

WU07

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



Companies House

FRIDAY



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24/12/2021

#367

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.

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Period of progress report

From date	^d 0	^d 5	^m 1	^m 1	^y 2	^y 0	^y 2	^y 0
To date	^d 0	^d 4	^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



X

Signature date

^d 2	^d 1	^m 1	^m 2	^y 2	^y 0	^y 2	^y 1
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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 **Anjna Kalia**

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 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



R Square Properties Limited

(in compulsory liquidation)

Joint liquidators' annual progress report for the period from 5
November 2020 to 4 November 2021

21 December 2021



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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)
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, R Square Properties Limited (all in liquidation) and Gold Nuts Limited (formerly 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 2021. It should be read in conjunction with any previous reports. By way of reminder, we, Henry Anthony Shinnars and Nicholas Myers, 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 2020 to 4 November 2021.

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

Interest of £176.06 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 to the confidential nature of the liquidators' investigations, they are currently unable to provide any further information to creditors.

3.2 Assets still to be realised

The joint liquidators' investigations remain ongoing.

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 continuing the process of reviewing the Company's records and affairs. The confidential nature of our investigations further details mean that we can provide no further detail at this stage - further information 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 matters across the various companies.

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 so the prescribed part requirements do not 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 reasonably 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

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
5 November 2020 - 4 November 2021	29.87	8,938.15	299.27	7,000.00
Total	164.16	48,468.12	295.24	27,000.00

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 2021 which provides details of the liquidators' time costs since appointment.

The joint liquidators' time costs to date are £48,468.12, as above, compared to our original time costs estimate of £45,000. Appendix III provides a copy of the previously authorised time cost estimate breakdown for comparison purposes. The fee estimate was provided for time costs incurred during the 1st year of the liquidation and in this period the joint liquidators' incurred time costs of £28,286.75. Accordingly they have drawn a sum of £27,000. The joint liquidators will need to provide an update and seek approval from the creditors before drawing fees in excess of £28,286.75.

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.

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:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/liquidation-a-guide-for-creditors-on-insolvency-practitioner->

Alternatively, a hard copy is available on request, free of charge.

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

We have no business or personal relationships with the parties who approve our fees.

We have no business or personal relationships with DAC Beachcroft LLP who provide legal services to the liquidation, where the relationship could give rise to a conflict of interest.

7. Liquidation expenses

The following tables provide details of our expenses. Expenses are amounts properly payable by us as liquidators from the estate. The tables exclude distributions to creditors. The tables also exclude any potential tax liabilities that we may need to pay as a liquidation expense because the amounts becoming due will depend on the position at the end of the tax accounting period.

The tables should be read in conjunction with the receipts and payments account at Appendix I which shows expenses actually paid during the period and the total paid to date.

7.1 Professional advisers

On this assignment we have used the professional advisers listed at Appendix V. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Comparison to Initial Expenses Estimate

Creditors may recall that our estimate for professional advisers was £50,500. Our expenses total incurred for this category after the third year are lower than originally anticipated however the joint liquidators' investigations remain ongoing and it is likely that further costs will be incurred.

7.2 Liquidators' expenses

Please see the table at Appendix VI for details of expenses paid and/or incurred in the current period.

Comparison to Initial Expenses Estimate

Creditors may recall that our estimate for the joint liquidators' expenses was £1,890. The total expenses incurred for this category after the third year are in line with this estimate.

7.3 Category 2 expenses

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

7.4 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.

7.5 Policies regarding use of third parties and expenses 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 expenses.

8. Outstanding matters

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.

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 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

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 Anthony Shinnars and Nicholas Myers

Joint Liquidators

Date: 21 December 2021

Henry Anthony Shinnars and Nicholas Myers have been appointed as Joint Liquidators of the Company on 5 November 2018.

They act as agents and without personal liability.

Both office-holders are authorised and licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Further details of their licensing body along with our complaints and compensation procedure can be accessed at: <https://smithandwilliamson.com/en/insolvency-licensing-bodies/>

The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.icaew.com/technical/insolvency/sips-regulations-and-guidance/insolvency-code-of-ethics>

The Joint Liquidators may act as controllers of personal data, as defined by the UK data protection law, depending upon the specific processing activities undertaken. Smith and Williamson LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment.

The Fair Processing Notice in relation to the UK General Data Protection Regulation can be accessed at <http://smithandwilliamson.com/rrsgdpr>

Should you wish to be supplied with a hard copy of any notice, attachment or document relating to a case matter, please contact the staff member dealing with this matter at any time via telephone, email or by post and this will be provided free of charge within five business days of receipt of the request.

The word partner is used to refer to a member of Smith & Williamson LLP. A list of members is available at the registered office

Registered in England at 25 Moorgate, London EC2R 6AY No OC369631

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities

A member of Nexia International, a worldwide network of independent accounting firms.

I Receipts and payments account

Receipts and payments account to 4 November 2021

Statement of Affairs £	From 05/11/2020 To 04/11/2021 £	From 05/11/2018 To 04/11/2021 £
	ASSET REALISATIONS	
	BEIS Interest Gross	996.26
	Cash at Bank	26.38
144,996.94	Freehold Land & Property	151,000.00
	Official Receiver Credit Balance (Net)	816.80
	Service Charge refund	386.27
	176.06	153,225.71
	COST OF REALISATIONS	
	Agents/Valuers Fees	1,535.00
	Auction Fees	3,665.00
	BEIS BACS Fees	0.75
	BEIS Banking Fees	264.00
	BEIS Cheque Fees	1.10
	Corporation Tax	199.25
	General Fee	6,000.00
	Insurance of Assets	1,647.10
	Land Registry Search	45.00
	Legal Expenses	411.73
	Legal Fees	12,158.50
	Liquidators Fees	27,000.00
	OR - Insurance Premium	1,169.15
	Petitioners Costs	10,259.94
	Service Charge	252.50
	Specific Bond	140.00
	Statutory Advertising	81.45
	(8,770.76)	(64,830.47)
144,996.94	(8,594.70)	88,395.24
	REPRESENTED BY	
	ISA Interest Bearing A/c	86,995.24
	VAT Receivable	1,400.00
		88,395.24

Notes and further information required by SIP 9

- The significant payments made in this reporting period relate to the joint liquidators' fees and expenses. 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 2020 to 4 November 2021

Period	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	1.30	-	2.10	8.30	-	11.70	3,519.00	300.77
Closure (fixed fee)	-	-	-	-	-	-	-	-
Case administration	0.95	0.55	3.15	9.13	-	13.78	4,134.91	300.00
Post appointment AML	-	-	0.15	-	-	0.15	47.25	315.00
Sub-total Administration & planning	2.25	0.55	5.40	17.43	-	25.63	7,701.16	300.44
Realisation of assets								
Tax assets	0.50	-	-	3.73	-	4.23	1,236.99	292.20
Sub-total Realisation of assets	0.50	-	-	3.73	-	4.23	1,236.99	292.20
Grand total hours	2.75	0.55	5.40	21.17	-	29.87		
Grand total £	1,575.00	224.48	1,713.00	5,425.67	-		8,938.15	
Average rate £/hr (all staff)	572.73	408.29	317.22	256.33	-			299.27

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 electronic 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

III Cumulative time analysis

From 5 November 2018 to 4 November 2021

Cumulative	Partner	Director & Associate Director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	3.05	-	3.35	25.70	-	32.10	8,768.00	273.15
Case administration	8.40	0.55	9.20	27.07	1.25	46.47	14,371.90	309.30
Post appointment AML	-	-	0.15	-	0.10	0.25	79.25	317.00
Administration & planning - other (legacy)	1.25	-	0.65	6.15	-	8.05	1,925.25	239.16
Sub-total Administration & planning	12.70	0.55	13.35	58.92	1.35	86.87	25,144.40	289.46
Investigations								
Directors	-	-	-	1.50	-	1.50	345.00	230.00
Records and investigations	4.15	-	11.25	6.90	-	22.30	7,086.25	317.77
Sub-total Investigations	4.15	-	11.25	8.40	-	23.80	7,431.25	312.24
Realisation of assets								
Freehold property assets	3.60	-	6.55	14.55	-	24.70	6,895.50	279.17
Fixed charge (chattel mortgages)	-	-	0.40	-	-	0.40	120.00	300.00
Other assets	0.70	-	1.05	3.05	-	4.80	1,360.00	283.33
Tax assets	0.50	-	-	3.73	-	4.23	1,236.99	292.20
Business sale	0.15	-	-	-	-	0.15	81.00	540.00
Leasing and HP assets	0.60	-	0.50	0.75	-	1.85	651.50	352.16
Realisation of assets, other (legacy)	0.10	-	5.65	2.00	-	7.75	2,198.75	283.71
Sub-total Realisation of assets	5.65	-	14.15	24.08	-	43.88	12,543.74	285.84
Trading								
Trading suppliers and expenses	0.10	-	-	-	-	0.10	45.00	450.00
Sub-total Trading	0.10	-	-	-	-	0.10	45.00	450.00
Creditors								
Unsecured creditors (exc. Staff)	2.25	-	2.05	3.58	0.15	8.03	2,692.74	335.20
Sub-total Creditors	2.25	-	2.05	3.58	0.15	8.03	2,692.74	335.20
Total of all hours	24.85	0.55	40.80	94.98	1.50	162.68		
Total of all £	12,519.00	224.48	12,187.75	22,453.65	472.25		47,857.13	
Average rate	503.78	408.29	298.72	236.40	314.83			294.17
Time undertaken by non insolvency teams								
Corporation Tax	0.15	-	1.33	-	-	1.48		
Total hours (non insolvency teams)	0.15	-	1.33	-	-	1.48		
Total £ (non insolvency teams)	111.00	-	499.99	-	-		610.99	
Average rate £/hr (non insolvency teams)	740.00	-	375.93	-	-			412.83
Grand total hours	25.00	0.55	42.13	94.98	1.50	164.16		
Grand total £	12,630.00	224.48	12,687.74	22,453.65	472.25		48,468.12	
Average rate £/hr (all staff)	505.20	408.29	301.16	236.40	314.83			295.24

Fees and expenses 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						
<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	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	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.		

Comparison to Initial Fee Estimate

Creditors may recall that our current agreed fee estimate is £45,000. Our time costs for the third year are broadly in line with the joint liquidators' time costs estimate.

A comparison between our original estimate and the actual time costs incurred is shown below. Our actual time costs for the current period were £8,938.15, while our cumulative time costs are £48,468.12.

Category	Estimate £	Actual £	Difference £	Reason
Administration & Planning & Anti Money Laundering	8,590.00	25,144.40	16,554.40	<p>The original fee estimate was based on a 12 month period, however due to the ongoing going investigations the liquidation remains ongoing after three years.</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	12,543.74	(3,116.26)	<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	Immaterial difference.
Creditors	4,460.00	2,692.74	(1,767.26)	Time allocated to dealing with creditor issues 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.
Corporate Tax	NIL	610.99	610.99	Immaterial difference
Total	45,000.00	48,468.12	3,468.12	

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
 - Expenses 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 or consultant 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; and
- 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.

External professional advisers are third party entities. The insolvency practitioners and their firm do not have any association with any external provider of services and therefore they do not fall within the definition of an associate as defined in Section 435 of the Insolvency Act 1986 and in Statement of Insolvency Practice 9. Payments to external professional advisers for the services they provide are therefore not a category 2 expense as defined in Statement of Insolvency Practice 9 and therefore do not require prior approval from the committee or creditors.

Payments to associates

Smith & Williamson Employee Benefit Consultants (S&WEBC) a division of Smith & Williamson Financial Services Limited (S&WFS)

S&WFS, through its Employee Benefits Consultancy division, provides specialist advice to insolvency practitioners on their appointment as office-holders of insolvent estates in relation to all aspects of pensions. S&WFS is a company associated with Smith & Williamson LLP and may be engaged to deal with the pension affairs of insolvent estates of which insolvency practitioners from Smith & Williamson LLP are appointed office-holders.

Payments to parties in which office-holders or their firm have an interest must be disclosed to, and approved by, the committee or the creditors as a category 2 expense pursuant to Statement of Insolvency Practice 9. Consequently, details of the charge out rates for S&WFS are set out below. Fees for their services are accrued on a time costs basis.

Expenses

Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 expense 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 expenses 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 expense, 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 expenses.

Details of any Category 2 expenses 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 2021.

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

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	380-465	372
Managers	285-400	228-320
Other professional staff	125-465	152-204
Support & secretarial staff	105	84

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2021	London office £/hr	Regional offices £/hr
Partner	590-610	480
Director & Associate Director	395-530	395-415
Managers	290-430	240-335
Other professional staff	130-280	160-215
Support & secretarial staff	100-120	90

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. Up to 31 January 2021 the cashiering function time is incorporated within 'Other professional staff' rates. From 1 February 2021 the cashiering function time is split between 'Other professional staff' and 'Associate Director'.
4. Partner includes a Consultant acting as an office-holder or in an equivalent role.

Smith & Williamson LLP Corporate Tax Charge out rates as at 1 July 2020	London office £/hr
Partner / Director	625-740
Associate Director	500
Managers	270-430
Other professional staff	95-230
Support & secretarial staff	65

Smith & Williamson LLP	London office
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Corporate Tax	£/hr
Charge out rates as at 1 July 2019	
Partner / Director	575-690
Associate Director	460
Managers	245-400
Other professional staff	115-210
Support & secretarial staff	60

V Professional advisers

Name of professional advisor	Basis of fee arrangement	Initial estimate £	B/f from previous period £	Costs incurred in current period £	Cumulative total £	Estimate future £	Anticipated future total £	Variance - initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
DAC Beachcroft LLP (legal advice including: - advice in relation to joint liquidators' investigations; and - adjudication of certain creditors' claims)	Hourly rate and expenses	30,000.00	5,443.50	1,960.00	7,403.50	Uncertain	Uncertain	22,596.50	Nil	7,163.50
Men-Sec Group Limited (site clearance)	Hourly rate and expenses	Nil	285.00	Nil	285.00	Nil	Nil	285.00	Nil	Nil
SIA Group Asset Ingenuity Limited (valuation if assets)	Hourly rate and expenses	500.00	500.00	Nil	1,250.00	Nil	Nil	750.00	Nil	Nil

Name of professional advisor	Basis of fee arrangement	Initial estimate £	B/f from previous period £	Costs incurred in current period £	Cumulative total £	Estimate future £	Anticipated future total £	Variance - initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Trowers & Hamlins LLP (legal advice including: - advice in relation to joint liquidators' appointment and - investigations into the affairs of the Company)	Hourly rate and expenses	10,000.00	12,158.50 plus expenses of 411.73	Nil	12,158.50 plus expenses of 411.73	Nil	12,158.50 plus expenses of 411.73	23,631.50 plus expenses of 411.73	Nil	Nil
Roger Lugg & Co (Taxation advice)	Hourly rate and expenses	Nil	Nil	3,000.00	3,000.00	Nil	3,000.00	3,000.00	Nil	3,000.00
Allsop LLP (Auction services)	Hourly rate and expenses	10,000.00	3,665.00	Nil	3,665.00	Nil	3,665.00	6,335.00	Nil	Nil
Total		50,500.00	22,052.00 plus expenses of 411.73	4,960.00	27,762.00 plus expenses of 411.73	Nil	18,823.50 plus expenses of 411.73	56,598.00 plus expenses of 411.73	Nil	10,163.50

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

VI Liquidators' expenses

Description	Initial / revised estimate £	B/f from previous period £	Costs incurred in current period £	Cumulative total £	Estimate future £	Anticipated future total £	Variance - initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Statutory Advertising	200.00	81.45	Nil	81.45	Nil	Nil	118.45	Nil	Nil
Liquidators' bonds	140.00	140.00	Nil	140.00	Nil	Nil	Nil	Nil	Nil
Land Registry Searches	50.00	45.00	Nil	45.00	Nil	45.00	5.00	Nil	Nil
Insurance	1,000.00	1,647.10	Nil	1,647.10	Nil	Nil	647.10	1,647.10	Nil
Service Charge	Nil	252.50	Nil	252.50	Nil	Nil	252.50	Nil	Nil
Storage	500.00	Nil	Nil	Nil	500.00	500.00	Nil	Nil	Nil
Total	1,890.00	2,166.05	Nil	2,166.05	500.00	545.00	1,023.05	1,647.10	Nil

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

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

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