

The Insolvency Act 1986

**Liquidator's Progress
Report****S.192****Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986**

To the Registrar of Companies

For Official Use

Company Number

OC310750(a) Insert full
name of company

Name of Company

REDDISH LLP(b) Insert full
name(s) and
addressesI/~~We~~Edwin Kirker
Centre 645
2 Old Brompton Road
South Kensington
London
SW7 3DQthe liquidator(s) of the company attach a copy of my/~~our~~ Progress Report
under Section 192 of the Insolvency Act 1986.The Progress Report covers the period from 30 September 2016
to 29 September 2017

Signed



Date

29 November 2017

Presenter's name,
Address and
Reference
(if any)Kirker & Co
Centre 645
2 Old Brompton Road
South Kensington
London SW7 3DQ

THURSDAY

*A6LAD3MY*
14/12/2017 #126
A21 COMPANIES HOUSE

REDDISH LLP

(In Creditors' Voluntary Liquidation)

**LIQUIDATOR'S PROGRESS REPORT
TO MEMBERS AND CREDITORS**

2 November 2017

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1. INTRODUCTION

- 1.1 I refer to my appointment as Liquidator of Reddish LLP (the Company) on 30 September 2015.
- 1.2 This report covers the year ended 29 September 2017 and is delivered pursuant to Section 104A of the Insolvency Act 1986 (as amended)
- 1.3 Statutory Information for the Company is included at **Appendix I**.

2. RECEIPTS AND PAYMENTS ACCOUNT

- 2.1 A Receipts and Payments Account for the period 30 September 2016 to 29 September 2017 appears in **Appendix II**.
- 2.2 There have been no receipts or payments through the estate in the period under review.

3. POTENTIAL REALISATIONS

3.1 Memorial Holdings Limited ("MHL")

- 3.1.1 The Company holds 100,800 Ordinary Shares of 1p each in MHL, a company incorporated in Jersey. It is a minority holding with restrictions on disposal.
- 3.1.2 The major shareholder offered to acquire all of the minority holdings at 1p per share. I rejected the offer, although I am led to believe that the other minority shareholders accepted. The offer to the Company was increased to 5p per share, but I again rejected the same.
- 3.1.3 The offer was made on the basis of a valuation of MHL by Duff & Phelps, which showed that MHL was insolvent. I do not agree with the basis of the valuation and MHL have failed to satisfy me as to how the value of the business has diminished in a short period of time. My investigations are continuing.
- 3.1.4 Recently, the offer of 5p in the £ was repeated. Again, MHL refused to provide answers to my questions as to the valuations of the investments in the accounts, so I again rejected the offer.

3.2 Misfeasance

- 3.2.1 I consider that there are potential claims against the former designated members of the Company for failing to adequately fund the Company to pay the original consideration for the shareholding in MHL. The vendor had previously succeeded in obtaining judgement against the Company for this debt.
- 3.2.2 The legal action for recovery is continuing, but in view of the commercial sensitivity of the action I do not propose to comment further in this report, but will do so when the matter is concluded.

4. OUTCOME FOR CREDITORS

4.1 Secured Creditors

- 4.1.1 No secured creditors were expected in the liquidation and National Westminster Bank has filed Memoranda of Satisfaction with Companies House in respect of two charges effected prior to liquidation for which there was no extant debt.

4.2 Preferential Creditors

- 4.2.1 No preferential creditors were expected to rank for dividend, and none have been received

4.3 Non-Preferential Creditors

- 4.3.1 The Statement of Affairs listed Eren Muduroglu as the one non-preferential creditor for £1.3m. His claim has been received and has been admitted for dividend purposes.
- 4.3.2 The quantum and timing of any dividend will be wholly dependant upon successful recoveries referred to in Section 3 above

5. INVESTIGATIONS

- 5.1 The appropriate Conduct Report/Return has been submitted to the Department of Business, Innovation and Skills. This report is not on the public record and therefore I am unable to comment further.

6. REMUNERATION AND EXPENSES

- 6.1 The costs of preparing the LLP's Statement of Affairs pursuant to Rule 4.38 of the Insolvency Rules 1986 and the costs of convening the meetings of members and creditors, the holding of the same, and providing advice to the members pursuant to Rule 4.62 of the Insolvency Rules 1986 be approved in the sum of £4,000 plus VAT as an expense of the liquidation. This remains outstanding
- 6.2 The liquidator's remuneration was fixed pursuant to Rule 4.127(2)(a) of the Insolvency Rules 1986 on the basis of 19% of gross assets realised.
- 6.3 No remuneration has accrued in the period under review
- 6.4 A Creditor's Guide to Liquidators' Fees is available for download from the R3 website at http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP-9-EW-INTER.pdf. However, if you require a hard copy please let me know and one can be sent at no cost to you.
- 6.5 My expenses incurred during the period under review are shown in **Appendix III**. In the absence of realisations, they have been borne by my firm. They will be drawn when funds permit.

7. CREDITORS' RIGHT TO REQUEST INFORMATION

- 7.1 Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with permission of the Court, may in writing request the Liquidator to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report as required by Rule 18.9 of the Insolvency Rules 2016.
- 7.2 Within 14 days of receipt of the request, the liquidator must provide all of the information asked for, except so far as he considers that
- The time or cost of preparation of the information would be excessive, or
 - Disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - The liquidator is subject to an obligation of confidentiality in respect of the information.
- 7.3 The liquidator is also required to give reasons for not providing all of the requested information

8. CREDITORS' RIGHT TO CHALLENGE REMUNERATION AND/OR EXPENSES

- 8.1 Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors, or with permission of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Insolvency Rules 2016), reducing the amount or the basis of remuneration which the Liquidator is entitled to charge or otherwise challenging some or all of the expenses incurred
- 8.2 Such applications must be made within eight weeks of receipt by the applicant(s) of this Progress Report detailing the remuneration and/or expenses being complained of, in accordance with Rules 18.3 or 18.4 of the Rules.
- 8.3 Challenges may not disturb remuneration or expenses approved or deemed to be approved under prior Progress Reports.

9. FURTHER INFORMATION

Should you have any further queries in respect of the Liquidation, please do not hesitate to contact me.

Yours faithfully



Edwin D S Kirker
Liquidator

APPENDIX I

STATUTORY INFORMATION

Company Name:	Reddish LLP
Registered Number:	OC310750
Date of Incorporation:	22 December 2004
Registered Office:	c/o Kirker & Co Centre 645 2 Old Brompton Road South Kensington London SW7 3DQ
Date of Liquidator's Appointment:	30 September 2015
Appointed by:	The Members and Creditors of the Company pursuant to Section 98 of The Insolvency Act 1986
Liquidator:	Edwin D S Kirker Kirker & Co Centre 645 2 Old Brompton Road South Kensington London SW7 3DQ
Office Holder Number	8227
Licensed by	Chartered Accountants Ireland
EC Regulations of Insolvency Practitioners:	The EC Regulation applies to the proceedings, which are categorised as Main proceedings within the meaning of the Regulation

APPENDIX II

Liquidator's Receipts & Payments Account

30 September 2016 to 29 September 2017

	Per Statement of Affairs £	Realised/ Paid to Date £
Assets		
Debtors	0	0 00
Investments	41,400	0 00
	<u>41,400</u>	<u>0.00</u>
Costs of Administration		
Statement of Affairs Fee		0.00
Statutory Advertising		0.00
Bond		0 00
Printing & Postage		0 00
Mileage and Travel		0.00
Liquidator's Fees Fees		0 00
		<u>0.00</u>
Balance in Hand		0.00

APPENDIX III

LIQUIDATOR'S REMUNERATION & EXPENSES

1 Office Holder's Charging and Disbursement Recovery Policies

1.1 Time Recording

Time incurred on cases is charged at the hourly rate prevailing at the time. The rates on commencement and since this appointment are:

	£
Partner	295
Manager	195
Assistant	125

1.2 Disbursements Recovery

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as postage, statutory advertising and bonding (at cost). General overheads such as print and stationery (Category 2 disbursements) are included in the charge-out rates and are not recharged. Mileage is charged at 45p per mile.

2 Description of Work Carried Out

Time is recorded in relation to activities undertaken during this matter. These include:

2.1 Administration and Planning

The time spent includes the following matters:

- Notification of the appointment to creditors, members and Companies House.
- Setting up case files
- Reviewing available information to determine appropriate strategy
- Dealing with statutory issues required under the Insolvency Act 1986 and the Statements of Insolvency Practice.
- Setting up and maintaining bank accounts and other cashiering activities.

2.2 Investigations

The time spent includes the following matters:

- Conducting an investigation into the Director's conduct and the Company's affairs in accordance with my statutory obligations
- Analysis of the Company's bank accounts
- Consideration of potential preference and misfeasance actions
- Review of inter-company transactions

2.3 Realisation of Assets

Please see the main body of the report for details on the assets realised

2.4 Creditors & Employees

The time spent includes the following matters:

- Recording and maintaining the list of creditors
- Recording creditor claims
- Dealing with creditor queries

3 Time Cost Summary

Although this is academic in this specific case, as the liquidator's remuneration has been fixed on the basis of a percentage of realisations, a summary of the time costs in this matter appears below. To date, the liquidation has required 66.65 hours of time at an average charge-out rate of £282.26 per hour.

Task	Partner		Manager		Administrator		Total	
	Time	Cost	Time	Cost	Time	Cost	Time	Cost
	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Compliance/Administration	11.05	3,259.75	1.90	370.50	3.40	425.00	16.35	4,055.25
Assets	37.70	11,121.50	0.15	29.25	0.00	0.00	37.85	11,150.75
Creditors	0.55	162.25	0.65	126.75	0.00	0.00	1.20	289.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigation	17.35	5,118.25	0.90	175.50	0.00	0.00	18.25	5,293.75
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	66.65	19,661.75	3.60	702.00	3.40	425.00	73.65	20,788.75
Average Rate Per Hour		295.00		195.00		125.00		282.26

The above costs exclude VAT, which will not be recoverable by the estate, as the Company is not registered for VAT purposes.

4 Disbursements

My disbursements and expenses during the period under review are as follows.

Disbursement	Rate	Amount Charged	Amount Drawn	Amount Outstanding
		£	£	£
Specific Penalty Bond	Risk Based Premium	180.00	0.00	180.00
Statutory Advertising	Rack Rate	339.60	0.00	339.60
Mileage	45p per mile	375.30	0.00	375.30
Travel	Second Class	80.85	0.00	80.85
UK Postage	Rack Rate	35.43	0.00	35.43
		1,011.18	0.00	1,011.18