

**Liquidator's Progress
Report****S.192**

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03130667

Name of Company

Matrix Solutions UK Limited

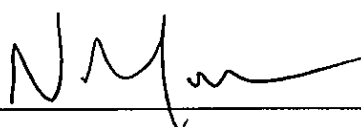
I / We

Nigel Morrison, Hartwell House, 55-61 Victoria Street, Bristol, BS1 6FT

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 13/02/2016 to 12/02/2017

Signed



Date

14/3/17

Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6FT

Ref: M97005/NZM/PAM/BLA/JET

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COMPANIES HOUSE

Our Ref NZM/PAM/BLA/JET/M97005/

To the creditors and members

14 March 2017

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB

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Matrix Solutions UK Limited - In Liquidation (the Company)

1 Introduction

1 1 Following my appointment as liquidator of the above company on 13 February 2015, in accordance with section 104A of the Insolvency Act 1986 I now report on the progress of the liquidation for the year ended 12 February 2017 and attach

- Appendix A, an account of my receipts and payments for the year ended 12 February 2017 and also for the whole liquidation to date
- Appendix B, a statement of the remuneration charged by the liquidator in the period 13 February 2016 to 12 February 2017 and a statement of expenses incurred in the period
- Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator (rule 4.49E)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4.131)

1 2 Please note that I am authorised by the Insolvency Practitioners Association to act as an insolvency practitioner. I am bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

2 Statutory information

2 1 The Company's statutory details are as follows.

Registered number 03130667

Registered office c/o Grant Thornton UK LLP,
4 Hardman Square, Spinningfields,
Manchester, M3 3EB

3 Progress report **Pre-appointment expenses**

3 1 As previously advised, my staff and I incurred costs and expenses prior to my appointment totalling £28,016

- 3.2 On 13 February 2015, the secured and preferential creditors agreed that my pre-appointment costs be settled as an expense of the administration at a capped amount of £15,000 plus VAT. As shown in my receipts and payments account at Appendix A, these fees have been drawn.

Assets

Funds from the administration

- 3.3 The only assets transferred from the administration are the surplus funds totalling £82,195.

Debtors, WIP and retentions

- 3.4 Craigdam Services Ltd (Craigdam) was instructed to maximise book debts, work in progress (WIP) and retention realisations.
- 3.5 To date realisations total £357,106 (net of VAT where applicable). Of this balance, £161,164 was received in the administration and £195,942 has been received in the liquidation.
- 3.6 Remedial costs paid to date in the liquidation total £15,794.
- 3.7 Craigdam continues to pursue the remaining debtors, WIP and retentions which I anticipate will be concluded shortly.

Enterprise Finance Guarantee (EFG) refund

- 3.8 The EFG was a loan guarantee scheme to facilitate lending to viable businesses that have been turned down for a normal commercial loan.
- 3.9 The sale of an EFG loan to the Company was reviewed by the Royal Bank of Scotland plc (the Bank) and it concluded that the loan was miss-sold and was not the best option for the Company. Accordingly, the Bank issued a refund of £16,527 as shown in Appendix A.

Liabilities

Secured creditors

- 3.10 As previously advised, the Bank holds floating charges over the Company's assets dated 4 October 2002 and 15 August 2013, and was owed c£1.3 million upon appointment.
- 3.11 An on account payment of £75,000 will be paid to the Bank shortly with a final payment being made once all asset realisations have been finalised.
- 3.12 I anticipate that the Bank will suffer a shortfall on its lending.

Preferential creditors

- 3.13 Preferential creditors totalling £41,044 were paid in full on 3 March 2016.

Unsecured creditors

- 3.14 Based on current estimates, I envisage that there will be a small distribution to the unsecured creditors by way of the prescribed part.
- 3.15 To date I have received and agreed unsecured claims totalling £739,842.

- 3.16 Creditors yet to submit a claim or receive confirmation that their claim has been agreed are requested to submit a claim using the enclosed claim form as soon as possible.

4 Liquidator's remuneration and expenses

- 4.1 On 13 February 2015 the secured and preferential creditors resolved that the administrator's remuneration be fixed at £65,000 for the work completed by the administrator and his staff in attending to matters arising in the administration.
- 4.2 It was also resolved that the remuneration for administering the distribution under a prescribed part carve out under Section 176A of the Insolvency Act 1986 be fixed in accordance with Rule 2.106(2)(b) of the Insolvency Rules 1986, that is "by reference to the time properly given by the administrator and his staff", be capped at the lower of 50% of the total available prescribed part carve out or the time properly given by the administrator and his staff.
- 4.3 Pursuant to rule 4.127(5A) of the Insolvency Rules 1986, this basis applies also in the liquidation.
- 4.4 You will note from the SIP9 table attached at Appendix C that my time costs to date for the liquidation total £41,173, and from my receipts and payments account attached at Appendix A, that I have drawn the agreed fee of £65,000 in respect of time spent in the administration.
- 4.5 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Oct_2015.pdf. Alternatively I will supply this information by post on request.

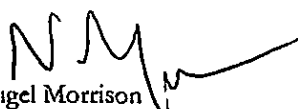
5 Other expenses incurred by the liquidator

- 5.1 Craigdam has been paid £2,002 in the period.
- 5.2 Expenses totalling £477 relating to postage have been incurred but not yet paid.
- 5.3 No other expenses have been incurred in the period.

6 Contact

- 6.1 Should you have any queries, please contact Will Bowden on 0161 953 6392.

Yours faithfully
for and on behalf of Matrix Solutions UK Limited


Nigel Morrison
Liquidator

Enc

Matrix Solutions UK Limited - in liquidation
Summary of receipts and payments
from 13 February 2015 to 12 February 2017

Statement of Affairs £	From 13/02/2015 to 12/02/2016 £	From 13/02/2016 to 12/02/2017 £	Total £
Receipts			
Sales	154,862.60	23,041.48	177,904.08
Admin/Receivers Surplus	82,194.88	0.00	82,194.88
Book Debts	5,668.38	12,369.47	18,037.85
EFG loan refund	0.00	16,526.61	16,526.61
Misc Refunds	420.00	0.00	420.00
Vat on Sales	26,079.70	1,693.35	27,773.05
	269,225.56	53,630.91	322,856.47
Payments			
Purchases (1)	15,793.66	0.00	15,793.66
Quantity Surveyors Fees	26,576.05	2,002.22	28,578.27
Corporation Tax	17.80	0.00	17.80
Administrators Fees	65,000.00	0.00	65,000.00
Pre-Appointment Administrators Fees	15,000.00	0.00	15,000.00
Administrators Expenses	2,885.64	0.00	2,885.64
Hosting of Servers	75.00	0.00	75.00
Storage Costs	294.86	0.00	294.86
Statutory Advertising	84.60	0.00	84.60
Bank Charges	0.00	63.25	63.25
Preferential Creditors (All)	0.00	41,043.52	41,043.52
Vat on Purchases	22,404.11	400.44	22,804.55
HMRC - VAT received/paid	4,261.63	29.96	4,291.59
	152,393.35	43,539.39	195,932.74
Net Receipts/(Payments)	116,832.21	10,091.52	126,923.73
Made up as follows			
Floating Current Account NIB	116,832.21	10,091.52	126,923.73
	116,832.21	10,091.52	126,923.73

B Remuneration charged and expenses incurred by the liquidator's in the period

	Charged/incurred in period 13/02/2016 to 12/02/2017	Cumulative charged/incurred to 12/02/2017	Of which paid to 12/02/2017
	£	£	£
Joint liquidators' fees:			
Time costs	14,351	41,173	-
Expenses	246	477	-
Quantity Surveyor's fees:			
Cragdam	2,002	28,578	28,578

C SIP 9 information

Introduction

The following information is provided in connection with the liquidators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it

	From 01/07/14 to date
	£
Partners up to	740
Managers up to	470
Administrators up to	345
Assistants and support staff up to	230

Disbursements

Out of pocket expenses are charged at cost and mileage is charged at standard rates VAT is added to disbursement charges as necessary

Matrix Solutions UK Limited - In Liquidation - M20597005 - SIP 9 TIME COST ANALYSIS

Transaction period 13/02/2015 to 12/02/2017

	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Administration and Planning	1.00	495.00	5.75	2,097.50	20.25	4,512.90	32.20	4,850.50	59.20	11,955.90
Creditors			4.00	1,437.00	21.63	5,077.35	50.50	5,512.00	76.13	12,026.35
Hiatus period										
Investigations			40	132.00			2.50	400.00	2.50	532.00
Pensions							20	31.00	20	31.00
Realisation of Assets			7.85	3,190.50	5.50	1,395.00	4.65	744.00	18.00	5,329.50
Taxation			14.05	6,091.50	11.50	3,082.00	18.00	2,125.00	43.55	11,298.50
Trading										
Total	1.00	495.00	32.05	12,948.50	58.88	14,067.25	108.05	13,662.50	199.98	41,173.25
										205.89
										201.96
										157.97
										183.45
										155.00
										298.08
										259.44

Total fees billed to date (Time) : £

Transaction period 13/02/2016 to 12/02/2017

Total fees billed to date (Time) : £

Matrix Solutions UK Limited - In Liquidation

For the period 13 February 2016 to 12 February 2017

TASKS	Incurred to date		
	Av Hrlly Rate	Hrs	£
STATUTORY AND ADMINISTRATIVE TASKS	228	43	9,893
File reviews			
Bank account administration and transactions			
Statutory reports to creditors			
Statutory pension reports			
Tax, VAT and PAYE compliance			
REALISATION OF ASSETS	288	9	2,494
Correspondence with agents			
Discussions regarding book debts			
CREDITORS	190	10	1,964
Agreeing unsecured claims			
Correspondence with unsecured creditors			
Agreeing the preferential claims			
Paying the preferential dividend			
Total costs	230	62	14,351

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator

Rule 4 49E edited for application to a progress report in a creditors' voluntary liquidation

- (1) If
 - (a) within the period mentioned in paragraph (2)
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter which was previously included in a progress report
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report
- (3) The liquidator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the liquidator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information.
- (4) Any creditor, who need not be the same as the creditor who requested further information, may apply to the court within 21 days of -
 - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4 131(1B) by such further period as the court thinks just.

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive

Rule 4 131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4).
- (1A) Application by a creditor may be made on the grounds that -
 - (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
 - (c) expenses incurred by the liquidator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice, but which is without notice to any other party.
If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation

Liquidator's ref NZM/PAM/BLA/JET/M97005/7
Claimant's ref

Matrix Solutions UK Limited - In Liquidation

Creditor's Claim Form

Name and address of creditor _____

Amount claimed in the liquidation £ _____

Particulars of any security held _____

Value of security £ _____

Signature _____

Name and position of signatory
(if not personally the creditor) _____

Telephone _____

E-mail: _____

Date: _____

Please provide appropriate documentation in support of your claim.

If you are registered for VAT the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994

Please return this form when you have completed it to:

Nigel Morrison
Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB