

JOINT LIQUIDATORS' PROGRESS REPORT

11/08/2013

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COMPANIES HOUSE

REDNET ASSOCIATES LIMITED IN LIQUIDATION

JOINT LIQUIDATORS' PROGRESS REPORT

11/08/2013

1. PURPOSE OF REPORT

This report has been prepared in accordance with insolvency legislation to provide creditors and members of the company with information relating to the progress of the liquidation in the period from 12 August 2012 and 11 August 2013. 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 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 2012 and 11 August 2013. 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.

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 2012 to 11 August 2013.

VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and 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 a claim in respect of Tax and NIC in the sum of £11,587 16.

The Joint Liquidators are currently undertaking an exercise to confirm the final proof of debt figure to be claimed by creditors

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 IN THE PREVIOUS TWELVE MONTHS

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.

8.1 Connected Party transactions

The Joint Liquidators have not sanctioned or become aware of any transaction which would require to be declared under Statement of Insolvency Practice 13

9. ASSETS REMAINING TO BE REALISED

9.1 Potential Claim for Compensation for Mis-selling of Interest Rate Hedging Product

As you may be aware, a settlement agreement was recently reached between the Financial Conduct Authority ("FCA") and certain major banks, including HSBC Bank Plc. in relation to the sale of interest rate hedging products. I am currently investigating whether or not the company was sold a relevant Interest Rate Hedging Product, and whether there is an entitlement to redress whether inside the framework of the FCA settlement, or otherwise

I am aware that a number of banks are in the process of developing a methodology to implement the terms of the settlement reached with the FCA in respect of the sale of these products. My understanding is that this process will take several months to refine and finalise and, until such time, my own investigations cannot be completed.

Consequently, to ensure creditors' rights to any potential claim are protected, we are at present unable to conclude the Compulsory Liquidation.

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
- The Joint Liquidators are undertaking a review of the claims submitted by creditors, this process is frustrated by the lack of books and records provided by the directors.

11. JOINT LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

11.1. Basis of Remuneration

Creditors passed the following resolution with effect of 26 January 2011.

"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."

11.2. Remuneration and Disbursements incurred in the period from 12 August 2012 and 11 August 2013

In accordance with insolvency legislation we are required to report remuneration 'charged' This reflects the time charged to the case and is the maximum that can be taken in fees by the Joint Liquidators. It does not necessarily reflect the amount of remuneration that will ultimately be taken by the Joint Liquidators in remuneration If there are insufficient realisations to allow the Joint Liquidators remuneration to be recovered in full, any balance will be written off. Details of any write off will be set out in the final report.

11.2.1. Joint Liquidators' remuneration

I have incurred time costs of £2,572 50 in respect of work done in the current period (a summary of which is set out in appendix F) Details of the sums drawn in respect of remuneration for the period covered by this report are set out in the receipts and payments account (appendix B).

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;
- Appendix E Joint Liquidators' Statement of Expenses incurred in the period 12 August 2012 to 11 August 2013;
- Appendix F Joint Liquidators' Time Cost Analysis for the period set out above;

11.2.2. Joint Liquidators' disbursements

Creditors passed the following resolution with effect of 26 January 2011

"The Liquidator be authorised to draw 'Category 2' disbursements out of the assets as an expense of the Winding Up, at the rates prevailing when the cost is incurred"

Total remuneration incurred and paid to date since appointment

We have incurred time costs of £9,231 50 since the date of our appointment in accordance with the resolution set out above This remains outstanding and is to be carried forward

Should you require any further information please do not hesitate to contact me at rrmanchester@bakertilly.co.uk

12. JOINT LIQUIDATORS' STATEMENT OF EXPENSES

A statement of the expenses incurred during the period, is attached at Appendix E 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 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 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

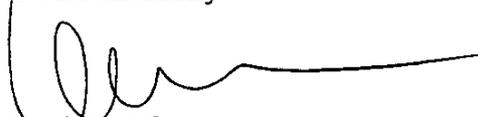
Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all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

A Creditors Guide to Fees Charged by Liquidators, can be accessed at the website of the Insolvency Practitioners Association (www.insolvency-practitioners.org.uk - "Regulation and Guidance > Creditors Guides to Fees"), or the Institute of Chartered Accountants in England & Wales (www.icaew.com - "Technical Resources > Insolvency > Creditors' guides") Alternatively I can provide you with a copy on written request to my office

Should you have any further queries please do not hesitate to contact David Pritchard who is dealing with this matter on my behalf.

Yours faithfully



Lindsey J Cooper
Baker Tilly Restructuring and Recovery 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

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:	Baker Tilly Restructuring and Recovery LLP 3 Hardman Street Manchester M3 3HF. Prior to Joint Liquidators appointment: Brooklands Business Centre Rear of 42 Duncan Road Gillingham Kent HE7 LE.

Receipts and Payments Abstract: RREDNET - Rednet Associates Limited In Liquidation
Bank, Cash and Cash Investment Accounts From 12/08/2012 To 11/08/2013

SOA Value £	12/08/2012 to 11/08/2013		Total to 11/08/2013	
	£	£	£	£
	ASSET REALISATIONS			
0 00	Deposit on Inland Revenue Petition	0 00		1,000 00
0 00	Other Current Assets	<u>0 00</u>		<u>809 43</u>
			0 00	1,809 43
	COST OF REALISATIONS			
0 00	ISA Quarterly Charges	(88 00)		(232 00)
0 00	Official Receivers Debit Balance	<u>0 00</u>		<u>(2,235 00)</u>
			<u>(88 00)</u>	<u>(2,467 00)</u>
<u>0 00</u>			<u>(88 00)</u>	<u>(657 57)</u>
	REPRESENTED BY			
	ISA NIB		<u>(657 57)</u>	<u>(657 57)</u>
				<u>(657 57)</u>

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, 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.
- 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 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 Baker Tilly Restructuring and Recovery 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 D**BAKER TILLY RESTRUCTURING AND RECOVERY LLP
JOINT LIQUIDATORS' CURRENT CHARGE OUT AND DISBURSEMENT RATES**

HOURLY CHARGE OUT RATES		
	Rate at commencement £	Current rate £
Partner	375	390
Manager/Director	140-225	190-350
Administrator	120	130
Support staff	75	130

"CATEGORY 2" DISBURSEMENT RATES	
Internal room hire	£165
Subsistence	£25 per night (from 3 September 2013) £23 per night (up to 2 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)

APPENDIX E

STATEMENT OF EXPENSES INCURRED BY THE JOINT LIQUIDATORS' IN THE PERIOD FROM 12 AUGUST 2012 TO 11 AUGUST 2013.

Type and Purpose	Incurred in Period
	£
Insolvency Services Account Charges	88 00
Total	88 00

Appendix F

JOINT LIQUIDATORS' TIME COST ANALYSIS

FOR THE PERIOD FROM 12 AUGUST 2012 AND 11 AUGUST 2013

Rednet Associates Limited							
768210/700 Post Appoint WUC							
HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average rates
Administration and Planning							
Background information	0.0	0.5	0.0	0.0	0.5	£95.00	£190.00
Case Management	0.1	1.4	0.0	0.0	1.5	£423.00	£282.00
Director(s)/debtor/bankrupt	0.0	0.5	0.0	0.0	0.5	£90.00	£180.00
Post-appointment - general	0.0	0.3	0.0	0.0	0.3	£54.00	£180.00
Receipts and Payments	0.1	0.2	1.5	0.0	1.8	£304.00	£168.89
Tax Matters	0.2	0.3	0.0	0.0	0.5	£134.00	£268.00
Totals	0.4	3.2	1.5	0.0	5.1	£1,100.00	£215.69
Investigations							
Investigations/CDDA	0.0	1.5	0.0	0.0	1.5	£487.50	£325.00
Totals	0.0	1.5	0.0	0.0	1.5	£487.50	£325.00
Creditors							
Other Creditor Meetings and Reports	0.0	2.1	0.0	0.0	2.1	£488.00	£232.38
Unsecured Creditors	0.0	1.8	0.0	0.0	1.8	£497.00	£276.11
Totals	0.0	3.9	0.0	0.0	3.9	£985.00	£252.56
TOTAL HOURS	0.4	8.6	1.5	0.0	10.5	£2,572.50	£245.00
TOTAL TIME COST	£156.00	£2,221.50	£195.00	£0.00		£2,572.50	

NOTES TO APPENDIX F

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 of 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.