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## **REDNET ASSOCIATES LIMITED IN LIQUIDATION**

### **JOINT LIQUIDATORS' PROGRESS REPORT PERIOD 12 AUGUST 2011 TO 12 AUGUST 2012**

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# **REDNET ASSOCIATES LIMITED IN LIQUIDATION**

## **JOINT LIQUIDATORS' PROGRESS REPORT**

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### **1. PURPOSE OF REPORT**

This report is prepared pursuant to Rule 4 49B of the Insolvency Rules 1986 (as amended) The purpose of the report is to provide creditors and members with information relating to the progress of the Winding Up in the period from 12 August 2011 to 12 August 2012

This report has been prepared solely to comply with the statutory requirements of Rule 4 49B of the Insolvency Rules 1986 (as amended) The purpose of the report is to provide creditors and members with information relating to the progress of the Winding Up in the period from It has not been prepared for use in respect of any 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 Baker Tilly Restructuring and Recovery 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. JOINT LIQUIDATORS' APPOINTMENT**

Russell Cash and Lindsey Cooper of Baker Tilly Restructuring and Recovery LLP, 3 Hardman Street, Manchester M3 3HF were appointed Joint Liquidators of Rednet Associates Limited In Liquidation on 12 August 2010 by The Secretary of State A copy of the Certificate of Appointment is attached for ease of reference

### **3. COMPANY DETAILS**

We attach as Appendix A an extract of information from the company's file held at Companies House

### **4. RECEIPTS AND PAYMENTS SUMMARY**

We attach as Appendix B a summary of our receipts and payments for the period from 12 August 2011 to 12 August 2012

#### **VAT Basis**

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

## **5. CREDITORS' CLAIMS**

Creditors' claims as set out in the Statement of Affairs totalled £11,806 00 To date HM Revenue & Customs ICHU have submitted an agreed claim in respect of Tax and NIC in the sum of £11,587 16.

## **6. PRESCRIBED PART**

The "Prescribed Part" is a statutory amount of the company's assets subject to a floating charge to be set aside for the benefit of the Company's non-preferential creditors

There are no creditors secured by charges over the assets and undertakings of the Company. There is therefore no requirement to estimate the amount of the prescribed part of the assets under Section 176A of the Insolvency Act 1986 (as amended)

## **7. DIVIDEND PROSPECTS FOR CREDITORS**

The Joint Liquidators are not in a position to comment in respect of the prospects of a dividend to any class of creditor To date there have been no asset realisations in this matter

## **8. CONDUCT OF THE WINDING UP**

This appointment is part of a wider investigation of connected group companies

To date there have been no asset realisations in this matter, however the Joint Liquidators continue to further their investigations generally.

## **9. ASSETS REMAINING TO BE REALISED**

Currently there are no assets on hand which are to be realised, investigation of this matter remains on-going

## **10. ADMINISTRATION AND PLANNING**

- The Registered Office Address of the company was changed to Baker Tilly Restructuring & Recovery LLP with effect from 23 August 2010
- Notice of Appointment was advertised in the London Gazette with effect of 6 August 2010 and subsequently circulated to all known creditors with effect of 9 August 2010
- The Specific Bond has been set at the appropriate level
- Searches with Pension Protection Fund confirm that there is no known qualifying pension scheme registered with their office
- The directors have been questioned by the Official Receiver and have yet to supply full books and records in this matter.

## **11. JOINT LIQUIDATORS' REMUNERATION AND DISBURSEMENTS**

### **11.1. Basis of Remuneration**

Creditors passed the following resolutions with effect of 26 January 2011

1 The Joint Liquidators shall be authorised to draw their remuneration based upon their costs by reference to the time properly given by the Joint Liquidators and their staff in the administration at Baker Tilly Restructuring & Recovery LLP standard hourly rates, current details of which were circulated with papers convening this meeting, but which are reviewed periodically

2 The Joint Liquidators be authorised to draw "category 2" disbursements out of the assets of the Winding Up, at the rates disclosed in the policy statement circulated to creditors with the papers convening this meeting.

### **11.2. Remuneration and Disbursements incurred in the period from appointment.**

In accordance with insolvency legislation we are required to report remuneration 'charged' No such remuneration has been charged in this matter to date

Attached are the following

- Appendix C Baker Tilly Restructuring and Recovery LLP's Charging, Expenses and Disbursements Policy Statement
- Appendix D Joint Liquidators' Charge Out and Disbursement Rates and Category 2 Disbursements Schedule ,
- Appendix E Joint Liquidators' Time Cost Analysis for the period set out above,

### **11.3. Total remuneration incurred and paid to date since appointment**

We have not taken remuneration since the date of our appointment The sum of £6,007 00 remains outstanding representing 28 40 hours of time properly incurred in the administration of this matter

Should you require any further information please do not hesitate to contact me at [rrmanchester@bakertilly.co.uk](mailto:rrmanchester@bakertilly.co.uk)

## **12. JOINT LIQUIDATORS' STATEMENT OF EXPENSES**

The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period together with cumulative figures

### 13. CREDITORS' RIGHT TO INFORMATION AND ABILITY TO CHALLENGE EXPENSES

In accordance with the provisions of Rules 4.49E and 4.131 of the Insolvency Rules 1986 creditors have a right to request further information about remuneration or expenses (other than pre-administration costs) and to challenge such remuneration or expenses.

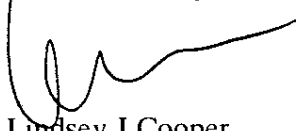
A request for further information must be made in writing within 21 days of receipt of this report

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

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 David Pritchard, who is dealing with this matter on our behalf.

Yours faithfully



Lindsey J Cooper  
Baker Tilly Restructuring and Recovery LLP  
Joint Liquidator of  
Rednet Associates Limited

Russell S Cash and Lindsey J Cooper are licensed to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales

IN THE SALFORD COUNTY COURT

IN THE MATTER OF  
REDNET ASSOCIATES LIMITED  
IN LIQUIDATION  
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

THIS IS TO CERTIFY that

Mr RS CASH of BAKER TILLY of 3 Hardman Street, MANCHESTER, M3 3HF

and

Miss LJ COOPER of BAKER TILLY of 3 Hardman Street, MANCHESTER, M3 3HF

have been appointed as joint liquidators of REDNET ASSOCIATES LIMITED  
with effect from 12 AUG 2010

Any act required or authorised under any enactment to be done by the liquidator is to be done by one or more of the above-named persons.

On behalf of the Secretary of State



Date 09 AUG 2010

## Appendix A

### STATUTORY INFORMATION

COURT & REFERENCE	Salford County Court No 393 of 2010
COMPANY NAME	Rednet Associates Limited
PREVIOUS COMPANY NAMES	N/A
COMPANY NUMBER.	05892511
DATE OF INCORPORATION	1 August 2006
TRADING NAME	N/A
PRINCIPAL ACTIVITY	Other Business Activities
REGISTERED OFFICE:	<p>Baker Tilly Restructuring and Recovery LLP 3 Hardman Street Manchester M3 3HF</p> <p>Prior to Joint Liquidators appointment Brooklands Business Centre Rear of 42 Duncan Road Gillingham Kent HE7 LE</p>

## Appendix B

### Receipts and Payments Abstract: RREDNET - Rednet Associates Limited In Liquidation Bank, Cash and Cash Investment Accounts From 12/08/2011 To 12/08/2012

SOA Value £	12/08/2011 to 12/08/2012		Total to 12/08/2012	
	£	£	£	£
ASSET REALISATIONS				
0 00	Deposit on Inland Revenue Petition	0 00	1,000 00	
0 00	Other Current Assets	0 00	809 43	
		0 00		1,809 43
COST OF REALISATIONS				
0 00	ISA Quarterly Charges	(72 00)	(144 00)	
0 00	Official Receivers Debit Balance	0 00	(2,235 00)	
		(72 00)		(2,379 00)
0 00		(72 00)		(569 57)
REPRESENTED BY				
	ISA NIB		(569 57)	
				(569 57)
				(569 57)



**BAKER TILLY RESTRUCTURING AND RECOVERY 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 Baker Tilly Restructuring and Recovery LLP Manchester are attached
- Time billed is subject to Value Added Tax at the applicable rate
- 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
- BAKER TILLY RESTRUCTURING AND RECOVERY 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 creditors, but do not require creditors' approval 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) require the approval of creditors 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 Baker Tilly Restructuring and Recovery LLP Manchester will be proposed to creditors' in general meeting
- 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 creditors
- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate

# BAKER TILLY RESTRUCTURING AND RECOVERY LLP – MANCHESTER

## JOINT LIQUIDATORS CHARGE OUT AND DISBURSEMENT RATES

CHARGE OUT RATES		
	Rate at commencement £	Current rate £
Partner	375	390
Manager	140-225	180-290
Administrator	120	125
Support staff	75	125

“CATEGORY 2” DISBURSEMENT RATES (TABLE A)	
<b>Travel &amp; Subsistence</b>	
Motor travel	40p per mile (from 1 April 2010) 42.5p per mile (from 1 April 2011)
Subsistence	£23
<b>Circulars to Members / Creditors</b>	
Labels	£ 0.022 each
Headed paper	£ 0.079 per sheet
Plain paper	£ 0.079 per sheet
Large envelopes	£ 0.672 each
Small envelopes	£ 0.081 each
Photocopying charge	£0.005 per sheet
<b>Stationery</b>	
Lever arch files	£2.55 per file
Cashiering files	£ 1.06 per file
Chequebook boxes	N/a
A-Z dividers	£0.79 per set
1-31 dividers	£0.92 per set
Coloured dividers (5 part)	£0.18 per set
Coloured dividers (10 part)	£0.31 per set
Multi-punch pockets	£0.01 per pocket
Storage boxes	£2.50 per box
<b>Sundry</b>	
Faxes	N/a
Internal room hire (for meetings)	£165

# Appendix E

## Rednet Associates Limited Joint Liquidators' time costs in accordance with Statement of Insolvency Practice 9

### Summary of Time Costs and Charge-out Rates to 12 August 2012

	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average hourly rate
Hours (pre 31/12/2002)	0 00	0 00	0 00	0 00	0 00	£0 00	£0 00
Hours (post 31/12/2002)	1 80	15 20	6 10	0 20	23 30	£11,118 50	£477 19
Administration and Planning	0 00	1 00	0 30	0 00	1 30	£275 00	£211 54
Investigation	0 00	0 00	0 00	0 00	0 00	£0 00	£0 00
Realisation of Assets	0 00	0 00	0 00	0 00	0 00	£0 00	£0 00
Trading	0 20	0 50	2 90	0 00	3 60	£592 50	£164 58
Creditors	0 00	0 00	0 20	0 00	0 20	£28 00	£140 00
Case Specific Matters							
<b>Total Hours</b>	<b>2 00</b>	<b>16 70</b>	<b>9 50</b>	<b>0 20</b>	<b>28 40</b>		
<b>Total Time Costs</b>	<b>774 00</b>	<b>3,964 50</b>	<b>1,253 50</b>	<b>15 00</b>		<b>£6,007 00</b>	

### Charge-out Rates

Current rates	£330-390	£140-275	£115-175	£80
As at 31 March 2011	£375	£140-300	£100-175	£75
As at 30 October 2010	£375	£140-300	£120-165	£75
As at 1 April 2010	£370	£155-240	£100-130	£70
As at 1 April 2009	£350	£140-225	£105-125	£65

### NOTES TO APPENDIX E

#### JOINT LIQUIDATORS' TIME COST ANALYSIS

**a) Administration and Planning**

This includes dealing with the commencement of the case administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to handling receipts and payments, VAT and corporation tax issues such as the monthly VAT returns, pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, obtaining company searches, maintenance and obtaining books and records, general meetings / correspondence, statutory and other advertising, insurance, re-directed mail, statutory receipts and payments accounts, dealing with (including the winding up of) company pension schemes where applicable.

**b) Investigations**

Where appropriate this will include such matters as investigation of pre-appointment transactions in accordance with the relevant Statement of Insolvency Practice (SIP 2), preparing reports / returns in accordance with the Company Directors Disqualification Acts and the investigation of any potential antecedent transactions such as transactions at under value and preferences which may result in legal action resulting in a recoverable asset.

**c) Realisation of Assets**

This includes dealing with all aspects of the realisation of assets including identifying, securing and insuring assets, and (where applicable), property, business and asset sales, retention of title claims and debt collection. Other matters dealt with during the case administration which will relate to asset realisation may commonly include effecting disclaimers, dealing with landlords, liaising with agents, undertaking inventories, meetings with purchasers / directors, arranging collection of leased assets, obtaining insurance, pursuing antecedent claims identified as part of the investigation work set out above. Details of the specific asset realisation work undertaken on this case are set out in the main body of the report. Asset realisation is considered to be a key aspect of the case administration.

**d) Trading**

Where the company has continued trading following the Joint Liquidators' appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll.

**e) Creditors**

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. The preparation of the Joint Liquidators' proposals has been undertaken including the attendant aspects of providing and obtaining the required information, convening the creditors' meeting etc. A brief report on the outcome of the creditors' meeting and the report on the first six months of the administration period have both been prepared.

**f) Case Specific Matters**

Any case specific matters will generally be set out in the body of the report but will commonly include meetings, correspondence and telephone calls relating to specific issues in the case which do not fall into any the categories set out above and are specific to the case in question. This may include work done in relation to litigation, general advice or other major issues.