

# WU07

## Notice of progress report in a winding-up by the court



Companies House

THURSDAY



A20 \*A7L60MH6\*  
20/12/2018 #626  
COMPANIES HOUSE

### 1 Company details

Company number 0 4 2 3 0 1 8 4

Company name in full Regency Hospitals Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Steven

Surname Parker

### 3 Liquidator's address

Building name/number Opus Restructuring LLP

Street 1 Radian Court

Knowlhill

Post town Milton Keynes

County/Region

Postcode M K 5 8 P J

Country

### 4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region


Postcode

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

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

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**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	Steven Parker				
Company name	Opus Restructuring LLP				
Address	1 Radian Court				
Knowlhill					
Post town	Milton Keynes				
County/Region					
Postcode	M	K	5	8	P J
Country					
Dx					
Telephone	01908 087220				



**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)

## **Content**

- Executive Summary
- Administration and Planning
- Enquiries and Investigations
- Realisation of Assets
- Creditors
- Fees and Expenses
- Creditors' Rights
- EC Regulations
- Conclusion

## **Appendices**

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- Appendix II – Receipts and Payments account for the period 2 December 2017 to 1 December 2018 and for the period of the appointment
- Appendix III - Detailed list of work undertaken in the period
- Appendix IV - Time cost information for period 2 December 2017 to 1 December 2018 and the total for the period of the appointment
- Appendix V – Opus Restructuring LLP Charge-out Rates and Disbursement Policy

## EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

### Assets

Asset	Estimated to realise per Statement of Affairs	Realisations to date	Anticipated future realisations	Total anticipated realisations
Sundry Refund	Nil	15.17	Nil	15.17
Deposit for Costs	Nil	1,250.00	Nil	1,250.00
<b>Total</b>	<b>Nil</b>	<b>1,265.17</b>	<b>Nil</b>	<b>1,265.17</b>

### Expenses

Expense	Amount per fees and expenses estimates	Expense incurred to date	Anticipated further expense to closure	Total anticipated expense
BIS Bank Charges	N/a	352.00	Nil	352.00
O.R. Remuneration	N/a	2,400.00	Nil	2,400.00

### Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Secured creditor	Nil	Uncertain
Preferential creditors	Nil	Uncertain
Unsecured creditors	Nil	Uncertain

### Summary of key issues outstanding

- Continued liaison with professional advisors regarding the potential Interest Rate Hedging Products ("IRHP") claim against RBS.

### Closure

Due to the issues outstanding as listed above, it is difficult to estimate the availability and timing of any dividend to any class of creditor or closure of the liquidation.

## **ADMINISTRATION AND PLANNING**

### **Statutory information**

Statutory information may be found at Appendix I.

The Liquidator is required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks may be found in Appendix III.

The Liquidator has met his statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated. During the Review Period, the following key documents have been issued:

- The annual progress report for the period ending 1 December 2018;

### **Other administration tasks**

During the Review Period, the following material tasks in this category were carried out:

- Case reviews etc.

## **ENQUIRIES AND INVESTIGATIONS**

During the previous review periods, the Liquidator carried out a review of the Company's affairs in the period prior to appointment. This review identified certain areas for further review, however, due to a lack of evidence, the investigation could not be perused further, with the exception of the IRHP issue detailed below.

## **REALISATION OF ASSETS**

Detailed below is key information about asset realisation and strategy, however, more details about the work undertaken may be found at Appendix III. The Liquidator formulated and worked through a realisation strategy that sought to maximise realisations net of costs. The financial benefit of those efforts is described further below.

### **Rights of Actions**

As detailed in previous reporting periods, there is a potential claim against Royal Bank of Scotland ("RBS") in respect of mis-sold Interest Rate Hedging Products. RBS has made a settlement offer of circa £1.6m, however having sought advice on the matter, the Liquidator has been advised that the claim is likely to be offset against the debt due to RBS, who have submitted a claim of £9,435,116.

The Liquidator is continuing to liaise with Moon Beaver, who are conducting investigations in respect of the Bank's ability to apply set-off. They have advised that the best way to challenge the bank is by challenging an 'embedded' set-off, where the economics of the litigation dictate that taking a preliminary set-off point would otherwise be feasible.

They have commented that further research is required in this regard and the Liquidator will continue to pursue this matter with Moon Beaver and a further update will be provided to creditors in the next annual report, or an interim report where appropriate.

## Payments

The only payments from the estate have been bank charges raised by the Insolvency Service Estate Accounts Section which are £22 per quarter. Total charges for the period are £88.

## CREDITORS

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Liquidator has had to carry out key tasks which are detailed in the list at Appendix III. The following sections explain the anticipated outcomes to creditors and any distributions paid.

### Secured creditors

The Company had granted the following securities to RBS: -

Type of charge	Date created
Fixed and Floating Charge Debenture	21 March 2002
Legal Charge	21 March 2002
Legal Charge	7 February 2006
Legal Charge	30 November 2007
Second Legal Charge	16 April 2012

The debt due to RBS at the date of appointment was made up of various loans and overdrafts, the total quantum of which was approximately £9.4m excluding charges and accruing interest. As detailed above, the only potential recovery in this matter is in respect of rights of action against RBS and therefore any recovery is uncertain.

### Preferential creditors

#### Employee claims

22 employees were made redundant prior to the Liquidator's appointment. The relevant information for employees to submit claims has been made to the Redundancy Payments Office and information and help has been given to employees to enable them to submit their claims online.

Claims of £169,225 have been received of which £3,764 is claimed preferentially.

The likelihood of a dividend to preferential creditors will be dependent on the recovery of funds from the IRHP actions, if the entitlement to offset can be successfully challenged.

### Unsecured creditors

HMRC was shown to be owed £605,610. A claim of £226,826 has been received.

The trade and expense creditors as per the list of creditors totalled £486,900. Please be advised that proofs of debt are still being received and therefore the total value of unsecured claims is not known at present.

### Dividend prospects

The likelihood of a dividend to unsecured creditors will be dependent on the recovery of actions against RBS for the IRHP detailed above.

Where a floating charge is created after 15 September 2003 a prescribed part of the company's net property shall be made available to unsecured creditors. As the Debenture granted to RBS pre dates this there will be no prescribed part in this Liquidation.

The Liquidator has not prepared an outcome statement as the likelihood of a recovery in this matter is still unknown. Should it become likely that there will be a recovery, an outcome statement will be included in the next report to creditors.

## **FEES AND EXPENSES**

### **Pre-Appointment Costs**

The Liquidator has pre appointment time costs of £85. These will be written off.

### **The Liquidator's fees**

It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day to day administration on cases and a manager and director then oversees the work undertaken. Where the issues are complex and litigious, the work will be closely supervised or undertaken by a manager or partner.

The basis of the Liquidator fees was approved by creditors on 15 January 2015 in accordance with the following resolution:

"That the Liquidator's fees will be charged by reference to the time properly spent by him and his staff in dealing with the matters relating to the liquidation and he is permitted to charge Category 2 disbursements. The Liquidator's time will be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken."

The time costs for the period 2 December 2017 to 1 December 2018 total £3,478, representing 19 hours at an average hourly rate of £179. None of the time costs have been drawn in the period as there are no funds in the estate at present. The time costs for the period are detailed at Appendix IV.

The total time costs during the period of appointment amount to £74,133 representing 394 hours at an average hourly rate of £188. As the passing of the resolution fixing the basis of the Liquidator's remuneration pre dates the requirement for a fee estimate to be prepared, no comparison is available in this matter. The cumulative time costs for the duration of the appointment are detailed at Appendix IV.

### **Disbursements**

The disbursements that have been incurred and not yet paid during the period are detailed on Appendix IV.

The category 1 disbursements incurred in the period 2 December 2017 to 1 December 2018 total £12 and are detailed at Appendix IV and represent the simple reimbursement of actual out of pocket payments made in relation to the assignment.

The category 2 disbursements for the period 2 December 2017 to 1 December 2018 total £3 and these may include an element of overhead charges in accordance with the resolution passed by creditors at a meeting held on 2 December 2014. The basis of calculation of this category of disbursement was disclosed to creditors prior to the resolution being passed and is also detailed at Appendix V.

No disbursements have been recovered to date.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors' Guide to Fees' together with the firm's charge-out rate and disbursement policy may be found at [www.opusllp.com](http://www.opusllp.com). A hard copy of both the Creditors' Guide and the firm's charge-out rate and disbursement policy may be obtained on request.

### **Other professional costs**

#### **Funding and Litigation Consultant**

Annecto were instructed to seek insurance backed funding and review the chances of success of the potential mis-sold IRHP claim against RBS. The basis of their costs are subject to them achieving third party funding and realisations from the claim.



## **CREDITORS' RIGHTS**

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 Liquidator'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 Liquidator'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.

## **EC REGULATIONS (WHETHER PROCEEDINGS ARE MAIN PROCEEDINGS OR TERRITORIAL)**

The Company's centre of main interest was in 6 Sandhurst Avenue, Blackpool, FY2 9AU and therefore it is considered that the EC Regulations will apply. These proceedings are main proceedings as defined in Article 3 of the EC Regulation.

## **CONCLUSION**

The administration of the case will be continuing to finalise the following outstanding matters that are preventing this case from being closed:

- Continued liaison with professional advisors regarding the potential Interest Rate Hedging Products ("IRHP") claim against RBS.

If you require any further information, please contact this office.



Steven John Parker  
Liquidator

## **Appendix I**

### **Statutory Information**

Court	The County Court of Blackpool
Court number	211 of 2014
Company Name	Regency Hospitals Limited
Former Trading Name	N/a
Company Number	04230184
Registered Office	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ
Former Registered Office	6 Sandhurt Avenue, Blackpool, FY2 9AU
Officeholders	Steven John Parker
Officeholders address	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ
Date of appointment	2 December 2014
Changes to Officeholder	None

## Appendix II

Receipts and Payments account for the period 2 December 2017 to 1 December 2018  
and for the period of the appointment

S of A £		As Previously Reported	02/12/17 to 01/12/18	Total £
<b>RECEIPTS</b>				
NIL	Sundry Refund	15.17	NIL	15.17
NIL	Deposit for Costs	1,250.00	NIL	1,250.00
NIL		1,265.17	NIL	1,265.17
<b>PAYMENTS</b>				
NIL	O.R. Remuneration	(2,400.00)	NIL	(2,400.00)
NIL	BIS Bank Charges	(264.00)	(88.00)	(352.00)
0		(2,664.00)	(88.00)	(2,752.00)
0	<b>CASH IN HAND</b>	(1,398.83)	(88.00)	(1,486.83)

**Appendix III****Detailed list of work undertaken in the period**

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

<b>General Description</b>	<b>Includes</b>
<b>Statutory and General Administration</b>	
<b>Statutory/advertising</b>	Filing of documents to meet statutory requirements including annual receipts and payments accounts Annual corporation tax returns Reviewing the Bonding of the case for the value of the assets
<b>Document maintenance/file review/checklist</b>	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
<b>Bank account administration</b>	Requesting bank statements Bank account reconciliations Maintenance of the estate cash book
<b>Planning / Review</b>	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
<b>Reports</b>	<i>Preparing annual progress report, investigation, meeting and general reports to creditors</i>
<b>Investigations</b>	
<b>Litigation / Recoveries</b>	Liaising with Solicitors regarding RBS Swaps Liaising with the Director regarding GRG Complaint
<b>Realisation of Assets</b>	
<b>Other assets</b>	Liaising with Solicitors regarding RBS Swaps Liaising with the Director regarding GRG Complaint
<b>Creditors and Distributions</b>	
<b>Creditor Communication</b>	Correspondence with the Redundancy Payments Office regarding the employee claims and associated forms

**Current Charge-out Rates for the firm****Time charging policy**

Support staff do charge their time to each case.

Support staff include cashier, secretarial and administration support.

The minimum unit of time recorded is 6 minutes.

<b>Staff</b>	<b>Charge out rates £</b>
Partner	325
Senior Manager / Director	275 - 300
Assistant Manager / Manager	200 - 250
Junior Administrator / Administrator / Senior Administrator	100 – 175
Cashier	125
Support Staff	75

## Appendix IV

### Time cost information for period 2 December 2017 to 1 December 2018

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	0.00	0.00	6.90	2.20	9.10	1,400.00	153.85
Investigations	0.00	0.00	1.50	0.00	1.50	262.50	175.00
Realisation of Assets	2.20	0.00	5.70	0.00	7.90	1,657.50	209.81
Creditors	0.00	0.00	0.90	0.00	0.90	157.50	175.00
<b>Total hours</b>	<b>2.20</b>	<b>0.00</b>	<b>15.00</b>	<b>2.20</b>	<b>19.40</b>		
<b>Time costs</b>	<b>660.00</b>	<b>0.00</b>	<b>2,622.50</b>	<b>195.00</b>		<b>3,477.50</b>	
<b>Average hourly rate</b>	<b>300.00</b>	<b>0.00</b>	<b>174.83</b>	<b>88.64</b>			<b>179.25</b>

Description	Total Incurred £	Total Recovered £
CAT 1 Document Storage	10.33	0.00
CAT 2 Photocopying	2.70	0.00
CAT 1 Postage	1.67	0.00
<b>Totals</b>	<b>14.70</b>	<b>0.00</b>

### Time cost information for the total for the period of the appointment

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	28.45	0.00	94.30	25.50	148.25	25,818.75	174.16
Investigations	29.55	0.60	116.60	6.20	152.95	27,231.25	178.04
Realisation of Assets	16.50	0.50	13.20	0.00	30.20	7,480.00	247.68
Creditors	2.30	0.00	14.10	1.10	17.50	2,980.00	170.29
Case Specific Matters	30.90	0.00	14.10	0.00	45.00	10,622.50	236.06
<b>Total hours</b>	<b>107.70</b>	<b>1.10</b>	<b>252.30</b>	<b>32.80</b>	<b>393.90</b>		
<b>Time costs</b>	<b>31,172.50</b>	<b>220.00</b>	<b>39,415.00</b>	<b>3,325.00</b>		<b>74,132.50</b>	
<b>Average hourly rate</b>	<b>289.44</b>	<b>200.00</b>	<b>156.22</b>	<b>101.37</b>			<b>188.20</b>

Description	Total Incurred £	Total Recovered £
CAT 1 Advertising	249.66	0.00
CAT 1 Document Storage	380.71	0.00
CAT 1 Mail Redirection	360.00	0.00
CAT 1 Meeting Room	90.00	0.00
CAT 1 INSOLV fee	185.00	0.00
CAT 1 Bonding	480.00	0.00
CAT 1 Travel	44.27	0.00
CAT 1 Docusoft fee	45.00	0.00
CAT 2 Photocopying	43.10	0.00
CAT 1 Postage	95.58	0.00
CAT 2 Smartsearch fee	36.00	0.00
<b>Totals</b>	<b>2,009.32</b>	<b>0.00</b>

## Appendix V

### Opus Restructuring LLP Charge-out Rates and Disbursement Policy

#### Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are:

	Rate since 9.1.2013 £
Partner	325
Senior Manager / Director	275 - 300
Assistant Manager / Manager	200 - 250
Junior Administrator / Administrator / Senior Administrator	100 – 175
Cashier	125
Support Staff	75

#### Disbursement recovery

Disbursements are categorised as either Category 1 or 2 Category 2.

Category 1 disbursements will generally comprise of external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Opus Restructuring LLP and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case, (including business mileage up to the HMRC approved rate for cases commenced before 1 November 2011.) Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements include elements of shared or allocated costs incurred by Opus Restructuring LLP and are recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, all business mileage (for cases commencing on or after 1 November 2011), internal room hire and internal storage.

The current levels of Category 2 disbursements recovered by Opus Restructuring LLP are as follows:

	£
Room Hire (for internal room hire outside of London and London)	100 / 150
Virtual Meetings	100
Photocopying/scanning/faxes (internal)	10p per side
Business mileage per mile	45p
Smartsearch per search – UK based	5
Smartsearch per search – rest of world	49.50 - 187
File set-up cost (per file)	6
Company Searches (downloading and printing documents)	10

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

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