

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 0 4 5 7 2 5 9

Company name in full RSR Fasteners Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Tommaso Waqar

Surname Ahmad

### 3 Liquidator's address

Building name/number Sussex Innovation

Street 12-16 Addiscombe

Post town Croydon

County/Region

Postcode C R 0 0 X T

Country

### 4 Liquidator's name ①

Full forename(s) Paul

Surname Bailey

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number Sussex Innovation

Street 12-16 Addiscombe Road

Post town Croydon

County/Region

Postcode C R 0 0 X T

Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

LIQ03

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6

Period of progress report

From date

<sup>d</sup>2<sup>d</sup>3<sup>m</sup>0<sup>m</sup>9<sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>2

To date

<sup>d</sup>2<sup>d</sup>2<sup>m</sup>0<sup>m</sup>9<sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>3

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

<sup>d</sup>2<sup>d</sup>1<sup>m</sup>1<sup>m</sup>1<sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>3

# LIQ03

## Notice of progress report in voluntary winding up



### 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 **Charlotte Beauchamp**

Company name **Bailey Ahmad Limited**

Address **Sussex Innovation  
12-16 Addiscombe Road**

Post town **Croydon**

County/Region

Postcode **C R O O X T**

Country

DX

Telephone **020 8662 6070**



### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



### Important information

**All information on this form will appear on the public record.**



### Where to send

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

# **Joint Liquidators' Annual Progress Report to Creditors & Members**

**RSR Fasteners Limited  
- In Creditors' Voluntary Liquidation**

**Reporting period from 23 September 2022 to 22 September  
2023**

**21 November 2023**

# **RSR FASTNERS LIMITED - IN LIQUIDATION**

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# RSR FASTNERS LIMITED - IN LIQUIDATION

## 1 Introduction and Statutory Information

Paul Bailey and Tommaso Waqar Ahmad of Bailey Ahmad Limited, Sussex Innovations, 12-16 Addiscombe Road, Croydon, CR0 0XT were appointed as Joint Liquidators of RSR Fasteners Limited (the Company) on 23 September 2021.

- 1.1 We are authorised to act as insolvency practitioners in the UK by the ICAEW and are bound by the Insolvency Code of Ethics when carrying out work relating to insolvency appointments.
- 1.2 This progress report provides an update on the conduct of the Liquidation for the period from 23 September 2023 to 22 September 2023 (the Period) and should be read in conjunction with any previous progress reports which have been issued.
- 1.3 In the event of case related queries, please contact Charlotte Beauchamp on 0208 662 6061 or by email to [charlotte.beauchamp@babr.co.uk](mailto:charlotte.beauchamp@babr.co.uk).
- 1.4 Information about the way that the firm will use, and store personal data on insolvency appointments can be found at <https://babr.co.uk/information-for-stakeholders>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.5 The principal trading address of the Company was Unit 2 Pasadena Close, Hayes, Middlesex, UB3 3NQ.
- 1.6 The registered office of the Company has been changed to Sussex Innovation, 12-16 Addiscombe Road, Croydon, CR0 0XT and its registered number is 00457259.

## 2 Receipts and Payments

- 2.1 At Appendix A is my Receipts and Payments Account covering the Period of this report which included a cumulative Receipts and Payments Account for the period from the date of appointment to the end of the Period covered by this report.
- 2.2 In Section 3 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs.

## 3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and his staff.
- 3.2 We have dealt with the following matters during the period of this report:
  - Ongoing work in relation to the outstanding book debts
  - Dealing with statutory matters in relation to the Company's pension scheme
  - Dealing with ad hoc creditor communication (by post, email and telephone)
  - Carrying out case reviews and regular bond reviews
  - Carrying out monthly bank reconciliations
  - Cashiering matters (including posting transactions to the estate cash book)
  - Preparing and filing a Corporation Tax Return
  - Preparing, circulating, and filing the annual progress report
- 3.3 Further detail on the work carried out during the period of this report can be found below.

## RSR FASTNERS LIMITED - IN LIQUIDATION

### ***Administration (including statutory compliance & reporting)***

- 3.4 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined in my initial fees estimate/information which was previously agreed by creditors.
- 3.5 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidators.
- 3.6 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors.

### **Realisation of Assets**

#### *Book Debts (estimated to realise: £180,000)*

- 3.7 The Company's outstanding debtor ledger upon liquidation was £214,000. The Company had a factoring agreement with RBS Invoice Finance Limited (RBSIF).
- 3.8 Funds of £155,791 were received from RBSIF upon closure of the facility in addition to receipts of £6,131 directly into the liquidation.
- 3.9 The Joint Liquidators are reviewing the remaining ledger to determine whether any further recoveries can be made from the book debt ledger.

### ***Creditors (claims and distributions)***

- 3.10 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.11 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.
- 3.12 Work undertaken by a Liquidator in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.
- 3.13 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.

### ***Investigations***

- 3.14 Some of the work Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.
- 3.15 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 3.16 Shortly after appointment, I 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 any information provided by creditors. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

### ***Matters still to be dealt with***

- Reconciliation of book debt position to determine whether any further realisations can be made
- Closure of the Company's pension scheme
- Agreement of preferential claims
- Payment of a dividend to preferential creditors and secondary preferential creditors.

## **4 Creditors**

### ***Secured Creditors***

- 4.1 National Westminster Bank PLC and The Royal Bank of Scotland Commercial Services Limited holds a fixed and floating charge over the Company's assets.

### ***Preferential Creditors***

- 4.2 A summary of the ordinary and secondary preferential claims in the liquidation and details of any distributions paid to date can be found below:

<b>Ordinary preferential claims</b>	<b>Agreed Claim £</b>	<b>Statement of Affairs Claim £</b>	<b>Dividend paid p in the £1</b>
Employee claims (Total number of claims = 9)	NA	8,418.82	Nil
Department for Business, Energy & Industrial Strategy (BEIS)	NA	Not listed	Nil
<b>Secondary preferential claims</b>	<b>Agreed Claim £</b>	<b>Statement of Affairs Claim £</b>	<b>Dividend paid p in the £1</b>
HMRC	NA	68,798	Nil

- 4.3 Based on current information, we anticipated there will be sufficient funds to pay primary preferential creditors in full, and a dividend to the secondary preferential creditors. Further details will be provided to those creditors in due course.



***Unsecured Creditors***

- 4.4 The Company's statement of affairs indicated there were unsecured claims totalling £622,718. To date, we have received claims totalling £445,963 from thirty seven creditors.
- 4.5 The Company granted a floating charge to National Westminster Bank Plc on 28 June 1999 and to The Royal Bank of Scotland on 21 March 2002. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**), which only applies to charges created after 15 September 2003.
- 4.6 It is anticipated there will be insufficient funds realised after defraying the expenses and payment to preferential creditors of the liquidation to pay a dividend to unsecured creditors.

**5 Joint Liquidators' Remuneration**

- 5.1 Creditors approved that the basis of the Joint Liquidators' remuneration be based on time spent by them and their staff in dealing with the liquidation, up to a limit of £50,051. Details of our original fee estimated agreed by creditors can be found at Appendix D
- 5.2 Our time costs for the Period are £10,030. This represents 32.10 hours at an average rate of £312.46 per hour. Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation.
- 5.3 Also attached as Appendix D is a cumulative Time Analysis for the period from 23 September 2021 to 22 September 2023 which provides details of the time costs incurred since my appointment. The cumulative time costs incurred to date are £58,317. This represents 214.60 hours at an average rate of £271.75 per hour.
- 5.4 Fees of £10,000 plus VAT have been drawn in the period bringing total fees drawn in the liquidation to £50,000.
- 5.5 As the fee estimate has been exceeded, the Joint Liquidators will consider whether it is appropriate to seek approval from creditors for an increase in their remuneration.
- 5.6 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from [www.babr.co.uk/information-for-stakeholders](http://www.babr.co.uk/information-for-stakeholders).
- 5.7 Attached as Appendix D is additional information in relation to the Liquidator's fees and expenses including where relevant, information on the use of subcontractors and professional advisers.

**6 Creditors' Rights**

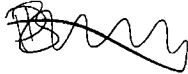
- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress 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 by the Liquidators, as set out in this progress report, are excessive.

## RSR FASTNERS LIMITED - IN LIQUIDATION

### 7 Next Report

- 7.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 7.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 0208 662 6070 or by email at [creditors@babr.co.uk](mailto:creditors@babr.co.uk).

Yours faithfully

A handwritten signature in black ink, appearing to be 'Paul Bailey', with a stylized, wavy line extending from the end.

**Paul Bailey FABRP**  
Joint Liquidator

## **Appendix A**

Receipts and payments account for the period 23 September 2021 to 22 September 2023

Including a cumulative Receipts and Payments Account for the Period since the Joint Liquidators' Appointment to 22 September 2023

RSR Fasteners Limited  
(In Liquidation)  
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 23/09/2022 To 22/09/2023 £	From 23/09/2021 To 22/09/2023 £
	SECURED ASSETS		
5,000.00	Goodwill	NIL	1,650.00
180,000.00	Book debts	NIL	161,922.31
		NIL	163,572.31
	SECURED CREDITORS		
(146,290.00)	RBS Invoice Finance	NIL	146,290.00
		NIL	(146,290.00)
	ASSET REALISATIONS		
15,600.00	Cash at bank	NIL	14,212.82
	Insurance refund	NIL	288.91
	Motor vehicles	NIL	59,050.00
6,700.00	Property, plant and equipment	NIL	7,970.49
10,000.00	Stock	NIL	35,500.00
	VAT refund	NIL	590.15
		NIL	117,612.37
	COST OF REALISATIONS		
	Agent's fees	NIL	11,457.95
	Insurance of assets	NIL	627.20
	Legal disbursements	NIL	1.00
	Legal fees	NIL	6,757.86
	Motor vehicle finance	NIL	47,870.64
	Office holders' expenses	NIL	260.00
	Office holders' fees	10,000.00	50,000.00
	Storage costs	NIL	93.00
		(10,000.00)	(117,067.65)
	PREFERENTIAL CREDITORS		
(8,418.82)	Employee arrears/Holiday pay	NIL	NIL
		NIL	NIL
	SECONDARY PREFERENTIAL CREDITORS		
(59,776.00)	HMRC	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(50,236.13)	Banks/Institutions	NIL	NIL
(40,000.00)	Director	NIL	NIL
(106,490.52)	Employees	NIL	NIL
(9,022.00)	HM Revenue & Customs - PAYE/NI	NIL	NIL
(416,969.13)	Trade and expense creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(20,000.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(639,902.60)		(10,000.00)	17,827.03
	REPRESENTED BY		
	Bank Current		24,947.37
	Vat payable		(20,834.10)
	VAT receivable		13,713.76
			17,827.03

## **Appendix B**

Time Analysis for the Period from the 23 September 2022  
to 22 September 2023

## Time Entry - SIP9 Time & Cost Summary + Cumulative

RS04 - RSR Fasteners Limited  
All Post Appointment Project Codes  
From: 23/09/2022 To: 22/09/2023

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Admin & Planning	0.80	2.70	15.10	3.75	22.35	6,776.25	303.19	116.05	29,193.25
Case Specific Matters	0.00	0.00	0.00	0.60	0.60	135.00	225.00	3.50	938.00
Creditors	0.10	4.50	2.00	2.55	9.15	3,118.75	340.85	37.85	10,256.75
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.80	2,079.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.40	15,850.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours / Costs	0.90	7.20	17.10	6.90	32.10	10,030.00	312.46	214.60	58,317.00
Total Fees Claimed						0.00			
Total Disbursements Claimed						0.00			

## **Appendix C**

### Cumulative Time Analysis for the Period since the Joint Liquidators' Appointment

Time Entry - SIP9 Time & Cost Summary + Cumulative

RS04 - RSR Fasteners Limited  
All Post Appointment Project Codes  
From: 23/09/2021 To: 23/09/2023

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Admin & Planning	1.00	18.60	40.70	55.75	116.05	29,193.25	251.56	116.05	29,193.25
Case Specific Matters	0.00	0.70	2.00	0.80	3.50	938.00	268.00	3.50	938.00
Creditors	0.10	10.20	19.20	8.35	37.85	10,256.75	270.98	37.85	10,256.75
Investigations	0.00	2.10	3.90	0.80	6.80	2,079.00	305.74	6.80	2,079.00
Realisation of Assets	8.90	12.60	28.70	0.20	50.40	15,850.00	314.48	50.40	15,850.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours / Costs	10.00	44.20	94.50	65.90	214.60	58,317.00	271.75	214.60	58,317.00
Total Fees Claimed						0.00			
Total Disbursements Claimed						0.00			



## **Appendix D**

Additional information in relation to Joint Liquidators'  
Fees, Expenses & the use of Subcontractors

## RSR Fasteners Limited (the Company)

### Fees Information in accordance with The Insolvency (England and Wales) Rules 2016 and Statement of Insolvency Practice 9

#### Fees Overview

Prior to an office holder agreeing the basis of remuneration, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with an insolvent's affairs must be provided to creditors.

In addition, where an office holder proposes to take all or any part of this remuneration based on the time spent in dealing with the insolvent's affairs, a **fees estimate** must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

It should be noted that a **fees estimate** may be provided to a particular milestone or for a designated period in a case, where it is not possible to accurately estimate the work that will need to be done at the outset.

Creditors should be aware that the **fees estimate** is based on all of the information available now and may be subject to change due to unforeseen circumstances that may arise during the assignment. If it is considered that this estimate will be exceeded, the office holder will provide an update and seek approval to increase the previously agreed estimate.

#### Work anticipated and the likely outcome to creditors

Some of the work undertaken by an office holder is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund.

It may also be necessary for an office holder to instruct other parties to assist with the assignment because of a particular expertise that they may bring, such as asset valuation, tax or legal advice. Details of any anticipated expenses can be found at the end of this document, although it should be noted that this may change during the course of an assignment where it is necessary to seek additional expertise or specialist support.

Office holders are also required to comment on whether the work they anticipate doing will provide a financial benefit to creditors and to give an indication of the likely return to creditors when seeking approval for the basis of their remuneration. Due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of an insolvent's assets at the outset of a case, this position may change during an assignment, therefore updates will be provided in periodic progress reports to creditors.

In this case, it is anticipated that a distribution may become available for the preferential creditors. Further information on this can be found below in the section on '**Creditors (claims and distributions)**'.

#### Proposed Fee Basis

In this case, it is being proposed that the basis of our remuneration as office holders will be based on the time spent by us and our staff in dealing with the insolvent's affairs. Our **fees estimate** is attached to this document which totals £50,051 and is based on all the work we currently propose will be necessary in this assignment. We have post appointment of time costs to date of £22,634, which has principally been involved in the initial statutory work undertaken as well as liaising with agents and solicitors regarding the sale of assets. We have also liaised with RBS Invoice Finance regarding the debtor ledger and commenced the ledger collection exercise. If we consider this estimate will be exceeded, we will notify creditors, provide a revised estimate and seek further approval for our increased

fees. Similarly, we will update creditors in our future progress reports on the amount we anticipate being paid against this estimate.

The remainder of this document contains an explanation of the work we have already undertaken to date and remainder of the work we propose undertaking. Each part of the work to be undertaken will necessarily require different levels of expertise and therefore related cost. To aid understanding, for the purposes of our **fees estimate**, we have indicated an average blended rate of the grades of staff such as myself, the case manager, the case administrator and cashier when estimating the total hours to be spent on each part of the work.

### **Outline of work to be done by the office holder**

Below are details of the work we have undertaken to date as well as work we propose undertaking in support of our **fees estimate** for the assignment:

#### ***Administration (including statutory compliance & reporting)***

Office holders are required to carry out certain tasks in nearly every insolvency assignment, namely administrative duties and dealing with the claims of creditors. Whilst these tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not necessarily produce any direct financial benefit for creditors, but nonetheless still have to be undertaken.

This work may include:

- Notifying creditors of the office holder's appointment and other associated formalities including statutory advertising and filing relevant statutory notices
- Securing the insolvent's assets and placing insurance where appropriate
- Preparing and issuing annual progress reports to creditors (and members where applicable)
- Lodging periodic returns with the Registrar of Companies
- Complying with statutory duties in respect of the office holder's specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Redirection of mail to the office holder's premises
- Establishing and holding periodic meetings of any committee formed and associated filing formalities
- Securing the insolvent's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the insolvency with HMRC
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the insolvent's books and records and the identification of potential further asset realisations which may be pursued in the proceedings
- Submitting a statutory report to the Insolvency Service under the CDDA
- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter)
- Opening, maintaining and managing the insolvent estate cashbook and bank account(s)
- Dealing with all post-appointment VAT and corporation tax compliance as applicable to the proceedings
- Liaison with secured creditors, obtaining charge documents and validating the security
- Dealing with employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the insolvent entity. Liaising with (or appointing) union representatives and payroll providers and reviewing employment contracts as necessary
- Closing the case and preparing and issuing the office holder(s) final account to prescribed parties

#### ***Realisation of assets***

##### Goodwill

The Company's goodwill has been subject to an independent valuation by Williams and Partners Limited. This has been sold to PMI Group for the sum of £2,450.

### Book debts

The Company's debtors are subject to a factoring agreement with RBS Invoice Finance. The director's statement of affairs listed book debts outstanding of £180,000 and the liability to RBS Invoice Finance as £149,290. We have issued our initial letter to the debtors which has resulted in substantial monies being paid into the RBS Invoice Finance account. RBS Invoice Finance have advised that the sum of £45,426.94 is currently outstanding in this respect. It is currently uncertain what further realisations will be made in this respect, however, it is anticipated that RBS Invoice Finance will collect out in full.

### Property, plant and equipment

The Company's property, plant and equipment has been subject to an independent valuation by Williams and Partners Limited. A sale has been agreed for £59,050 to PMI Group of which £42,205.63 has been paid to the relevant finance companies.

### Stock

The Company's stock has been subject to an independent valuation by Williams and Partners Limited. The stock was sold to PMI Group for the sum of £34,500.

### Cash at bank

The sum of £14,212.82 has been received in respect of the cash held as at the date of the liquidation.

Please note that the funds received from the sale to PMI Group are currently being held by our solicitor, Freeths LLP, whom will be transferring the balance into the liquidation account shortly.

Work done by the office holder(s), their staff and any third parties engaged to assist the office holder in realising the insolvent's assets will, it is anticipated, provide a financial benefit to creditors. This may involve realising assets to facilitate a distribution to secured or preferential creditors only, or may, depending on realisations and the extent of any 3<sup>rd</sup> party security, result in a distribution to the unsecured creditors. If there are no assets to be realised and the costs of the proceedings are to be met by way of a contribution from the directors or another third party, then there will be no direct financial benefit to creditors.

### ***Creditors (claims and distributions)***

As office holders, we will deal with all secured, preferential and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title. Based on the estimated statement of affairs, we currently think that after taking into consideration the costs of realising the assets and dealing with the statutory formalities of the insolvency process and the related costs and expenses, a distribution may become available to the secured and preferential creditors. We will deal with the review and adjudication of creditors' claims as appropriate, if and when it is determined that a dividend is to be declared.

Creditors should note that any possible dividends are currently uncertain due to this being influenced by the results of the asset realised in the liquidation.

It should be noted that the above is based on the estimated statement of affairs and the projected realisable value of the assets which at this stage is unconfirmed, together with the anticipated costs of the proceedings. We will undertake appropriate investigations into and obtain valuations of the insolvent's assets and will update the likely return to creditors in our future progress reports.

### ***Investigations***

As office holders, we are required to conduct investigations into the conduct of the director(s) of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).

This work may not necessarily lead to any financial benefit to creditors yet is work we are required to undertake by statute. Our initial investigations may reveal that further recoveries could be available for the insolvent estate and if this proves to be the case and we consider that further work will be required to pursue these assets, we will refer back to creditors about the likely costs involved in pursuing such recoveries.

## Office Holder's Expenses and the use of Subcontractors

Expenses are payments from an insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or shareholder. Some expenses can be paid without prior approval from creditors (**Category 1 expenses**) and other expenses which may have an element of shared costs or are proposed to be paid to an associate of the office holder, require approval before they can be paid (**Category 2 expenses**).

Examples of expenses include agent's costs for assisting in the disposal and realisation of assets, legal costs, specialist pensions advice, tax services or other routine expenses associated with an insolvency appointment such as statutory advertising costs, the office holder's specific penalty bond and costs associated with storing books and records. Expenses also include expenses which are payments that are first met by the office holder and then reimbursed at a later date from the estate, usually when realisations permit.

Further details of our firm's Category 2 expenses policy, which explains the basis on which any proposed expenses appearing in the relevant table below are being charged to the estate, is attached for creditors' information. Approval to pay any proposed Category 2 expenses will be sought from creditors at the same time as the basis of the office holder's remuneration is agreed.

Below is a summary of the Category 1 and Category 2 expenses it is considered will be, or are likely to be, incurred in this case. An update will be provided in our first progress report to creditors in due course and then in subsequent reports thereafter until the case is concluded.

### Category 1 expenses

The following Category 1 expenses are currently anticipated on this assignment and do not require prior approval from creditors to be paid:

<b>Expense</b>	<b>Basis of remuneration/cost</b>	<b>Service to be provided</b>	<b>Estimated cost £</b>
Agent's fees & expenses	State basis proposed – if % of realisations, state the %	Eg, valuation, uplift & sale of the insolvent's property or chattel assets via auction/private treaty	15,950
Legal fees & expenses	State basis proposed	Drafting sale agreement/pursuing book debts, other legal recoveries (specify)	8,000
Statutory advertising	Fixed cost	Statutory advertising in London Gazette (if other, state)	249
Specific Penalty Bond	Fixed cost	Statutory bond required in all insolvency appointments for each office holder appointed	400
Insurance	Variable depending on duration of cover	Asset insurance	1,000
External storage costs	£5 per box of records stored	Storage of insolvent's books & records for statutory timescales	1,500

### Category 2 expenses

The following Category 2 expenses are currently anticipated on this assignment and do require prior approval from creditors:

<b>Expense</b>	<b>Basis of remuneration/ cost</b>	<b>Payment to Associate or shared/allocated cost</b>	<b>Service to be provided</b>	<b>Estimated cost £</b>
Business mileage	45p per mile	Allocated cost	Cost reimbursed to office holder or staff member for case-related business mileage	40

### **Subcontractors**

On this assignment, it is proposed that the following subcontractors will be utilised to undertake work that could otherwise be done by the office holder or his/her staff. If further subcontractors are utilised during the assignment that are not foreseen at this stage, this will be reported in subsequent progress reports.

The reasons why it is felt appropriate to utilise subcontractors in this case for the proposed work is also explained against each subcontractor.

<b>Subcontractor</b>	<b>What work does this relate to and why is a subcontractor being used?</b>	<b>Anticipated cost of the services to be provided</b>
Clumber Consulting Limited	Employee claims support, assisting with the submission of ERA claims to the Redundancy Payments Service and agreement of employee claims with the office holder. This may also include the production of P45s for former employees where appropriate. This is a specialist claims area and we believe greater efficiencies will be created for the former employees and the estate if this sub-contractor works alongside the office holder to assist with the processing of claims, etc.	£950

### **Bailey Ahmad Limited's Charge-out rates and Category 2 expenses policy**

Attached to this document are details of our firm's current charge out rates and policy regarding the re-charge of Category 2 expenses.

It should be noted that our firm's charge-out rates may increase periodically. If any such increases impact on the **fees estimate** for the assignment, creditors will be notified accordingly.

Below are details of our firm's current charge out rates:

<b>Grade</b>	<b>Hourly rate</b>
Director	£440
Senior Manager	£385
Manager	£330
Senior Administrator	£250
Case Administrator	£220
Junior Administrator	£200
Support	£150
Cashier	£220

These are our current charge out rates, which are shown exclusive of VAT. It should be noted that my firm's charge-out rates may increase periodically. If any such increases impact on the fees estimate for the Liquidators, creditors will be notified accordingly.