

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 7 4 8 7 6 8 4

Company name in full Hutchinson Networks Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Alistair

Surname McAlinden

3 Liquidator's address

Building name/number c/o Interpath Ltd

Street 5th floor, 130 St Vincent Street

Post town Glasgow

County/Region

Postcode G 2 5 H F

Country

4 Liquidator's name ①

Full forename(s) Blair Carnegie

Surname Nimmo

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number c/o Interpath Ltd

Street 5th Floor, 130 St Vincent Street

Post town Glasgow

County/Region

Postcode G 2 5 H F

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6

Period of progress report

From date

^d2^d9^m0^m9^y2^y0^y2^y2

To date

^d2^d8^m0^m9^y2^y0^y2^y3

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X

Alfred Hill

X

Signature date

^d1^d3^m1^m0^y2^y0^y2^y3

**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 **Allison Kilgour**

Company name **Interpath Ltd**

Address **5th Floor, 130 St Vincent Street
Glasgow**

Post town **G2 5HF**

County/Region

Postcode

Country

DX

Telephone **Tel +44 (0) 141 648 4300**

**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

Joint
Liquidators'
progress
report for the
period 29
September
2022 to 28
September
2023

Hutchinson Networks Limited - in
Liquidation

12 October 2023

Deemed delivered: 13 October 2023

Notice to creditors

This report provides an update on the liquidation of the Company.

We have included (Appendix 2) an account of all amounts received and payments made during the period 29 September 2022 to 28 September 2023, including the cumulative receipts and payments since the date of our appointment.

We have also explained our future strategy for the liquidation and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 5).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, www.ia-insolv.com/case+INTERPATH+HK930B5346.html. We hope this is helpful to you.

Please also note that an important legal notice about this report is attached (Appendix 6).

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1 Executive summary

This progress report covers the period from 29 September 2022 to 28 September 2023. The asset realisation process has now been completed (Section 2 - Progress to date).

The secured and preferential creditors have been paid in full, either during the Administration period or in a previous liquidation period (Section 3 - Dividend prospects and dividends paid).

The first and final ordinary unsecured dividend distribution was facilitated during the period (Section 3 - Dividend prospects and dividends paid).

Please note: you should read this report in conjunction with any previous reports issued to the Company's creditors; these can be found at www.ia-insolv.com/case+INTERPATH+HK930B5346.html. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.



Alistair McAlinden
Joint Liquidator

2 Progress to date

This report covers the period from 29 September 2022 to 28 September 2023. However, please refer to previous reports where relevant information has been disclosed.

This section updates you on our strategy for the liquidation and on our progress to date. It follows the information provided in our previous reports.

2.1 Strategy and progress to date

Strategy

During the period we have focused on facilitating the first and final dividend distribution to the ordinary unsecured creditors. We will shortly arrange to consign any unclaimed ordinary unsecured dividends with the Insolvency Service.

2.2 Asset realisations

No assets were realised during the period as noted in the attached receipts and payments account (Appendix 2).

We are not aware of any further assets we can seek to realise for the benefit of the liquidation estate.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Statutory advertising costs of £182 and bank charges of £165 were paid in the period.

As noted, we have facilitated the ordinary unsecured dividend distribution, details of which are in Section 3.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

3 Dividend prospects and dividends paid

3.1 Secured creditors

Please refer to the Joint Administrators' proposals for details of the secured creditors (Clydesdale Bank Invoice Finance and Clydesdale Bank Plc), which can be viewed at <http://www.insolvency-kpmg.co.uk/case+KPMG+HJ514E4507.html>.

The secured creditors have been paid in full in the administration.

3.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

The preferential creditors have been repaid in full in a previous period.

3.3 Unsecured creditors

The ordinary unsecured claims have been agreed at £4,431,549.38.

A first and final dividend to unsecured creditors of 13.91p in the £ was declared on 29 March 2023 and paid during the period.

The total amount distributed to unsecured creditors during the period was £616,319.73.

There will not be sufficient funds to enable a further dividend to the unsecured creditors.

4 Joint Liquidators' remuneration and expenses and payments to Interpath

4.1 Joint Liquidators' remuneration and expenses

During the period, the creditors have provided approval that:

The Joint Liquidators be authorised to draw remuneration on the basis of time properly given by them and the various grades of staff in accordance with the fees estimate included at Appendix 4 to our correspondence issued on 22 November 2022, restricted to £20,000.

category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix 4.

Time costs

During the period from 29 September 2022 to 28 September 2023, we have incurred time costs of £79,820.50. These represent 218.80 hours at an average rate of £364.81 per hour.

Remuneration

During the period, we have not drawn any remuneration.

The remaining funds in hand, after the consignment of unclaimed dividends and any outstanding third-party costs have been settled, will shortly be drawn as the Joint Liquidators' final restricted remuneration.

In my fee estimate, issued to creditors on 22 November 2022, I estimated that the total time costs for administering the liquidation would be £203,916. You will note to 28 September 2023 my time costs have exceeded this estimate.

Whilst I have not exceeded time costs in some areas, the time spent in the following areas have been higher:

- Tax – post appointment corporation tax and VAT;
- Creditors and claims – general correspondence, agreement of preferential and unsecured, payment of dividends and statutory reports.

In accordance with our report dated 22 November 2022, we will restrict our final fee to a level below the fee estimate contained therein. Accordingly, we do not intend to provide an updated fee estimate.

Liquidators' Expenses

These are any payments which are neither liquidators' remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the liquidators, and then reimbursed to the liquidators from the estate.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from 29 September 2022 to 28 September 2023. We have also attached our charging and expenses policy.

5 Future strategy

5.1 Future conduct of the liquidation

The following matters are still ongoing in the liquidation:

- Unclaimed ordinary unsecured dividends are to be consigned to the Insolvency Service;
- Joint Liquidators' restricted remuneration to be drawn and VAT reclaimed thereon;
- Attending to all statutory tasks as required; and
- Carrying out all closure-related tasks and finalising the closure of the liquidation in a timely manner.

5.2 Future reporting

We will report again on the progress of this liquidation by 24 November 2024 or in the final report if matters have been concluded earlier.

Appendix 1

Statutory information

Company information

Company name	Hutchinson Networks Limited
Date of incorporation	11 January 2011
Company registration number	07487684
Previous registered office	1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA
Present registered office	4th Floor, Tailors Corner, Thirsk Row, Leeds, LS1 4DP
Nature of business	Information technology consultancy

Liquidation information

Appointed by	Creditors pursuant to Paragraph 83 of Schedule B1 of the Act
Date of appointment	29 September 2020
Joint Liquidators' details	Alistair McAlinden and Blair Nimmo
Joint Liquidators' address	5th Floor, 130 St Vincent Street, Glasgow, G2 5HF
Functions	The functions of the Joint Liquidators are being exercised by them individually or together in accordance with Section 231(2) of the Insolvency Act 1986.
EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations.

Appendix 2 Joint Liquidators' receipts and payment account

Hutchinson Networks Limited - in Liquidation			
Abstract of receipts & payments			
Statement of affairs (£)		From 29/09/2022 To 28/09/2023 (£)	From 29/09/2020 To 28/09/2023 (£)
FIXED CHARGE ASSETS			
1,800,000.00	Book debts	NIL	NIL
		NIL	NIL
FIXED CHARGE COSTS			
	Debt collection costs	NIL	(5,567.63)
		NIL	(5,567.63)
FIXED CHARGE CREDITORS			
(555,000.00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
HP/LEASING			
150,000.00	HP/Leasing asset	NIL	NIL
(190,000.00)	HP/Leasing creditor	NIL	NIL
180,000.00	Cash held at bank	NIL	NIL
(180,000.00)	Debt due to bank	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
50,000.00	Plant & equipment	NIL	NIL
10,000.00	Stock	NIL	NIL
	Other debtors	NIL	381.29
46,000.00	Cash at bank	NIL	NIL
10,000.00	Director's loan	NIL	NIL
		NIL	381.29
OTHER REALISATIONS			
	Bank interest, gross including final	NIL	88.19
	Transfer from administration account	NIL	968,744.98
		NIL	968,833.17
COST OF REALISATIONS			
	Administrators' fees	NIL	(30,885.40)
	Liquidator's fees	NIL	(105,817.50)
	DWP address search	NIL	(4.26)
	Legal fees	NIL	(2,400.00)
	Consignation Fee	NIL	(25.75)

Hutchinson Networks Limited - in Liquidation

Abstract of receipts & payments

Statement of affairs (£)		From 29/09/2022 To 28/09/2023 (£)	From 29/09/2020 To 28/09/2023 (£)
	Statutory advertising	(182.00)	(261.00)
	Bank charges	(165.00)	(185.00)
	Unclaimed dividends	NIL	(6,838.74)
		(347.00)	(146,417.65)
	PREFERENTIAL CREDITORS		
	PAYE income tax etc	NIL	(39,262.26)
	Nat. ins. contributions	NIL	(7,733.10)
(72,000.00)	Employees' wage arrears	NIL	(133,553.34)
(69,000.00)	Employees' holiday pay	NIL	NIL
		NIL	(180,548.70)
	UNSECURED CREDITORS		
(3,607,000.00)	Trade & expense	(578,741.58)	(578,741.58)
(273,000.00)	Employees	NIL	NIL
	Corp tax etc/nonpref PAYE	(25,916.24)	(25,916.24)
	Non-preferential NIC	(6,179.12)	(6,179.12)
		(610,836.94)	(610,836.94)
(2,700,000.00)		(611,183.94)	25,843.54
	REPRESENTED BY		
	VAT receivable		36.40
	Current account		25,807.14
			25,843.54

Schedule of expenses (29/09/2022 to 28/09/2023)			
Expenses (£)	Incurring and paid in the period (£)	Incurring in the period not yet paid (£)	Total (£)
Cost of realisations			
Statutory advertising	182.00	0.00	182.00
Bank charges	165.00	0.00	165.00
TOTAL	347.00	0.00	347.00

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this report, you must do so in writing within 21 days of receiving this report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this report, you must do so by making an application to Court within eight weeks of receiving this report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant Rules can be provided on request by writing to Allison Kilgour at Interpath Advisory, 4th Floor, Tailors Corner, Thirsk Row, Leeds, LS1 4DP.

Appendix 4 Joint Liquidators' charging and expenses policy

Joint Liquidators' charging policy

The time charged to the liquidation is by reference to the time properly given by us and our staff in attending to matters arising in the liquidation. This includes work undertaken by in-house Interpath Advisory tax, VAT and employee specialists.

Our policy is to delegate tasks in the liquidation to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Liquidators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>

If you are unable to access this guide and would like a copy, please contact Allison Kilgour on 0141 648 4287.

Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this liquidation. Time is charged by reference to actual work carried out on the liquidation.

All staff who have worked on the liquidation, including cashiers and secretarial staff, have charged time directly to the liquidation and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the liquidation but is reflected in the general level of charge-out rates.

Managing Director	725	780
Director	675	725
Associate Director	590	635
Manager	495	530
Senior Associate	345	370
Associate	245	265
Support	155	165

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the liquidation. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of expenses

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 expenses from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Expenses: These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying Interpath Advisory passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following expenses (excluding VAT) during the period 29 September 2022 to 28 September 2023.

We have the authority to pay Category 1 expenses without the need for any prior approval from the creditors of the Company.

Category 2 expenses have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 29 September 2022 to 28 September 2023.

The key areas of work have been:

Statutory and compliance	posting information on a dedicated web page; preparing statutory receipts and payments accounts; dealing with all closure related formalities; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	reviewing and authorising junior staff correspondence and other work; complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	dealing with post appointment tax compliance.
Shareholders	providing copies of statutory reports to the shareholders.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9.
Employees	dealing with queries from employees regarding various matters relating to the liquidation; managing claims from employees.
Pensions	reviewing the Company's pension schemes.
Creditors and claims	updating the list of unsecured creditors; responding to enquiries from creditors regarding the liquidation and submission of their claims; reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; agreeing unsecured claims; arranging distributions to the unsecured creditors; and drafting, reviewing and approving our progress report.

Time costs

Distributions	9.10	2,466.50	271.04
General correspondence	2.20	764.00	347.27
General (Cashiering)	9.70	3,760.00	387.63
Reconciliations (& IPS accounting reviews)	2.30	923.00	401.30

Fees and WIP	3.70	1,976.00	534.05
Checklist & reviews	4.00	1,307.00	326.75
Closure and related formalities	10.60	3,784.00	356.98
Statutory advertising	2.20	795.50	361.59
Strategy documents	0.40	290.00	725.00
Post appointment corporation tax	2.70	1,181.50	437.59
Reports	0.40	236.00	590.00
Agreement of claims	2.30	822.50	357.61
Agreement of unsecured claims	29.40	12,801.50	435.43
General correspondence	83.10	24,240.50	291.70
Payment of dividends	46.20	19,620.50	424.69
Statutory reports	7.40	3,528.00	476.76
Agreeing employee claims	0.40	236.00	590.00
Employee Correspondence	2.20	887.50	403.41
Pensions reviews	0.20	127.00	635.00
Mail redirection	0.30	73.50	245.00
Total in period	218.80	79,820.50	364.81
Brought forward time (appointment date to SIP 9 period start date)	461.90	182,298.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	218.80	79,820.50	
Carry forward time (appointment date to SIP 9 period end date)	680.70	262,118.50	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 5 Glossary

Company	Hutchinson Networks Limited - in Liquidation
Joint Liquidators/we/our/us	Alistair McAlinden and Blair Nimmo
Interpath/Interpath Advisory	Interpath Ltd
CBIF	Clydesdale Bank Invoice Finance
Clydesdale Bank / the Bank	Clydesdale Bank Plc

Any references in this report to Sections, Paragraphs and Rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, and the Insolvency (England and Wales) Rules 2016 respectively.

Appendix 6 Notice: About this report

This progress report has been prepared by Alistair McAlinden and Blair Nimmo, the Joint Liquidators of Hutchinson Networks Limited (the 'Company'), solely to comply with their statutory duty under the Insolvency Rules (England and Wales) 2016 to provide members and creditors with an update on the progress of the liquidation of the estate, and for no other purpose.

This report is not suitable to be relied upon by any other person, or for any other purpose or in any other context including any decision in relation to the debt of or any financial interest in the Company. Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at their own risk. Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for individual creditors.

Alistair McAlinden and Blair Carnegie Nimmo are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

The Officeholders may be Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – www.interpathadvisory.com/privacy-insolvency.

The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the liquidation.

www.interpathadvisory.com

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