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**IN THE MATTER OF
PRINCIPAL FOCUS COMPUTING LIMITED IN LIQUIDATION
("THE COMPANY")**

**LIQUIDATOR'S PROGRESS REPORT
6 NOVEMBER 2015**

**NIGEL MILLAR
LIQUIDATOR**

RSM RESTRUCTURING ADVISORY LLP

**ABBOTSGATE HOUSE
HOLLOW ROAD
BURY ST EDMUNDS
SUFFOLK IP32 7FA**



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 14 September 2014 to 13 September 2015. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has been prepared solely to comply with the statutory requirements of Rule 4.49B of the Insolvency Rules 1986 (as amended). The purpose of the report is to provide creditors and members with information relating to the progress of the Winding Up in the period from 14 September 2014 to 13 September 2015. 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.

RSM Restructuring Advisory LLP was previously named Baker Tilly Restructuring and Recovery LLP until 26 October 2015.

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

Nigel Millar of RSM Restructuring Advisory LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk IP32 7FA was appointed Liquidator of Principal Focus Computing Limited on 14 September 2011 by a meeting of creditors.

3 COMPANY DETAILS

I attach as Appendix A an extract of information from the Company's file held at Companies House.

4. RECEIPTS AND PAYMENTS SUMMARY

I attach as Appendix B a summary of my receipts and payments for the period from 14 September 2014 to 13 September 2015.

4.1. VAT Basis

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

5 CREDITORS' CLAIMS

5.1. Secured Creditors

HSBC Bank Plc hold a fixed and floating charge over the assets of the Company which was created on 5 May 1995. However, I am not aware of any monies owed to the Bank under the terms of this charge.

5.2 Preferential Creditors

At the date of my previous report, I had been advised of one preferential claim amounting to £800 in respect of unpaid wages. In anticipation of the payment of a dividend to the preferential creditors, I wrote to each of the former employees to encourage them to submit a claim in the proceedings if they had not already done so.

I confirm that I have now received and agreed preferential claims totalling £7,992 in respect of arrears of wages (up to £800) and unpaid holiday pay, due to the Company's employees.

5.3 Non-Preferential Unsecured Creditors

Creditors' claims as set out in the report to creditors issued by the Official Receiver were £196,625. To date I have received non-preferential unsecured creditor claims totalling

debts (in that they were paid prior to the liquidation), I do not consider that any such claim can be made and therefore do not propose to take any further action in this regard

9 ASSETS REMAINING TO BE REALISED

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

As you may be aware, a settlement agreement was recently reached between the Financial Conduct Authority ("FCA") and certain major banks, including HSBC Bank Plc in relation to the sale of interest rate hedging products. The Liquidator is 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.

The Liquidator is aware that a number of banks are in the process of developing a methodology to implement the terms of the settlement reached with the FCA in respect of the sale of these products. My understanding is that this process will take several months to refine and finalise and, until such time, my own investigations cannot be completed. However, it should be noted that there has not, as yet, been any clarification as to how any such compensation would be treated and thus which creditors would have priority. The Liquidator is therefore at present unable to ascertain whether any such funds would therefore be available for creditors.

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

10 ADMINISTRATION AND PLANNING

This includes day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to handling receipts and payments, VAT and corporation tax issues such as the regular VAT returns, pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, obtaining company searches, maintenance and obtaining books and records, general meetings / correspondence, statutory and other advertising, insurance, re-directed mail, and statutory receipts and payments accounts.

11 LIQUIDATOR'S REMUNERATION AND DISBURSEMENTS

11.1 Basis of Remuneration

The basis of the Liquidator's remuneration was approved by creditors by way of a postal resolution on 3 November 2011, when the following resolution was passed:

"The Liquidator shall be authorised to draw his remuneration based upon his time costs by reference to the time properly given by the Liquidator and his 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."

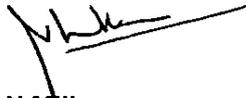
11.2. Remuneration and Disbursements incurred in the period from 14 September 2014 to 13 September 2015

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.

11.2.1. Liquidator's remuneration

I have incurred time costs of £4,335 in respect of work done in the current period (a summary of which is set out in Appendix F). Details of the sums drawn in respect of remuneration for the period covered by this report are set out in the receipts and payments account (Appendix B).

Should you have any further queries please do not hesitate to contact me



N Millar
RSM Restructuring Advisory LLP
Liquidator

Nigel Millar 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 B

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

FOR THE PERIOD FROM 14 SEPTEMBER 2014 TO 13 SEPTEMBER 2015

| SOA Value £ | | 14/09/2014 to 13/09/2015 | | Total to 13/09/2015 | |
|--------------|----------------------------------|--------------------------|-------------|---------------------|-------------|
| | | £ | £ | £ | £ |
| | ASSET REALISATIONS | | | | |
| 50,000 00 | Book Debts | 0 00 | | 0 00 | |
| 0 00 | Cash At Bank | 0 00 | | 22,334 39 | |
| 0 00 | Debtors (Pre-Appointment) | 0 00 | | 23,460 61 | |
| 2,000 00 | Elevator Software Key | 0 00 | | 7,785 00 | |
| 0 00 | HMRC Refund (OR's transfer) | 0 00 | | 4 52 | |
| 0 00 | ISA Interest Income | 54 90 | | 223 16 | |
| 0 00 | Tax Refund | 11 23 | | 29 21 | |
| 2,000 00 | Tools & Equipment | 0 00 | | 100 00 | |
| 0 00 | Unlawful Dividends | 19,290 49 | | 19,290 49 | |
| 8,100 00 | Vehicles | 0 00 | | 7,376 00 | |
| | | | 19,356 62 | | 80,603 38 |
| | COST OF REALISATIONS | | | | |
| 0 00 | Agents / Valuers Fees | 0 00 | | (8,216 65) | |
| 0 00 | Insurance | 0 00 | | (284 08) | |
| 0 00 | ISA Cheque Fees | (4 55) | | (15 50) | |
| 0 00 | ISA Quarterly Charges | (88 00) | | (336 00) | |
| 0 00 | ISA Tax on Interest | (10 98) | | (44 64) | |
| 0 00 | Liquidator's Fees | (12,634 60) | | (40,134 60) | |
| 0 00 | Mileage | 0 00 | | (49 30) | |
| 0 00 | Official Receivers Debit Balance | 0 00 | | (679 94) | |
| 0 00 | Petitioners Costs | 0 00 | | (1,800 00) | |
| 0 00 | Postage | (19 35) | | (67 19) | |
| 0 00 | Report Upload Fee | (8 00) | | (8 00) | |
| 0 00 | Searches | 0 00 | | (9 00) | |
| 0 00 | Secretary of State Fees | (2,901 83) | | (13,446 13) | |
| 0 00 | Specific Bond | 0 00 | | (115 00) | |
| 0 00 | Statutory Advertising | 0 00 | | (76 50) | |
| 0 00 | Storage Costs | (42 56) | | (119 19) | |
| 0 00 | Travel | 0 00 | | (5 20) | |
| | | | (15,709 87) | | (65,406 92) |
| | UNSECURED CREDITORS | | | | |
| (67,186 35) | Banks/Institutions | 0 00 | | 0 00 | |
| (95,954 06) | HM Revenue and Customs | 0 00 | | 0 00 | |
| (27,484 45) | Trade and Expense Creditors | 0 00 | | 0 00 | |
| | | | 0 00 | | 0 00 |
| | EQUITY | | | | |
| (6,000 00) | Ordinary | 0 00 | | 0 00 | |
| | | | 0 00 | | 0 00 |
| (134,524 86) | | | 3,646 75 | | 15,196 46 |
| | REPRESENTED BY | | | | |
| | Insolvency Service Account (ISA) | | | 9,712 16 | |
| | VAT Receivable (Payable) | | | 5,484 30 | |
| | | | | | 15,196 46 |
| | | | | | 15,196 46 |

APPENDIX D

RSM RESTRUCTURING ADVISORY LLP

LIQUIDATOR'S CURRENT CHARGE OUT AND DISBURSEMENT RATES

| HOURLY CHARGE OUT RATES | | |
|--------------------------------|------------------------------------|----------------------------|
| | Rates at commencement £ | Current rates £ |
| Partner | 320 | 380 |
| Manager | 230-250 | 260 |
| Assistant Managers | 145 | 165 |
| Administrators | 110-145 | 60-155 |
| Support staff | 70 | 60-85 |

| "CATEGORY 2" DISBURSEMENT RATES | |
|---|--|
| Travel & Subsistence | |
| Motor travel | 38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42 5p per mile (from 1 April 2011) |
| Subsistence | £25 per night (from 3 rd September 2013) £23 per night (up to 2 nd September 2013) |
| Circulars to Members / Creditors | |
| Labels | 1p each |
| Headed paper | 4p per sheet |
| Plain paper | 0 5p per sheet |
| Large envelopes | 11p each |
| Small envelopes | 8p each |
| Photocopying charge | 0 59p per sheet |
| Stationery | |
| Lever arch files | £2 80 per file |
| Cashiering files | Not applicable |
| Chequebook boxes | Not applicable |
| A-Z dividers | £3 97 per set |
| 1-31 dividers | £6 29 per set |
| Coloured dividers (5 part) | 49p per set |
| Coloured dividers (10 part) | 59p per set |
| Multi-punch pockets | 1p per pocket |
| Storage boxes | £2 99 per box |
| Sundry | |
| Faxes | 6p per sheet |
| Internal room hire (for meetings) | £100 |
| "Tracker" searches | £10 per case |

APPENDIX F

LIQUIDATOR'S TIME COST ANALYSIS

FOR THE PERIOD FROM 14 SEPTEMBER 2014 TO 13 SEPTEMBER 2015

| Hours Spent | Partners | Managers | Assistant Managers | Administrators | Assistants & Support Staff | Total Hours | Total Time Costs | Average Rates |
|-------------------------------------|------------------|----------------|--------------------|----------------|----------------------------|-------------|------------------|----------------|
| Administration and Planning | | | | | | | | |
| Case Management | 1.2 | 0.5 | 2.2 | 0.0 | 0.2 | 4.1 | £947.00 | £230.98 |
| Director(s) | 0.0 | 0.0 | 2.4 | 0.0 | 0.0 | 2.4 | £386.00 | £160.83 |
| Receipts and Payments | 0.6 | 0.0 | 1.3 | 1.8 | 0.2 | 3.9 | £727.90 | £186.64 |
| Tax Matters | 0.7 | 0.5 | 2.0 | 4.1 | 0.0 | 7.3 | £1,063.00 | £145.62 |
| Total | 2.5 | 1.0 | 7.9 | 5.9 | 0.4 | 17.7 | £3,123.90 | £176.49 |
| Realisation of Assets | | | | | | | | |
| Assets - general/other | 0.9 | 1.0 | 0.0 | 0.0 | 0.0 | 1.9 | £583.00 | £306.84 |
| Total | 0.9 | 1.0 | 0.0 | 0.0 | 0.0 | 1.9 | £583.00 | £306.84 |
| Creditors | | | | | | | | |
| Employees | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.3 | £58.50 | £195.00 |
| Other Creditor Meetings and Reports | 0.2 | 0.6 | 1.4 | 0.0 | 0.8 | 3.0 | £504.00 | £168.00 |
| Preferential Creditors | 0.0 | 0.0 | 0.3 | 0.0 | 0.0 | 0.3 | £49.50 | £165.00 |
| Unsecured Creditors | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.1 | £16.00 | £160.00 |
| Total | 0.2 | 0.9 | 1.8 | 0.0 | 0.8 | 3.7 | £628.00 | £169.73 |
| Total Hours | 3.6 | 2.9 | 9.7 | 5.9 | 1.2 | 23.3 | | |
| Total Time Cost | £1,351.50 | £701.50 | £1,573.00 | £621.50 | £87.40 | | £4,334.90 | |
| Average Rates | £375.42 | £241.90 | £162.16 | £105.34 | £72.83 | | | £186.05 |

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

Proof of Debt – General Form

Principal Focus Computing Limited In Liquidation

Date of Winding-Up Order/Resolution for voluntary winding-up 20 July 2011

| | | |
|---|---|---------------------------|
| 1 | Name of creditor (If a company please also give company registration number) | |
| 2 | Address of creditor for correspondence | |
| 3 | Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation | |
| 4 | Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting) | |
| 5 | If amount in 3 above includes outstanding uncapitalised interest please state amount | £ |
| 6 | Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form) | |
| 7 | Particulars of any security held, the value of the security, and the date it was given | |
| 8 | Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates | |
| 9 | Signature of creditor or person authorised to act on his behalf | |
| | Name in BLOCK LETTERS | |
| | Position with or in relation to creditor | |
| | Address of person signing (if different from 2 above) | |
| | Admitted to vote for | Admitted for dividend for |
| | £ | £ |
| | Date | Date |
| | Liquidator | Liquidator |