

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03477951

Name of Company

SW1 Investors Limited

I / We

David J Dunckley, 30 Finsbury Square, London, EC2P 2YU

the 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 20/03/2015 to 19/03/2016

Signed

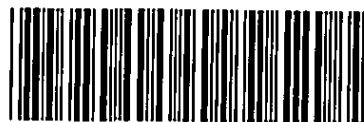
Date

10/5/16

Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Ref S02084/DJD/ZLC/BLA/EZF

THURSDAY



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12/05/2016

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COMPANIES HOUSE

Our Ref DJD/ZLC/BLA/EZF/S02084/
Your Ref

To the creditors and members

10 May 2016

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB

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SW1 Investors Limited - In Liquidation (the Company)

1 Introduction

1.1 I now report on the progress of the liquidation for the year ended 19 March 2016 and attach

- Appendix A, an account of our receipts and payments for the year ended 19 March 2016 and also for the whole liquidation to date
- Appendix B, a statement of the remuneration charged by the joint liquidators in the period 20 March 2015 to 19 March 2016 and a statement of expenses incurred in the period
- Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator (rule 4.49E)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4.131)

1.2 Ian Corfield and I were appointed as joint liquidators of the Company on 19 March 2013. Ian Corfield has now left Grant Thornton UK LLP and was formally removed from this case on 2 December 2014 by Order of the Court.

1.3 I am authorised by the Insolvency Practitioners Association to act as an insolvency practitioner.

2 Statutory information

2.1 The Company's statutory details are as follows:

Registered number 03477951

Registered office Grant Thornton UK LLP,
4 Hardman Square, Spinningfields,
Manchester, M3 3EB

3 Progress report

Assets

Cash at Bank

- 3 1 As previously reported, upon appointment, the Company's bank accounts had credit balances totalling £75,631. These funds were subsequently transferred into the liquidation account.

Earn Out Consideration

- 3 2 City Financial Investment Company Limited (City Financial) purchased certain business and assets from the Company on 1 October 2012 – prior to the appointment of the liquidator.
- 3 3 The deal included an element of deferred consideration payable in the future and based on the performance of a number of funds managed by City Financial.
- 3 4 Part of this consideration was payable in cash. City Financial paid the Company £71,516 shortly following my appointment and a further £112,886 in May 2013.
- 3 5 The remaining consideration was payable in City Financial shares following the year end 31 December 2015. Following a period of negotiation with two parties, on 4 March 2014 the Company waived the right to this part of the future consideration in exchange for a cash payment of £600,000, which was received in March 2014.

Litigation

- 3 6 As advised previously, settlement funds of £660,000 were received in September 2014.

Liabilities

Secured and preferential creditors

- 3 7 There are no secured or preferential creditors in this matter.

Unsecured creditors

- 3 8 I have received and agreed unsecured claims totalling c£1.3 million.
- 3 9 The quantum and timing of any dividend is now highly dependent upon the outcome of the contingent creditor matter detailed below.

Contingent creditor

- 3 10 As you are aware, in November 2014 I received a Writ of Summons from the 'Quality Investments Collectief' in Belgium. The Company and its directors were listed as respondents (along with ten others) and the total value of the claim was approximately \$82 million. I have recently been advised by my solicitor that the claim is more likely to be c\$84 million.
- 3 11 I was not aware of such a potential claim following my appointment and no contingent creditor was included in the Statement of Affairs submitted by the directors.
- 3 12 Based on advice I have received from solicitors in Belgium I instructed legal Counsel to represent the Company. Following a recent ruling in favour of the defendants, the claimants have chosen to appeal the decision. I am advised that it could take up to two years before the appeal is heard.

4 Liquidator's remuneration and expenses

- 4.1 Prior to my appointment, my firm received £7,600 in connection with the expenses incurred in convening the meeting of creditors and the preparation of the statement of affairs
- 4.2 On 20 March 2013 the creditors resolved that I draw my remuneration by reference to my time costs. You will note from the SIP 9 table attached at Appendix C that my time costs to date are £143,896 and from the receipts and payments account attached at Appendix A, that I have drawn £25,000 to date. Time costs of £20,487 incurred in the period but not drawn as remuneration to date are disclosed in Appendix B
- 4.3 In addition expenses totalling £510 have been incurred in respect of travel, postage, bonding and statutory advertising, of which £497 has been paid to date
- 4.4 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively I will supply this information by post on request

5 Other expenses incurred by the liquidator

- 5.1 During the period I have paid £20,023 to Kennedys Law LLP for on-going advice relating to the contingent creditor

6 Contact

- 6.1 Should you have any queries, please contact Will Bowden on 0161 953 6392

Yours faithfully
for and on behalf of SW1 Investors Limited



David J Dunckley
Liquidator

Enc

SW1 Investors Limited - in liquidation
Summary of receipts and payments
from 20 March 2013 to 19 March 2016

	Statement of Affairs £	From 20/03/2013 to 19/03/2015 £	From 20/03/2015 to 19/03/2016 £	Total £
Receipts				
Consideration re Earn Out		600,000 00	0 00	600,000 00
Legal Settlement		660,000 00	0 00	660,000 00
Cash at Bank	75,722 00	75,630 77	0 00	75,630 77
Earn Out Interest		184,402 23	0 00	184,402 23
Misc Float Receipts		71 90	0 00	71 90
Bank/ISA InterestGross		4,192 87	4,999 06	9,191 93
Misc Refunds		1,354 93	0 00	1,354 93
Vat Control Account		0 00	14,091 89	14,091 89
		1,525,652 70	19,090 95	1,544,743 65
Payments				
Insurance		0 00	1,500 00	1,500 00
Preparation of S of A		7,500 00	0 00	7,500 00
Liquidators Fees		25,000 00	0 00	25,000 00
Liquidators Expenses		497 16	0 00	497 16
Legal Fees (1)		36,074 50	20,022 80	56,097 30
Corporation Tax		0 00	2,822 17	2,822 17
Statutory Advertising		165 25	0 00	165 25
Vat Receivable		12,331 25	4,004 56	16,335 81
		81,568 16	28,349 53	109,917.69
Net Receipts/(Payments)		1,444,084 54	(9,258 58)	1,434,825 96
Made up as follows				
Floating Current Account		945,718 93	(863,230 86)	82,488 07
Bank 2 Money Market		498,365 61	853,972 28	1,352,337 89
		1,444,084 54	(9,258 58)	1,434,825 96

B Remuneration charged and expenses incurred by the joint liquidators in the period

	Charged/incurred in period 20/03/2015 to 19/03/2016	Cumulative charged/incurred to 19/03/2016	Of which paid to 19/03/2016
	£	£	£
Joint liquidators' fees			
Time costs	20,487	143,896	25,000
Expenses	0	510	497
Legal fees			
Kennedys Law LLP	20,023	56,097	56,097
Insurance			
JLT Speciality Limited	1,500	1,500	1,500

C SIP 9 information

Introduction

The following information is provided in connection with the liquidators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

	From 01/07/12	From 01/07/13	From 01/07/14 to date
	£	£	£
Partners up to	580	600	740
Managers up to	440	455	470
Administrators up to	310	320	345
Assistants and support staff up to	210	220	230

Disbursements

Out of pocket expenses are charged at cost and mileage is charged at standard rates. VAT is added to disbursement charges as necessary.

Transaction period 20/03/2013 to 19/03/2016

Total fees billed to date (Time) £ 25,000

SW1 Investors Limited - in Liquidation - S30202084 - SIP 9 TIME COST ANALYSIS

Transaction period 20/03/2015 to 19/03/2016

	Partner		Manager		Executive		Administrator		Total		Avg Hrly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning (incl statutory reporting)	75	461 25	2 50	1 105 00	7 95	2 040 00	6 10	978 50	17 30	4,684 75	265 01
Chargeholders (incl bank reporting)									00		
Corporation Tax			2 40	1,115 00	7 70	2 156 00	20	19 00	10 30	3,290 00	319 42
Hiatus period									00		
Investigations and reports on directors									00		
Legal			6 50	3,055 00	16 75	5 417 50			23 25	8,472 50	364 41
PAYE and VAT			25	82 50	75	202 50	95	136 00	1 95	421 00	215 90
Pensions									00		
Preferential creditors									00		
Realisation of Assets Debtors									00		
Realisation of Assets Other assets									00		
Realisation of Assets Property plant vehicles etc (incl HP leasing and third party)			3 95	1 856 50	2 00	660 00			5 95	2,516 50	422 94
Realisation of Assets Stock and WIP (incl ROT)									00		
Sale of business									00		
Trading									00		
Unclassified			60	297 00					60	297 00	495 00
Unsecured creditors			1 75	822 50	25	82 50			2 00	905 00	452 50
Total	75	461 25	17 95	8,333 50	35 40	10,568 50	7 25	1,133 50	61 35	20,486 76	333 93

Total fees billed to date (Time) £ 25,000

SW1 Investors Limited - In Liquidation

Narrative of time costs from 20 March 2015 to 19 March 2016

TASKS	Incurred to date		
	Av Hrlly Rate	Hrs	£
STATUTORY AND ADMINISTRATIVE TASKS	285	30	8,593
Case planning File reviews Bank account administration (treasury) VAI and corporation tax compliance Reports to creditors			
Legal	364	23	8,473
Liaising with solicitors re contingent claim Reviewing correspondence re contingent claim			
Realisation of assets	423	6	2,517
Liaising with insurance brokers re insurance matters and cover			
CREDITORS	453	2	905
Liaising with unsecured creditors			
Total costs	334	61	20,487

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator

Rule 4 49E edited for application to a progress report in a creditors' voluntary liquidation

- (1) If
 - (a) within the period mentioned in paragraph (2)
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter which was previously included in a progress report
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report
- (3) The liquidator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the liquidator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) 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
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (4) Any creditor, who need not be the same as the creditor who requested further information, may apply to the court within 21 days of -
 - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4 131(1B) by such further period as the court thinks just

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive

Rule 4 131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application by a creditor may be made on the grounds that -
 - (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
 - (c) expenses incurred by the liquidator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice, but which is without notice to any other party
If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation