

2.24B

The Insolvency (Northern Ireland) Order 1989

Joint Administrator's progress report

Name of Company

Remax Security Limited – In Administration

Company number

04588856**In the High Court of Justice Chancery
Division Companies Court**Court case number
CR-2016-001841(a) Insert full
name(s) and

I/We

address(es) of
administrator(s)(a)
John Hansen
KPMG
Stokes House
17-25 College Square East
Belfast
BT1 6DH(a)
Stuart Irwin
KPMG
Stokes House
17-25 College Square East
Belfast
BT1 6DH

administrator(s) of the above company attach a progress report for the period

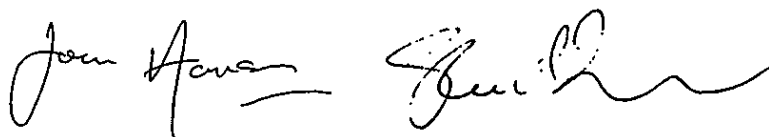
From

To

(b) Insert date

(b) 8 October 2016

(b) 27 March 2017



Signed

Joint Administrator(s) (IP No(s) GBNI 040 and 9656)

Dated

27 March 2017

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies Registry 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

KPMG
Stokes House
17-25 College Square East
Belfast
BT1 6DH

DX Number

FRIDAY



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31/03/2017

#272

COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at the Companies Registry for Northern Ireland



Remax Security Limited - in Administration

(formerly known as TSG Security Limited)

Report to Creditors Pursuant to Rule 2.47 of the Insolvency
Rules 1986 (as amended)

KPMG

March 2017

This report contains 9 pages

Appendices comprise 3 pages



Notice: About this Progress Report

This Report has been prepared by John Hansen and Stuart Irwin, Joint Administrators of Remax Security Limited, solely to comply with their statutory duty to report to creditors under Rule 2.30 (2) Insolvency Rules 1986 and 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 Remax Security Limited.

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 Rule 2.30 (2) Insolvency Rules 1986 does so at their 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.

John Hansen is authorised to act as an Insolvency Practitioner by Chartered Accountants Ireland.

Stuart Irwin is authorised to act as an Insolvency Practitioner by the Insolvency Practitioners Association.

The Joint Administrators act as agents for Remax Security Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, KPMG 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.

Contents

Glossary	ii
1 Introduction	1
2 Purpose, Initial Strategy and Progress of the Administration	2
2.1 Purpose of the Administration	2
2.2 Initial Strategy	2
2.3 Progress of the Administration	3
2.3.1 Assets	3
2.3.2 Employees	4
3 Realisations and Costs to Date	5
3.1 Realisation	5
3.1.1 Sales Consideration	5
3.1.2 Making Good Payment	5
3.1.3 Debtor monies	5
3.1.4 Other Receipts	5
3.2 Costs of Realisation	5
3.2.1 Legal Fees	5
3.2.2 VAT	6
3.2.3 Bank Charges	6
3.2.4 Advertising	6
3.2.5 Joint Administrators' Fees	6
4 Estimated Outcome for Creditors	7
4.1 Secured Creditors	7
4.2 Preferential Creditors	7
4.3 Unsecured Creditors	7
5 Future Conduct of the Administration	8
5.1 Liquidation Strategy	8
6 Statement concerning the EC Regulations	9
Appendix A - Statutory Information	10
Appendix B - Summary of Receipts and Payments for the period 18 October 2016 to 27 March 2017	11
Appendix C - Joint Administrators Time Costs and Expenses to 27 March 2017	12



Glossary

Administration Order	The Administration Order was granted by the High Court of Justice, Chancery Division, in respect of Remax Security Limited dated 8 April 2016. Court Administration Order number CR 2016/001841.
the Company	Remax Security Limited (02062725) (Formerly known as TSG Security Limited)
the Directors	Andrew Brundle, Diwan Rahul Nanda, John Roddy, David St John-Claire
Joint Administrators	John Hansen and Stuart Irwin
Chargeholder/ Bank	Pulse Cashflow Finance 2 Limited (until 8 April 2016) ("Pulse")

1 Introduction

Remax Security Limited (formerly known as TSG Security Limited) was incorporated on 13 November 2002 for the purpose of providing security services to private organisations and government departments. The Directors are Andrew Brundle, David St John-Claire, Diwan Rahul Nanda and John Roddy.

Following an application by Pulse Cashflow Finance 2 Limited ("Pulse") to the High Court of Justice Chancery Division, John Hansen and Stuart Irwin of KPMG were appointed Joint Administrators of the Company on 8 April 2016.

John Hansen is authorised to act as Insolvency Practitioner by Chartered Accountants Ireland.

Stuart Irwin is authorised to act as Insolvency Practitioner by the Insolvency Practitioners Association.

The Joint Administrators' Statement of Proposals was issued to creditors on 22 April 2016 and was deemed to be approved on 20 May 2016.

The EC Council Regulations on Insolvency Proceedings apply to this Administration and the proceedings are main proceedings as defined in Article 3 of the EC Regulations on Insolvency Proceedings 2000. This means that the Administration is conducted according to UK Insolvency legislation and is not governed by the Insolvency law of any other European Union Member State.

2 Purpose, Initial Strategy and Progress of the Administration

2.1 Purpose of the Administration

Paragraph 3(1) of Schedule B1 of the Insolvency Act 1986 states that the Joint Administrators of a Company must perform their functions with the objective of:

- (a) rescuing the Company as a going concern; or
- (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up; or
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

The Joint Administrators concluded that the Company could not be rescued as a going concern, as defined in objective (a) due to cash flow pressures, the level of liabilities in the Company and the inability of the Company to continue trading. The Joint Administrators therefore performed their functions in relation to objective (b) by completing the sale of the Company's remaining business and assets within a short period of time in order to maximise value in book debts and work-in-progress, keep costs to a minimum and minimise creditor claims thereby producing a better result for the Company's creditors than if it were wound up.

In addition, the employment of all staff remained intact which eliminated all preferential claims against the Company.

2.2 Initial Strategy

Note that the details laid out in this section are presented in the Joint Administrators' report to creditors in accordance with SIP 16 which was circulated on 14 April 2016.

The Joint Administrators concluded that they were unable to trade the business to facilitate a sale for the reasons identified below:

- Time constraints in respect of the wage payments for the Company and sister company which were due on 8 April 2016;
- Cash flow forecasts confirmed the inability of the business to continue to trade without additional working capital or cash injections;
- There was no additional funding available from related entities, the parent company, ultimate controlling party or secured lender;
- Had customers, competitors or suppliers, become aware of the financial position of the Company (and sister entity, Jameson and Harrison Security Limited ("Jameson and Harrison")) it is likely that this would have caused further instability and reputational damage resulting in loss of contracts and damage to the business, as well as significant job losses.

In light of the issues outlined above the Joint Administrators concluded that a trading Administration sale was unachievable.

An orderly wind down of the Company within Administration, or a liquidation of the Company, was considered undesirable due to the significant numbers of job losses that would likely have resulted and the loss to asset value.

The Joint Administrators therefore pursued the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up and maximising asset value (and therefore achieving a better result for creditors as a whole) by completing a pre-packed sale of the business and assets and ensuring the transfer of all employment to the purchaser.

2.3 Progress of the Administration

To date, the Joint Administrators have progressed the following matters:

2.3.1 Assets

The Joint Administrators sold such right, title and interest as the Company had in any and all tangible and intangible assets.

The consideration received from Noonan Services Group (UK) Limited ("Noonan or "the purchaser") amounted to £1,011,995 (excl. VAT) and has been satisfied in full by cash.

From this, an amount of £966,995 was paid to Pulse as chargeholder following appointment. Pulse then agreed to re-assign the debts to the Company in order for title and interest in debtor monies to pass to the Company. This in turn allowed the Joint Administrators to sell the debtor book to the purchaser.

As a result of the above transaction with Pulse, all assets sold were considered to be free of any encumbrances.

Given the absence of a floating charge post-dating 15 September 2003, the Prescribed Part will not apply in this case.

Deferred consideration is due to the Joint Administrators in the event that the purchaser collects debtor monies in excess of the balance previously owed to Pulse. The Joint Administrators are entitled to 95% of debtor collections in excess of £966,995 that are recovered by the purchaser. The Joint Administrators expect that circa £130,000 of surplus funds will be realised in this matter.

A Making Good Payment of £100,000 has been received by the Joint Administrators as part of the sale of the business and assets. This is in respect of a £100,000 security deposit paid to Pulse in February 2016 either by, or on behalf of, the Company. The Joint Administrators intend to hold the deposit monies until confirmation is received as which entity paid the initial security deposit to Pulse. Should the monies be deemed to have been paid by the Company, the payment will be an asset realisation within the Administration. A further update will be issued to creditors in due course.



2.3.2 Employees

At the date of appointment, the Joint Administrators were informed by the Directors that the Company and Jameson and Harrison collectively employed approximately 750 staff. Following the pre pack Administration, all employees were transferred to Noonan Services (UK) Limited via Transfer of Undertakings (Protection of Employment) Regulations ("TUPE") on 8 April 2016. Prior to the appointment of Joint Administrators, one director resigned from his employment with the Company.

3 Realisations and Costs to Date

The Joint Administrators have made the following realisations to date:

3.1 Realisation

3.1.1 Sales Consideration

The Joint Administrators' received an amount of £44,994 in cash in respect of the sale of the business and assets of the Company to Noonan.

3.1.2 Making Good Payment

As discussed at section 2.3.1 above, the Joint Administrators received a Making Good payment of £99,994 in respect of a security deposit paid to Pulse in April 2016 either by, or on behalf of, the Company.

The Joint Administrators are currently holding the deposit monies until confirmation is received as to which entity paid the initial security deposit to Pulse.

3.1.3 Debtor monies

The Joint Administrators anticipate the receipt of circa £130,000 of debtor monies, per section 2.3.1 above. The position is currently being finalised with the purchaser.

No debtor monies have been received by the Joint Administrators to date but the Joint Liquidators will receive some.

3.1.4 Other Receipts

The Joint Administrators have received £110.19 in respect of bank interest and a miscellaneous receipt of £22.42.

3.2 Costs of Realisation

The Joint Administrators have incurred the following costs to date:

3.2.1 Legal Fees

The Joint Administrators have engaged Arthur Cox Solicitors as their legal adviser in this matter.

A payment has been made to Arthur Cox for £27,642.52 plus VAT.



3.2.2 VAT

VAT of £5,533.56 has been incurred to date on the expenses of the Company. This has not yet been reclaimed from HMRC.

3.2.3 Bank Charges

Bank charges to date total £28.85.

3.2.4 Advertising

An amount of £73.80 plus VAT has been paid in respect of advertising.

3.2.5 Joint Administrators' Fees

The Joint Administrators have not yet requested approval of the basis of their remuneration from the Chargeholder. Future progress reports will detail any approval obtained from the Chargeholder and the relevant information to support such approval.

A copy of "A Creditors' Guide to 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/media/documents/publications/professional/Guide to Administrators Fees Oct 2015.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Oct_2015.pdf)

If you are unable to access this guide and would like a copy, please contact our office on 02890243377.

4 Estimated Outcome for Creditors

4.1 Secured Creditors

As previously detailed, Pulse re-assigned the debts to the Company in order to provide the Joint Administrators with free title to sell the debts to the purchaser. As a result, the only encumbrance over Company assets was released upon completing the transaction.

Therefore, no secured creditor liabilities exist in this case.

4.2 Preferential Creditors

All employees were transferred to Noonan (via TUPE) on 8 April 2016.

Therefore, there are no preferential liabilities expected to arise in this case.

4.3 Unsecured Creditors

According to the books and records of the Company on appointment, the non-preferential, unsecured creditors were owed approximately £32,000. However, creditor claims received by the Joint Administrators to date total £545,701. The majority of the difference relates to HMRC VAT and PAYE liabilities.

The availability of a distribution to non-preferential, unsecured creditors via a Prescribed Part distribution is dependent on the availability of floating charge realisations in respect of security created after 15 September 2003. The Insolvency Act 1986 (Prescribed Part) Order 2003 does not apply given that no such floating charge exists in this matter.



5 Future Conduct of the Administration

Given the Joint Administrators anticipate there will be a dividend to unsecured creditors, the Joint Administrators intend to place the Company in Creditors Voluntary Liquidation.

In accordance with the Joint Administrator's proposals set out in their report previously, the following was approved:

"In the event that Creditors' Voluntary Liquidation is deemed appropriate, the Joint Administrators will be permitted to seek the appointment of John Hansen and Stuart Irwin of KPMG as Joint Liquidators of Remax Security Limited, without any further recourse to creditors. In accordance with paragraph 84(6) and Rule 2.118(3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved."

This report shall be filed at Companies House along with Form 2.34B. On registration of Form 2.34B, the company will automatically transfer from Administration to Creditors' Voluntary Liquidation. In accordance with the Joint Administrators' proposals, John Hansen and Stuart Irwin shall be appointed Joint Liquidators of Remax Security Limited and shall write to creditors upon their appointment.

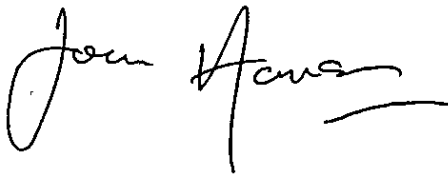
5.1 Liquidation Strategy

The Joint Liquidators will deal with the following matters:

- Finalising the Making Good Payment and deferred consideration matters;
- Agreeing creditor claims;
- Dealing with statutory reporting and compliance obligations;
- Doing all things necessary to satisfactorily conclude the Liquidation; and
- Finalising the Liquidation, including payment of all Liquidation liabilities.

6 Statement concerning the EC Regulations

The EC Council Regulations on Insolvency Proceedings do not apply to this Administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

A handwritten signature in black ink, appearing to read 'John Hansen'.

John Hansen
Joint Administrator

A handwritten signature in black ink, appearing to read 'Stuart Irwin'.

Stuart Irwin
Joint Administrator



Appendix A - Statutory Information

Company Name	Remax Security Limited
Date of Incorporation	13 November 2002
Registered number	04588856
Current registered office	c/o KPMG 8 Princes Parade Liverpool L3 1QH
Previous registered office	Cloisters House Riverside New Bailey Street Manchester M3 5FS
Directors (As per Companies House)	Andrew Brundle David St John-Claire Diwan Rahul Nanda John Roddy
Employees	750 (estimated figure with sister entity, Jameson and Harrison Security Limited)
Previous names	TSG Security Limited (25 November 2015 – 7 April 2016) Guardsmark (UK) Limited (until 5 December 2002 – 25 November 2015) Draftextra Limited (13 November 2002 – 5 December 2002)

Appendix B - Summary of Receipts and Payments for the period 18 October 2016 to 27 March 2017

Receipts

Opening Balance 18/10/2016	Movement	Balance as at 27/03/2017
£44,994.00	£0.00	£44,994.00
£99,994.00	£0.00	£99,994.00
£71.77	£38.42	£110.19
£22.42	£0.00	£22.42
Total Receipts	£38.42	£145,120.61

Payments

Opening Balance 18/10/2016	Movement	Balance as at 27/03/2017
£11.29	£17.56	£28.85
£73.80	£0.00	£73.80
£0.00	£27,642.52	£27,642.52
£14.76	£5,518.80	£5,533.56
Total Payments	£33,178.88	£33,278.73

Net Cash Position

£144,982.34	-£33,140.46	£111,841.88
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Appendix C – Joint Administrators Time Costs and Expenses to 27 March 2017

Case Name Remax Security Limited
Office Holder John Hansen
Firm KPMG
Address Stokes House
17-25 College Square East
BELFAST
BT1 6DH
Telephone (028) 9024 3377
Type of Appointment Administration
Date of Appointment 8-Apr-2016

TIME AND CHARGEOUT SUMMARY

Classification of work function	Partner	Director / Manager	Senior	Other Staff	Total Hours	Time Cost £	Average Rate/Hr £
Administration and Planning	8.25	61.00	0.00	26.60	95.85	12,912.90	134.72
Investigations	1.50	22.25	0.00	0.00	23.75	3,836.75	161.55
Realisation of Assets	33.50	27.00	0.00	0.00	60.50	16,273.50	268.98
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	8.50	13.00	0.00	26.05	47.55	5,970.30	125.56
Employees	0.00	11.00	0.00	0.00	11.00	2,277.00	207.00
Total Hours	51.75	134.25	0.00	52.65	238.65	41,270.45	172.93
Total Time Cost	17,077.50	22,826.75	0.00	1,366.20			
Average Rate	330.00	170.03	0.00	25.95			

Significant aspects affecting time spent

Dealing with statutory matters
Realisation of assets
Processing creditor claims

Expenses incurred directly by KPMG

	£	
£	312.00	Insurance
£	312.00	

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.