

LIQ03

Notice of progress report in voluntary winding up



Companies House

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19/01/2018

#133

COMPANIES HOUSE

1 Company details

Company number 0 5 4 8 7 1 4 4

Company name in full X2 Computing Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Guy

Surname Mander

3 Liquidator's address

Building name/number St Philips Point

Street Temple Row

Post town Birmingham

County/Region

Postcode B 2 5 A F

Country

4 Liquidator's name ①

Full forename(s) Lindsey

Surname Cooper

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 3 Hardman Street

Street

Post town Manchester

County/Region

Postcode M 3 3 H F

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6 Period of progress report

From date	d	2	d	7	m	1	m	1	y	2	y	0	y	1	y	6
To date	d	2	d	6	m	1	m	1	y	2	y	0	y	1	y	7

7 Progress report

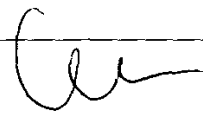
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

1 7 01 2018

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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	Lindsey J Cooper
Company name	RSM Restructuring Advisory LLP
Address	3 Hardman Street
Post town	Manchester
County/Region	
Postcode	M 3 3 H F
Country	
DX	
Telephone	0161 830 4000



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 or email 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

In the matter of

**X2 Computing Limited In Liquidation
(‘the Company’)**

Joint Liquidators’ progress report

28 November 2017

**Lindsey Cooper and Guy Mander
Joint Liquidators**

**RSM Restructuring Advisory LLP
3 Hardman Street
Manchester M3 3HF
Tel: 0161 830 4000
Email: restructuring.manchester@rsmuk.com**

Sections

1. Purpose of report
2. Progress of the liquidation in the previous twelve months
3. Details of what remains to be done and matters preventing closure
4. Creditors' claims and dividend prospects
5. Receipts and payments summary
6. Costs and Joint Liquidators' remuneration
7. Joint Liquidators' statement of expenses
8. Creditors' right to information and ability to challenge remuneration and expenses

Appendices

- A. Statutory and other information
- B. Dividend prospects
- C. Summary of receipts and payments
- D. RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement
- E. RSM Restructuring Advisory LLP Manchester current charge out and category 2 disbursement rates
- F. Joint Liquidators' category 2 disbursements table
- G. Statement of expenses incurred by the Joint Liquidators' in the period from 27/11/2016 to 26/11/2017
- H. Joint Liquidators' time cost analysis for the period from 27/11/2016 to 26/11/2017

1 Purpose of report

This report has been prepared in accordance with insolvency legislation to provide creditors, members and the registrar of companies with information relating to the progress of the liquidation in the period from 27 November 2016 to 26 November 2017. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has been prepared solely to comply with the statutory requirements of Section 104A of the Insolvency Act 1986 and the relevant legislation. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

Neither the Liquidators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

2 Progress of the liquidation in the previous twelve months

2.1 Realisation of assets

All known assets have been realised. However, there is a potential realisation arising from a class action in the United States. Although the outcome is uncertain we have taken steps to ensure that the company receives any entitlement.

2.2 Investigations

In accordance with our statutory obligations, we have filed the appropriate documentation with the Department for Business, Energy and Industrial Strategy in relation to the conduct of the directors.

2.3 Administration and planning

Time has been spent by the Joint Liquidators and their staff as categorised in the SIP9 summary attached as Administration and Planning. The time spent includes the following:

- preparation and submission of all necessary appointment documentation and notices
- file reviews which then help to determine the future strategy of the case
- overseeing the running of the Liquidation bank account including recording all receipts and payments and bank reconciliations
- general secretarial tasks and filing
- preparation and submission of post appointment tax returns
- Other matters include reporting on the progress of the liquidation to members and creditors

Time has also been spent:

- Agreeing Creditor Claims, calculating and paying a final dividend, paying unclaimed dividends to the Insolvency Service.
- Extensive correspondence with HMRC relating to Qubic tax avoidance scheme. Consulting solicitors regarding the Liquidators' responsibilities in relation to the reporting on the scheme to HMRC. Correspondence with the company accountants and directors.

3 Details of what remains to be done and matters preventing closure

3.1 Other outstanding matters

The Liquidators are currently in correspondence with HMRC in relation to a tax evasion scheme used by the company. Legal advice has been sought to confirm the Liquidators responsibility in relation to the HMRC enquiry.

4 Creditors' claims and dividend prospects

Dividends paid to creditors are detailed in Appendix B.

4.1 Prescribed part

The 'Prescribed Part' is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs.

Whilst the company's bankers had security by way of a fixed and qualifying floating charge over the assets and undertaking of the Company, the Bank was not a creditor at the time of liquidation. There is therefore no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Insolvency Act 1986

5 Receipts and payments summary

We attach as Appendix C a summary of our receipts and payments for the period from 27 November 2016 to 26 November 2017.

VAT basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

6 Costs and Joint Liquidators' remuneration

6.1 Joint Liquidators' remuneration and disbursements

The Joint Liquidators' remuneration was approved on a time cost basis by creditors on 27 November 2013. We have incurred time costs of £161,815.51 since the date of our appointment. Of this, a total of £135,000 (plus VAT) has been paid and £26,815.51 remains outstanding.

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix E.

6.2 Remuneration and disbursements incurred in the period from 27 November 2016 to 26 November 2017

We have incurred time costs of £20,051.05 in the current period. An analysis of time incurred in the period is attached at Appendix H. Details of the sums drawn in respect of remuneration in the period covered by the report are shown on the receipts and payments account (Appendix C).

Category 2 disbursements incurred in the period are detailed in Appendix F.

7 Joint Liquidators' statement of expenses

7.1 Statement of expenses

A statement of the expenses incurred during the period, is attached at Appendix G. This includes all expenses incurred by the Joint Liquidators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix C sets out the expenses actually paid in the period together with cumulative figures.

At the Section 98 meeting on 27 November 2013 a meeting creditors approved the Statement of Affairs fee of £1,500 to be paid to Fletchers Accountants and £33,707 to be paid to RSM Restructuring Advisory LLP for convening the Meeting of Creditors, producing information for creditors and other pre liquidation work. These fees have been paid.

7.2 Detailed cost breakdown

Attached to this report are five Appendices relating to my costs on this assignment:

- Appendix D: RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement;

- Appendix E: RSM Restructuring Advisory LLP Manchester charge out and disbursement rates;
- Appendix F: Joint Liquidators' disbursements table;
- Appendix G: Statement of expenses incurred by the Joint Liquidators' in the period from 27 November 2016 to 26 November 2017; and
- Appendix H: Joint Liquidators' time cost analysis for the period from 27 November 2016 to 26 November 2017.

The work that we do as Joint Liquidators is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature in general. The actual matters with which we are dealing are set out briefly in both this report and in our earlier reports to creditors.

We believe this case generally to be of average complexity with the exception of the work completed in respect of debtor recoveries, the Company's intellectual property, overseas investments and trust accounts otherwise no extraordinary responsibility has to date fallen upon us as Joint Liquidators. The underlying basis of charging proposed to and approved by the creditors has been RSM Restructuring Advisory LLP standard charge out rates. RSM Restructuring Advisory LLP charge out rates have been reviewed periodically.

7.3 Other professional costs

Creditors' right to information and ability to challenge remuneration and expenses

In accordance with the provisions of the relevant legislation creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

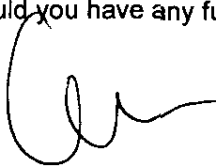
A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

A Guide to Liquidators Fees, which provides information for creditors in relation to the remuneration of a Liquidator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

Should you have any further queries please do not hesitate to contact me.



Lindsey J Cooper
RSM Restructuring Advisory LLP
Joint Liquidator

Lindsey Cooper is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales
 Guy Mander is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales
 Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

Appendix A

Statutory and other information

Company Information	
Company name:	X2 Computing Limited
Company number:	05487144
Date of incorporation:	21/06/2005
Previous company names:	N/a
Trading name:	X2 Computing Limited
Trading address:	Unit 6-7 Bond Industrial Estate, Wickhamford, Evesham. WR11 7RL
Principal activity:	Manufacture of Office Machinery and Computers
Registered office:	RSM Restructuring Advisory LLP 3 Hardman Street Manchester M3 3HF

Liquidation information		
Joint Liquidators:	Lindsey Cooper and Guy Mander	
Date of appointment:	27 November 2013	
Functions:	<p>The Joint Liquidators' appointment specified that they would have power to act jointly and severally.</p> <p>The Joint Liquidators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.</p>	
Correspondence address & contact details of case manager	<p>Liz Williamson</p> <p>0161 830 4000</p> <p>RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester M3 3HF</p>	
Name, address & contact details of Joint Liquidators	<p>Primary Office Holder</p> <p>Lindsey Cooper</p> <p>RSM Restructuring Advisory LLP</p> <p>3 Hardman Street</p> <p>Manchester M3 3HF</p> <p>0161 830 4031</p> <p>IP Number: 008931</p>	<p>Joint Office Holder:</p> <p>Guy Mander</p> <p>RSM Restructuring Advisory LLP</p> <p>St Philips Point</p> <p>Temple Row</p> <p>Birmingham B2 5AF</p> <p>0121 214 3304</p> <p>IP Number: 8845</p>

Appendix B**Dividend Prospects**

Dividends	Owed	Paid to Date	Estimated future Prospects
Secured creditor	Nil	Nil	Nil
Preferential creditors	£15,952.15	100p in £ on 30.1.15	Nil
Unsecured creditors	£1,662,631.57	2.05p in £ on 11.4.17	Nil
Estimated net property	N/a		
Estimated prescribed part available for unsecured creditors	N/a		

Receipts and Payments Abstract: 782955 - X2 Computing Limited In Liquidation

Bank, Cash and Cash Investment Accounts: From: 27/11/2016 To: 26/11/2017

SOA Value £	27/11/2016 to 26/11/2017		Total to 26/11/2017	
	£	£	£	£
FINANCE AND HIRE PURCHASE AGREEMENTS				
100,707.00	Leased Assets	0.00	0.00	
(100,707.00)	Leased Assets (Amounts Owing)	0.00	0.00	
		0.00		0.00
ASSET REALISATIONS				
0.00	Bank Interest Gross	0.00	154.81	
85,378.00	Cash at Bank	0.00	0.00	
0.00	Cash at bank (1)	0.00	141,304.79	
0.00	Corporation Tax Refund	0.00	6,801.57	
139,931.00	Debtors (Pre-Appointment)	0.00	51,567.40	
0.00	Interest Income	0.00	2.81	
0.00	Office Equipment/Furniture	0.00	17,000.00	
0.00	Property Rights / Patents	0.00	19,641.23	
0.00	Rates Refund	0.00	645.53	
0.00	Shares in X2 USA	0.00	1,000.00	
0.00	Trust Monies	0.00	36,954.83	
		0.00		275,072.97
COST OF REALISATIONS				
0.00	Advertisements	0.00	(301.48)	
0.00	Agents / Valuers Fees	0.00	(9,079.50)	
0.00	Bank Charges	(12.50)	(25.00)	
0.00	Company Search Fees	0.00	(1.00)	
0.00	Corporation Tax	0.00	(23.20)	
0.00	Courier	0.00	(97.46)	
0.00	Debt Collection Fees	0.00	(4,256.75)	
0.00	Disbursements	0.00	(8.00)	
0.00	DTI Unclaimed Dividend Fee	(25.75)	(25.75)	
0.00	Insurance	0.00	(275.60)	
0.00	Legal Fees	0.00	(16,688.50)	
0.00	Liquidators Fees	(30,000.00)	(135,000.00)	
0.00	Preparation of Statement of Affairs	(1,500.00)	(35,207.00)	
0.00	Specific Bond	0.00	(85.00)	
0.00	Statutory Advertising	(84.60)	(84.60)	
0.00	Sustenance	0.00	(59.15)	
0.00	Travel	0.00	(247.82)	
0.00	Trust account refund	0.00	(4,042.05)	
		(31,622.85)		(205,507.86)
PREFERENTIAL CREDITORS				
(5,166.81)	Holiday Pay	0.00	(10,123.55)	
(800.00)	Wages	0.00	(5,828.59)	
		0.00		(15,952.14)
UNSECURED CREDITORS				
(46,205.00)	Accruals	0.00	0.00	
(6,012.56)	Associated Creditors	0.00	0.00	
(0.10)	Banks/Institutions	0.00	0.00	
(729,007.00)	Deferred Income	0.00	0.00	
(5,967.00)	Deficiency In Security	0.00	0.00	
0.00	Department of Employment	(813.23)	(813.23)	
(42,851.75)	Employees	(78.76)	(78.76)	
(224,282.40)	HM Revenue and Customs	(5,716.00)	(5,716.00)	
(1,003,615.61)	Trade and Expense Creditors	(27,395.50)	(27,395.50)	
0.00	Unsecured Creditors	(213.21)	(213.21)	
		(34,216.70)		(34,216.70)

SOA Value £		27/11/2016 to 26/11/2017		Total to 26/11/2017	
		£	£	£	£
EQUITY					
(225.00)	Ordinary	<u>0.00</u>	0.00	<u>0.00</u>	0.00
<u>(1,838,824.23)</u>			<u>(65,839.55)</u>		<u>19,396.27</u>
REPRESENTED BY					
	Barclays Bank - Current Account			16,396.27	
	VAT Receivable (Payable)			<u>3,000.00</u>	
					19,396.27
					<u>19,396.27</u>

Notes:

Notes:

- 1.
- 2.

Appendix D

RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP Manchester are attached.
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A resolution to consider approving category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Manchester will be proposed to the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

Appendix E

RSM Restructuring Advisory LLP Manchester current charge out and category 2 disbursement rates

Hourly charge out rates	Rates at commencement £	Current rates £
Partner	435	480
Directors / Associate Directors	330-385	385-450
Manager	286-315	230-315
Assistant Managers	209	225-230
Administrators	143-204	170-225
Support staff	143-173	160-195

Category 2 disbursement rates	
Internal room hire	£165
Subsistence	£25 per night (from 3 rd September 2013) £23 per night (up to 2 nd September 2013)
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42.5p per mile (from 1 April 2011)
'Tracker' searches	£10 per case

Appendix F

Joint Liquidators' category 2 disbursements table

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, type and purpose	Paid £	Unpaid £
None		
Total		

Appendix G

Statement of expenses incurred by the Joint Liquidators¹ in the period from 27 November 2016 to 26 November 2017

Type and purpose	Incurred in period £
Bank Charges	12.50
DTI Unclaimed Dividend Fee	25.75
Advertising	84.60
Total	122.85

Appendix H

Joint Liquidators' time cost analysis for the period from 27 November 2016 to 26 November 2017

Please note that we have re-designed our SIP9 analysis table to provide a more detailed analysis of the grades of staff within the firm. Please note that this change does not alter the value of time costs recorded, purely the column within the table to which that time, and cost, has been allocated.

SIP9 Time Report - Level 2

X2 Computing Limited

782955-700 Post Appointment CVL

For the period 27/11/2016 to 26/11/2017

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From Jan 2003	Administration and Planning									
	Case Management	0.8	1.0	0.7	0.0	15.3	0.3	18.1	£ 3,899.30	215.43
	Closure	0.0	0.0	0.0	0.0	0.6	0.0	0.6	£ 114.00	190.00
	Post-appointment - general	0.0	0.0	0.0	0.0	0.0	1.1	1.1	£ 209.00	190.00
	Receipts and Payments	0.0	0.2	0.4	0.0	13.3	2.5	16.4	£ 2,745.05	167.38
	Statement of Affairs	0.0	2.0	0.0	0.0	0.0	0.0	2.0	£ 660.00	330.00
	Tax Matters	0.3	1.5	0.0	0.6	10.3	0.0	12.7	£ 2,783.50	219.17
	Total	1.1	4.7	1.1	0.6	39.5	3.9	50.9	£ 10,410.85	204.54
	Investigations									
	Investigations/CDDA	0.0	0.4	0.0	0.0	0.0	0.0	0.4	£ 146.00	365.00
Realisation of Assets										
Assets - general/other	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2	£ 38.00	190.00
Land and Property	0.0	0.1	0.0	0.0	0.0	0.7	0.0	0.8	£ 169.50	211.88
Total	0.0	0.1	0.0	0.0	0.0	0.9	0.0	1.0	£ 207.50	207.50
Creditors										
Employees	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	£ 36.50	365.00
Other Creditor Meetings and Reports	0.4	0.3	0.0	0.0	0.0	3.9	1.1	5.7	£ 1,251.50	219.56
Preferential Creditors	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2	£ 38.00	190.00
Unsecured Creditors	1.3	3.2	0.5	1.2	1.2	26.7	0.0	32.9	£ 7,284.70	221.42
Total	1.7	3.6	0.5	1.2	1.2	30.8	1.1	38.9	£ 8,610.70	221.35
Case Specific Matters - Legal Matters										
Legal Matters	0.2	0.6	0.0	0.0	0.0	1.9	0.0	2.7	£ 676.00	250.37
Total	0.2	0.6	0.0	0.0	0.0	1.9	0.0	2.7	£ 676.00	250.37
Total Hours (From Jan 2003)										
Total Time Cost (From Jan 2003)	£ 1,443.00	£ 3,361.00	£ 441.00	£ 405.00	£ 405.00	£ 13,481.55	£ 919.50	£ 20,061.05	£ 20,061.05	213.54
Total Hours										
Total Time Cost	£ 1,443.00	£ 3,361.00	£ 441.00	£ 405.00	£ 405.00	£ 13,481.55	£ 919.50	£ 20,061.05	£ 20,061.05	213.54
Average Rates	481.00	357.55	275.53	225.00	225.00	184.43	183.90	213.54		