

WU07

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



Companies House

FRIDAY



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20/04/2018 #128
COMPANIES HOUSE

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1 Company details

Company number 0 6 4 1 4 8 4 5

Company name in full First IT Solutions Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Alexander

Surname Kinninmonth

3 Liquidator's address

Building name/number Highfield Court

Street Tollgate
Chandlers Ford

Post town Eastleigh

County/Region

Postcode S O 5 3 3 T Y

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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Period of progress report

From date	d	0	d	2	m	0	m	3	y	2	y	0	y	1	y	7
To date	d	0	d	1	m	0	m	3	y	2	y	0	y	1	y	8

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X

Alfred Brown

X

Signature date

d	1	d	9	m	0	m	4	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	Alexander Kinninmonth
Company name	RSM Restructuring Advisory LLP
Address	Highfield Court Tollgate Chandlers Ford
Post town	Eastleigh
County/Region	
Postcode	S O 5 3 3 T Y
Country	
DX	
Telephone	02380 646 464



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

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

in the High Court of Justice no 441 of 2015

Liquidator’s progress report

**Alexander Kinninmonth
Liquidator**

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

Sections

1. Purpose of report
2. Liquidator's appointment
3. Receipts and payments summary
4. Creditors' claims
5. Conduct of the winding-up
6. Details of what remains to be done and matters preventing closure
7. Liquidator's remuneration, expenses and disbursements
8. Creditors' right to information and ability to challenge remuneration and expenses

Appendices

- A. Statutory, dividend and other information
- B. Summary of receipts and payments
- C. RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement
- D. Liquidator's current charge out and disbursement rates
- E. Liquidator's category 2 disbursements incurred to date
- F. Statement of expenses incurred by the Liquidator in the period from 2 March 2017 to 1 March 2018
- G. Liquidator's time cost analysis for the period from 2 March 2017 to 1 March 2018

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 2017 to 1 March 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 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 2017 to 1 March 2018.

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

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. As there have been no realisations to date, the Liquidator has not taken steps to agree/reject creditors' claims.

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.

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

Realisation of assets

Director's Loan Account

As previously advised, 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 ("IVA"). The terms of the arrangement stated that there would be a dividend of 71 pence in the pound payable to Mr Belmar's creditors.

However, following a meeting of creditors on 13 February 2018, the creditors of Mr Belmar's IVA agreed to a variation of his arrangement. Accordingly, it is now estimated that the return to Mr Belmar's

creditors will be approximately 18 pence in the pound. This is subject to all contributions being received and all properties funded by Mortgage Express being sold during the duration of the IVA.

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

We are 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.

5.2 Administration and planning

Certain aspects of the work that the Liquidator undertakes is 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 Liquidator is complying with both of his legislative and best practice responsibilities, and ensuring that the case is managed efficiently and effectively. In the period this included 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 cashing records

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

6.1 Assets remaining to be realised

The Liquidator will continue to monitor the director's IVA in anticipation of distribution in respect of the director's loan account.

7 Liquidator's remuneration, expenses and disbursements

7.1 Basis of remuneration

The basis of the Liquidator's remuneration was approved by creditors on 27 April 2016, when the following resolution was passed:

That in accordance with the fees proposal provided to creditors on 30 March 2016 the Liquidator shall be authorised to draw his remuneration (plus VAT) based upon their time costs limited to the sum of £17,975.

Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix D. An analysis of time incurred in the period is attached at Appendix G. Sums drawn in respect of remuneration in the period covered by this report are shown in the receipts and payments account (Appendix B).

Category 2 disbursements incurred in the period are detailed in Appendix E.

7.2 Remuneration and expenses (including disbursements) incurred in the period from 2 March 2017 to 1 March 2018

In accordance with insolvency legislation I am required to report remuneration 'charged'. This reflects the time charged to the case.

In accordance with the fees estimate I cannot draw more than £17,975 without obtaining the further approval of the creditors.

I have incurred time costs of £3,915 in respect of work done in the current period, a summary of which is attached.

7.2.1 Expenses and disbursements

Expenses

Details of the expenses (which included category 1 and category 2 disbursements) of £410 that I considered were likely to be incurred during the course of the liquidation were sent to creditors on 30 March 2016.

A statement of the expenses incurred during the period compared to the original estimates, is attached at Appendices E and 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 amounts paid in the period are also included: those payments are shown in the receipts and payments abstract at Appendix B together with cumulative figures.

7.3 Total remuneration incurred and paid to date since appointment

Time cost basis

I have incurred time costs of £25,940 in respect of work done in the liquidation to date. A total of £25,940 remains outstanding. Details of the sums drawn during the period covered by this report are set out in the receipts and payments account (Appendix B).

As matters currently stand should the creditors approve this request, I may seek further approval from creditors for additional fees.

7.4 Other professional costs

No professional costs have been incurred.

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

In accordance with the provisions of rule 18.9 Insolvency (England and Wales) Rules 2016 creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses under rule 18.34.

If you wish to make a request for further information then it must be made within 21 days of receipt of this report in writing by either by (i) any secured creditor or (ii) 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.

Should you have any queries please do not hesitate to contact my office.

Yours faithfully



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 information	
Company name:	First IT Solutions Limited
Company number:	06414845
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

Liquidation information	
Liquidator:	Alexander Kinninmonth
Date of appointment:	2 March 2016
Court & reference:	In the High Court of Justice No. 441 of 2015
Functions:	The Liquidator has exercised, and will continue to exercise, all of his functions as stated in the notice of appointment
Correspondence address & contact details of case manager	Matthew Vanderman RSM Restructuring Advisory LLP, Highfield Court, Tollgate, Chandlers Ford, Eastleigh SO53 3TY Email: matthew.vanderman@rsmuk.com
Name, address & contact details of Liquidator	Alexander Kinninmonth RSM Restructuring Advisory LLP, Highfield Court, Tollgate, Chandlers Ford, Eastleigh SO53 3TY IP Number: 9019

Dividends Prospects

	Owed	Paid to Date	Estimated future Prospects
Secured creditor Lloyds Bank Commercial Finance Limited	£351,148	NIL	Uncertain
Preferential creditors	N/A	N/A	N/A
Unsecured creditors	£443,194	NIL	Uncertain
Estimated net property	NIL		
Estimated prescribed part available for unsecured creditors	N/A		

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

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

Bank, Cash and Cash Investment Accounts: From: 02/03/2017 To: 01/03/2018

SOA Value £	02/03/2017 to 01/03/2018		Total to 01/03/2018	
	£	£	£	£
ASSET REALISATIONS				
0.00	Deposit on Creditors Petition	0.00	1,250.00	
1.00	Director's Loan Account	0.00	0.00	
		0.00		1,250.00
COST OF REALISATIONS				
0.00	ISA Quarterly Charges	(88.00)	(176.00)	
0.00	Official Receivers Remuneration	0.00	(2,400.00)	
0.00	Shorthand Writer Charge	0.00	(15.93)	
		(88.00)		(2,591.93)
UNSECURED CREDITORS				
(360,147.88)	Banks/Institutions	0.00	0.00	
(88,955.51)	HM Revenue and Customs	0.00	0.00	
(345,238.27)	Trade and Expense Creditors	0.00	0.00	
		0.00		0.00
EQUITY				
(1.00)	Ordinary	0.00	0.00	
		0.00		0.00
(794,341.66)		(88.00)		(1,341.93)
REPRESENTED BY				
	Insolvency Service Account (ISA)		(1,341.93)	(1,341.93)
				(1,341.93)

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 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 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 2 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

Liquidator's current charge out and disbursement rates

Hourly charge out rates		Current rates
		£
Partner		435 to 620
Director / Associate Director		335 to 460
Manager / Assistant Manager		250 to 295
Senior Administrators / Administrators		165 to 210
Support staff		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

Liquidator's category 2 disbursements incurred to date

Amounts paid to date 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	Original estimate	£		Paid to date	Unpaid to date	
		Incurred to date				
		02/03/16	02/03/17			
		—	—			
		01/03/17	01/03/18			
None	NIL	NIL	NIL	NIL	NIL	
Total	NIL	NIL	NIL	NIL	NIL	

Appendix F

Statement of expenses incurred by the Liquidator in the period from 2 March 2017 to 1 March 2018

	Original estimate	£		Paid to date	Unpaid to date
		Incurred to date			
		02/03/16	02/03/17		
		— 01/03/17	— 01/03/18		
Bond	85.00	85.00	NIL	NIL	85.00
Statutory advertising	308.00	79.40	NIL	NIL	79.40
Website fee	8.00	NIL	NIL	NIL	NIL
Land Registry	NIL	18.00	NIL	NIL	18.00
Total	401.00	182.40	NIL	NIL	182.40

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