estimated as the joint liquidators' investigations remain ongoing.
Realisation of Assets	15,660.00	11,176.75	(4,483.25)	<p>At the date of the appointment, the liquidators were advised that the Company owned 3 leasehold/freehold properties. Subsequently, the director advised that two properties were sold prior to the liquidation.</p> <p>The joint liquidators are investigating the director's claims however the assets of the Company were not as significant as anticipated.</p>
Trading	NIL	45.00	45.00	Small difference.
Creditors	4,460.00	2,822.74	(1,637.26)	Time allocated to creditors is less than originally estimated as the fee estimate included time costs of adjudicating the unsecured creditors' claims and declaring a distribution to the unsecured creditors. These tasks are yet to be undertaken.
AML	230.00	32.00	(198.00)	Small difference.
Corporate Tax	NIL	610.99	610.99	We received brief initial advice on the Company's corporation tax position.
Total	45,000.00	39,529.97	(5,470.03)	The joint liquidators total time costs were less than anticipated however the joint liquidators' investigations remain ongoing. The expect future time costs to be in the region of £5,000 to £15,000.

# V 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 and where best value and service will be added.

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 best value and service to the assignment.
- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations;
- The professional and ethical standards applicable to the service provider.
- Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

## 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 2020.

<b>Smith &amp; Williamson LLP</b>	<b>London office</b>	<b>Regional</b>
<b>Restructuring &amp; Recovery Services</b>	<b>£/hr</b>	<b>offices</b>
<b>Charge out rates as at 1 July 2018</b>		<b>£/hr</b>
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

<b>Smith &amp; Williamson LLP</b>	<b>London office</b>	<b>Regional</b>
<b>Restructuring &amp; Recovery Services</b>	<b>£/hr</b>	<b>offices</b>
<b>Charge out rates as at 1 July 2019</b>		<b>£/hr</b>
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



Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2020	London office £/hr	Regional offices £/hr
Partner / Director	495-570	396-456
Associate Director	465	372
Managers	285-400	228-320
Other professional staff	190-465	152-204
Support & secretarial staff	105	84

#### Notes

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1 minute units 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