

WU07

Notice of progress report in a winding-up by the court



Companies House

SATURDAY



A16 *A7FZSEDM* #114
06/10/2018
COMPANIES HOUSE

1 Company details

Company number 0 5 8 9 2 5 1 1

Company name in full Rednet Associates Limited

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

2 Liquidator's name

Full forename(s) Keith

Surname Algie

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) Lindsey

Surname Cooper

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

5 Liquidator's address ●

Building name/number 3 Hardman Street

Street

Post town Manchester

County/Region

Postcode M 3 3 H F

Country

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

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6	Period of progress report																	
From date	d	1	d	2	m	0	m	8	y	2	y	0	y	1	y	7		
To date	d	1	d	1	m	0	m	8	y	2	y	0	y	1	y	8		
7	Progress report																	
										<input checked="" type="checkbox"/> The progress report is attached								
8	Sign and date																	
Liquidator's signature	Signature X <i>Keith Ains</i> X																	
Signature date	d	0	d	5	m	1	m	0	y	2	y	0	y	1	y	8		

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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	Keith Algie
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

**Rednet Associates Limited in Liquidation
(‘the Company’)**

Joint Liquidators’ progress report

12 August 2017 to 11 August 2018

**Lindsey Cooper and Keith Algie
Joint Liquidators**

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

Sections

1. Conduct of the winding-up in the previous twelve months
2. Creditors' claims and dividend prospects
3. Receipts and payments summary
4. Joint Liquidators' remuneration, disbursements and expenses
5. Creditors' rights 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's charging, expenses and disbursements policy statement
- E. RSM Restructuring Advisory LLP Manchester charge out and category 2 disbursement rates
- F. Statement of expenses incurred by the Joint Liquidators' in the period from 12 August 2017 to 11 August 2018
- G. Joint Liquidators' time cost analysis for the period from 12 August 2017 to 11 August 2018

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 Winding Up in the period from 12 August 2017 to 11 August 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 statutory requirements of the relevant legislation. 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 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 Conduct of the winding-up in the previous twelve months

1.1 Realisation of assets

The Joint Liquidators 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 result in a financial benefit 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.

There have been no assets realised in the period under report, however as reported previously this matter forms part of a wider group investigation of companies in liquidation connected by common shareholder and director.

The wider investigation has reached a critical stage during the period of this report, which is covered later in this report.

1.1.1 Potential claim for compensation for mis-selling of interest rate hedging product

The Joint Liquidators have now completed their investigations and have found no evidence that the Company was sold an IRHP, therefore no further actions are necessary in relation to seeking of redress potentially due to the Company.

1.2 Investigations

The work involved in the wider group investigation would only lead to a financial benefit to creditors if any rights of action became visible during the course of the investigation. The wider investigation of connected group companies in Liquidation has progressed significantly in the period of this report. However, the Joint Liquidators are not yet in a position to make any comment in respect of the prospect of a dividend to unsecured creditors in this matter.

1.3 Case specific matters

Headline claims against the former director and shareholder of the companies in liquidation, subject to the wider investigation, relate to breach of duty, misfeasance, void dispositions and unauthorised capital distributions. Claims across the wider group investigation are Circa £67m.

A directions hearing was held 23 April 2018 at the High Court of Justice in London. Following which the defendant was to file his Witness Statement in defence of claims by 24 July 2018. Following an application for an extension of time due to extenuating family matters, the defendant is now to file his defence by 29 November 2018.

In line with legal and counsel advice the Joint Liquidators, in the absence of any offer of mediation or settlement offer in the alternative will proceed to trial.

1.4 Administration and planning

Certain aspects of the work that the Joint Liquidators 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 benefit to creditors, is a necessary aspect of ensuring that the Joint Liquidators are complying with both of 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
- Preparation of receipts and payments accounts, maintenance of cashiering records
- Preparing, reviewing and issuing final report to creditors and other parties
- Filing of final documentation at Companies House, Court and other relevant parties
- General administrative matters in relation to the wider group investigation.

1.5 Assets remaining to be realised

There are no assets remaining to be realised.

As previously reported this matter forms part of a wider group investigation. The defendant is to file his Witness Statement in defence of headline claims totalling £67m by 29 November 2018. The Joint Liquidators are not yet in a position to provide any indication of the prospect of a dividend from this matter, which will be wholly dependent upon the success of the wider group investigation.

2 Creditors' claims and dividend prospects

Creditors' claims as set out in the Estimated Financial Position totalled £11,858.

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix B, including any amount under the prescribed part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.

The Joint Liquidators 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 benefit from this work on cases where a dividend may be paid

- 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

In accordance with the relevant legislation no dividend has been distributed as insufficient funds have been realised.

3 Receipts and payments summary

We attach as Appendix C a summary of our receipts and payments for the period from 12 August 2017 to 11 August 2018.

3.1 VAT basis

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

4 Joint Liquidators' remuneration, disbursements and expenses

4.1 Closure costs in prior administration

Details of the actual costs incurred in closing the previous administration procedure are identified in the receipts and payments account.

4.2 Authority for remuneration, disbursements and expenses

The Joint Liquidators' remuneration was approved on a time cost basis by creditors on 22 November 2010. when the following resolution was passed:

The Joint Liquidators shall be authorised to draw their remuneration based upon their time costs by reference to the time properly given by the Joint Liquidators and their staff, in attending to matters arising in the liquidation at RSM Restructuring Advisory LLP standard hourly rates, at the rates prevailing at the time the work is done.

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

4.2.1 Remuneration and disbursements incurred in the period from 12 August 2017 to 11 August 2018 and since appointment

The Joint Liquidators' are required to report 'remuneration charged' to the case in the current period. The Joint Liquidators have incurred time costs of £2,179 in respect of work done in the current period, a summary of which is attached at Appendix G. Total time costs of £18,470.30 have been incurred since appointment, this remains outstanding.

Details of the amount of remuneration drawn in the period and the total amount of remuneration drawn to date are shown in the receipts and payments account at Appendix C.

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.

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 above average complexity due to the size and nature of the wider group investigation, 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.

4.3 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 Liquidators have incurred in the period of the report are also attached at Appendix F.

Expenses paid in the period, along with cumulative figures, are shown in the attached receipts and payments account.

4.3.1 Other professional costs

Gateley Plc solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. They have advised me on significant matters in relation to the wider group investigation. I have agreed their remuneration on the basis of their standard hourly charge-out rates, plus VAT and disbursements

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.

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 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.

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



Keith Algie
RSM Restructuring Advisory LLP
Joint Liquidator

Keith Algie and Lindsey J Cooper are licensed to act as Insolvency Practitioners 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:	Rednet Associates Limited
Company number:	05892511
Date of incorporation:	1 August 2006
Previous company names:	n/a
Trading name:	n/a
Trading address:	10 The Edge Clowes Street, Manchester, M3 5NB
Principal activity:	Other Business Activities
Registered office:	RSM Restructuring Advisory LLP 3 Hardman Street Manchester M3 3HF

Liquidation information		
Joint Liquidators:	Lindsey Cooper and Keith Algie Russell S Cash (Released from office 25 November 2013)	
Date of appointment:	12 August 2010	
Court & reference:	In the Salford County Court No. 393 of 2010	
Appointment Method:	by secretary of state	
Functions:	The Joint Liquidators' appointment specified that they would have power to act jointly and severally. The Joint Liquidators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.	
Correspondence address & contact details of case manager:	David Pritchard 0161 830 4000 RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester M3 3HF	
Name, address & contact details of Joint Liquidators:	Primary Office Holder Keith Algie RSM Restructuring Advisory LLP 3 Hardman Street Manchester M3 3HF 0161 830 4000 IP Number: 14090	Joint Office Holder: Lindsey Cooper RSM Restructuring Advisory LLP 3 Hardman Street Manchester M3 3HF 0161 830 4000 IP Number: 008931

Appendix B

Dividend prospects

	Owed*	Paid	Estimated future prospects
Secured creditor	Nil	n/a	n/a
Preferential creditors	Nil	n/a	n/a
Unsecured creditors	£11,858	NIL	not known
Estimated net property	n/a		
Estimated prescribed part available for unsecured creditors	n/a		

* Per Claims received. Any estimated outcome for creditors is illustrative and may be subject to change.

Appendix C

Receipts and Payments Abstract: 768210 - Rednet Associates Limited In Liquidation					
Bank, Cash and Cash Investment Accounts: From: 12/08/2017 To: 11/08/2018					
SOA Value £	12/08/2017 to 11/08/2018		Total to 11/08/2018		
	£	£	£	£	
	ASSET REALISATIONS				
-	Deposit on Inland Revenue Petition	-	1,000.00		
-	Other Current Assets	-	809.43		
					1,809.43
	COST OF REALISATIONS				
-	ISA Quarterly Charges	(88.00)	(672.00)		
-	Official Receivers Debit Balance	-	(2,235.00)		
		(88.00)			(2,907.00)
		(88.00)			(1,097.57)
	REPRESENTED BY				
	ISA NIB		(1,097.57)		
					(1,097.57)
					(1,097.57)

Appendix D

RSM Restructuring Advisory LLP charging, expenses and disbursements policy

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 charge out and category 2 disbursement rates

Hourly charge out rates		
	Rates at commencement	Current rates
	£	£
Partner	375	525
Directors / Associate Directors	n/a	385-475
Manager	140-225	245-335
Assistant Managers	140	240-245
Administrators	120	105-240
Support staff	75	195

Category 2 disbursement rates	
Internal room hire	£165
Subsistence	£25 per night (from 3 rd September 2013)
Travel (car)	42.5p per mile (from 1 April 2011)
'Tracker' searches	£10 per case

Appendix F

Statement of expenses incurred by the Joint Liquidators in the period from 12 August 2017 to 11 August 2018

	£			
	Incurred to date		Paid to date	Unpaid
	12/08/2016 to 11/08/2017	12/08/2017 to 11/08/2018		
EXPENSES (EXCLUDING CATEGORY 2 DISBURSEMENTS)				
Appointee disbursements:				
Bond				
Statutory advertising				
Website fee				
Storage agent (collection/storage of records)				
Chattel asset agent valuation				
Legal fees				
Debt collection fees				
Insolvency Services Account Quarterly Fees	88.00	88.00		176.00
Sub Total				
CATEGORY 2 DISBURSEMENTS				
RSM Restructuring Advisory LLP - Appointee disbursements:				
RSM Restructuring Advisory LLP - Mileage				
RSM Restructuring Advisory LLP - Tracker search				
Sub Total	88.00	88.00		176.00
Total	88.00	88.00		176.00

Appendix G

Joint Liquidators' time cost analysis for the period from 12 August 2017 to 11 August 2018

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.

Appendix G

Rednet Associates Limited

768210-700 Post Appoint WUC

For the period 12/08/2017 to 11/08/2018

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From August 2017 to August 2018	Administration and Planning									
	Appointment	0.0	0.0	0.0	0.3	0.0	0.0	0.3	£ 69.00	230.00
	Case Management	0.0	1.5	0.8	0.3	0.0	0.0	2.6	£ 928.00	356.92
	Post-appointment - general	0.0	0.0	0.0	0.0	0.0	0.1	0.1	£ 19.00	190.00
	Receipts and Payments	0.0	0.0	0.0	0.0	0.5	0.0	0.5	£ 80.00	160.00
	Tax Matters	0.0	0.1	1.0	0.6	0.8	0.0	2.5	£ 490.00	196.00
	Total	0.0	1.6	1.8	1.2	1.3	0.1	6.0	£ 1,586.00	264.33
	Creditors									
	Other Creditor Meetings and Reports	0.0	0.5	1.6	0.0	0.0	0.0	2.1	£ 593.00	282.38
	Total	0.0	0.5	1.6	0.0	0.0	0.0	2.1	£ 593.00	282.38
	Total Hours (From August 2017)	0.0	2.1	3.4	1.2	1.3	0.1	8.1	£ 2,179.00	269.01
	Total Time Cost (From August 2017)	£ 0.00	£ 945.00	£ 782.00	£ 273.00	£ 160.00	£ 19.00	£ 2,179.00		
Total Hours		0.0	2.1	3.4	1.2	1.3	0.1	8.1	£ 2,179.00	269.01
Total Time Cost		£ 0.00	£ 945.00	£ 782.00	£ 273.00	£ 160.00	£ 19.00	£ 2,179.00		
Average Rates		0.00	450.00	230.00	227.50	123.08	190.00	269.01		