

In accordance with
Rule 18.7 of the
Insolvency (England &
Wales) Rules 2016 and
Sections 92A, 104A and
192 of the Insolvency
Act 1986.

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



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17/01/2019

#181

COMPANIES HOUSE

1 Company details

Company number 0 5 4 8 7 1 4 4

Company name in full
X2 Computing Limited
X2 Computing Limited

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

2 Liquidator's name

Full forename(s) Lindsey J

Surname Cooper

3 Liquidator's address

Building name/number 3 Hardman Street

Street

Post town Manchester

County/Region

Postcode M 3 3 H F

Country

4 Liquidator's name ●

Full forename(s) Guy Edward Brooke

Surname Mander

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

5 Liquidator's address ●

Building name/number St Philips Point

Street Temple Row

Post town Birmingham

County/Region

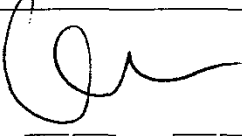
Postcode B 2 5 A F

Country

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

LIQ03

Notice of progress report in voluntary winding up

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

LIQ03

Notice of progress report in voluntary winding up



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 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

14 January 2019

**Lindsey J Cooper and Guy Edward Brooke Mander
Joint Liquidator**

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

Sections

1. Progress of the liquidation
2. Details of what remains to be done and matters preventing closure
3. Creditors' claims and dividend prospects
4. Receipts and payments summary
5. Joint Liquidators' remuneration, expenses and disbursements
6. Creditors' right to information and ability to challenge remuneration and expenses

Appendices

- A. Statutory 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 disbursement rates
- F. Statement of expenses incurred in the period from 27 November 2017 to 26 November 2018
- G. Joint Liquidators' time cost analysis for the period from 27 November 2017 to 26 November 2018

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 2017 to 26 November 2018. 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 requirements of 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 Joint Liquidator 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.

1 Progress of the liquidation

1.1 Realisation of assets / Sale of business

The Joint Liquidator are obliged to realise and get in the Company's property and maximise realisations. In some cases this does not result in sufficient realisations to enable a financial return to creditors, after taking into account the costs and expenses of realisation and dealing with the legislative requirements of administering the case. Details of the realisations made are set out below, with information relating to dividends, if any, contained within Appendix B.

1.1.1 Potential realisation from class action.

The Liquidators have lodged a claim in the action and this has been acknowledged. However, the Liquidators have not received any indication on the timing and level of any payment.

1.2 Investigations

In accordance with our statutory obligations, we have filed the appropriate documentation with in relation to the conduct of the directors.

1.3 Case specific matters

The Liquidators are still in correspondence with HMRC regarding the tax avoidance scheme used by the company. This has not yet been concluded.

1.4 Administration and planning

Certain aspects of the work that the Joint Liquidator undertake are derived from the underlying legal and regulatory framework for cases of this nature. This work, which does not usually result in any direct financial return to creditors, is a necessary aspect of ensuring that the Joint Liquidator are complying with both their legislative and best practice responsibilities and ensuring that the case is managed efficiently and effectively. It includes matters such as:

- Periodic case reviews, ongoing case planning and strategy
- Maintaining and updating computerised case management records
- Dealing with routine correspondence not attributable to other categories of work
- Ongoing consideration of ethical and anti-money laundering regulations
- General taxation matters, including seeking tax clearance from HMRC
- Lengthy correspondence regarding the tax avoidance scheme, including consulting solicitors.
- Preparation of receipts and payments accounts, maintenance of cashing records
- Preparing, reviewing and issuing reports to creditors and other parties
- Filing of final documentation at Companies House, Court and other relevant parties
- General administrative matters in relation to closing the case
- Pension schemes, liaising with PPF/Pensions Regulator/Trustees

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

2.1 Assets remaining to be realised

The only remaining asset is the potential realisation from the class action currently being taken in the United States. We will re-assess the position when the tax avoidance scheme issues are resolved

2.2 Other outstanding matters

The Liquidators are still in correspondence with HMRC relating to the tax avoidance scheme. Until this is concluded, the case will remain open.

3 Creditors' claims and dividend prospects

Dividend payments made to creditors are attached, including any amount under the prescribed part, if any.

The Joint Liquidator are obliged to deal with a number of matters in relation to creditors to comply with both the legislative and best practice requirements and to ensure creditors are kept informed. Creditors

will only derive an indirect financial return from this work on cases where a dividend has been paid. These matters include:

- Preparation and issue of progress reports and associated documentation;
- Maintenance of schedules of preferential and unsecured creditors' claims;
- Dealing with correspondence and telephone calls;
- Where necessary, consideration of creditors' claims; acceptance or rejection of claims and complying with legislative obligations in relation to adjudication of creditors' claims generally for voting and, if applicable, dividend purposes;
- Review of creditor claim supporting documentation; and
- Calculation and payment of dividend(s) to one or more classes of creditors

3.1 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 there are creditors secured by fixed and qualifying floating charges over the assets and undertaking of the company, those charge holders were not owed anything at the date of liquidation. Therefore no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Insolvency Act 1986.

4 Receipts and payments summary

We attach a summary of our receipts and payments for the period from 27 November 2017 to 26 November 2018, along with cumulative figures where applicable.

4.1 VAT basis

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

5 Joint Liquidators' remuneration and expenses

5.1 Authority for remuneration, disbursements and expenses

The Joint Liquidators' remuneration was approved on a time cost basis on 27 November 2013 by creditors. Approval was also given for the Liquidators to draw Category 2 disbursements.

5.2 Remuneration and expenses incurred in the period from 27 November 2017 to 26 November 2018 and since appointment

Sums drawn, both in respect of the current period of the report, and since appointment, in accordance with the relevant approval(s) set out above, are detailed in the attached receipts and payments account.

The Joint Liquidators are required to report remuneration 'charged' in the period. This reflects the time charged to the case for any category of work where remuneration has been approved on a time cost basis.

The Joint Liquidators have incurred time costs of £11,952.00 in the current period. An analysis of time incurred in the period is attached.

Since the date of appointment, the Joint Liquidators have incurred time costs totalling £173,767.51. Of this, a total of £135,000 (plus VAT) has been paid and £38,767.51 remains outstanding and due to be paid.

5.3 Expenses and disbursements

Attached are the Joint Liquidators' charging, expenses and disbursement policy statement, together with the current rates. Details of the expenses (including category 1 and category 2 disbursements) that the Joint Liquidator have incurred in the period of the report are also attached, along with cumulative figures.

5.3.1 Other professional costs

Whilst professional costs are not subject to approval by the relevant approving body, all professional costs are subject to review before being paid.

DWF, solicitors, have advised the Liquidators in relation to matters arising from the tax avoidance scheme employed by the company. We have agreed their remuneration based on their standard hourly charge-out rates, plus VAT and disbursements, and their agreed fees of £1,446 plus VAT have been paid.

5.4 Pre-appointment fees and expenses

Approval for the Joint Liquidators' reasonable and necessary expenses for assisting the directors with the preparation of the statement of affairs and subsequent summoning, advertising and holding of a creditors' meeting was agreed by creditors on 27 November 2013.

These costs have been paid from assets realised in the Liquidation.

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

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

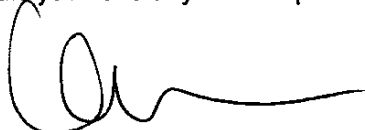
A request for further information must be made within 21 days of receipt of this report in writing by any secured creditor or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors.

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 on the grounds that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

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.

A Creditors' 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/RX2COM> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

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



Lindsey Cooper
RSM Restructuring Advisory LLP
Joint Liquidator

Lindsey J Cooper is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales
Guy Edward Brooke 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, dividend and other information

Company information	
Company name:	X2 Computing Limited
Company number:	05487144
Date of incorporation:	21 June 2005
Trading name:	X2 Computing Limited
Trading address:	3 Hardman Street Manchester M3 3HF
Principal activity:	Manufacture of Office Machinery and Computers
Registered office:	RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester, M3 3HF
Previous registered office:	Albion House , 163-167 King Street, Dukinfield SK16 4LF

Liquidation information		
Joint Liquidator:	Lindsey J Cooper and Guy Edward Brooke Mander	
Date of appointment:	27 November 2018	
Correspondence address & contact details of case manager:	Liz Williamson RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester, M3 3HF Email: restructuring.manchester@rsmuk.com	
Name, address & contact details of Joint Liquidator:	Primary Office Holder Lindsey J Cooper MANCHESTER 3 Hardman Street, Manchester, M3 3HF 0161 830 4031 IP Number: 008931	Joint Office Holder: Guy Edward Brooke Mander MANCHESTER St Philips Point, Temple Row, Birmingham, B2 5AF 0121 214 3304 IP Number: 8845

Appendix B

Dividend prospects

	Owed	Paid to date	Estimated future prospects
Secured creditor	Nil	Nil	N/a
Preferential creditors	£15,952.15	100p in the £ 30.1.15	Nil
Unsecured creditors	£1,662,632.57	2.05p in the £ on 11.4.17	Nil
Estimated net property	N/A		
Estimated prescribed part available for unsecured creditors	N/A		

Any estimated outcome for creditors is illustrative and may be subject to change.

X2 Computing Limited
(In Liquidation)

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 27/11/2017 To 26/11/2018 £	From 27/11/2013 To 26/11/2018 £
RECEIPTS			
Office Equipment/Furniture		0.00	17,000.00
Debtors (Pre-Appointment)	139,931.00	0.00	51,567.40
Property Rights / Patents		0.00	19,641.23
Corporation Tax Refund		0.00	6,801.57
Rates Refund		0.00	645.53
Cash at Bank	85,378.00	0.00	141,304.79
Interest Income		0.00	2.81
Bank Interest Gross		30.98	185.79
Shares in X2 USA		0.00	1,000.00
Trust Monies		0.00	36,954.83
		<u>30.98</u>	<u>275,103.95</u>
PAYMENTS			
DTI Unclaimed Dividend Fee		0.00	25.75
Specific Bond		0.00	85.00
Preparation of Statement of Affairs		0.00	35,207.00
Liquidators Fees		0.00	135,000.00
Disbursements		0.00	8.00
Agents / Valuers Fees		0.00	9,079.50
Company Search Fees		0.00	1.00
Legal Fees		1,446.00	18,134.50
Corporation Tax		0.00	23.20
Debt Collection Fees		0.00	4,256.75
Advertisements		0.00	301.48
Statutory Advertising		0.00	84.60
Insurance		0.00	275.60
Bank Charges		0.00	187.50
Courier		0.00	97.46
Travel		0.00	247.82
Trust account refund		0.00	4,042.05
Subsistence		0.00	59.15
Employee Arrears/Hol Pay	-5,966.81	NIL	NIL
Holiday Pay		0.00	10,123.55
Wages		0.00	5,828.59
Trade and Expense Creditors	-1,784,794.61	0.00	27,395.50
Unsecured Creditors		0.00	213.21
Employees	-42,851.75	0.00	78.76
Department of Employment		0.00	813.23
Banks/Institutions	-0.10	NIL	NIL
HM Revenue and Customs	-224,282.40	0.00	5,716.00
Associated Creditors	-6,012.56	NIL	NIL
Ordinary Shareholders	-225.00	NIL	NIL
		<u>1,446.00</u>	<u>257,285.20</u>

Net Receipts/(Payments)

-1,415.02

17,818.75

MADE UP AS FOLLOWS

Liquidators' Current Account
VAT receivable

17,529.55

289.20

17,818.75

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 decision regarding the approval of category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP MANCHESTER will be sought from 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		
	Previous Rates £	Current rates £
Partner	500	525
Directors / Associate Directors	330-450	385-475
Manager	230-315	245-335
Assistant Managers	225-230	240-245
Administrators	100-225	105-240
Support staff	195	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

Statement of expenses incurred in the period from 27 November 2017 to 26 November 2018

Expenses (excluding category 2 disbursements) Type and purpose	Incurred in period	
	Paid £	Unpaid £
Legal Fees	1,446.00	
Sub Total	1,446.00	
Category 2 disbursements		
Recipient, type and purpose		
None		
Sub Total	0.00	
Total	1,446.00	

NOTE: This Appendix may include estimated amounts where actual invoices have not been received. The amounts paid in the period are shown in the attached receipts and payments account. Invoices may have been paid in a period after that in which they were incurred.

SIP9 Time Report - Level 2

X2 Computing Limited

782955-700 Post Appointment CVL

For the period 27/11/2017 to 26/11/2018

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning	Case Management	0.7	1.0	0.0	0.1	3.7	0.2	5.7	£ 1,469.00	257.72
	Closure	0.0	0.1	0.0	0.0	3.1	0.0	3.2	£ 626.50	195.78
	Director(s)/debtor/bankrupt	0.0	0.2	0.0	0.0	0.0	0.0	0.2	£ 73.00	365.00
	Post-appointment - general	0.0	0.0	0.0	0.0	0.0	1.2	1.2	£ 228.00	190.00
	Receipts and Payments	0.1	0.9	0.0	0.0	2.8	2.9	6.7	£ 1,423.00	212.39
	Tax Matters	0.2	2.6	0.0	0.0	21.5	0.0	24.3	£ 5,145.00	211.73
	Total	1.0	4.8	0.0	0.1	31.1	4.3	41.3	£ 8,064.00	217.06
Investigations	Investigations/CDDA	0.0	0.7	0.0	0.0	0.0	0.0	0.7	£ 261.50	373.57
	Total	0.0	0.7	0.0	0.0	0.0	0.0	0.7	£ 261.50	373.57
Realisation of Assets	Assets - general/other	0.0	0.5	0.0	0.0	2.3	0.0	2.8	£ 625.50	223.39
	Chattels	0.3	0.0	0.0	0.0	0.0	0.0	0.3	£ 144.00	480.00
	Total	0.3	0.5	0.0	0.0	2.3	0.0	3.1	£ 769.50	246.23
Creditors	Other Creditor Meetings and Reports	0.2	0.6	0.0	0.0	5.3	0.0	6.1	£ 1,322.00	216.72
	Unsecured Creditors	0.2	0.1	0.0	0.0	1.5	0.0	1.8	£ 383.50	213.06
	Total	0.4	0.7	0.0	0.0	6.8	0.0	7.9	£ 1,705.50	216.89
Case Specific Matters - Legal Matters	Legal Matters	0.1	0.1	0.0	0.0	0.8	0.0	1.0	£ 251.00	251.00
	Total	0.1	0.1	0.0	0.0	0.8	0.0	1.0	£ 251.00	251.00
Total Hours		1.8	6.8	0.0	0.1	41.0	4.3	54.0	£ 11,982.00	221.33
Total Time Cost		£ 879.50	£ 2,500.00	£ 0.00	£ 22.50	£ 7,752.00	£ 798.00	£ 11,982.00		
Average Rates		1.8	6.8	0.0	0.1	41.0	4.3	54.0	£ 11,982.00	221.33
		£ 879.50	£ 2,500.00	£ 0.00	£ 22.50	£ 7,752.00	£ 798.00	£ 11,982.00		
		488.61	367.65	0.00	225.00	189.07	186.56	221.33		