

**In the matter of**

**First IT Solutions Limited In Liquidation  
(‘the Company’)**

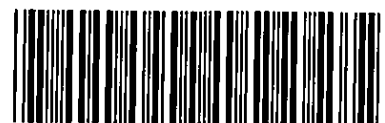
**Liquidator’s progress report**

**23 March 2017**

**Alexander Kinninmonth  
Liquidator**

**RSM Restructuring Advisory LLP  
Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh SO53 3TY**

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## **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 2 March 2016 to 1 March 2017.

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 2 March 2016 to 1 March 2017. 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 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.

## **2 Liquidator's appointment**

Alexander Kinninmonth of RSM Restructuring Advisory LLP, Highfield Court, Tollgate, Chandlers Ford, Eastleigh SO53 3TY was appointed Liquidator of First IT Solutions Limited on 2 March 2016 by a meeting of creditors.

## **3 Receipts and payments summary**

I attach as Appendix B a summary of my receipts and payments for the period from 2 March 2016 to 1 March 2017.

### **VAT basis**

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

## **4 Creditors' claims**

### **Secured Creditors**

Lloyds Bank Commercial Finance ("LBCF") has a debenture encompassing fixed and floating charges over the company's property and assets which was created on 19 June 2008 and registered at Companies House on 24 June 2008. The liability due to LBCF is estimated at £351,148.

### **Preferential Creditors**

There are no known preferential creditors in this matter.

### **Unsecured Creditors**

Creditors' claims as set out in the Official Receivers report totalled £794,342.

To date claims totalling £540,621 have been received by the Liquidator.

### **4.1 Dividend prospects for creditors**

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix A, 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.

### **4.2 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.

Whilst there are creditors secured by fixed and qualifying floating charges over the assets and undertaking of the Company, it is uncertain whether those creditors will receive any recovery under their floating charges. 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).

## **5 Conduct of the winding-up in the previous twelve months**

### **5.1 Realisation of assets**

#### **Director's Loan Account**

The Director's Preliminary Information Questionnaire indicated that the sum of £333,668 was due to the Company in respect of his overdrawn director's loan account.

Following the Liquidator's appointment correspondence was sent to Mr Belmar regarding payment of the above sum. The Liquidator subsequently requested up to date information regarding his personal income and expenditure and asset position. Following a review of this information the Liquidator held various discussions with Mr Belmar regarding settlement.

Due to his financial position, on 21 February 2017 Mr Belmar entered into an Individual Voluntary Arrangement. The terms of the arrangement state that there will be a dividend of 71 pence in the pound payable to Mr Belmar's creditors, however, this is subject to a number of ongoing matters and therefore is likely to change. Until these matters are resolved the quantum cannot be confirmed with any certainty.

### **5.2 Administration and planning**

The Liquidator has ensured that all statutory requirements have been adhered to and all other duties in relation to the management of the case have been completed. This includes, but is not limited to, the following activities:

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of the appointment to creditors, members, employees and other interested parties;
- Reviewing available information to determine appropriate strategy;
- Setting up and maintaining bank accounts;
- Setting up case files;
- Correspondence regarding security bond.

## **6 Matters preventing closure**

### **6.1 Assets remaining to be realised**

The Liquidator will continue to pursue the director's loan account.

## **7 Liquidator's remuneration, disbursements and expenses**

### **7.1 Basis of remuneration**

The Liquidator's remuneration was approved on a time cost basis by creditors on 30 March 2016. The Liquidator has incurred time costs of £21,996 in the current period (a summary of which is set out in Appendix G). This remains outstanding in full.

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

Disbursements incurred in the period in accordance with the resolution above are detailed on Appendix F (Statement of Expenses).

### **7.2 Remuneration and Disbursements incurred in the period from 2 March 2016 to 1 March 2017**

In accordance with insolvency legislation the Liquidator is 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 Liquidator. It does not necessarily reflect the amount of remuneration that will ultimately be taken by the Liquidator in remuneration. If there are insufficient realisations to allow the Liquidator's 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.

Attached are the following:

- Appendix C: RSM Restructuring Advisory LLP's Charging, Expenses and Disbursements Policy Statement.

- Appendix D: Liquidator's Charge Out and Disbursement Rates;
- Appendix E: Category 2 Disbursements Table;
- Appendix G: Liquidator's Time Cost Analysis for the period set out above.

### **7.3 Liquidator's statement of expenses**

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the Liquidator 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.

### **8 Creditors' right to information and ability to challenge remuneration and 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 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 Matthew Vanderman.



**Alexander Kinninmonth**  
**RSM Restructuring Advisory LLP**  
**Liquidator**

Alexander Kinninmonth 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 name:           | First IT Solutions Limited  |
| Company number:         | 06414845  |
| Court & reference:      | In the High Court of Justice No. 441 of 2015  |
| Date of appointment:    | 2 March 2016  |
| Liquidator:             | Alexander Kinninmonth   |
| Functions:              | The Liquidator has exercised, and will continue to exercise, all of his functions as stated in the notice of appointment. |
| Date of incorporation:  | 1 November 2007   |
| Previous company names: | Not Applicable  |
| Trading name:           | First IT Solutions Limited  |
| Trading address:        | 206 Turners Hill, Waltham Cross, Hertfordshire EN8 9DE  |
| Principal activity:     | Business Services   |
| Registered office:      | RSM Restructuring Advisory LLP, Highfield Court, Tollgate, Chandlers Ford, Eastleigh SO53 3TY                             |

| Dividends   | Owed     | Paid | Estimated future prospects |
|---|----------|------|----------------------------|
| Secured creditor LBCF                                       | £351,148 | NIL  | Uncertain                  |
| Preferential creditors                                      | N/A      | N/A  | N/A                        |
| Unsecured creditors   | £540,621 | NIL  | Uncertain                  |
| Estimated net property                                      | NIL      |      |                            |
| Estimated prescribed part available for unsecured creditors | N/A      |      |                            |

**Receipts and Payments Abstract: 1079904 - First IT Solutions Limited In Liquidation**

Bank, Cash and Cash Investment Accounts: To: 01/03/2017

| SOA Value £          |                                  | £                 | £                 |
|----------------------|----------------------------------|-------------------|-------------------|
| ASSET REALISATIONS   |                                  |                   |                   |
| 0.00                 | Deposit on Creditors Petition    | 1,250.00          |                   |
| 1.00                 | Director's Loan Account          | <u>0.00</u>       | 1,250.00          |
| COST OF REALISATIONS |                                  |                   |                   |
| 0.00                 | ISA Quarterly Charges            | (88.00)           |                   |
| 0.00                 | Official Receivers Remuneration  | (2,400.00)        |                   |
| 0.00                 | Shorthand Writer Charge          | <u>(15.93)</u>    | (2,503.93)        |
| UNSECURED CREDITORS  |                                  |                   |                   |
| (360,147.88)         | Banks/Institutions               | 0.00              |                   |
| (88,955.51)          | HM Revenue and Customs           | 0.00              |                   |
| (345,238.27)         | Trade and Expense Creditors      | <u>0.00</u>       | 0.00              |
| EQUITY               |                                  |                   |                   |
| (1.00)               | Ordinary                         | <u>0.00</u>       | 0.00              |
| <u>(794,341.66)</u>  |                                  |                   | <u>(1,253.93)</u> |
| REPRESENTED BY       |                                  |                   |                   |
|                      | Insolvency Service Account (ISA) | <u>(1,253.93)</u> | (1,253.93)        |
|                      |                                  |                   | <u>(1,253.93)</u> |

**Notes:**

1. The company is VAT registered
2. Funds are held in an interest bearing account at The Insolvency Service

## **APPENDIX C**

### **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 Southampton 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 '1' disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Southampton 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

### RSM Restructuring Advisory LLP

#### Liquidator's current charge out and disbursement rates

| HOURLY CHARGE OUT RATES       |                            |                    |
|-------------------------------|----------------------------|--------------------|
|                               | Rates at commencement<br>£ | Current rates<br>£ |
| Partner                       | 395 to 560                 | 435 to 620         |
| Director / Associate Director | 305 to 415                 | 335 to 460         |
| Assistant Manager             | 225                        | 250                |
| Administrators                | 150 to 190                 | 165 to 210         |
| Support staff                 | 120                        | 135                |

| "CATEGORY 2" DISBURSEMENT RATES |                |
|---------------------------------|----------------|
| Internal room hire              | £100 per hour  |
| Subsistence                     | £25 per night  |
| Travel (car)                    | 42.5p per mile |
| "Tracker" searches              | £10 per case   |

## Appendix E

### RSM Restructuring Advisory LLP

#### Liquidator's 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<br>£ | Unpaid<br>£ |
| None  | NIL       | NIL         |
| Total   | NIL       | NIL         |

## Appendix F

### Statement of expenses incurred by the Liquidator in the period from 2 March 2016 to 1 March 2017

| Type and purpose       | Incurred in period<br>£ |
|------------------------|-------------------------|
| Advertising            | 79.40                   |
| Bonding                | 85.00                   |
| Land Registry Searches | 18.00                   |
| <b>Total</b>           | <b>182.40</b>           |

# SIP9 Time Report - Level 2

First IT Solutions Ltd

107904-702 ..... Compulsory Liquidation

For the period 02/03/2016 to 01/03/2017

| Period        | Hours Spent                                     | Partners          | Directors / Associate Directors | Managers          | Assistant Managers | Administrators    | Assistants & Support Staff | Total Hours        | Total Time Costs   | Average Rates |
|---------------|---|-------------------|---------------------------------|-------------------|--------------------|-------------------|----------------------------|--------------------|--------------------|---------------|
| From Jan 2003 |   |                   |                                 |                   |                    |                   |                            |                    |                    |               |
|               | <b>Administration and Planning</b>              |                   |                                 |                   |                    |                   |                            |                    |                    |               |
|               | Appointment                                     | 0.8               | 0.0                             | 0.0               | 0.0                | 6.3               | 0.0                        | 7.1                | £ 1,245.65         | 175.44        |
|               | Background Information                          | 0.0               | 0.0                             | 0.0               | 0.0                | 1.5               | 0.0                        | 1.5                | £ 331.50           | 221.00        |
|               | Case Management                                 | 0.2               | 0.4                             | 0.2               | 1.4                | 3.5               | 0.0                        | 15.7               | £ 3,675.45         | 234.11        |
|               | Director(s)/debtor/bankrupt                     | 0.0               | 0.0                             | 0.0               | 1.1                | 1.0               | 0.0                        | 2.1                | £ 407.90           | 194.24        |
|               | Post-appointment - general                      | 0.0               | 1.3                             | 0.0               | 0.0                | 0.2               | 0.0                        | 1.5                | £ 442.00           | 294.67        |
|               | Receipts and Payments                           | 0.0               | 0.0                             | 0.0               | 0.0                | 0.3               | 0.0                        | 0.3                | £ 55.00            | 183.33        |
|               | Tax Matters                                     | 0.1               | 0.0                             | 0.0               | 0.0                | 0.3               | 0.0                        | 0.4                | £ 82.50            | 206.25        |
|               | <b>Total</b>                                    | <b>1.1</b>        | <b>1.7</b>                      | <b>0.2</b>        | <b>12.5</b>        | <b>13.1</b>       | <b>0.0</b>                 | <b>28.6</b>        | <b>£ 6,240.00</b>  | <b>218.18</b> |
|               | <b>Investigations</b>                           |                   |                                 |                   |                    |                   |                            |                    |                    |               |
|               | DTI/Official Receiver                           | 0.0               | 0.0                             | 0.0               | 1.9                | 0.6               | 0.0                        | 2.5                | £ 524.50           | 209.80        |
|               | Investigations/CDDA                             | 0.2               | 0.1                             | 0.0               | 3.9                | 3.1               | 0.0                        | 7.3                | £ 1,683.50         | 230.62        |
|               | <b>Total</b>                                    | <b>0.2</b>        | <b>0.1</b>                      | <b>0.0</b>        | <b>5.8</b>         | <b>3.7</b>        | <b>0.0</b>                 | <b>9.8</b>         | <b>£ 2,208.00</b>  | <b>225.31</b> |
|               | <b>Realisation of Assets</b>                    |                   |                                 |                   |                    |                   |                            |                    |                    |               |
|               | Assets - general/other                          | 0.0               | 11.4                            | 0.5               | 18.6               | 8.9               | 0.0                        | 39.4               | £ 10,379.85        | 263.45        |
|               | Debtors & sales finance                         | 1.1               | 0.0                             | 3.0               | 0.0                | 0.0               | 0.0                        | 4.1                | £ 1,453.50         | 354.51        |
|               | <b>Total</b>                                    | <b>1.1</b>        | <b>11.4</b>                     | <b>3.5</b>        | <b>18.6</b>        | <b>8.9</b>        | <b>0.0</b>                 | <b>43.5</b>        | <b>£ 11,833.35</b> | <b>272.03</b> |
|               | <b>Creditors</b>                                |                   |                                 |                   |                    |                   |                            |                    |                    |               |
|               | 1st creditors/shareholders meetings and reports | 0.2               | 0.0                             | 0.0               | 0.0                | 0.0               | 0.0                        | 0.2                | £ 87.00            | 435.00        |
|               | Other Creditor Meetings and Reports             | 0.0               | 0.0                             | 0.0               | 2.5                | 0.6               | 0.0                        | 3.1                | £ 712.90           | 229.97        |
|               | Secured Creditors                               | 0.0               | 0.0                             | 0.0               | 0.0                | 0.1               | 0.0                        | 0.1                | £ 13.00            | 130.00        |
|               | Unsecured Creditors                             | 0.1               | 0.1                             | 0.0               | 1.1                | 3.4               | 0.0                        | 4.7                | £ 901.40           | 191.79        |
|               | <b>Total</b>                                    | <b>0.3</b>        | <b>0.1</b>                      | <b>0.0</b>        | <b>3.6</b>         | <b>4.1</b>        | <b>0.0</b>                 | <b>8.1</b>         | <b>£ 1,714.30</b>  | <b>211.84</b> |
|               | <b>Total Hours (From Jan 2003)</b>              | <b>2.7</b>        | <b>13.3</b>                     | <b>3.7</b>        | <b>40.5</b>        | <b>29.8</b>       | <b>0.0</b>                 | <b>90.0</b>        | <b>£ 21,985.65</b> | <b>244.40</b> |
|               | <b>Total Time Cost (From Jan 2003)</b>          | <b>£ 1,281.50</b> | <b>£ 4,441.50</b>               | <b>£ 1,098.50</b> | <b>£ 9,592.50</b>  | <b>£ 5,571.65</b> | <b>£ 0.00</b>              | <b>£ 21,985.65</b> |                    |               |
|               | <b>Total Hours</b>                              | <b>2.7</b>        | <b>13.3</b>                     | <b>3.7</b>        | <b>40.5</b>        | <b>29.8</b>       | <b>0.0</b>                 | <b>90.0</b>        | <b>£ 21,985.65</b> | <b>244.40</b> |
|               | <b>Total Time Cost</b>                          | <b>£ 1,281.50</b> | <b>£ 4,441.50</b>               | <b>£ 1,098.50</b> | <b>£ 9,592.50</b>  | <b>£ 5,571.65</b> | <b>£ 0.00</b>              | <b>£ 21,985.65</b> |                    |               |
|               | <b>Average Rates</b>                            | <b>478.33</b>     | <b>333.95</b>                   | <b>288.89</b>     | <b>238.85</b>      | <b>186.97</b>     | <b>0.00</b>                | <b>244.40</b>      |                    |               |