

LIQ03

Notice of progress report in voluntary winding up



Companies House

TUESDAY



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12/09/2017

#380

COMPANIES HOUSE

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1 Company details

Company number 0 0 5 4 3 6 1 0

Company name in full Cattles Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) S J

Surname Appell

3 Liquidator's address

Building name/number 6 New Street Square

Street London

Post town EC4A 3BF

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s) A P

Surname Beveridge

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 6 New Street Square

Street London

Post town EC4A 3BF

County/Region

Postcode

Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

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6 Period of progress report

From date	^d 0	^d 1	^m 0	^m 9	^y 2	^y 0	^y 1	^y 6
To date	^d 3	^d 1	^m 0	^m 8	^y 2	^y 0	^y 1	^y 7

7 Progress report

☐ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X

Al Keefe

X

Signature date

^d 0	^d 8	^m 0	^m 9	^y 2	^y 0	^y 1	^y 7
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LIQ03

Notice of progress report in voluntary winding up



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 **Jenna Carr**

Company name **AlixPartners**

Address **6 New Street Square**

London

Post town **EC4A 3BF**

County/Region

Postcode

Country

DX

Telephone **+44 (0) 161 838 4500**



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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ^❶
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☐ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ✓ ☒ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)	Anne	
Surname	O'Keefe	

3 Insolvency practitioner's address

Building name/number	The Zenith Building										
Street	26 Spring Gardens										
Post town	Manchester										
County/Region											
Postcode	M	2		1	A	B					
Country											

Liquidators' Progress Report for the period 1 September 2016 to 31 August 2017

Cattles Limited
In Liquidation

8 September 2017

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1. Why this report has been prepared

- 1.1 As you are aware, the Company has been subject to a Scheme of Arrangement (the **Scheme**) since 2 March 2011. The purpose of the Scheme, which was to enable the restructuring of the wider corporate group, was achieved in 2016. The Company therefore moved to creditors' voluntary Liquidation (**CVL**) in order to enable all remaining funds to be distributed to its creditors, and Anne O'Keefe, Simon Appell and Alastair Beveridge (the **Liquidators**) were appointed on 1 September 2016.
- 1.2 In accordance with UK insolvency legislation, a liquidator is required to provide a progress report covering the period of 12 months commencing on the date on which a company entered into liquidation and every subsequent period of 12 months. This progress report covers the period 1 September 2016 to 31 August 2017 (the **Period**) and should be read in conjunction with the Report to Creditors and Members pursuant to section 98 of the Insolvency Act 1986 dated 2 September 2016 (the **S98 Report**) and all reports previously issued by the Scheme Supervisors.
- 1.3 This report has been prepared in accordance with rule 18.7 of the Insolvency (England and Wales) Rules 2016.
- 1.4 The purpose of this report is to provide statutory and financial information about the Company and to provide an update on the progress of the Liquidation, including details of assets realised during the Period, details regarding the Liquidators' fees and the expected outcome for each class of creditor.
- 1.5 Details of the Liquidators' fees and costs incurred are detailed at Appendix C to E.
- 1.6 More information relating to the Liquidation process, Liquidators' fees and creditors' rights can be found on AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received.
- 1.7 If you require a hard copy of this report or have any queries in relation to its contents or the Liquidation generally, please contact Melissa Fielding on 0161 838 4529 by email at creditorreports@alixpartners.com, or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

2. Summary information for creditors

Estimated dividend distributions

Description	Agreed debt £	Actual level of return pence/£
Unsecured creditors	2,435 million	0.23 pence in the pound

Notes:

The Company does not have any secured or preferential creditors.

Claims totalling approximately £2,435 million have been received and agreed from unsecured creditors. A dividend of 0.23 pence in the pound was issued on 15 August 2017. Funds available for distribution and dividend rates are detailed after taking into account the estimated costs of the Liquidation. A further dividend may become available subject to the outcome of the claim being made against HM Revenue & Customs (**HMRC**), further details of which are provided at sections 3.10 to 3.13.

In respect of unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution are split on a pro-rata basis amongst all creditors of each class, regardless of the size of their claims.

For further information please refer to section 5 of this report.

3. Progress of the Liquidation

- 3.1 Attached at Appendix B is the Liquidators' Receipts and Payments Account for the Period. All expenses incurred to date have been paid.
- 3.2 In addition to their primary role of realising the assets of the Company and distributing them to creditors in accordance with their statutory priorities, the Liquidators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Liquidators have set out information in respect of the progress of these duties in addition to that of the realisation of assets and distribution of available funds. The detail provided is intended to provide users of *this report with information to allow them to understand how the Liquidators' fees and expenses as set out in Appendices C and D have been incurred, as well as the sensitivities that might be applicable to the Liquidators' anticipated fees and expenses over the remainder of the Liquidation.*

Realisation of assets

Cash at bank

- 3.3 The Company's main asset was the cash balances available in its accounts totalling approximately £5.66 million, which were transferred to the Liquidation account shortly following the appointment.

Unclaimed Scheme dividends

- 3.4 As you are aware, dividends were issued by the Supervisors of the Scheme on 7 April 2016 and 1 June 2016 totalling £52 million. The Scheme provides that cheques can be cancelled after six months from the date of issue and the distributions are treated as having been paid. As such, following the cancellation of numerous cheques and a reconciliation of all funds held by the Supervisors, there were surplus funds totalling £122,812 available. This sum was transferred to the Liquidation account and made available to all creditors in the recent distribution.

Unbanked shareholder dividends

- 3.5 In accordance with legal advice provided by Freshfields Bruckhaus Deringer LLP, certain dividend payments that were issued to shareholders prior to the implementation of the Scheme but which remained unbanked have been cancelled and funds were made available for distribution to the creditors in the CVL.
- 3.6 The funds were held by Computershare Limited (**CSL**), a stock transfer company, and the recoverable balance of £132,918 was received on 2 February 2017.
- 3.7 The directors' Statement of Affairs indicated a recoverable balance of £210,000; however, CSL advised that it believed the remaining balance were client monies rather than Company funds. CSL's position was therefore that the shareholders' rights to the sums it held were not extinguished by the Scheme and the Company had no right to any further sum. CSL was therefore unwilling to release any further monies.

- 3.8 To resolve this issue would require legal action to be taken and a ruling of the court to determine which party is correct. This could be a costly and time consuming exercise, with no guarantee that a court would rule in the Company's favour. As this sum would not materially impact the dividend rate available to creditors and given the risks involved, the Liquidators decided to cease all action in this regard and write off the remaining balance.

Bank interest

- 3.9 Bank interest totalling £3,072 has been received during the Period.

Claim against HM Revenue & Customs (**HMRC**)

- 3.10 The Company is part of a VAT group (the **Group**) which is pursuing a claim against HMRC in respect of the recovery of historic input tax relating to hire purchase payments. This is contingent in nature and any recovery remains uncertain at present.
- 3.11 The Volkswagen Financial Services (UK) Limited (**VWFS**) case, to which the Company's claim relates, was heard by the Supreme Court and a judgement was issued on 5 April 2017. However, certain elements of the case have been referred to the Court of Justice of the European Union (**CJEU**) and it is understood that it will be at least early 2018 before a final judgement is made.
- 3.12 The Group's tax advisor, Deloitte LLP, is engaged to assist with the preparation of the relevant calculations and documentation with the aim of expediting a settlement as quickly as possible should the CJEU rule in favour of VWFS as the taxpayer. HMRC will not enter into discussions in relation to potential settlements with the Group until the judgement is handed down by CJEU, and it has had time to review this in detail. It is therefore not possible at present to estimate when any monies will become available to the Company should the ruling be in the taxpayer's favour.
- 3.13 Should the judgement be in HMRC's favour, no further action will be taken and there will be no additional monies available for the Company's creditors. As a result, upon receiving the judgement all statutory matters will be finalised and the case will move to closure.

Administration (including statutory reporting)

- 3.14 In addition to their duties relating to realising and distributing the assets of the Company, the Liquidators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986. These include, notifying the stakeholders of the appointment, preparing annual reports to creditors advising of the progress of the Liquidation, and liaising with HMRC to determine the final position in respect of corporation tax and other taxes that may be owed by or to the Company, and for filing tax returns for the duration of the Liquidation.
- 3.15 In order to ensure the matters of the Liquidation are being progressed sufficiently, the Liquidators have a duty to conduct periodic case reviews and complete case checklists. In addition, the Liquidators' treasury function will also comply with cash accounting requirements including raising payments, processing journal vouchers and posting receipts, preparing bank reconciliations and statutory returns.

- 3.16 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex. Where the costs of statutory compliance and reporting to creditors exceeds the initial estimate, it will generally be because the duration of the case has been longer than expected, due to for example protracted realisation of assets, and therefore additional periodic reports have had to be prepared and distributed to stakeholders.

Creditors (claims and distribution)

- 3.17 During the Period, time has been spent reviewing claims, processing debt assignments and dealing with general creditor correspondence, as well as reporting to the creditors' committee on a quarterly basis.
- 3.18 A dividend totalling approximately £5.65 million was distributed to all creditors on 15 August 2017. As detailed on the previous page, any future dividends are dependent upon a settlement being received in respect of the Group's historic VAT claim against HMRC.

4. Investigations

- 4.1 The Liquidators conducted investigations into the conduct of the directors and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administrations and Insolvent Liquidations. Based upon the outcome of the investigations, there were no matters identified that required further action.

5. Estimated outcome for creditors

Secured and preferential creditors

- 5.1 The Company does not have any secured or preferential creditors.

Unsecured Creditors' Fund

- 5.2 Where there is a floating charge which was created on or after 15 September 2003, the Liquidators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'Prescribed Part'.
- 5.3 As there are no floating charges registered against the Company the Unsecured Creditors' Fund does not apply; however, all surplus monies after the costs of the Liquidation have been made available to unsecured creditors as detailed below.

Unsecured creditors

- 5.4 Unsecured creditors' claims totalling £2,435 million have been agreed and funds totalling approximately £5.65 million were distributed on 15 August 2017. This represented a dividend rate of 0.23 pence in the pound.
- 5.5 As a reminder, please note that due to the administrative costs of processing the *dividend and dealing with unbanked cheques*, payments were only automatically issued to creditors who were due a dividend greater than or equal to £5. This is with the exception of those creditors due small amounts who wrote to the Liquidators to confirm they wished to receive payment prior to the declaration of the dividend. The remaining monies relating to dividends under £5 will be held by the Liquidators for a period of six months from the date of declaration and then remitted to the Insolvency Service in line with the process detailed below.

Unclaimed dividends

- 5.6 All cheques paid to unsecured creditors should be banked as soon as possible, and in any event must be banked within six months of the date of the cheque. Any cheques which have not cleared by 15 February 2018 will be cancelled and the proceeds will be forwarded to The Insolvency Service, Estate Accounts Directorate, Unclaimed Monies Team, PO Box 3690, Birmingham B2 4UY.
- 5.7 If your cheque is cancelled on or after this date, please allow ten working days to pass before submitting a claim to The Insolvency Service. To make a claim, creditors should contact the Insolvency Service by email at: **eaips.unclaimed@insolvency.gsi.gov.uk** and put Cattles Limited as the subject.
- 5.8 The transfer of responsibility to the Insolvency Service is a routine step which requires Liquidators of an insolvent company to transfer unclaimed dividends to the agency six months after the cheques were issued. The agency will hold the funds for the subsequent six years, after which it will return any money that remains unclaimed to HM Treasury, however, this does not affect creditors' rights to claim funds after the six years has passed.

6. What happens next

Creditors' rights

- 6.1 Within 21 days of the receipt of the report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Liquidators provide further information about their fees or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this progress report, make an application to court on the grounds that the basis fixed for the Liquidators' fees is inappropriate, or that the fees or the expenses incurred by the Liquidators as set out in this progress report are excessive.

Next report

- 6.3 The Liquidators are required to provide a progress report within two months of the end of the next year of the Liquidation. If the Liquidation has been completed before then, a draft final report will be circulated.

Yours faithfully



Anne O'Keefe
Liquidator

Encs

Appendix A. Statutory information

Company information

Company name	Cattles Limited
Registered number	00543610
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, NG11 6NZ
Trading address	Mere Way, Ruddington Fields Business Park, Ruddington, Nottingham, NG11 6NZ
Trading name	Cattles

Liquidators' information

Name	Address	IP number	Name of authorising body
Anne Clare O'Keefe	The Zenith Building 26 Spring Gardens Manchester M2 1AB	008375	Insolvency Practitioners Association
Simon Jonathan Appell	6 New Street Square London EC4A 3BF	009305	Insolvency Practitioners Association
Alastair Paul Beveridge	6 New Street Square London EC4A 3BF	008991	Insolvency Practitioners Association

Other relevant information

As approved by creditors, any act required or authorised to be done by the Liquidators may be done by all or any one or more of them. Any reference to the Liquidators should be read as the Joint Liquidators.

Appendix B. Receipts and Payments Account for the period 1 September 2016 to 31 August 2017

Statement of Affairs £		£
	Receipts	
210,000	Unclaimed shareholder dividends	132,918
	Scheme uncashed dividends	122,812
5,754,857	Cash at bank	5,658,497
	Bank interest	3,072
		5,917,299
	Payments	
	Scheme committee fees	10,110
	Liquidators' fees	57,981
	Category 1 disbursements:	
	Specific penalty bond	1,177
	Stationery and postage	3,638
	Statutory advertising	338
	Tax advice fees	19,008
	Legal fees	17,109
	Agent's fees	265
	Irrecoverable VAT	17,695
	Professional fees - maintenance of share register	3,807
	Noteholder fees	13,215
	Bank charges	53
		(144,396)
	Distributions	
	Unsecured creditors, 0.23p/£ 15/08/17	5,648,107
		(5,648,107)
	Total balance	124,796
	Represented by	
	Interest bearing account	124,796
		124,796

Note: The above may be subject to small rounding differences.

Appendix C. Liquidators' fees

A copy of 'A Creditors' Guide to Liquidations' can be downloaded from AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact the Liquidators and they will forward a copy to you.

In accordance with insolvency legislation, the basis of the Liquidators' fees were approved by the creditors' committee on 2 September 2016 as being by reference to the time properly spent by the Liquidators and their staff on matters arising in the Liquidation.

To date, fees of £57,981 have been drawn on account.

Liquidators' fee estimate

The fee estimate was originally provided when the basis of the Liquidators' fees was approved.

A copy of that initial estimate of the anticipated amount of work and the costs associated with it is set out below.

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Realisation of assets	10	397	3,965
Administration (including statutory reporting)	168	315	52,940
Investigations	15	394	5,905
Creditors (claims and distribution)	105	306	32,150
Total	298	319	94,960

The above estimate was based on information available to the Liquidators at the time the approval of their fee basis was sought and was based on the Liquidation being concluded within 12 months.

As detailed in section 3, there are delays in progressing the claim against HMRC which are outside of the Liquidators' control. The case will need to remain open beyond the initial expectations and although the exact timescale remains unclear at present, the case could now take a total of 24 months to complete. This will result in an increase in costs to deal with all statutory and administrative matters. The Liquidators therefore requested the creditors' committee's approval to increase the proposed fee budget to £135,000, which was approved on 21 March 2017.

Liquidators' details of time spent to date

The Liquidators' time costs for the Period are £89,269. This represents 269 hours at an average rate of £332 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £
Realisation of assets	25	385	9,621
Administration (including statutory reporting)	137	340	46,611
Investigations	5	463	2,315
Creditors (claims and distribution)	102	301	30,722
Total	269	332	89,269

Details of the progress of the Liquidation to date, and matters that are outstanding or partially complete, together with an explanation of why the work was undertaken are set out in section 3.

Should any matters arise, such as investigatory matters and/or additional realisable assets, further time will be incurred dealing with such matters. Similarly if the Liquidators encounter any protracted realisations, such as delays in settling the claim against HMRC beyond current expectations, further time will be incurred in finalising matters. If applicable, the Liquidators will advise creditors in future communications.

Based upon the current position, the Liquidators believe that the revised fee estimate provided remains valid.

Appendix D. Liquidators' expenses and disbursements

Expenses of the Liquidation

The estimate of expenses anticipated to be incurred by the Liquidators from third parties whilst dealing with the Liquidation was provided to creditors at the same time as the Liquidators' fee estimate. An updated version of that estimate incorporating actual costs paid and incurred to the anniversary of the Liquidation is set out below.

	Paid in the period £	Incurred but not paid £	Total current paid and incurred cost £	Original estimate of cost £
Legal costs	17,109	-	17,109	50,000
Tax advice	19,008	-	19,008	35,000
Agent's fees	265	-	265	-
Total	36,382	-	36,382	85,000

Disbursements

A copy of the analysis of anticipated disbursements provided at the same time as the fee estimate is set out below. The actual expenses may be found in the receipts and payments account in Appendix B.

	Anticipated cost £
Category 1 disbursements:	
Specific penalty bond	225
Statutory advertising	225
Storage	2,000
Stationery and postage	5,000
Telephone charges	500
Re-direction of mail	160
Total	8,140

Category 1 disbursements of £5,153 have been drawn on account. No category 2 disbursements have been drawn to date.

Appendix E. Additional information in relation to the Liquidators' fees pursuant to Statement of Insolvency Practice 9

Policy

Detailed below is AlixPartners' policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

Staff allocation and the use of sub-contractors

The Liquidators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a managing director or director, a vice president, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Liquidators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, time spent by cashiers in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The Liquidators have not utilised the services of any sub-contractors in this case.

Professional advisors

On this assignment the Liquidators have used the professional advisors listed below. The Liquidators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Freshfields Bruckhaus Deringer LLP (legal advice)	Hourly rate and disbursements
Deloitte LLP (tax advice)	Hourly rate and disbursements

The Liquidators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Liquidators and their staff will also be chargeable.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include:

- photocopying – charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying;
- printing – charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour; and
- business mileage for staff travel – charged at the rate of 45 pence per mile.

Charge-out rates

A schedule of AlixPartners' charge-out rates for this assignment effective from 1 January 2017 is detailed below, together with those applicable prior to that date. Time is charged by managing directors and case staff in units of six minutes.

Description	Rates from 1 January 2017 £	Rates pre 1 January 2017 £
Managing director	615-675	595-650
Director	590	570
Vice president	495	430-480
Associate	365-445	350-430
Analyst	210-365	200-350
Treasury and support	100-240	95-230