

AM23 (Scot)

Notice of move from administration to dissolution



Companies House

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

1 Company details

Company number S C 5 1 4 1 6 9

Company name in full R3 Black Limited

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name Court of Session, Edinburgh

Court number P 9 8 7 2 0 2 0

3 Administrator's name

Full forename(s) Julie

Surname Tait

4 Administrator's address

Building name/number 7 Exchange Crescent

Street Conference Square

Post town Edinburgh

County/Region

Postcode E H 3 8 A N

Country

AM23 (Scot)

Notice of move from administration to dissolution

5	Administrator's name ①		
Full forename(s)	Stuart		① Other administrator Use this section to tell us about another administrator.
Surname	Preston		
6	Administrator's address ②		
Building name/number	Level 8		② Other administrator Use this section to tell us about another administrator.
Street	110 Queen Street		
Post town	Glasgow		
County/Region			
Postcode	G 1 3 B X		
Country			
7	Final progress report		
	<input checked="" type="checkbox"/> I have attached a copy of the final progress report.		
8	Sign and date		
Administrator's signature	Signature X J Tant X		
Signature date	d 1 1 m 1 1 y 2 0 y 2 2		

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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 Nicola Connolly

Company name Grant Thornton UK LLP

Address Level 8

110 Queen Street

Post town Glasgow

County/Region

Postcode G 1 3 B X

Country

DX

Telephone 0141 223 0000



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,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.



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



R3 Black Limited - in administration

UK Restructuring
Grant Thornton UK LLP
Level 8
110 Queen Street
Glasgow
G1 3BX

Joint administrators' final progress report

Prepared by: Julie Tait, Joint administrator

Contact details: Should you wish to discuss any matters in
this report, please email
cmusupport@uk.gt.com or write to the
above address

Guide to this report

Report sections

Definitions

1 Executive summary

This should be read in conjunction with the remainder of the report, together with its appendices

2 An overview of the administration

Includes implementation of the Joint administrators' proposals and details of any extensions to the administration

3 Progress to conclusion

Includes details on overall strategy and progress

4 Investigations into the affairs of the company

Includes a summary of the outcome

5 Creditors and dividends

Includes creditor balances and information on dividends

6 Joint administrators' remuneration and expenses

Includes details of payments to the joint administrators (including details of fees and expenses incurred) and their associates

7 Outcome of administration

Includes summary details of the exit from administration, details on the joint administrators' discharge from liability, and general information for readers (eg data protection)

Report appendices

A Notice about this report

Includes information about the preparation and purpose of the report, reliance on it and no liability

B Statutory information

Includes information required about the company (eg name, address) and about the administration (eg proceedings, administrators, contact details)

C Abstract of the Joint administrators' receipts and payments

D Statement of Insolvency Practice 9 disclosure: Payments to the joint administrators and their associates

Includes remuneration basis, work done, expenses of the joint administrators, sub-contracted out work, relationships requiring disclosure

Definitions

The following definitions are used either within the body of this report, the appendices to it, or both.

Act	The Insolvency Act 1986
Bank / Secured Creditor	Clydesdale Bank plc
Company	R3 Black Limited
Firm / Grant Thornton	Grant Thornton UK LLP
Group	Rogers, Rees & Robins Limited; Rogers, Rees & Robins Properties Limited; R3 Red Limited and R3 Black Limited
HMRC	HM Revenue & Customs
Joint Administrators / we / us / our	Julie Tait Stuart Preston
Period	The period from 27 May 2022 to date (since period end of the previous progress report)
Proposals	The Joint Administrators' proposals dated 18 January 2021
Premises	6 Mossland Drive, Hillington Park, Glasgow G52 4FA
RPS	Redundancy Payments Service
Rules	the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018
SIP	Statement of Insolvency Practice
UK	United Kingdom
VAT	Value added tax

1 Executive summary

- This final progress report for the Company's administration covers the entirety of the administration
- Our Proposals were deemed approved on 3 February 2021 in accordance with rule 3.38(4) of the Rules
- The key work done in the period has been:
 - Settling all final costs of the administration
 - Obtaining discharge from liability
 - Complying with statutory matters
- There are insufficient funds to enable a distribution to unsecured creditors and therefore the administration is ending via a move to dissolution, with all outstanding matters now finalised.



Julie Tait
Joint Administrator
11 November 2022

2 An overview of the administration

2.1 Implementation of the Proposals

The Joint Administrators' Proposals in accordance with rule 3.38(4) of the Rules were deemed approved by the creditors on 3 February 2021.

The duty of the Joint Administrators is to act in the best interests of the creditors as a whole in order to achieve the purpose of the administration, which was to achieve one of the three objectives set out in insolvency legislation:

- Rescuing the Company as a going concern; or
- Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration); or
- Realising property in order to make a distribution to one or more secured or preferential creditors

As previously disclosed, the Joint Administrators have pursued the second statutory objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up, without first being in administration.

The second statutory objective has been achieved by the Joint Administrators realising best value for the Company's assets by way of the transfer of the trade and assets of the Group which completed on 10 December 2020.

The above transfer excluded the Premises. A sale of the Premises was completed on 21 May 2021 (details of the sale have been provided previously).

2.2 Extension of the administration

The appointment of Joint Administrators ordinarily ceases to have effect at the end of the period of one year from the date of appointment.

In certain circumstances it is necessary to extend the Joint Administrators' term in office to achieve the objective of the administration.

The administration was previously extended by the Secured Creditor to give a revised expiry date of 26 November 2022. The reasons for requesting the extension were as follows:

- Delays in obtaining final tax clearance from HMRC
- Delays in receiving VAT repayments under the Group VAT registration prior to deregistration.

3 Progress to conclusion

3.1 Strategy and progress from last report

During the Period, we have settled all final costs of the administration and complied with statutory and administrative requirements to progress the administration to closure.

We are now able to move the Company to dissolution.

3.2 Realisation of assets

We attach as Appendix C, an account of our receipts and payments for the Period.

3.3 Assets remaining to be realised

There are no assets remaining to be realised.

4 Investigations into the affairs of the Company

4.1 Investigations

We undertook an investigation into the Company's affairs to establish whether there were any potential asset recoveries, or conduct matters that required further investigation, taking into account the creditors' interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

Based on the outcome of our investigations into the affairs of the Company to date, there are no matters identified that need to be reported to the creditors.

5 Creditors and dividends

5.1 Secured creditors

Details of the security held by the Bank across the Group, the amounts due and the anticipated shortfall to the Bank were detailed in our previous reports.

Based on total estimated realisations across the Group (and after deducting costs of realisations), we anticipate that the Bank will suffer a shortfall of c£250,000 across the Group.

5.2 Preferential creditors

Ordinary preferential creditors

These include employee claims for wages and salary up to £800 per person and accrued holiday pay, and employee contributions to occupational pension schemes deducted in the four months before the insolvency.

As advised in our previous report, we do not consider there to be any preferential creditors in this matter.

5.3 Unsecured creditors

Prescribed part

In accordance with section 176A of the Insolvency Act 1986, a prescribed part is to be set aside from the floating charge assets and made available to the unsecured creditors of the Company. The prescribed part calculation is applied to the net property available and is calculated at 50% of the first £10,000 of net realisations and 20% of all further amounts, up to a maximum prescribed part of £600,000.

The Company's net property is estimated to be nil and therefore the prescribed part is also nil.

The draft statement of affairs prepared by the Company's director details unsecured creditors totaling £277,607.

Dividends

There will be no dividend payable to this class of creditor.

6 Joint Administrators' remuneration and expenses

6.1 Overview

Our remuneration is being charged with reference to time costs as agreed by the Bank.

We have charged remuneration and incurred expenses in the Period amounting to £4,654 and £16, bringing the cumulative totals at Period end to £91,027 and £13,752 of which £34,773 and £13,709 has been paid. The balance of our time costs will be written off.

Further details about remuneration and expenses are provided in Appendix D to this report.

7 Outcome of the administration

7.1 Exit from administration

Our Proposals were deemed approved on 3 February 2021 in accordance with rule 3.38(4) of the Rules.

The Proposals empowered the Joint Administrators to conclude the administration by filing the necessary paperwork with the Registrar of Companies and dissolving the Company

We are sending Form AM23(Scot) to the Registrar of Companies with a copy of this final progress report on the administration. Upon registration of Form AM23(Scot) by the Registrar of Companies the administration ceases and the Company will be dissolved three months later.

7.2 Discharge from liability

It was resolved by the Secured Creditor on 2 November 2022 that the Joint Administrators be discharged from liability in accordance with paragraph 98 of schedule B1 to the Act 14 days after the final progress report is issued to creditors.

7.3 Data protection

Any personal information held by the Company will continue to be processed for the purposes of the administration of the Company and in accordance with the requirements of data protection. Our privacy notice on our website (www.grantthornton.co.uk/en/privacy) contains further details as to how we may use, process and store personal data.

7.4 Contact from third parties

Please be aware fraudsters have been known to masquerade as the legitimate Joint Administrators. Fraudsters will contact creditors asking for an upfront fee or tax to release an investment or pay a dividend / to enable release of money payable to the creditor. An administrator would never ask for such a payment nor instruct a third party to make such a request.

A Notice about this report

This report has been prepared solely to comply with the Joint Administrators' statutory duty to report to creditors under the Rules and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under the Rules do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents of the Company and contract without personal liability. The appointment of the Joint Administrators are personal to them and to the fullest extent permitted by law, Grant Thornton does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

Please note you should read this progress report in conjunction with the Joint Administrators' previous progress reports and proposals issued to the Company's creditors, which can be found on the Grant Thornton Insolvency Act portal. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT. For definitions of abbreviations please refer to the 'Definitions' table at the start of this progress report.

B Statutory information

Company Information

Company name	R3 Black Limited
Date of incorporation	9 May 2014
Company registration number	SC514169
Former trading address	Pit Lane 6 Mossland Drive Hillington Park Glasgow G52 4FA
Present registered office	Level 8 110 Queen Street Glasgow G1 3BX

Administration information

Administration appointment	The administration appointment in the Court of Session, Edinburgh, P987 of 2020
Appointor	Clydesdale Bank Plc in its capacity as a qualifying floating charge holder
Date of appointment	27 November 2020
Joint Administrator's names	Julie Tait Stuart Preston
Joint Administrator's addresses	7 Exchange Crescent, Conference Square, Edinburgh EH3 8AN Level 8, 110 Queen Street, Glasgow G1 3BX
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration)
Estimated values of the Net Property and Prescribed Part	The Company's net property is estimated to be nil.
Prescribed Part distribution	As the Company's net property is estimated to be nil, the Joint Administrators do not anticipate that there will be sufficient funds available to facilitate a prescribed part distribution to unsecured creditors
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Act, the functions of the Joint Administrators are to be exercised by any or all of them.

C

R3 Black Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs		From 24/05/2022	From 27/11/2020
		To 10/11/2022	To 10/11/2022
£		£	£
	POST APPOINTMENT SALES		
	Sales	NIL	5,337.91
		NIL	5,337.91
	PURCHASES		
	Purchases (1)	NIL	705.80
		NIL	(705.80)
	TRADING SURPLUS/(DEFICIT)	NIL	4,632.11

R3 Black Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs		From 24/05/2022 To 10/11/2022	From 27/11/2020 To 10/11/2022
£		£	£
	ASSET REALISATIONS		
6,962.00	Book Debts	NIL	860.67
	Business Intellectual Property	NIL	1.00
192,850.00	Cash at Bank	NIL	NIL
	Claims	NIL	1.00
	Contracts	NIL	1.00
	Customer Database	NIL	1.00
43,706.00	Equipment	NIL	8,827.13
	Goodwill	NIL	1.00
274,103.00	HP Equity	NIL	21,983.01
	Motor Vehicles	NIL	10,900.00
	Paypal account	NIL	1,221.12
	Records	NIL	1.00
	Social Media Accounts	NIL	1.00
	Stock: used bike stock	NIL	1.00
	TRADING SURPLUS/(DEFICIT)	NIL	4,632.11
	Vehicle Registration Marks	NIL	50.00
		NIL	48,482.04
	COST OF REALISATIONS		
	Administrators Expenses	25.00	25.00
	Administrators Fees	6,941.56	34,773.26
	Agents/Valuers Fees (1)	NIL	1,000.00
	Insurance of Assets	NIL	489.00
	Pre-administration fees	NIL	7,168.30
	Preparation of S. of A.	NIL	125.00
	Professional Fees	NIL	3,457.71
	Statutory Advertising	NIL	80.00
	Telephone Telex & Fax	NIL	1,347.77
	Bank Charges	16.00	16.00
		(6,982.56)	(48,482.04)
	UNSECURED CREDITORS		
(277,607.00)	Unsecured Creditors (All)	NIL	NIL
		NIL	NIL
240,014.00		(6,982.56)	0.00
	REPRESENTED BY		
	Floating Current Account NIB		0.00
	HMRC - VAT received/paid		(8,544.17)
	VAT on Purchases		9,611.76
	VAT on Sales		(1,067.59)
			0.00

Note:

Statement of Affairs figures are based on the draft Statement of Affairs provided to the Joint Administrators by one of the directors. A final, notarised Statement of Affairs has not been received, however the director has confirmed that the figures presented are finalised.

D Payments to, and remuneration and expenses of the Joint Administrators or their associates

Statement of Insolvency Practice 9 (Scotland) disclosure (SIP9)

This appendix has been prepared in accordance with the requirements of the Act, the Rules and SIP9. In summary, it covers:

- fee basis
- work done by the Joint Administrators and their team during the Period
- hourly charge out rates
- expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

Fee basis of the Joint Administrators

The basis of the Joint Administrators' remuneration can be fixed:

- a as a percentage of the value of the Company's property with which the Joint Administrators have to deal;
- a by reference to the work which was reasonably undertaken by the Joint Administrators and their staff in attending to matters arising in the administration; or
- b as a set amount

The basis of remuneration may be one or a combination of the bases set out above and different bases or percentages agreed may be fixed in respect of different things done by the Joint Administrators or their staff.

On this occasion, the basis of the Joint Administrators' remuneration in relation to the Company was agreed by the Secured Creditor with reference to time costs incurred and expected to be incurred in order to complete the administration (including the sale of the Premises). The Secured Creditor has agreed that the Joint Administrators may draw remuneration totalling £34,894.

During the Period time costs were incurred totalling £4,654 represented by 19 hrs at an average of £246 per hour. Please see the 'Work done' section below for further analysis.

As at Period end, payment from the estate totalling £34,773 has been made towards our remuneration.

Likely return to creditors

There is no prospect of a dividend being payable to unsecured creditors.

Work done by the Joint Administrators and their team during the Period

We are required to provide an analysis of our remuneration charged in the Period (which is set out in the SIP9 time cost analysis table below) and to provide narrative explanation of what has been achieved during the period and how (which is set out within the body of our report).

Detailed SIP9 time cost analysis for the Period

Period from 27/05/2022 to 10/11/2022

Area of work	Partner		Manager		Executive		Administrator		Period total			Cumulative total as at period end		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr
Trading:									-	-	-	42.70	15,459.50	362.05
Trading general	-	-	-	-	-	-	-	-	-	-	-	42.70	15,459.50	362.05
Realisation of Assets:									-	-	-	32.95	13,204.00	400.73
Insurance	-	-	-	-	-	-	-	-	-	-	-	0.65	293.50	451.54
Sale of business	-	-	-	-	-	-	-	-	-	-	-	32.30	12,910.50	399.71
Investigations:									-	-	-	11.85	3,508.75	296.10
Debtor / director / senior employees	-	-	-	-	-	-	-	-	-	-	-	3.95	1,685.50	426.71
Books & records	-	-	-	-	-	-	-	-	-	-	-	0.25	45.00	180.00
Bank statements & analysis	-	-	-	-	-	-	-	-	-	-	-	7.65	1,778.25	232.45
Creditors:									-	-	-	22.75	8,043.00	353.54
Secured	-	-	-	-	-	-	-	-	-	-	-	13.10	4,756.50	363.09
Unsecured	-	-	-	-	-	-	-	-	-	-	-	5.45	1,408.50	258.44
Retention of title	-	-	-	-	-	-	-	-	-	-	-	4.20	1,878.00	447.14
Administration:									18.90	4,654.12	246.25	150.32	50,811.62	338.02
Take-on	-	-	-	-	-	-	-	-	-	-	-	0.20	89.00	445.00
Appointment formalities	-	-	-	-	-	-	-	-	-	-	-	6.25	1,577.50	252.40
Case management	-	-	0.25	85.00	0.75	183.75	0.55	99.00	1.55	367.75	237.26	39.12	15,324.00	391.72
Reports to creditors, notices & decisions	-	-	1.00	340.00	2.75	673.75	1.60	288.00	5.35	1,301.75	243.32	44.45	13,075.00	294.15
Shareholders / debtor / director communications	-	-	-	-	-	-	-	-	-	-	-	7.65	2,878.50	376.27
Statement of affairs	-	-	-	-	-	-	-	-	-	-	-	0.50	207.00	414.00
Treasury, billing & funding	-	-	0.25	85.00	1.55	372.25	2.40	432.00	4.20	889.25	211.73	21.20	4,996.50	235.68
Tax	-	-	0.55	187.00	0.55	151.25	0.50	32.87	1.60	371.12	231.95	21.70	9,784.62	450.90
Pensions	-	-	-	-	-	-	-	-	-	-	-	1.20	746.00	621.67
Closure	0.40	232.00	0.75	255.00	5.05	1,237.25	-	-	6.20	1,724.25	278.10	8.05	2,133.50	265.03
Total	0.40	232.00	2.80	952.00	10.65	2,618.25	5.05	851.87	18.90	4,654.12	246.25	260.57	91,026.87	349.34

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Total time costs paid to date: £34,773
- Please note that the actual time incurred in the Period may slightly differ to that reported in the table above. This is due to lags between time being recorded on my internal system by staff and then being posted to the case. I do not expect any differences to be material.

Hourly charge out rates

Time is charged in units of six minutes for each grade of staff used. The hourly charge out rates applied during the Period are as follows:

Grade	Insolvency £/hr		Pensions & tax £/hr	
	From 27 May 2022 to 31 August 2022	From 1 September 2022 to 7 November 2022	From 27 May 2022 to 31 August 2022	From 1 September 2022 to 7 November 2022
Partner	920 - 625	975 - 795	N/A	N/A
Director	810 - 580	895 - 695	810	895
Associate director	710 - 515	795 - 595	710	795
Manager	550 - 425	595 - 495	550	595
Assistant manager	460 - 340	495 - 445	460	495
Executive	380 - 280	445 - 345	380	445
Administrator	300 - 190	345 - 225	300	345
Treasury	220	220	N/A	N/A

Expenses incurred in the Period

This table provides details of expenses incurred in the Period in connection with the work done by the Joint Administrators.

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Category 1 expenses			
Insolvency Practitioner's Bond	-	25	25
Agents/Valuers Fees			
Sweeney Kincaid Limited	-	1,000	1,000
Insurance of Assets			
Howden Insurance Brokers	-	489	489
Pre-administration fees			
Grant Thornton	-	7,168	7,168
Preparation of draft Statement of Affairs			
Stewart Maclean	-	125	125
Professional Fees			
Shepherd and Wedderburn LLP	-	3,458	3,458
Statutory Advertising	-	80	80
Telephone Telex & Fax	-	1,348	1,348
Bank Charges	16	16	16
Category 2 expenses			
Mileage	-	43	-
Total expenses	16	13,752	13,709

Expenses are any payments from the estate which are neither the Joint Administrators' remuneration nor a distribution to a creditor or member, but they may include disbursements which are payments first met by and then reimbursed to the Joint Administrators from the estate. Expenses fall into two categories:

Category 1 expenses

These are also known as 'out of pocket expenses' and are payments to third parties not associated with the Joint Administrators where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval from creditors.

Category 2 expenses

These are expenses directly referable to the insolvent estate but payments that are either to an associate, or that include shared or allocated costs that may be incurred by the Joint Administrators or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as the Joint Administrators' remuneration.

There are no shared or allocated costs. For associates, please see the next section – Payments to associates.

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has an association.

To the extent that services have been enlisted from Grant Thornton UK LLP's specialist teams, for example tax, pensions, digital forensics, or any others, the narrative for and cost of their work is included in the work done narrative and SIP9 time costs analysis details in the Work done by the Joint Administrators and their team during the Period section above.

We confirm that in the Period, We have not enlisted any other services from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has an association.

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis which may give rise to a potential conflict.

Sub-contracted work

We confirm that, in the Period, we have not sub-contracted any work that could otherwise have been carried out by us or our team.

Information for creditors

Information to help creditors to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, We will supply this information by post, free of charge, on request.