

The Insolvency Act 1986

Administrators' progress report

Name of Company

RCC Realisations 2016 Limited (formerly Rapid Climate Control Limited)

Company number

01439934

In the
High Court of Justice, Chancery Division,
Companies Court

[full name of court]

Court case number
253 of 2016(a) Insert full
name(s) and
address(es) of
administrator(s)

I/We (a)

Neil David Gostelow
KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GLWilliam James Wright
KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Joint Administrators of the above company attach a progress report for the period

(b) Insert dates from

to

(b) 18 July 2016

(b) 10 January 2017

Signed


Joint Administrator

Dated

17 January 2017

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Kelly Haines
KPMG LLP
Arlington Business Park
Theale
Reading RG7 4SD
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Joint Administrators' final progress report for the period 18 July 2016 to 10 January 2017

RCC Realisations 2016
Limited (formerly Rapid
Climate Control Limited) - in
Administration

17 January 2017

Notice to creditors

This progress report provides a final update on the administration of the Company

We have included (Appendix 2) an account of all amounts received and payments made since our previous progress report

We have also explained the exit route from the administration and the outcome for each class of creditors

You will find other important information in the document such as the costs we have incurred

A glossary of the abbreviations used throughout this document is attached (Appendix 7)

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+RG112D0033.html> We hope this is helpful to you

Please also note that an important legal notice about this report is attached (Appendix 8).

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1 Executive summary

- This final progress report covers the period from 18 July 2016 to 10 January 2017
- A sale of the business and assets of the Hire & Sales division was successfully completed on 18 January 2016 to Ashtead Plant Hire Company ("A-Plant") It was not possible to find a buyer for either the Plumbing Contracts or Retail Installations businesses, therefore, these divisions were closed shortly after our appointment (Section 2 - Progress to date)
- The Secured creditors were repaid in full following the sale of the Hire & Sales Division on 18 January 2016 (Section 3 – Outcome for creditors)
- The preferential creditors are to be paid in full in the liquidation (Section 3 – Outcome for creditors)
- A dividend of approximately 21p in the £ is to be paid to the unsecured creditors in the liquidation (Section 3 – Outcome for creditors)
- On 10 January 2017, the Company was placed into Creditors' Voluntary Liquidation and we ceased to act as Joint Administrators On the same date, we were appointed as Joint Liquidators of the Company
- Please note you should read this progress report in conjunction with our previous progress report(s) and proposals issued to the Company's creditors
<http://www.insolvency-kpmg.co.uk/case+KPMG+RG112D0033.html> Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT



Neil Gostelow
Joint Administrator

2 Progress to date

This section provides a final update on the strategy for the administration and on the progress made. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Background

RCC had three divisions employing approximately 80 staff in offices and regional depots across Great Britain.

The Hire & Sales division carried out the hire and sale of air conditioning and heating units principally to large Facilities Management companies. The Plumbing Contracts division initially focussed on the installation of heating and air conditioning systems into large commercial and residential developments, it subsequently diversified into providing plumbing services. A small third division focused on winning smaller installation contracts in the retail sector.

Cashflow issues arising from losses incurred on a plumbing contract and significant overdue debtors in the Hire & Sales division severely impacted RCC's liquidity and ability to pay creditors as they fell due.

After considering all the potential solvent and insolvent options for RCC, the Joint Administrators considered that a pre-pack administration of the business and assets of the hire and sale division would maximise returns for creditors.

A transaction to sell the business and assets of the hire and sale division to A-Plant completed on 18 January 2016.

There were no expressions of interest to purchase the business and assets of the other divisions, primarily due to the costs of completing the associated contracts. These divisions were therefore closed down shortly after our appointment.

Strategy

The majority of the assets with a realisable value were sold as part of the pre-pack administration, please see our previous progress reports for further detail.

We have now exited the administration via CVL where we will complete the remaining workstreams of the case.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Contribution to costs

We received contributions to our costs of £12,700 + VAT during the period. This relates to payments from third parties to cover administration and legal costs for completing assignment of leases and contract novations.

Leasehold properties

The remaining leasehold property assignments that had not already been assigned to A-Plant in the previous period were completed. Any properties that were not assigned to A-Plant were successfully surrendered back to the landlords, negating the need to disclaim any property in the liquidation.

All funds in hand will be transferred to the liquidation, there are no remaining assets to be realised in the liquidation.

Investigations

We reviewed the affairs of the Company to find out if there were any actions which could be taken against third parties to increase recoveries for creditors.

As noted in our previous progress report, we opened a number of lines of enquiry as a result of our work. This is still ongoing and we will update creditors once we have further information and it is appropriate to do so.

We have complied with the relevant statutory requirements to provide information on the conduct of the Company's directors and any shadow directors to the Department for Business, Innovation and Skills. The contents of our submission are confidential.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Rent

In the period we paid £32,480 of rent in respect of properties occupied by A-Plant, bringing total rent paid in the administration to £141,507. This is cost neutral to the administration estate as A-Plant have paid the administration in full for these costs.

Legal fees

Legal fees of £36,416 have been paid to Squire Patton Boggs in the period. These mainly relate to the drafting and contract novation agreements and leasehold property assignments as well as other ad hoc queries from the administrators.

Agents'/Valuers' fees

Agents' fees totalling £5,000 have been paid to Leslie Keats in the period covered by this report. This relates to advice to the administrators on the viability of the plumbing installation contracts and liaison with these customers.

Book debts paid to A-Plant

As part of the SPA, the debtor receipts from the debts purchased by A-Plant were banked into the pre-appointment bank account. The Bank swept this money over to the Joint Administrators' bank account whereupon we passed these funds over to A-Plant. In the period we swept £169,720 over to A-Plant, we had already received these funds from the Bank in the previous period.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3)

The most significant expense which have been incurred in the period but have not yet been paid are our time costs of £74,864, please see section 4.1 for further detail

3 Outcome for creditors

3.1 Secured creditors

The Company entered into a number of financing facilities and security arrangements as follows

- A debenture dated 19 March 2012 to National Westminster Bank PLC ("Natwest")
- A loan agreement dated 26 October 2015 to Natwest
- An invoice discounting agreement with RBS Invoice Finance Limited ("RBSIF")
- Lease purchase agreements with Lombard North Central Plc ("Lombard") dated 13 May 2014 and 1 June 2015 covering the financing of a quantity of evaporative cooler units

At the date of appointment, Natwest were owed £298,628 before accrued interest of £2,001, taking their total debt to £300,629 (it should be noted that in our first progress report the accrued interest element was not included). RBSIF were owed £611,301 and Lombard were owed £44,717.

Following confirmation that their security was valid and enforceable, all the above sums were repaid in full immediately following our appointment.

3.2 Preferential creditors

We estimate the amount of preferential claims to be £20,000.

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £ during the liquidation. We anticipate that preferential creditors should receive a dividend payment within the next few months.

3.3 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a dividend of circa 21p in the £ during the liquidation.

The timing and amount of any dividend are dependent upon the realisations and associated costs of the administration and liquidation

As previously outlined in our first progress report, a precursor to any distribution will be the agreement of claims from former customers of the Plumbing Contracts division. The vast majority of these contracts have defect liability periods, some of which do not expire until 2018. In a worst case scenario these customers will not be able to quantify their claim until this liability period finishes. This would delay a dividend payment as all claims must be agreed before a distribution can be made.

There is a possibility that the aforementioned claims could be agreed before 2018 and the Joint Liquidators will be examining this possibility in the liquidation.

4 Joint Administrators' remuneration, disbursements and pre-administration costs

4.1 Joint Administrators' remuneration and disbursements

The unsecured creditors have provided approval that

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff according to the charge-out rates included in Appendix 5
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5

Time costs

From 18 July 2016 to 10 January 2017, we have incurred time costs of £74,864. These represent 228 hours at an average rate of £328 per hour. You can see a full breakdown on this in Appendix 5.

Remuneration

During the period, we have not drawn any remuneration.

It is intended that further floating charge remuneration incurred during the administration of £60,707.50 will be drawn during the liquidation as approved by the creditors on 1 September 2016.

Disbursements

During the period we have not incurred any disbursements.

All disbursements have been paid in the administration.

Additional information

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 18 July 2016 to 10 January 2017. We have also attached our charging and disbursements policy.

We have also attached an analysis of the time spent for the whole period of the administration (18 January 2016 to 10 January 2017) at Appendix 4. This shows that our final time costs of £352,913 were greater than our budget disclosed in our first progress report of £309,637. As disclosed in our first progress report, we will restrict our fee for the administration at £180,000 and therefore we will not be drawing any of this cost overrun.

Nevertheless, we have explained the main reasons for our budgeted overspend below.

Administration and planning

Tax

As well as time incurred in relation to Capital Gains Tax, which resulted in no Capital Gains Tax liability arising in the administration, further time has been spent reducing the Company's pre-appointment tax exposure. This work has resulted in a reduction in the total unsecured creditor claims pool, thus increasing forecast returns to unsecured creditors.

Creditors

Creditors and claims

There has been further time spent on a number of different workstreams that fall into this category. Work has been undertaken to reduce the pre-appointment tax claim as explained above, there has also been higher than anticipated correspondence from creditors regarding the administration. Furthermore, time has been spent considering the exit strategy for the administration as well as planning the subsequent liquidation.

Investigation

Investigations

As previously advised in section 2.2, our pre-appointment investigations are still ongoing and therefore time and cost is still being incurred in this area. We intend to update creditors once we have further information and it is appropriate to do so.

Realisation of assets

Asset Realisation

The final assignments of the leasehold properties were more protracted than expected which therefore meant more time costs were incurred than anticipated. However as noted in section 2.2, we have received contributions to our costs (and the legal costs incurred) from A-Plant in that respect.

4.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our proposals

Pre-administration costs					
	Disclosed unpaid costs (£)	Approved (£)	Paid in the previous period (£)	Paid in the period (£)	Outstanding (£)
KPMG fees	80,629 00	80,629 00	80,629 00	0 00	0 00
KPMG disbursements	148 00	148 00	148 00	0 00	0 00
Legal fees	75,000 00	75,000 00	78,067 52	0 00	0 00
Total	155,777 00	155,777 00	158,844 52	0 00	0 00

On 15 February 2016, we obtained approval from the unsecured creditors to pay all of these pre-administration costs as an expense of the administration

Squire Patton Boggs' total pre-appointment legal fees were slightly higher than originally anticipated due to disbursements incurred whilst carrying out their work

5 Conclusion of the administration

On 10 January 2017, the requisite forms were registered by the Registrar of Companies and the Company was placed into Creditors' Voluntary Liquidation

We ceased to act as Joint Administrators on 10 January 2017 and were discharged of liability in respect of any action of ours as Joint Administrators on 10 January 2017

In accordance with our proposals, we were appointed Joint Liquidators of the Company on 10 January 2017

The balance in hand shown in our receipts and payments account as at 10 January 2017 will now be transferred into the liquidation bank account

Appendix 1 Statutory information

Company information

Company name	RCC Realisations 2016 Limited (formerly Rapid Climate Control Limited)
Date of incorporation	26 July 1979
Company registration number	01439934
Present registered office	KPMG LLP, Arlington Business Park, Theale, Reading, RG7 4SD

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, 253 of 2016
Appointor	QFCH
Date of appointment	18 January 2016
Joint Administrators' details	Neil Gostelow and Will Wright
Functions	The functions of the Joint Administrators have been exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	17 January 2017
Values of the Net Property and Prescribed Part	Net Property was £1,597,000 Prescribed Part was £300,000
Prescribed Part distribution	Whilst the Prescribed Part is technically applicable on this case, as all secured creditors were repaid in full from fixed charge realisations, the floating charge recoveries are not subject to any deductions by secured creditors. As a result, all floating charge recoveries, after costs, will be available to unsecured creditors

Appendix 2 Joint Administrators' receipts and payments account

RCC Realisations 2016 Limited (formerly Rapid Climate Control Limited) - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 18/07/2016 To 10/01/2017 (£)	From 18/01/2016 To 10/01/2017 (£)
FIXED CHARGE ASSETS			
	Leasehold property	NIL	25,233 00
44,717 00	Plant & machinery - Lombard	NIL	44,716 94
922,968 00	Debtors - Hire & Sales Division	NIL	922,968 34
1,133,501 00	Goodwill	NIL	1,133,501 49
		NIL	2,126,419 77
FIXED CHARGE CREDITORS			
(611,300 00)	Secured creditor (RBSIF)	NIL	(611,300 59)
(44,717 00)	Secured creditor (Lombard)	NIL	(44,716 94)
(300,000 00)	Secured creditor (Nat West)	NIL	(300,628 82)
		NIL	(956,646 35)
ASSET REALISATIONS			
	Licence fee on leasehold properties	23,389 55	144,752 43
440,283 00	Plant & machinery	NIL	440,283 06
151,842 00	Office/comp equip, fixtures & fittings	NIL	151,842 00
73,000 00	Stock	NIL	73,000 00
150,000 00	Accrued income/Work in Progress	NIL	150,000 00
	Book debts	NIL	320 21
25,233 00	Leasehold improvements	NIL	NIL
	Cash at bank	NIL	585 14
	Rates refund	NIL	1,492 88
		23,389 55	962,275 72
OTHER REALISATIONS			
	Bank interest, gross	2,302 35	4,113 86
	Intellectual property rights	NIL	5 00
	Sundry refunds	315 90	1,611 29
	Book debts due to A-Plant	NIL	739,705 14
104,909 00	Prepayments	NIL	104,909 00
	Contribution to costs from third parties	12,700 00	12,700 00
		15,318 25	863,044 29
COST OF REALISATIONS			
	Administrators' fees	NIL	(119,292 50)
	Administrators' expenses	NIL	(70 65)

RCC Realisations 2016 Limited (formerly Rapid Climate Control Limited) - in Administration		
Abstract of receipts & payments		
Statement of affairs (£)	From 18/07/2016 To 10/01/2017 (£)	From 18/01/2016 To 10/01/2017 (£)
Agents'/Valuers' fees	(5,000 00)	(5,250 00)
Legal fees	(36,415 50)	(36,415 50)
Legal fees (pre-appointment)	NIL	(78,057 52)
Book debts due to A-Plant	(169,720 30)	(739,705 14)
Administrators' pre-admin fees	NIL	(80,629 00)
Administrators' pre-admin expenses	NIL	(148 00)
Storage costs	NIL	(1,699 78)
Statutory advertising	NIL	(169 20)
Rent	(32,480 37)	(141,506 69)
Insurance of assets	NIL	(1,543 95)
Bank charges	(116 00)	(370 50)
	(243,732 17)	(1,204,858 43)
PREFERENTIAL CREDITORS		
(20,000 00) Employees' holiday pay	NIL	NIL
	NIL	NIL
UNSECURED CREDITORS		
(1,812,656 00) Trade & expense	NIL	NIL
(3,980,000 00) Loan Notes	NIL	NIL
(262,538 00) HMRC - PAYE/NIC	NIL	NIL
(80,496 00) HMRC - VAT	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(300,000 00) Ordinary shareholders	NIL	NIL
	NIL	NIL
(4,365,254 00)	(205,024 37)	1,790,235 00
REPRESENTED BY		
Floating ch VAT rec'able		90,951 91
Floating charge current		1,772,824 07
Floating ch VAT payable		(31,250 49)
Floating ch VAT control		(42,290 49)
		1,790,235 00

Appendix 3 Schedule of expenses

Summary of Expenses from appointment				
Total for Administration				
Expenses (£)	Initial Estimates (£)	Paid to date (£)	Future costs (£)	Total (£)
Cost of realisations				
Administrators' fees	0 00	119,292 50	60,707 50	180,000 00
Administrators' expenses	0 00	70 65	0 00	70 65
Agents'/Valuers' fees	0 00	5,250 00	0 00	5,250 00
Legal fees	0 00	36,415 50	0 00	36,415 50
Legal fees (pre-appointment)	0 00	78,057 52	0 00	78,057 52
Administrators' pre-admin fees	0 00	80,629 00	0 00	80,629 00
Administrators' pre-admin expenses	0 00	148 00	0 00	148 00
Storage costs	0 00	1,699 78	0 00	1,699.78
Statutory advertising	0 00	169 20	0 00	169 20
Rent	0 00	141,506 69	0 00	141,506 69
Insurance of assets	0 00	1,543 95	0 00	1,543 95
Bank charges	0 00	370 50	0 00	370 50
TOTAL	0 00	465,153 29	60,707 50	525,860 79

Please note that there is a difference between the payments made during the period of £243,732 (per the receipts and payments account) and the expenses incurred and paid in the administration of £465,153 (per the schedule of expenses)

- This is due to the fact that some of the payments made in the period relate to expenses incurred in a prior period
- This is also due to the fact that the schedule of expenses relates to the whole administration whereas the receipts and payments account is for the period covered by this report

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court

The full text of the relevant rules can be provided on request by writing to Kelly Haines on KPMG LLP, Arlington Business Park, Theale, Reading, RG7 4SD

Appendix 4 Joint Administrators' revised fees estimate

RCC Realisations 2016 Limited (formerly Rapid Climate Control Limited) - In Administration									
Disclosed estimated time costs for the engagement				Additional actual time cost to 31 October 2016				Additional actual time cost from 1 November 2016	
	Estimated Total hours	Estimated Time cost (£)	Estimated Average hourly rate (£)	Additional Actual Total hours	Additional Actual time cost (£)	Actual Average hourly rate (£)	Additional Actual Total hours	Additional Actual time cost (£)	Actual Average hourly rate (£)
Administration & planning									
Bankrupt/Director/Member	1 10	345 50	314 09	0 00	0 00	0 00	0 00	0 00	0 00
Cashiering	36 50	8 777 50	240 48	4 50	126 00	28 00	4 40	1 207 00	274 32
General	24 00	6 670 00	277 92	0 20	766 00	3 830 00	1 90	807 50	425 00
Statutory and compliance	112 50	34 532 50	306 96	-13 35	-9 980 25	747 58	20 50	7 794 50	380 22
Tax	190 00	69 282 50	364 64	2 15	2 662 00	125 66	3 20	1 400 50	437 66
Creditors									
Creditors and claims	211 30	68 726 50	325 26	46 50	18 638 00	400 82	5 10	2 193 00	430 00
Employees	53 50	16 137 50	301 64	-0 80	-1 011 50	1 264 38	0 80	262 00	327 50
Investigation									
Directors	30 60	12 868 50	420 54	0 00	-53 50	0 00	1 30	552 50	425 00
Investigations	41 50	14 796 00	356 53	-9 30	-413 00	44 41	4 10	1 742 50	425 00
Trading									
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of assets									
Asset Realisation	230 00	77 500 00	336 96	46 25	14 172 75	306 44	9 40	2 410 00	256 38
Total in period	931 00	309 636 50	332 58	95 15	24 906 50	261 76	50 70	18 369 50	362 32
									94 082 75
									352 912 50

Our scales rates changed from 1 November 2016, please see appendix 5 of this report for further details of these changes
We set out our explanation for the additional time incurred in section 4.1 of this report

Appendix 5 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Kelly Haines on 0118 3731401.

Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Table of charge-out rates

Charge-out rates (£) for: Restructuring		
Grade	From 01 Oct 2015 £/hr	From 01 Nov 2016 £/hr
Partner	595	625
Director	535	560
Senior Manager	485	510
Manager	405	425
Senior Administrator	280	295
Administrator	205	215
Support	125	131

Charge-out rates (£) for: Tax		
Grade	From 01 Oct 2015 £/hr	From 01 Nov 2016 £/hr
Partner	1095	1150
Director	1020	1075
Senior Manager	840	885
Manager	600	630
Senior Administrator	420	440
Administrator	265	280
Support	215	375

The hourly charge-out rates we use might periodically rise over the period of the administration, for example to cover annual inflationary cost increases

Policy for the recovery of disbursements

We have recovered Category 1 disbursements from the estate

For the avoidance of doubt, such expenses are defined within SIP 9 as follows

Category 1 disbursements These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff

Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows

Mileage claims fall into three categories

- Use of privately-owned vehicle or car cash alternative – 45p per mile
- Use of company car – 60p per mile
- Use of partner's car – 60p per mile

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate

We have not incurred any disbursements during the period

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company

Category 2 disbursements have been approved in the same manner as our remuneration

Narrative of work carried out for the period 18 July 2016 to 10 January 2017

The key areas of work have been

Statutory and compliance	<ul style="list-style-type: none"> ■ issuing regular press releases and posting information on a dedicated web page, ■ preparing statutory receipts and payments accounts, ■ dealing with all closure related formalities, ■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ regular case management and reviewing of progress, including regular team update meetings and calls, ■ reviewing and authorising junior staff correspondence and other work, ■ dealing with queries arising during the appointment, ■ reviewing matters affecting the outcome of the administration, ■ complying with internal filing and information recording practices, including documenting strategy decisions
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of Secured creditors regarding the progress of the administration and case strategy
Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices, ■ creating remittances and sending payments to settle post-appointment invoices, ■ reconciling post-appointment bank accounts to internal systems, ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none"> ■ working initially on tax returns relating to the periods affected by the administration, ■ analysing VAT related transactions, ■ reviewing the Company's duty position to ensure compliance with duty requirements, ■ dealing with post appointment tax compliance
Shareholders	<ul style="list-style-type: none"> ■ providing copies of statutory reports to the shareholders
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9,
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets, ■ liaising with agents regarding the sale of assets, ■ reviewing outstanding debtors and management of debt collection strategy,
Property matters	<ul style="list-style-type: none"> ■ assigning the remaining leasehold properties to A-Plant, ■ communicating with landlords regarding rent, property occupation and other issues, ■ performing land registry searches
Creditors and claims	<ul style="list-style-type: none"> ■ creating and updating the list of unsecured creditors, ■ responding to enquiries from creditors regarding the administration and submission of their claims, ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records

Time costs

SIP 9 –Time costs analysis (18/07/2016 to 10/01/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	8 60	2,072 50	240 99
Reconciliations (& IPS accounting reviews)	2 30	579 50	251 96
General			
Books and records	0 20	41 00	205 00
Fees and WIP	5 80	2,124 50	366 29
Statutory and compliance			
Checklist & reviews	12 70	4,531 00	356 77
Closure and related formalities	12 60	3,565 00	282 94
Strategy documents	7 50	3,145 50	419 40
Tax			
Post appointment corporation tax	22 90	8,332 00	363 84
Post appointment overseas tax	0 70	143 50	205 00
Post appointment VAT	12 70	3,929 75	309 43
Creditors			
Creditors and claims			
Agreement of preferential claims	1 00	280 00	280 00
Agreement of unsecured claims	0 30	153 00	510 00
General correspondence	10 60	3,711 00	350 09
Pre-appointment VAT / PAYE / CT	2 10	884 50	421 19
Statutory reports	52 00	17,312 00	332 92
Employees			
Correspondence	4 80	1,089 50	226 98
Investigation			
Directors			
Correspondence with directors	1 30	552 50	425 00
Investigations			
Correspondence re investigations	4 60	2,002 00	435 22
Realisation of assets			
Asset Realisation			
Debtors	3 50	1,222 50	349 29
Freehold property	4 75	1,923 75	405 00
Leasehold property	54 80	16,348 00	298 32

SIP 9 –Time costs analysis (18/07/2016 to 10/01/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Open cover insurance	0 60	190 00	316 67
Other assets	0 40	204 00	510 00
Stock and WIP	0 20	81 00	405 00
Vehicles	1 10	445 50	405 00
Total in period	228 05	74,863 50	328 28

Brought forward time (appointment date to SIP 9 period start date)	848 80	278,049 00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	228 05	74,863 50
Carry forward time (appointment date to SIP 9 period end date)	1,076 85	352,912 50

Please note that there is a difference between the brought forward time of £278,049 (per the current time cost analysis) and the time costs analysis in the previous period of £277,879. This is a result of time being charged to this period after we had circulated our last report.

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 6 Summary of Joint Administrators' proposals

As a rescue of the Company (via a share sale or significant equity injection) was not viable, the Joint Administrators have pursued the statutory objective under Schedule B1 paragraph 3(1)(b) of the Insolvency Act 1986, 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)

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals

We propose the following

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above,
- to investigate and, if appropriate, to pursue any claims the Company may have,
- to seek an extension to the administration period if we consider it necessary

Distributions

- to make distributions to the secured and preferential creditors,
- to make distributions to the unsecured creditors either via the Administration (having applied to the Court for authority to do so) or via a liquidation process if considered appropriate

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end

- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Neil Gostelow and Will Wright, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved,
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Neil Gostelow and Will Wright, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together,

Joint Administrators' remuneration

We propose that

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 4 and the charge-out rates included in Appendix 5 ,

- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5
- unpaid pre-administration costs to be an expense of the administration

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies

Appendix 7 Glossary

Bank	The Royal Bank of Scotland Plc
Company	RCC Realisations 2016 Limited (formerly Rapid Climate Control Limited) - in Administration
Joint Administrators/we/our/us	Neil Gostelow and Will Wright
KPMG	KPMG LLP
LTO	Licence to Occupy
Secured creditors	The Royal Bank of Scotland Plc, National Westminster Bank Plc, Royal Bank of Scotland Invoice Finance Limited and Lombard North Central Plc
SPA	Sales and Purchase Agreement
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively

Appendix 8 Notice: About this report

This report has been prepared by Neil Gostelow and Will Wright the Joint Administrators of RCC Realisations 2016 Limited (formerly Rapid Climate Control Limited) – in Administration (the 'Company') solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, 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 person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Neil David Gostelow and William James Wright are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP 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.

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