

7474710

In the matter of

375 Live Limited In Liquidation
('the Company')

Liquidator's progress report

30 June 2016

Mark Wilson
Liquidator

RSM Restructuring Advisory LLP
25 Farringdon Street
London EC4A 4AB

FRIDAY



A5A9YJQY

A09

01/07/2016

#480

COMPANIES HOUSE

Contents

Sections

- 1 Purpose of report
- 2 Liquidator's appointment
- 3 Receipts and payments summary
- 4 Creditors' claims
- 5 Conduct of the winding-up
- 6 Matters preventing closure
- 7 Liquidator's remuneration, disbursements and expenses
- 8 Creditors' rights to information and ability to challenge remuneration and expenses

Appendices

- A Statutory, dividend and other information
- B Summary of receipts and payments
- C RSM Restructuring Advisory LLP's charging, expenses and disbursements policy statement
- D Current charge out and disbursement rates
- E Category 2 disbursements table
- F Statement of expenses incurred by the Liquidator's in the period from
- G Time cost analysis

1 Purpose of report

This report has been prepared in accordance with insolvency legislation to provide creditors and members of the Company with information relating to the progress of the liquidation in the period from 6 May 2015 to 5 May 2016. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has been prepared solely to comply with the statutory requirements of Rule 4.49B of the Insolvency Rules 1986 (as amended). The purpose of the report is to provide creditors and members with information relating to the progress of the Winding Up in the period from 6 May 2015 to 5 May 2016. It has not been prepared for use in respect of any purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

RSM Tenon Limited was acquired by Baker Tilly UK Holdings Limited in September 2013 and, following an internal restructuring, insolvency appointments such as this are now conducted on behalf of RSM Restructuring Advisory LLP, which was previously named Baker Tilly Restructuring and Recovery LLP until 26 October 2015.

Neither the Liquidator nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

2 Liquidator's appointment

Mark Wilson of RSM Restructuring Advisory LLP, 25 Farringdon Street, London EC4A 4AB was appointed Liquidator of 375 Live Limited on 6 May 2014 by The Secretary of State.

3 Receipts and payments summary

Attached at Appendix B is a summary of the Liquidator's receipts and payments for the period from 6 May 2015 to 5 May 2016.

VAT basis

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

4 Creditors' claims

Creditors' claims as set out in the Statement of Affairs totalled £280,636.39.

The agreement of Creditors' claims by the Liquidator is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by Creditors themselves. To date, Creditors' claims received total £3,460,577.32.

4.1 Dividend prospects for creditors

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix A, including any amount under the prescribed part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.

4.2 Prescribed part

The 'Prescribed Part' is a statutory amount of the Company's assets subject to a floating charge to be set aside for the benefit of the Company's non-preferential creditors.

There are no creditors secured by charges over the assets and undertakings of the Company as all previous secured charges were satisfied in full prior to the Company being wound up. There is therefore no requirement to estimate the amount of the prescribed part of the assets under Section 176A of the Insolvency Act 1986 (as amended).

5 Conduct of the winding-up in the previous twelve months

Voidable Transactions

58G Hatton Garden

As noted from the previous report, the Company's trading premises, 58g Hatton Garden, London EC1N 8LX ("the Property") was sold by the Company on 26 February 2014 for £850,000, having been purchased in 2011 for £1.2 million.

As the sale was after the date that the winding up petition was presented, the transaction was void unless validated by the Court. Following a 4 day court case in April 2015 the transaction was validated by the Registrar who found that the purchase price was reflective of the value of the Property at the time.

In May 2015, the Liquidator was granted permission to appeal the decision by the Court and following legal advice it was decided to pursue the appeal. A 3 day Court hearing was held in October 2015 to hear the appeal, after which the Judge found that the Registrar was justified in reaching the decision that he had made and the Liquidator lost the appeal.

Adverse costs orders have been made against the Liquidator, and an interim payment of £45,000 has been made, following on from the £175,000 payment as reported in the previous report. The Liquidator is in on-going correspondence with the other party in the litigation in a bid to settle the adverse costs.

Broadhey Farm, Diglee Road, High Peak ("Broadhey")

As was noted in the previous annual progress report to Creditors, the Company had purchased Broadhey for a sum of £370,000 as a development property, with the intention to develop the derelict barns into four residential properties.

The Company sold the four Barns in February 2014, three of which were sold after the date of the winding up petition was presented to associates of the Company and the Liquidator also considered these to be sold at an undervalue.

Lengthy legal negotiations followed with certain third parties involved in the transaction, with an agreement eventually being reached in. Final payment of the settlement was received during the period.

Investigations are continuing in respect of other matters relating to these transactions for further claims against third parties. The terms of the settlement noted above at this stage cannot be disclosed as it may have an impact on possible future claims.

Claim against the Director

An order was obtained against the director of the Company to repay £217,396.95 of Company funds that had been paid into his personal bank account following the sale of 58g Hatton Garden. The director was unable to pay this debt, and was subsequently made bankrupt upon petition of the Company. Chris Purkiss and Brian Baker of Kingston Smith & Partners LLP were appointed as Joint Trustees in Bankruptcy. The Trustees' investigations into the affairs of the Bankrupt for possible assets are on-going.

5.1 Investigations

Investigations into the affairs of the Company are on-going, and a number of potential claims against third parties are being investigated.

5.2 Administration and planning

The administration functions performed include the handling of receipts and payments to the estate, submission of VAT returns as necessary, completion of 6 month case reviews as well as dealing with general correspondence with third parties.

6 Matters preventing closure

6.1 Assets remaining to be realised

There are no assets remaining to be realised, however as noted above the Liquidator is continuing to investigate possible claims against third parties

6.2 Other outstanding matters

As noted above, the Liquidator is still in negotiations to settle the costs award in relation to 58G Hatton Garden

Investigations into the affairs of the Company are on-going, and potential claims against third parties are being considered

7 Liquidator's remuneration, disbursements and expenses

7.1 Basis of remuneration

The basis of the Liquidator's remuneration was approved by creditors on 18 December 2014, when the following resolution was passed

"The Liquidator shall be authorised to draw their remuneration based upon their time costs together with an uplift of up to 75%, by reference to the time properly given by the Liquidator and their staff, in attending to matters arising in the liquidation at RSM Restructuring Advisory LLP standard hourly rates, at the rates prevailing at the time the work is done

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix D

7.2 Remuneration and Disbursements incurred in the period from 6 May 2015 to 5 May 2016

In accordance with insolvency legislation Liquidators are required to report remuneration 'charged'. This reflects the time charged to the case and is the maximum that can be taken in fees by the Liquidator. It does not necessarily reflect the amount of remuneration that will ultimately be taken by the Liquidator in remuneration. If there are insufficient realisations to allow the Liquidator remuneration to be recovered in full, any balance will be written off. Details of any write off will be set out in the final report

7.2.1 Liquidator's remuneration

Liquidator has incurred time costs, before any uplift, of £56,133.00 in respect of work done in the current period (a summary of which is set out in Appendix G). Details of the sums drawn in respect of remuneration for the period covered by this report are set out in the receipts and payments account (Appendix B)

Attached are the following

- Appendix C RSM Restructuring Advisory LLP's Charging, Expenses and Disbursements Policy Statement
- Appendix D Liquidator's Charge Out and Disbursement Rates,
- Appendix E Category 2 Disbursements Table,
- Appendix G Liquidator's Time Cost Analysis for the period set out above,

7.2.2 Liquidator's disbursements

The basis of the Liquidator's drawing disbursements was approved by creditors on 20 June 2014 on when the following resolution was passed

The Liquidator be authorised to draw 'category 2' disbursements out of the assets as an expense of the Winding Up, at the rates prevailing when the cost is incurred

Disbursements incurred in the period in accordance with the resolution above are detailed on Appendix F (Statement of Expenses)

7.3 Total remuneration incurred and paid to date since appointment

The Liquidator has incurred time costs of £264,913.00 (*before any uplift*) since the date of appointment in accordance with the resolution set out above. Of this, a total of £80,000.00 (plus VAT) has been paid and £184,913.00 remains outstanding.

Should you require any further information please do not hesitate to contact me at restructuring.london.sl@rsmuk.com

7.4 Liquidator's statement of expenses

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the Liquidator in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period together with cumulative figures.

Solicitor fees

The Liquidator has instructed Wedlake Bell LLP and they advised the Liquidator on a number of different issues including assisting with the two court cases surrounding the 58G Hatton Garden litigation. Wedlake Bell LLP are acting on a Conditional Fee Agreement ("CFA") on which they are entitled to a success fee on their time costs if there is a successful outcome to a matter. Details of Wedlake Bell LLP fees incurred during the period are noted in Appendix F of this report.

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

In accordance with the provisions of Rules 4.49E and 4.131 of the Insolvency Rules 1986 creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the Liquidator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

A Guide to Liquidators Fees, which provides information for creditors in relation to the remuneration of a Liquidator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'.

A hard copy can be requested from my office by telephone, email or in writing.

Should you have any further queries please do not hesitate to contact Jack Plunkett of my office.



Mark J Wilson
RSM Restructuring Advisory LLP
Liquidator

Mark Wilson is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

Appendix A

Statutory, dividend and other information

Company name	375 Live Limited
Company number	07474710
Court & reference	In the High Court of Justice No 1520 of 2014
Date of appointment	6 May 2014
Liquidator	Mark Wilson
Date of incorporation	21 December 2010
Previous company names	N/A
Trading name	375 Live Limited
Trading address	58g Hatton Garden, London EC1N 8LX
Principal activity	Manufacture of Basic Metals
Registered office	RSM Restructuring Advisory LLP 25 Farringdon Street London EC4A 4AB
Previous Registered Office	58g Hatton Garden, London EC1N 8LX

Dividends	Owed	Paid	Estimated future prospects
Secured creditor (1)	£ NIL	£ NIL	N/A
Secured creditor (2)	£ NIL	£ NIL	
Preferential creditors	£ NIL	£ NIL	N/A
Unsecured creditors	£3,460,577 32	£ NIL	Not known
Estimated net property	N/A		
Estimated prescribed part available for unsecured creditors	N/A		

Appendix B

Statement of receipts and payments account for the period 6 May 2014 to 5 May 2015

		06/05/2015 to 05/05/2016		Total to 05/05/2016	
		£	£	£	£
SOA Value £					
	ASSET REALISATIONS				
0.00	Bank Interest Gross	131.62		131.62	
0.00	Freehold Land and Property	138,000.00		138,000.00	
			138,131.62		138,131.62
	COST OF REALISATIONS				
0.00	Advertisements	(75.82)		(75.82)	
0.00	Agents / Valuers Fees	(2,000.00)		(2,000.00)	
0.00	Appointee Disbursements	(324.05)		(324.05)	
0.00	Appointee Fees	(80,000.00)		(80,000.00)	
0.00	Corporation Tax	(26.33)		(26.33)	
0.00	Expert Witness costs	(8,625.00)		(8,625.00)	
0.00	Insurance	(795.00)		(795.00)	
0.00	Investigation Expenses	(310.00)		(310.00)	
0.00	ISA Cheque Fees	(0.15)		(0.15)	
0.00	ISA Quarterly Charges	(88.00)		(176.00)	
0.00	Official Receivers Debit Balance	(15.86)		(1,360.25)	
0.00	Secretary of State Fees	(28,681.04)		(28,681.04)	
0.00	Specific Bond	(85.00)		(85.00)	
			(121,026.25)		(122,458.64)
	UNSECURED CREDITORS				
(280,636.39)	Unsecured Creditors	0.00		0.00	
			0.00		0.00
	EQUITY				
(1.00)	Ordinary	0.00		0.00	
			0.00		0.00
(280,637.39)			17,105.37		15,672.98
	REPRESENTED BY				
	ISA - LQD4145449			37,357.29	
	VAT Receivable (Payable)			(21,684.31)	
					15,672.98
					15,672.98

Note The realisations that have been noted in this report and some costs as detailed in Appendix F have been accounted for through Wedlake Bell LLP client account. The funds are being held in the client account in order to meet adverse costs awards and other related litigation costs associated with the 58G Hatton Garden Litigation. As the funds have not passed through the estate account, the entries are not shown on the Receipts & Payments account shown above.

APPENDIX C

RSM Restructuring Advisory LLP

Charging, expenses and disbursements policy

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for RSM Restructuring Advisory LLP London (SI) are attached
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements
- A resolution to consider approving category '1' disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP London (SI) will be proposed to the relevant approving party in accordance with the legislative requirements
- General office overheads are not re-charged to the insolvency estate as a disbursement
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate

Appendix D

RSM Restructuring Advisory LLP

Liquidator's current charge out and disbursement rates

Hourly charge out rates		
	Rates at commencement £	Current rates £
Partner	400 to 475	495
Directors / Associate Directors	300 to 410	385 to 420
Manager	195 to 250	295 to 300
Assistant Managers	180 to 200	240 to 260
Administrators	100 to 145	125 to 240
Support staff	100 to 105	160

Category 2 disbursement rates	
Internal room hire	Location dependent
Subsistence	£25 per night (from 3 rd September 2013) £23 per night (up to 2 nd September 2013)
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42 5p per mile (from 1 April 2011)
'Tracker' searches	£10 per case

Appendix E

RSM Restructuring Advisory LLP

Liquidator's category 2 disbursements table

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, type and purpose	Paid £	Unpaid £
Total	NIL	NIL

Appendix F

Statement of expenses incurred by the Liquidator in the period from 6 May 2015 to 5 May 2016

Type and purpose	Incurred in period £
Solicitors Fees – Wedlake Bell LLP	27,745 00
Solicitors disbursements	2,153 00
Counsel Fees	48,373 00
Payments made under adverse costs order	45,000 00
Library Services	78 00
Company search fees	24 00
Insurance costs	116 12
Legal and Professional	3 00
Total	239,388 12

Appendix G

Liquidator's time cost analysis for the period from 6 May 2015 to 5 May 2016

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning									
Case Management	0.4	2.2	0.1	0.0	8.7	0.9	12.3	£ 2,722.00	221.30
Director(s)/debtor/bankrupt	0.3	0.0	0.0	0.0	0.0	0.0	0.3	£ 148.50	495.00
Receipts and Payments	0.0	0.7	0.0	0.0	5.3	0.0	6.0	£ 1,074.50	179.08
Tax Matters	0.2	0.2	0.0	0.0	1.8	0.0	2.2	£ 498.00	226.36
Total	0.9	3.1	0.1	0.0	15.8	0.9	20.8	£ 4,443.00	213.61
Investigations									
DTI/Official Receiver	0.0	0.1	0.0	0.0	1.3	0.0	1.4	£ 271.50	193.93
Investigations/CDDA	0.3	37.1	0.0	0.0	13.2	0.0	50.6	£ 18,065.00	357.02
Total	0.3	37.2	0.0	0.0	14.5	0.0	52.0	£ 18,336.50	352.63
Realisation of Assets									
Assets - general/other	0.0	0.2	0.0	0.0	2.3	0.0	2.5	£ 489.00	195.60
Total	0.0	0.2	0.0	0.0	2.3	0.0	2.5	£ 489.00	195.60
Creditors									
Other Creditor Meetings and Reports	0.3	0.3	0.0	0.0	7.3	0.0	7.9	£ 1,575.00	199.37
Unsecured Creditors	0.0	0.5	0.0	0.0	1.6	0.0	2.1	£ 557.00	265.24
Total	0.3	0.8	0.0	0.0	8.9	0.0	10.0	£ 2,132.00	213.20
Case Specific Matters - Legal Matters									
Legal Matters	24.0	22.3	0.0	0.5	56.7	0.0	103.5	£ 30,732.50	296.93
Total	24.0	22.3	0.0	0.5	56.7	0.0	103.5	£ 30,732.50	296.93
Total Hours	25.5	63.6	0.1	0.5	98.2	0.9	188.8	£ 56,133.00	297.31
Total Time Cost	£ 12,622.50	£ 25,488.00	£ 26.50	£ 110.00	£ 17,818.50	£ 67.50	£ 56,133.00		
Average Rates	495.00	400.75	265.00	220.00	181.45	75.00	297.31		

NOTES TO APPENDIX G

Liquidator's time cost analysis

a) Administration and planning

This includes dealing with the commencement of the case administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to handling receipts and payments, VAT and corporation tax issues such as the monthly VAT returns, pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, obtaining company searches, maintenance and obtaining books and records, general meetings / correspondence, statutory and other advertising, insurance, re-directed mail, statutory receipts and payments accounts, dealing with (including the winding up of) company pension schemes where applicable.

b) Investigations

Where appropriate this will include such matters as investigation of pre-appointment transactions in accordance with the relevant Statement of Insolvency Practice (SIP 2), preparing reports / returns in accordance with the Company Directors' Disqualification Acts and the investigation of any potential antecedent transactions such as transactions at under value and preferences which may result in legal action resulting in a recoverable asset.

c) Realisation of assets

This includes dealing with all aspects of the realisation of assets including identifying, securing and insuring assets, and (where applicable), property, business and asset sales, retention of title claims and debt collection. Other matters dealt with during the case administration which will relate to asset realisation may commonly include effecting disclaimers, dealing with landlords, liaising with agents, undertaking inventories, meetings with purchasers / directors, arranging collection of leased assets, obtaining insurance, pursuing antecedent claims identified as part of the investigation work set out above. Details of the specific asset realisation work undertaken on this case are set out in the main body of the report. Asset realisation is considered to be a key aspect of the case administration.

d) Trading

Where the Company has continued trading following the Liquidator's appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll.

e) Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. The preparation of the Liquidator's proposals has been undertaken including the attendant aspects of providing and obtaining the required information, convening the creditors' meeting etc. A brief report on the outcome of the creditors' meeting and the report on the first six months of the administration period have both been prepared.

f) Case specific matters

Any case specific matters will generally be set out in the body of the report but will commonly include meetings, correspondence and telephone calls relating to specific issues in the case which do not fall into any of the categories set out above and are specific to the case in question. This may include work done in relation to litigation, general advice or other major issues.