

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



A25

A80S1GMH

08/03/2019

#246

COMPANIES HOUSE

1 Company details

Company number

8	9	8	5	8	0	2
---	---	---	---	---	---	---

Company name in full Red Direct Marketing Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Graham

Surname Down

3 Liquidator's address

Building name/number 141 Whiteladies Road

Street Clifton

Post town

County/Region Bristol

Postcode

B	S	8		2	Q	B
---	---	---	--	---	---	---

Country United Kingdom

4 Liquidator's name ●

Full forename(s) Graham Lindsay

Surname Down

● Other liquidator.

Use this section to tell us about
another liquidator.

5 Liquidator's address ●

Building name/number

Street

Post town

County/Region

Postcode

--	--	--	--	--	--	--	--

Country

● Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	0	7	0	3	2	0	1	7								
To date	0	6	0	3	2	0	1	8								
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	Signature X <i>Carum</i> X															
Signature date	d	0	d	6	m	0	m	3	y	2	y	0	y	1	y	9

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.

Graham Lindsay Down

tri group

141 Whiteladies Road

Clifton

Bristol

Postcode

B

S

8

2

Q

B

United Kingdom

DX

0117 914 2058



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

RED DIRECT MARKETING LIMITED

Liquidator's First Report to Creditors

tri group

141 Whiteladies Road
Clifton
Bristol
BS8 2QB

RED DIRECT MARKETING LIMITED
(in creditors' voluntary liquidation)

LIQUIDATOR'S REPORT

5 March 2019

CONTENTS

1. Introduction
2. Background
3. Asset realisations
4. Investigations
5. Creditors' claims & dividend prospects
6. Costs and expenses
7. Other matters
8. Conclusion

APPENDICES

1. Statutory information
2. Receipts and payments account
3. Details of time and expenses

1. Introduction

I was appointed as Liquidator of Red Direct Marketing Limited on 7 March 2017 following resolutions passed by the members of the company and subsequently endorsed by the creditors.

The purpose of this report is to provide a report to members and creditors. The report details the acts and dealings of the Liquidator for the period of the liquidation.

This report should be read in conjunction with my previous information provided to creditors.

2. Background

Statutory information is set out at Appendix 1, and a summary of my receipts and payments may be found at Appendix 2.

A summary of the key information in this report is set out below:

	Estimated to realise per Statement of Affairs £	Total realisations £
Book debts	5,906	2,000
	<hr/> 5,906	<hr/> 2,000
<i>Dividends s paid:</i>	Secured	None
	Preferential:	None
	Non-preferential:	None
<i>Future dividend prospects:</i>	Non- preferential	None
<i>Liquidator's fee:</i>	£2,500 pre-appointment fee – No fees taken on account	

3. Asset realisations

Book Debts

The director's estimated statement of affairs showed the book debt ledger estimated to realise £5,906. This comprised of one liability of £3,000, to the company owed by an associated company; Red Direct Branding Limited and a possible surplus in the region of £2,906 from the factored book debt ledger.

The factored book debt ledger was held as security by Close Invoice Finance Limited ("Close"). In June 2017 Close had been paid in full re-assigned the ledger to the Liquidator. The re-assigned ledger comprised of two aged debts amounting to £1,468. However, one debt of £564 is disputed in full.

I have received instalments of £2,000 from the associated company.

4. Investigations

I reviewed the company's affairs in the period leading up to the liquidation. My review including an examination of the company's formal financial statements, accounting records, bank statements, etc and sought explanations from the company's director and former directors by way of questionnaires and interviews, and information obtained from other sources, including creditors and the company's accountants and professional advisers, to establish whether there were any potential asset recoveries or conduct matters that justified further investigation. My enquiries focused, in particular, on:

- Dividends, and directors' remuneration and benefits
- Use of prohibited names
- Dealings with associated companies or persons
- Wrongful or fraudulent trading
- Creditor pressure, longstanding debts and newly opened account
- Evidence of phoenix companies
- Unfair preferences
- Transactions at an undervalue
- Misappropriation of assets
- Late filing of accounts and other statutory defaults

The information gleaned from this process enabled me to comply with my statutory duties under the Company Directors Disqualification Act 1986 to report to the Secretary of State on the conduct of any individuals who had been directors of the company in the three years prior to the insolvency. The report is confidential, and consequently I am not able to disclose its contents.

This work was also carried out with the objective of making an initial assessment of whether there were any matters that may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the company. This work is necessary to meet my statutory duties as well as conduct appropriate enquiries and investigations into potential rights of action to enhance realisations.

This initial assessment has not identified further assets or actions which might lead to a recovery for creditors.

5. Creditors' claims & dividend prospects

Secured Creditors

The company granted a fixed floating charge to Close Brothers Limited ("Close") on 30 May 2014. At the date of my appointment, Close was owed £9,000 according to the director's estimated statements of affairs.

Preferential Creditors

Claims from employees in respect of arrears of pay (to a maximum of £800 per week), accrued holiday pay and certain pension benefits rank as preferential claims. Employees' claims will be subrogated to the Secretary of State under the Employment Rights Act 1996.

According to the director's estimated statement of affairs the liability to preferential creditors amounted to £16,715.

I have received a claim from the Redundancy Payments Office of £23,784.

Unsecured Creditors

The claim of HMRC, estimated in the statement of affairs at £49,289 comprising of outstanding PAYE and VAT was submitted in the sum of £59,599.

The unsecured creditors totalled £85,503, according to the director's estimated statement of affairs.

Claims of unsecured creditors have been noted but not agreed. There are insufficient funds to enable a distribution to unsecured creditors.

Prescribed part

Where a floating charge is created after 15 September 2003, a prescribed part of the company's net property should be made available to unsecured creditors.

The Company's net property is less than the prescribed minimum (currently £10,000) and the cost of distributing the prescribed part would be disproportionate to the benefits. Therefore there will be no prescribed part.

6. Costs and expenses

The payments shown on the summary of receipts and payments at Appendix 2 are in the main self-explanatory.

Pre-Appointment Costs

The creditors authorised my firm's fee of £2,500 for assisting the directors in placing the company into liquidation and in preparing the statement of affairs. . No fees have been taken on account

The Liquidator's fees

My actual time costs for dealing with the liquidation to 6 March 2018 are £2,825 representing 11.40 hours at an average hourly rate of £247.81. No fees have been drawn on account, and given the funds in the liquidation all my firm's costs will be written off. At present, I do not intend to seek a fees resolution from creditors.

Further details of my time costs are set out in Appendix 3.

Liquidator's disbursements and expenses

It is the firm's policy to recharge all disbursements properly incurred to the relevant insolvency case where there is identifiable specific expenditure.

Specific expenses relating to the administration of the estate are charged to the case. These are generally external supplies of incidental services specifically identifiable to the case (known as "Category 1" disbursements). Examples include statutory advertising, the case management software licence and the fidelity guarantee bond.

Any costs which may involve an element of shared or allocated costs, or are for services provided by the firm which may include an element of overhead recovery, are known as "Category 2" disbursements.

Further details of my disbursements are at Appendix 3.

7. Other matters

Privacy policy

Details of our privacy policy may be found on our website at www.trigroup.org.

8. Conclusion

General information about the insolvency process may be found on the website <http://www.creditorinsolvencyguide.co.uk/>.

The administration of the liquidation is now complete. Formal notice that the company's affairs are fully wound up is attached at Appendix 4.

If you require any further information concerning this case please contact my colleague, Michelle Breslin, whose contact details are below.

G L Down

Liquidator

Authorised to act as Insolvency Practitioner in the United Kingdom by the Insolvency Practitioners' Association and bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

tri group

141 Whiteladies Road
Clifton
Bristol
BS8 2QB

Telephone: 0117 914 2058
Email: michelle.breslin@trigroup.org

Appendix 1

Statutory information

RED DIRECT MARKETING LIMITED
(in creditors' voluntary liquidation)
LIQUIDATOR'S REPORT
5 March 2019

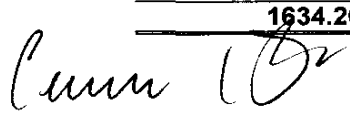
Company Name:	Red Direct Marketing Limited
Former Trading Name:	None
Company Number:	08985802
Registered Office:	141 Whiteladies Road Clifton Bristol BS8 2QB
Former Registered Office:	Lansdowne House Long Street Devizes Wiltshire SN10 1NJ
Officeholder:	Graham Lindsay Down
Officeholder's address:	141 Whiteladies Road Clifton Bristol BS8 2QB
Date of appointment:	7 March 2017
Changes to Officeholders:	None
EC Regulations:	EC Regulations apply and these are Main Proceedings as defined in Article 3 of the EC Regulations.

Appendix 2

Summary of receipts and payments

RED DIRECT MARKETING LIMITED
(in creditors' voluntary liquidation)
LIQUIDATOR'S REPORT
5 March 2019

Summary of Receipts and Payments
For the Period from
7 March 2017 to 6 March 2018

S. of A.		07/03/2017 To 06/03/2018	From 07/03/2017 To 06/03/2018
ASSET REALISATIONS			
5,906	Book Debts	2,000.00	2,000.00
		<u>2,000.00</u>	<u>2,000.00</u>
COST OF REALISATIONS			
	Specific Bond	(20.00)	(20.00)
	Statutory Advertising	(205.80)	(205.80)
	Licence Fees	(140.00)	(140.00)
		<u>(365.80)</u>	<u>(365.80)</u>
			<u>1,634.20</u>
REPRESENTED BY			
	VAT Receivable		41.10
	G L Down as Liquidator of Red Direct Printing Limited		1,593.10
			<u>1,634.20</u>
		 Graham Lindsay Down Liquidator	

Appendix 3

Details of time and expenses

Burton Sweet Corporate Recovery's current hourly charge-out rates are as follows:

Position		Maximum hourly rate		
		Prior to 1 April 2017 £	After 1 April 2017	
			Outside London £	London £
Director/Partner/Office-holder		350	350	420
Managers				
	Qualified partner/senior manager	225	300	360
	Partner/senior manager	200	225	270
	Manager	175	200	240
Administrators				
	Senior administrator	160	165	200
	Administrator	120	80	95
Assistant		100	80	95

Time is charged in units of 6 minutes. It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. There is no separate charge for the time of support staff, such as secretarial staff or cashiers, who are accounted for as an overhead cost absorbed within the firm's charge-out rates for professional staff.

Summary of Liquidator's time costs from 7 March 2017 to 6 March 2018

	Partner/ Practitioner		Manager		Administrator		Total		Ave Rate
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	£
Administration & Planning	21	735.00					21	735.00	350.00
Set up and appointment			44	990.00			44	990.00	225.00
Investigations									
Assets			14	312.50			14	312.50	223.21
Liabilities			35	787.50			35	787.50	225.00
TOTAL	21	735.00	69	1,552.50			114	2,825	
Ave hourly rate		350		225.00				247.81	

A description of the routine work undertaken in the liquidation is described below. Certain administrative tasks are common to virtually all insolvency assignments. In the main, these are duties required by law or professional regulatory bodies which are unlikely to produce any benefit whatsoever to creditors. Whilst there may be some tasks listed which, in the event, are not necessary in the specific circumstances of this case, the time saving in not undertaking them would not be material.

Below is detailed information about the tasks undertaken by the Liquidator.

General Description	Includes
Statutory and General Administration	
Statutory/advertising	Filing of documents to meet statutory requirements including annual receipts and payments accounts Annual corporation tax returns VAT returns Advertising in accordance with statutory requirements Bonding the case for the value of the assets
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Discussions with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Pension scheme	Identifying whether there is a pension scheme
Reports	Circulating initial report to creditors upon appointment Preparing annual progress report, investigation, meeting and general reports to creditors Disclosure of sales to connected parties Circulating final report to creditors
Meeting of Creditors	Preparation of meeting notices, proxies/voting forms and advertisements notice of meeting to all known creditors Collate and examine proofs and proxies/votes to decide on resolutions Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. Responding to queries and questions following meeting Issuing notice of result of meeting.
Investigations	
SIP.2 Review	Collection and making an inventory of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Preparation of deficiency statement
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary report if required Assisting the Insolvency Service with its investigations
Realisation of Assets	
Debtors	Reviewing and assessing debtors' ledgers Dealing with disputes, including communicating with directors/ Instructing debt collection agency
Creditors and Distributions	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator
Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend

Disbursements and out of pocket expenses

It is the firm's policy to recharge all disbursements properly incurred to the relevant insolvency case where there is identifiable specific expenditure.

Specific expenses relating to the administration of the estate are charged to the case. These are generally external supplies of incidental services specifically identifiable to the case (known as "Category 1" disbursements). Examples include statutory advertising, the case management software licence and the fidelity guarantee bond.

Category 1 expenses incurred to date are:

Expense	Incurred £	Paid £
Statutory Advertising	205.80	205.80
Case management software licence	140.00	140.00
Fidelity guarantee bond	20.00	20.00
Total	200.00	200.00

Any costs which may involve an element of shared or allocated costs or are for services provided by the firm are known as "Category 2" disbursements.

The firm's current Category 2 disbursement charges, which may be reviewed periodically, are as follows:

Photocopying	15p per copy
Bulk postage	At current postal rates
Stationery/telephone/routine postage	£5 per member/creditor per annum
Travel	At cost
Mileage	48p per mile
Document storage (external)	70p per box per month
Searches	£15
Meeting room hire	£100 per meeting
File set-up and record retention	£50

Category 2 expenses incurred to date are:

Expense	Incurred £	Paid £
Photocopying	24.00	-
Bulk postage	5.52	-
Total	29.52	-

A copy of 'A Creditors' Guide to Trustees' Fees' published by my professional body and 'Statement of Insolvency Practice 9 (Revised)' are available at the link www.insolvency-practitioners.org.uk under the "Regulation and Guidance" tab. Please note that there are different versions for cases that commenced before or after 6 April 2010. A hard copy of the Creditors' Guide may be obtained on request from my office.

CREDITORS' RIGHT TO REQUEST INFORMATION AND THEIR RIGHT TO CHALLENGE THE TRUSTEE'S REMUNERATION AND EXPENSES

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Trustee's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Trustee's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

a secured creditor;

- an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question); or
- any unsecured creditor with the permission of the court.

- (1) A request or an application to the court for permission by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one creditor.

Rule 18.34

- (1) This rule applies to an application in a winding-up made by a person mentioned in paragraph (2) on the grounds that:

- the remuneration charged by the office-holder is in all the circumstances excessive;
- the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- the expenses incurred by the office-holder are in all the circumstances excessive.

- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable:

- a secured creditor; or
- an unsecured creditor with either
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court.

- (3) The application by a creditor must be made no later than eight weeks after receipt by the applicant of the final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question.