

Liquidator's Progress Report

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

S.192

To the Registrar of Companies

Company Number

04386501

Name of Company

(a) Insert full name of
company

(a) BXL Services

(b) Insert full name(s)
and address(es)

I/We (b) Anthony and Steven Barrell and David Matthew Hammond of
PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street,
Birmingham, B3 2DT and Ian Oakley-Smith of PricewaterhouseCoopers
LLP, 7 More London Riverside, London, SE1 2RT

the liquidators of the company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986.

The Progress Report covers the period from 17 July 2012
to 16 July 2013

Signed

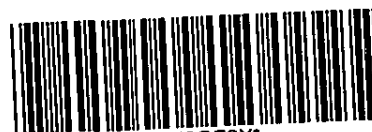


Date

12 9 13

Presenter's name,
address and
reference
(if any)

TUESDAY



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17/09/2013

#44

COMPANIES HOUSE

Private & Confidential



**First progress report to members & creditors
9 September 2013**

Company	BXL Services - in creditors' voluntary liquidation
Registered Number	04386501
Registered address	C/O PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP
Type of Insolvency	Creditors' Voluntary Liquidation
Date of Appointment	17 July 2012
Appointees	Anthony Steven Barrell David Matthew Hammond Ian Christopher Oakley Smith
Address	PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP
Dividend Prospects	Current estimate (p in £)
Preferential	Paid in full
Unsecured	10-12p in £

Please note that the guidance on dividend prospects is indicative only. It should not be used as the sole or principal basis of any bad debt provision decision.



BXL Services – In Creditors' Voluntary Liquidation ("the Company")

Report to Members & Creditors

In accordance with Rule 4.49C of the Insolvency Rules 1986 ("IR86"), this is the liquidators' first progress report to members and all known creditors. Attached at appendix A is a summary of the financial information relating to the liquidation

Appointment of Administrators

I was appointed joint administrator of the Company on 23 January 2012 together with Matthew Hammond and Ian Oakley-Smith. The Administration was concluded on 17 July 2012, being the date the Company moved into Creditors' Voluntary Liquidation

Asset realisations

The Company's assets have been realised as follows. -

1. Transfer of funds from administration

£397,511.43 was transferred by the administrators to the Liquidators

2. Administration VAT return recovery

This comprised of a final VAT return repayment of £7,027.96 in respect of the administration

Other Issues

Employment Tribunal

The employment tribunal discussed in our final administration report was heard on the 8 August 2012. The employees made a claim for a Protective Award as they believed they were not fully consulted with in respect of their redundancy. The starting point for protective awards is 90 days salary, we submitted our response in writing to the tribunal and the total reward was reduced to 8 weeks

The protective award totalled £82,696.64 of which £57,307.73 was payable to the employees by the redundancy payments service and the remaining £25,388.91 will rank as an unsecured claim in the liquidation.

West Midlands Pension Fund ("WMPF") Claim

The WMPF are a significant creditor in the liquidation with their original claim amounting to £4,048,995.18

Reviewing the basis of this claim has required significant input from the liquidators and our advisors. Our specialist pension's team first engaged with Pinsent Masons in the administration when we began reviewing the claim made by WMPF

WMPF's claim could have been calculated in one of two ways – either on a least risk basis or an ongoing basis. During the liquidation we have liaised with the WMPF to establish the legal basis of their claim and ensure that it is as accurate as possible. Negotiations have recently been finalised and the pension fund have issued their claim on a least risk basis and to take account of other factors amounting to approximately £2.1m

Skills Funding Agency ("SFA")

Prior to our appointment the SFA issued the Company with grants to enable the provision of its services based on a number of criteria. As part of the agreement the Company had to allow SFA to review the use of

this funding and, where the money had not been used in accordance with the guidelines, this would be repayable to the SFA

On 26 July 2012 we were contacted by SFA who advised it had a potential unsecured claim of up to £2.2m. Given the impact of this claim on the overall distribution to unsecured creditors, we liaised directly with the SFA to enable its review of the appropriate company records. The result of this was to reduce their claim to nil value.

Outcome for Creditors

- **Secured creditors**

There are no secured creditors.

- **Preferential creditors**

We made a distribution of 100 p/£ in the administration to the Company's preferential creditors on 2 July 2012. Following a review of the WMPF claim, there will be a further distribution for unpaid pension contributions of c. £2,700.

- **Unsecured creditors**

We currently estimate that, after costs of realisation, there will be funds of approximately £390k available to unsecured creditors. Based on the Trustees' statement of affairs, the revised figures for the WMPF claim and the employee claims, unsecured claims are estimated to total £3,495k. This would result in a dividend to unsecured creditors of approximately 9-12p in £.

Investigations

We have reviewed the affairs of the Company prior to liquidation and have also considered the points raised by creditors in discharging their duties under the Company Directors' Disqualification Act 1986.

As liquidators we have a statutory obligation to consider the directors' conduct and to submit a return/report to the Insolvency Service. We can confirm that they have complied with this requirement.

Professional Advisers

On this assignment we have used the professional advisers listed below.

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	Shakespeares Solicitors	Expertise and prior relationship with the Company	Time costs
Pensions advice	Pinsent Masons	Expertise	Time costs

Our choice was based upon our perception of the advisers' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. We have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

Liquidators' remuneration

You may recall that during the Administration, in accordance with resolutions passed at the initial creditors meeting held on 29 March 2012, the former administrators' fees were fixed under Rule 2.106 IR86 by reference to time properly given by the administrators and their staff in attending to matters arising. This fee

was capped at £130,000. In accordance with Rule 4 127 IR86, the remuneration basis agreed in the administration has continued into the liquidation, however full fees up to the cap of £130,000 were drawn in respect of time costs incurred in the administration

To 16 July 2013, we have incurred time costs of £121,096 50 for the liquidation. This represents 567 2 hours at an average hourly rate of £231 50. As you may recall our fees were capped at £130,000 for work in the administration, please see further below regarding a meeting of creditors in respect of our fees in the liquidation.

It has been our policy to delegate the routine administration of the liquidation to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the liquidators.

Details of the time costs incurred from the liquidators' appointment to 17 July 2013, by work category, are attached at appendix B.

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structure. Full details of the charge out rates charged to this case from this date are included at appendix B. Specialist departments within PricewaterhouseCoopers LLP, such as tax, VAT, property and pensions, sometimes charge a small number of hours should the liquidators require their expert advice. Their rates vary, however, the figures given provide an indication of the maximum rate per hour.

Liquidators' disbursements

At the meeting of creditors held on the 29 March 2012 the creditors agreed

Category 1 disbursements

These are disbursements which are charged at cost.

The liquidators' have incurred disbursements of £74 49 during the period 17 July 2012 to 16 July 2013. To date we have not drawn any disbursements in the liquidation.

Category 2 disbursements

These are disbursements which may include an element of recovery for the liquidators.

The liquidators' current disbursements policy, as approved by the creditors, is as follows:

1. Photocopying for circulars or any other bulk copying is charged at 5p per sheet,
2. Mileage – this is reimbursed at a maximum of 67p per mile (up to 2,000cc) and 80p per mile (over 2,000cc).

We have not incurred any costs in respect of category 2 disbursements during the period.

Meeting of creditors

At the meeting held on 29 March 2012, creditors approved the following amended fee resolution:

"That the Joint Administrators' ("Administrators") fees be fixed by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that the Administrators be authorised to draw such fees from time to time "

Before creditors approved the basis of the liquidators remuneration at the meeting they were informed that charge out rates of various grades of staff involved in the administration would be capped at £130,000 subject to certain conditions being met

- the administration/liquidation process is completed within one year, and
- the process of agreeing claims is straight forward and non-complex

The conditions surrounding the fee cap have been exceeded in that complex claims have been received from WMPF, SFA and employment tribunal as detailed previously in this report. As a consequence significant further work has been required and the insolvency process has taken longer than envisaged.

The liquidators' are therefore calling a meeting of creditors to request that the creditors confirm their agreement to the fee resolution increasing the level of the cap to a total of £220,000 for the administration and the liquidation.

The liquidators' fees be fixed by reference to the time properly given by the liquidators and their staff in attending to matters arising in the winding up. These fees are to be paid as and when funds become available but subject to a cap of £90k

This resolution will lift the fee cap of £130,000, previously in place by £90,000 to a total of £220,000.

Should any creditor wish to attend the meeting, it would be helpful for administration reasons if they could telephone Emma Lister, on 0113 289 4014, so that the appropriate arrangements can be made.

Statement of expenses

The following expenses have been incurred during the period of the report, irrespective of whether payment has been made.

	Expenses Paid £	Estimated accrued and Unpaid Expenses £	Total £
Insurance	238 50	-	238 50
Legal fees	7,060 50	800 00	7 860 50
Postage, Stationery & Printing	112 62	-	112 62
Storage Costs	2,823 97	529 96	3,353 93
Statutory Advertising	541 85	-	541 85
Office holders fees *	-	121,096 50	121,096 50
Office holders disbursements	-	74 49	74 49
Total	10,777 44	122,500 95	133 278 39

It should be noted the unpaid expense relates to the time costs to date and we do not anticipate these will be drawn in full.

Additional information

If any creditor requires further explanations on any aspect of the liquidators' progress report, then please telephone or write to Emma Lister who will be pleased to deal with such enquiries, however, any request for further information regarding the liquidators' remuneration or disbursements should be made in writing (Rule 4 49E).

In addition, should any creditor consider the liquidators' remuneration and disbursements to be excessive or inappropriate, they have the right to challenge the amounts in accordance with Rule 4 131 IR86.

BXL Services - in Creditors' Voluntary Liquidation
Receipts and Payments Account for the period 17 July 2012 to 16 July 2013

Liquidators' general receipts & payments account

Receipts

Transfer from administration	397,511 43
Pre-appointment VAT refund	7,027 96
Interest received gross	<u>1,123 52</u>
	405,662 91

Payments

Refunds	2,736 00
Insurance	238 50
Legal fees	7,060 50
Postage, Stationary & Printing	112 62
Storage Costs	2,823 97
Statutory Advertising	541.85
VAT Receivable	<u>2,107 78</u>
	15,621 22

Total general receipts and payments	<u>390,041.69</u>
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Balance at bank	<u>390,041.69</u>
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BXL Services - in Creditors' Voluntary Liquidation

Analysis of time costs for the period to 17 July 2012 to 16 July 2013

Aspect of assignment	Partner	Director	Senior Manager	Manager	Associate	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	-	-	3 70	25 30	0 60	6 80	-	-	36 40	10,472 90	287 72
2 Administration	-	-	-	0 85	2 10	4 45	-	-	7 40	1,422 30	192 20
3 Trading	-	-	0 25	-	-	14 30	-	-	14 55	2,186 55	150 28
4 Assets	-	6 00	2 50	62 45	10 25	49 60	-	-	130 80	32,082 30	245 28
5 Investigations	-	-	-	-	3 50	-	-	-	3 50	815 50	233 00
6 Creditor claims/distributions	-	-	-	-	1 00	9 40	-	-	10 40	1,730 40	166 38
7 Accounting and treasury	-	-	6 60	1 40	11 25	86 90	1 00	-	107 15	17,843 45	166 53
8 Reporting to appointor/creditors	-	10 00	-	15 60	2 00	0 20	-	-	27 80	9,831 20	353 64
9 Statutory and compliance	-	2 50	1 30	3 20	2 00	48 80	-	-	57 80	10,221 30	176 84
10 Tax/VAT/Pensions	1 50	-	13 90	9 80	38 45	85 20	-	-	148 85	30,256 40	203 27
11 Employees	-	-	-	2 85	18 25	1 45	-	-	22 55	4,234 20	187 77
Total	1 50	18 50	28 25	121 45	89 40	307 10	1 00	1 00	567 20	121,096 50	213 50

Current Charge out rates per hour

- insolvency	555	465	405	320	240	152	112
- specialist	1075	990	860	600	460	210	120

BXL Services - In Creditors Voluntary Liquidation

NOTICE IS HEREBY GIVEN, pursuant to Rule 4.54 of the Insolvency Rules 1986, that general meetings of creditors of the above named company will be held at the offices of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT on 2 October 2013 at 10.30am. This letter is formal notice of that meeting.

The purpose of the meetings is to consider the following resolution:

The liquidators' fees be fixed by reference to the time properly given by the liquidators and their staff in attending to matters arising in the winding up. These fees are to be paid as and when funds become available but subject to a cap of £90,000.

Dated this 9th day of September 2013



Tony Barrell

Joint Liquidator