

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

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

1 Company details

Company number 00941599

Company name in full LJCR1863 Limited (formerly L.J. Create Limited)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Andrew

Surname McTear

3 Liquidator's address

Building name/number Townshend House

Street Crown Road

Post town Norwich

County/Region

Postcode NR13DT

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.

LIQ14

Notice of final account prior to dissolution in CVL

6 Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

:

7 Final account

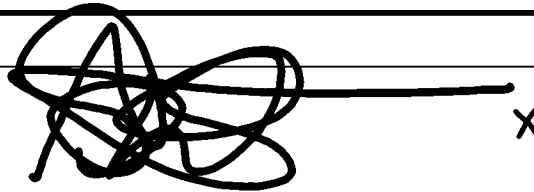
☒ I attach a copy of the final account.

8 Sign and date

Liquidator's signature

Signature

X

 X

Signature date

^d0^d1

^m0^m7

^y2^y0^y2^y1

**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	Bethan Page
Company name	McTear Williams & Wood Limited
Address	Townshend House
	Crown Road
Post town	Norwich
County/Region	
Postcode	N R 1 3 D T
Country	
DX	
Telephone	01603 877540

**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**

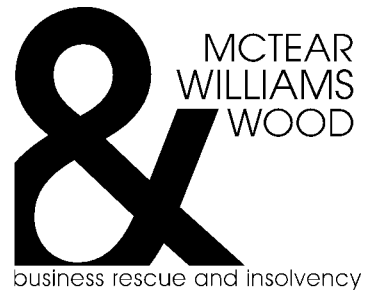
For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Contact Bethan Page
Direct dial 01603 877868
Email bethanpage@mw-w.com

Your ref
My ref ljcr1863/514

**Townshend House
Crown Road
Norwich
NR1 3DT
Office 01603 877540
Fax 01603 877549**



To all known creditors/members

4 May 2021

Dear Sirs

LJCR1863 Limited (formerly L.J. Create Limited) (in creditors' voluntary liquidation) ("the Company")

Further to my appointment as liquidator of the Company on 5 May 2017 this is my final account to creditors.

1 Receipts and payments

I enclose as Appendix 1 a copy of my final receipts and payments for the period 5 May 2017 to 4 May 2021 which are shown net of VAT.

2 Overview

The directors' statement of affairs showed funds available for preferential creditors of £52,000, floating charge creditors of £245,000 and unsecured creditors of £65,000 before deduction of the costs of the liquidation. As set out below the final outcome of the liquidation is that preferential creditors have been paid in full, the floating charge holder has received £103,004 and unsecured creditors have received distributions of the prescribed part totalling 5.45 pence in the pound. There will be no further distributions.

3 Action since previous report

Since my previous report I have continued discussions with Infinitas in respect of an assignment of intercompany debts and commenced my statutory closing procedures.

4 Assets

4.1 Goodwill

The goodwill was sold to Creative Learning (Norwich) Limited ("Creative") on 15 May 2017 for £80,000 and payment was received upon completion of the sale. This was subject to the fixed charge held by Infinitas Learning UK Limited ("Infinitas") who were owed £2,015,000. Infinitas have been paid £69,380 after the deduction of the costs with dealing with the fixed charge assets. No further realisations will be made.

4.2 Office equipment and vehicles

The Company had office equipment and vehicles with a book value of £15,000 which were valued by my agent George Hazell & Co, Chartered Surveyors, Valuers & Auctioneers ("GH&Co") at £10,000 on an in-situ basis. These were sold to Creative for £60,000 and there will be no further realisations.

4.3 Stock and Work in Progress

The Company had stock and work in progress with a book value of £611,000. The Company's 'unusable stock' and work in progress with a value of £295,000 was sold to Creative for £200,000.

The Company's other stock with a book value of £336,000 was sold to Creative with an agreement of any stock used or sold on was done so at 30% of the cost. To date £8,209 has been realised and there are no further realisations expected.

4.4 Book debts

The Company's books and records showed 10 outstanding book debts totalling £121,028 of which £29,734 has been realised and no further realisations are expected. The remaining balance of £91,294 relates to an Intercompany debt which is not realisable.

4.5 Miscellaneous refunds

The Company has received three funds totalling £1,965 in respect insurance, E.On and business rates £39, £403 and £1,523 respectively. There are no further realisations expected.

4.6 Cash at bank

The Company had cash at bank of £4,482 which was transferred to the liquidation bank account on my appointment.

4.7 Refund of management fees

Funds of £2,587 were received from HSBC Bank Plc in respect of a refund of management fees incorrectly charged. No further realisations are expected.

4.8 VAT refund

A VAT refund of £8,526 has been received and no further realisations are expected.

4.9 Intercompany loan accounts

The Company's 100% shareholder, L.J. Group Limited ("Group"), owes £72,000 and L.J. Create Inc ("Inc") owes £819,000. I have made enquiries with Group and Inc into their ability to repay the debts but they do not have sufficient funds to repay these. On this basis these debts have been assigned to Infinitas Learning Holding B.V ("Holding") for £10,000 and £20,000 respectively.

5 Creditors' claims

5.1 Preferential creditors

Twenty-nine preferential creditors totalling £46,466 were paid 100 pence in the pound on 7 February 2018.

5.2 Floating charge creditor

Infinitas was granted a debenture on 27 May 2015 giving them a fixed and floating charge over the assets of the Company. My solicitor has confirmed its validity and a total of £103,004 has been paid to it in respect of their charge.

5.3 Unsecured creditors

The director's statement of affairs showed 138 unsecured creditors with a book value of £1,052,730. Ninety-nine claims totalling £561,254 were received of which 98 totalling £556,861.

There are provisions of the insolvency legislation that require a liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a "floating charge" over its assets. This is known as the "prescribed part of the net property" ("prescribed part"). If the charge is dated on or after 15 September 2003 the prescribed part is calculated as 50% of the first £10,000 of the net property and 20% of the remaining net property up to a maximum of £600,000 unless dated on or after 6 April 2020 in which case it is subject to a maximum of £800,000.

A first distribution to unsecured creditors of 3.23 pence in the pound was made on 17 July 2018 and a second and final distribution of 2.71 pence in the pound was made on 7 October 2019 bringing the total distribution to 5.94 pence in the pound.

A notice about the final dividend position is attached as Appendix 2.

6 Investigation into the affairs of the Company

We undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved. This included recovering, listing and reviewing the Company's accounting records, obtaining and reviewing copy bank statements, comparing the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and, if necessary, making enquiries about the reasons for the changes. There were matters that justified further investigation but no realisations have been possible.

7 Directors conduct

As required I have investigated the conduct of the directors and filed my report with the Department for Business Energy & Industrial Strategy. The content of that report is confidential.

8 Statutory matters

In accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 I confirm the following:

- Company name: LJCR1863 Limited (formerly L.J. Create Limited)
- Registered office: Townshend House, Crown Road, Norwich, NR1 3DT
- Registered number: 00941599
- Liquidator: Andrew McTear
- Liquidators address: Townshend House, Crown Road, Norwich, NR1 3DT
- Liquidators contact number: 01603 877540
- Date of appointment: 5 May 2017

9 Remuneration and expenses

9.1 Remuneration and expenses

My pre appointment costs in respect of assistance provided to the directors' in preparing the directors' statement of affairs and seeking a decision from creditors on the appointment of a liquidator in the sum of £6,500 plus expenses plus VAT were approved by creditors on 27 June 2017 by a resolution by correspondence.

My remuneration as liquidator was authorised by creditors on 27 June 2017 by a resolution by correspondence on a time cost basis as set out in my fee estimate of £112,628. That estimate acted as a cap. In addition creditors resolved that category 2 expenses in respect of photocopying, mileage, storage and advertising be charged at the approved rates.

Since the period of my last report and in accordance with the above my remuneration and category 2 expenses charged are:

Figure 1: Summary of time costs, remuneration charged and category 2 expenses

Period 5 May 2017 to 4 May 2021	Hours	Time costs and expenses recorded £	Accrued	Amount charged and paid £
Remuneration	565	144,479	n/a	112,628
Category 2 expenses				
- photocopying	n/a	42	nil	42
- mileage	n/a	nil	nil	nil
- storage	n/a	20	nil	20
	<hr/> 565 <hr/>	<hr/> 144,541 <hr/>	<hr/> nil <hr/>	<hr/> 112,690 <hr/>
Average rate per hour	£256			
<i>Source: Liquidator's records</i>				

The total remuneration and category 2 expenses charged and paid since the commencement of the case is £112,628 and £62 respectively.

Attached at Appendix 3 is a summary of my firm's total time costs from the commencement of the liquidation to 4 May 2021 and attached as Appendix 4 is a comparison of the actual time spent with my fee estimate.

As at 4 May 2021 my total time costs have exceeded the fee estimate set out in my fee proposal dated 25 June 2019 as there has been a delay in agreeing the assignment of the debt due from L.J. Create Inc. However, I do not propose to seek an increased fee.

The relevant creditors' guide to liquidators' fees in a liquidation which came into force in April 2021 and this firm's charging and expenses recovery policy can be found on our website www.mw-w.com by clicking on information hub and then fees and costs or a copy can be requested from this office. Our current charge out rates are director £470, associate director £440, associate £410, senior manager/manager £310-£350, assistant manager/senior professional £240-£290, assistant £155, assistant administrator £145 and trainee £85. Our charge out rates are reviewed annually and since 1 January 2003 have increased as detailed in our policy document.

9.2 Liquidation expenses

Details of the liquidation expenses incurred in the period of this report are attached as Appendix 5.

10 Further information

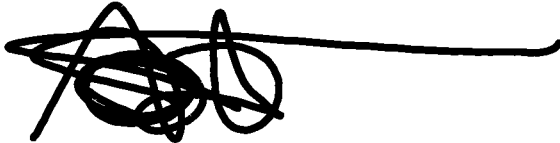
I am required to inform you that I am bound by the Insolvency Code of Ethics and further information on this, complaints procedures, our data protection/privacy statement, provision of services regulations and other statutory regulatory information can also be found on our website by clicking on information hub and then key information for creditors.

11 Release

The winding up of the Company is now for all practical purposes complete and I am seeking my release as liquidator of the Company. Creditors and members should note that provided no written objections to my release are received I shall obtain my release as liquidator following the delivery of my final notice to the Registrar of Companies.

If you require any further information please do not hesitate to contact Bethan Page at the above address.

Yours faithfully

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Andrew McTear
Liquidator

Enclosures

LJCR1863 Limited (formerly L.J. Create Limited)
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 05/05/2020 To 04/05/2021 £	From 05/05/2017 To 04/05/2021 £
100,000.00	SECURED ASSETS Goodwill	NIL NIL	80,000.00 80,000.00
	COSTS OF REALISATION Office Holders Fees	NIL NIL	9,120.00 (9,120.00)
(2,015,000.00)	SECURED CREDITORS Infinitas Learning UK Limited	NIL NIL	69,380.00 (69,380.00)
Uncertain 2,000.00	ASSET REALISATIONS Book Debts	NIL	29,734.42
	Cash at Bank	NIL	4,482.38
	Claim against HSBC	NIL	(2,376.10)
	Eon refund	NIL	39.05
	Insurance Refund	NIL	1,522.85
Uncertain	Intercompany loan - L.J. Inc.	NIL	NIL
Uncertain	L.J. Group Limited	NIL	NIL
10,000.00	Office equipment and vehicles	NIL	60,000.00
	Rates refund	NIL	403.22
350,000.00	Refund of bank charges	2,587.30	2,587.30
	Stock/WIP	NIL	200,000.00
	Unusable stock	NIL	8,208.53
	VAT Refund	NIL	8,526.27
		2,587.30	313,127.92
	COST OF REALISATIONS Accountancy/tax advice fees	NIL	700.00
	Agents/Valuers Fees (1)	NIL	2,910.48
	Appointment takers fees	1,763.00	112,628.00
	Bank Charges	NIL	42.00
	Bordereau	NIL	320.00
	Debt collection costs	NIL	167.40
	Legal Fees (1)	NIL	7,467.67
	PAYE & NI	NIL	10.20
	Photocopying	NIL	42.30
	Searches and court fees	NIL	10.00
	Section 98 fee	NIL	6,500.00
	Stationery & Postage	NIL	262.23
	Statutory Advertising	NIL	403.45
	Travel	NIL	20.00
	Unclaimed Dividends	148.25	148.25
	VAT	352.60	352.60
		(2,263.85)	(131,984.58)
(52,000.00)	PREFERENTIAL CREDITORS Pref cred - E'ees wages/hol pay	(5.67)	9,288.32
	Pref creditor - RPO wages/hol pay	NIL	32,563.49
	Preferential creditor - PAYE/NIC	NIL	4,608.44
		5.67	(46,460.25)
	FLOATING CHARGE CREDITORS Infinitas Learning UK Limited	471.93 (471.93)	103,003.93 (103,003.93)
(501,000.00)	UNSECURED CREDITORS Unsecured cred - Employees	(105.52)	558.02

LJCR1863 Limited (formerly L.J. Create Limited)
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 05/05/2020 To 04/05/2021 £	From 05/05/2017 To 04/05/2021 £
(63,000.00)	Unsecured cred - L.J. Create Inc	NIL	NIL
(71,000.00)	Unsecured cred - PAYE/NIC	NIL	4,082.96
	Unsecured cred - RPO	NIL	19,130.18
(122,000.00)	Unsecured cred - Trade and expense	(37.06)	9,324.67
(107,000.00)	Unsecured cred- Customer deposits	NIL	NIL
(188,000.00)	Unsecured cred- Rent & dilapidations	NIL	NIL
		142.58	(33,095.83)
	DISTRIBUTIONS		
(132,000.00)	Capital redemption reserve	NIL	NIL
(12,000.00)	Ordinary Shareholders	NIL	NIL
(65,000.00)	Share premium account	NIL	NIL
		NIL	NIL
(2,866,000.00)		(0.23)	83.33
	REPRESENTED BY		
	Vat Receivable		83.33
			83.33

LJCR1863 Limited (formerly L.J. Create Limited) (in creditors' voluntary liquidation)

Formerly known as: L.J. Create Limited

Trading as: n/a

Company number: 00941599

Notice about final dividend position

Notice is given under Rule 14.36 of The Insolvency (England and Wales) Rules 2016, by Andrew McTear, the liquidator to the creditors of LJCR1863 Limited (formerly L.J. Create Limited) , that no further dividend will be declared to unsecured creditors.

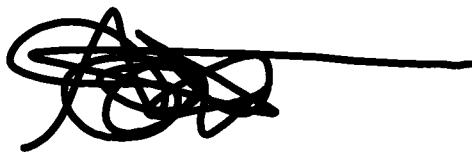
There will not be any further dividend declared to non-preferential unsecured creditors as the funds realised have been used to pay prior dividends to non-preferential unsecured creditors, and to meet the expenses of the liquidation.

Notice accompanying final account

Notice is also given by Andrew McTear under Rule 6.28 of The Insolvency (England and Wales) Rules 2016 and Section 106 of The Insolvency Act 1986 that the company's affairs have been fully wound up.

- 1 In accordance with Rule 18.9 of The Insolvency (England and Wales) Rules 2016 creditors may request further details of the liquidator remuneration and expenses within 21 days of receipt of the final account with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question). Secured creditors may also request further details.
- 2 Creditors may apply to court under Rule 18.34 of The Insolvency (England and Wales) Rules 2016 to challenge the amount and/or basis of the liquidator fees and the amount of any proposed expenses or expenses already incurred within eight weeks of receipt of the final account, with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question). Secured creditors may also make an application.
- 3 Creditors may object in writing to the release of the liquidator within eight weeks of delivery of this notice or before the conclusion of any request for information under Rule 18.9 of The Insolvency (England and Wales) Rules 2016 regarding the liquidator remuneration or expenses, or before the conclusion of any application to Court under Rules 18.34 and 18.35 of The Insolvency (England and Wales) Rules 2016 to challenge the liquidator fees or expenses, whichever is the later.
- 4 The liquidator will vacate office under Section 171 of The Insolvency Act 1986 upon expiry of the period that creditors have to object to his release and following delivery to the Registrar of Companies of his final account and notice.
- 5 The liquidator will be released under Section 173 of The Insolvency Act 1986 at the same time as vacating office providing no objections are received.

Creditors requiring further information regarding the above should contact Bethan Page at McTear Williams & Wood Limited, Townshend House, Crown Road, Norwich, NR1 3DT or by telephone on 01603 877868 or by email at bethanpage@mw-w.com.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Signed
Andrew McTear
Liquidator

Dated 4 May 2021

Time Entry - Detailed SIP9 Time & Cost Summary

LJCR1863 - LJCR1863 Limited (formerly L.J. Create Limited)
From: 05/05/2017 To: 04/05/2021
Project Code: POST

Classification of Work Function	Directors	Associates & Managers	Assistant Mgrs & Snr professionals	Case Administrators	Assistants & Trainees	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Statutory filing and reporting	1.80	0.60	5.40	0.00	1.20	9.00	1,956.00	217.33
101 : Case Set-up	0.00	0.30	0.30	0.10	0.00	0.70	154.50	220.71
103 : Post appointment bank account	0.30	6.00	10.40	1.30	31.00	49.00	7,434.50	151.72
105 : Secretarial	0.00	0.00	0.50	0.00	8.50	9.00	1,332.50	148.06
107 : Travelling	0.00	0.00	1.20	0.00	0.00	1.20	270.00	225.00
108 : VAT and tax	0.40	0.40	1.00	0.00	0.00	1.80	450.00	250.00
109 : Standard pre appointment work	0.00	0.10	0.00	0.00	0.00	0.10	35.00	350.00
110 : Prepare & sign off pre appt & AML checks	0.00	0.00	0.20	0.00	0.00	0.20	38.00	190.00
112 : Company's books & records-collection, listing et	0.00	0.00	0.20	0.00	0.00	0.20	38.00	190.00
113 : Appointment formalities	1.20	0.00	3.00	0.00	1.70	5.90	1,348.50	228.56
114 : Checklists & IPS diary	1.10	0.60	4.60	0.00	3.30	9.60	1,840.00	191.67
115 : Case strategy & reviews	0.60	11.90	3.40	0.00	1.90	17.80	4,673.50	262.56
117 : Case progression meetings	5.50	21.10	4.70	0.00	1.00	32.30	10,128.50	313.58
118 : Fees & billing	1.10	1.60	6.40	0.00	2.20	11.30	2,510.50	222.17
119 : Closing formalities	0.00	1.10	0.00	0.00	0.20	1.80	506.00	281.11
120 : Bonding and pre appt insurance	0.00	2.10	1.90	0.00	3.00	7.00	1,370.00	195.71
Admin & Planning	12.00	45.80	43.70	1.40	54.00	156.90	34,085.50	217.24
500 : Creditors unsecured - declare & pay dividends	0.00	0.00	0.00	0.20	0.00	0.20	30.00	150.00
501 : Creditors - RPS claims	0.00	0.60	0.60	0.00	0.00	1.20	279.00	232.50
504 : Secured	10.40	33.30	27.00	0.60	1.60	72.30	21,625.00	299.10
505 : Preferential - adjudicate, declare & pay	0.00	3.40	2.50	0.00	0.10	10.60	2,215.00	208.96
506 : Unsecured - general correspondence	0.90	3.20	9.40	1.90	4.60	20.00	4,125.00	206.25
508 : Employees & RPS	0.00	3.00	5.40	0.30	0.30	41.90	7,042.00	168.07
510 : Unsecured - adjudicate, declare & pay	2.20	8.30	20.60	2.20	11.00	44.30	9,988.00	225.46
513 : Pension	0.00	0.90	1.70	4.70	0.20	7.50	1,314.00	175.20
514 : Reporting to creditors	0.20	5.50	9.00	0.00	12.00	26.70	5,227.50	195.79
515 : VAT / Tax	0.00	0.80	0.00	0.00	0.00	0.80	251.00	313.75
Creditors	13.70	59.00	76.20	46.80	29.80	225.50	52,096.50	231.03
202 : SIP2 / CDDA	0.00	0.90	3.60	0.00	0.00	4.50	981.00	218.00
203 : Directors' correspondence/questionnaire	0.00	0.00	0.50	0.00	0.00	0.50	95.00	190.00
205 : Investigating potential claims	4.80	0.80	0.00	0.00	0.00	5.60	2,274.50	406.16
Investigations	4.80	1.70	4.10	0.00	0.00	10.60	3,350.50	316.08
301 : Debtors	17.30	49.80	6.30	0.00	0.70	74.10	26,116.00	352.44
302 : Assets - other debts	1.10	1.00	0.00	0.00	0.00	2.10	737.50	351.19
305 : Business sale	22.70	31.50	8.40	0.00	0.00	62.60	20,903.50	333.92
307 : Chattel	1.50	0.10	5.10	0.00	0.00	6.70	1,675.00	250.00
308 : Property	0.00	0.00	0.90	0.00	0.00	0.90	183.50	203.89
310 : Civil recovery action & litigation	0.00	2.50	0.20	0.00	0.00	2.70	989.00	366.30
311 : Pre appointment bank account	0.00	0.10	8.20	0.00	0.00	8.30	1,736.00	209.16
318 : Assets not on Sofa	0.00	0.20	0.00	0.00	0.00	0.20	78.00	390.00
320 : VAT / Tax	0.00	1.30	5.50	0.00	7.70	14.50	2,528.00	174.34
Realisation of Assets	42.60	86.50	34.60	0.00	8.40	172.10	54,946.50	319.27

Time Entry - Detailed SIP9 Time & Cost Summary

LJCR1863 - LJCR1863 Limited (formerly L.J. Create Limited)
From: 05/05/2017 To: 04/05/2021
Project Code: POST

Classification of Work Function	Directors	Associates & Managers	Assistant Mgrs & Snr professionals	Case Administrators	Assistants & Trainees	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Total Hours	73.10	193.00	158.60	48.20	92.20	565.10	144,479.00	255.67
Total Fees Claimed	121,748.00							

Time Entry - SIP9 Time & Cost Summary

Category 2 Disbursements

LJCR1863 - LJCR1863 Limited (formerly L.J. Create Limited)
Project Code: POST
From: 05/05/2017 To: 04/05/2021

Other amounts paid or payable to the office holders firm or to party in which the office holder or his firm or any associate has an interest.

Transaction Date	Type and Purpose	Amount
01/06/2017	Photocopying	0.00
Total		0.00

Appendix 4

LJCR1863 Limited (formerly L.J. Create Limited) (in creditors' voluntary liquidation)

Comparison of actual time spent for the period 5 May 2017 to 4 May 2021 with the fee estimate

Insolvency practitioner fee estimate	Note	Estimated hours	Estimated average rate £	Estimated cost £	Actual hours	Actual average rate £	Actual cost £
Admin and planning	1	127	206	26,179	157	217	34,086
Case specific matters	2	nil	nil	nil	nil	nil	nil
Creditors	3	191	222	42,314	226	231	52,097
Investigations	4	6	232	1,346	11	316	3,350
Realisations of assets	5	138	310	42,789	172	319	54,947
Trading	6	nil	nil	nil	nil	nil	nil
		462	244	112,628	565	256	144,479

Notes

The work undertaken on this case includes routine administrative functions, statutory and compliance work required by statute, professional regulatory guidance or is otherwise necessary for the orderly conduct of the proceedings. Whilst this may not produce any direct benefit for creditors it still has to be carried out.

The appendix above details work under the following classifications:

1 Admin & Planning

This encompasses work required by statute and necessary for case progression.

I have exceeded the cost detailed in my initial estimate as the case has remained open longer than anticipated due to a delay in realising the deferred consideration for the sale of assets and agreeing an assignment of the intercompany debt.

A schedule of routine work typically undertaken is attached as Appendix 6. In the period covered by the report I have dealt with the ticked items.

2 Case specific matters

This includes matters specific to the case which are not covered by any of the other categories of activity. No time has been spent on case specific matters.

3 Creditors

This includes statutory reporting, corresponding with creditors and shareholders, agreeing creditors' claims, declaring and paying dividends, creating and updating the list of creditors, responding to enquiries from creditors and shareholders, reviewing completed creditor claim forms, formally admitting and maintaining claim records.

I have exceeded the cost detailed in my initial estimate as more time was spent agreeing creditor and employee claims than initially expected and as the case has remained open a year longer than initially expected we have been required to issue further reports to creditors.

A schedule of routine work typically undertaken is attached as Appendix 6. In the period covered by the report I have dealt with the ticked items.

4 Investigations

As referred to in section 7 of the report I have completed my statutory obligation to investigate the conduct of the directors and filed my report with the Department for Business Energy & Industrial Strategy. Non-statutory work required includes reviewing the Company's accounting records to identify any potential assets and claims to be pursued for the benefit of creditors.

I have exceeded the cost detailed in my initial estimate due to additional time being spent to establish the intercompany debt position.

A schedule of routine work typically undertaken is attached as Appendix 6. In the period covered by the report I have dealt with the ticked items.

5 Realisation of assets

To discharge my duty to realise the assets of the Company this includes identifying, securing, insuring and realising assets, instructing and liaising with agents, reviewing, collecting outstanding debtors and pursuing any antecedent transactions claims identified.

I have exceeded the cost detailed in my initial estimate due to the time spent agreeing an assignment of the intercompany debt.

A schedule of routine work typically undertaken is attached as Appendix 6. In the period covered by the report I have dealt with the ticked items.

6 Trading

The Company did not trade and there has been no time spent on this.

LJCR1863 Limited (formerly L.J. Create Limited) (in creditors' voluntary liquidation)

Liquidation expenses

No expenses were incurred in the period of this report and expenses incurred since my appointment total £12,346.

There are no major areas of expenditure incurred in the period of this report and there are no accrued expenses.

As at 4 May 2021 the total expenses incurred in this matter have not exceeded the total expenses estimated in my fee proposal.

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I consider their expertise and reputation are sufficient for me to rely on their judgement. I also consider their fees represented value for money and am satisfied that they are reasonable in the circumstances of this case.

Routine work undertaken

Time spent on casework is recorded in 6 minute units under the following categories:

Admin and planning

Statutory and compliance

Carried out in
period of report

- Collating initial information to enable us to carry out our statutory duties including creditor information, details of assets and other information. ☒
- Providing initial statutory notifications of our appointment to the Registrar of Companies, clients, creditors, other stakeholders and advertising our appointment. ☒
- Submitting initial notifications to HM Revenue & Customs. ☒
- Ensuring compliance with statutory obligations arising from the Insolvency Act 1986 within the relevant timescales. ☒
- Arranging for the redirection of the Company's mail. ☐
- Completing closing formalities. ☒

Post appointment bank account

- Setting up estate bank account. ☒
- 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. ☒

Checklists & IPS diary

- Use of multiple checklists and standard and modified diaries on our case management software. ☒

Case progression meetings

- Formulating, monitoring and reviewing case strategy and meetings with internal and external parties to agree the same. ☒
- Briefing staff on the case strategy and matters in relation to various work streams. ☒
- Regular reviews of progress and case management including team update meetings and calls. ☒
- Reviews, routine correspondence and other work. ☐
- Allocating and managing staff/case resourcing and reviews. ☐
- Documenting strategy decisions. ☒

Fees & Billing

- Preparation of our fee and expenses estimate. ☒
- Seeking a decision from creditors to fix the basis of remuneration. ☒

- Reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9.



Bonding

- Arranging bonding and, if necessary, reviewing the adequacy of the bond on a quarterly basis.



Note: Insolvency practitioners when appointed to act must have in place a bond which contains provisions whereby a surety or cautioner undertakes to be jointly or severally liable for losses in relation to the insolvent.



Creditors

Shareholders

- Providing notification of appointment and reports to shareholders.
- Responding to enquiries from shareholders.



Secured

- Issuing our initial letter to secured creditors to obtain information and copy charges.
- Considering background to charge and which assets are covered.
- Calculation of the prescribed part and estimated outcomes.
- Agreeing secured creditors claims including checking the validity of security
- Reporting on progress of liquidation.



Preferential – adjudicate, declare & pay

- Agreeing preferential creditors' claims
- Issuing notice of intended dividend, declaring dividend and making payment.
- Accounting to HM Revenue & Customs for tax.



Unsecured – general correspondence

- Seeking to pass resolutions by correspondence and convening and preparing for meetings of creditors if requested.
- Creating and updating the list of unsecured creditors.
- Responding to enquiries from creditors regarding submission of their claims, prospects and paperwork required
- Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records.



Committee

- Forming a creditors' committee, reporting and liaising as necessary



Employees & RPS

- Dealing with queries from employees regarding various matters relating to their employment if applicable.



- Issuing claim information to employees and assisting employees to complete online applications. ✓
- Correspondence with employees to establish pay during notice period. ✓
- Dealing with statutory employment related matters including obtaining information from Company records, statutory notices to employees and making statutory submissions to the relevant government departments if applicable. ✓
- Reviewing employment contracts. ✓
- Liaising with Job Centre Plus, union representatives and payroll providers. ┐
- Administering the Company's payroll including associated taxation and other deductions and preparing PAYE and NIC returns where applicable. ┐
- Preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks. ┐
- Communicating and corresponding with HM Revenue & Customs. ✓
- Dealing with issues arising from employee redundancies including statutory notifications and liaising with the Redundancy Payments Service if applicable. ✓
- Agreeing employees claims to claims paid by Redundancy Payments Service. ✓
- Managing claims from employees if applicable. ✓
- Processing and agreeing Redundancy Payments Service claims. ✓

Landlords

- Dealing with landlord's claims for arrears of rent, loss of future rent and dilapidations. ✓

Unsecured – adjudicate & pay

- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims. ✓
- Agreeing/rejecting secured/preferential/client/unsecured claims. ✓
- Corresponding with rejected claims. ✓
- Dealing with disputed claims which would materially affect the dividend to other creditors. ✓
- Issuing a notice of intended dividend and placing an appropriate gazette notice. ✓
- Calculating, declaring and paying a dividend to creditors. ✓

Pension

- Requesting information from pension company and establishing if any claims. ✓
- Collating information and reviewing the Company's pension schemes where applicable. ✓

- Ensuring compliance with our duties to issue statutory notices. ✓
- Calculating employee pension contributions and review of pre-appointment unpaid contributions if applicable. ✓
- Communicating with employees' representatives concerning the effect of the insolvency on pensions ✓

Reporting to creditors

- Preparing statutory receipts and payment accounts. ✓
- Preparing progress reports to members and creditors and filing with Court/Registrar as appropriate. ✓

Investigations

SIP 2/ CDDA

- Reviewing pre appointment transactions. ✓
- Reporting on the director's conduct to the Insolvency Service. ✓
- Reviewing the questionnaires submitted by the directors of the Company. ✓

Books & records

- Locating relevant Company books and records, arranging for their collection, listing records and dealing with ongoing storage. ✓
- Collating information from the Company's records regarding assets and /or investigations. ✓

Investigating potential claims

- Identifying possible causes of action which could lead to a return to creditors. ✓
- Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties such as banks, accountants, solicitors etc. ┌
- Considering and discussing merits of potential claims with solicitors. ┌
- Identifying heads of claims. ┌
- Interrogating the books and records to provide evidence, meetings with the directors over a number of months to negotiate a settlement of the claims. ┌
- Instructing solicitors to advise on the merits of the claim and if appropriate to commence action on the claim. ┌
- Preparing documents of solicitors and editing draft witness statements and reviewing other documents. ┌

Realisation of assets

Debtors

- Reviewing outstanding debtors and agreeing debt collection strategy. ✓
- Liaising with Company credit control staff and communicating with debtors. ┌

- Reconciling the sales ledger control account. ✓
- Locating and copying invoices. ✓
- Researching queries identified by debtors and agreeing to credit notes and/or disputing the queries. ✓
- Seeking legal advice in relation to book debt collections if applicable. ┐
- Considering merits of taking legal action and pursuing as appropriate, considering or providing further evidence as required. ┐
- Reviewing the inter-company debtor position between the Company and other group companies if applicable. ✓
- Identifying and realising debts that are not trade debts or director loan accounts, if shown on the statement of affairs. ✓

Business sale

- Planning the strategy for the sale of the business and assets including instruction and liaison with professional advisers. ┐
- Collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale if applicable. ┐
- Identifying interested parties by reference to information provided by the directors, our own contacts and research of interested buyers. ┐
- Sending out memorandums to interested parties and collating return of confidentiality letters. ┐
- Chasing up interest and sending additional information. ┐
- Dealing with queries from interested parties and managing the information flow to potential purchasers if applicable. ┐
- Managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties if applicable. ✓
- Consideration of offers. ✓
- Carrying out sale negotiations with interested parties if applicable. ✓
- Instructing solicitors to draft sale and purchase agreement. ✓
- Issuing press releases and posting information on our website/IP-bid as appropriate. ✓
- Addressing potential ROT claims arising and other contract specific matters in the sale and purchase agreement. ✓
- Agreeing and signing documents, monitoring the terms of sale and collecting the consideration. ✓

Insurance

- Arranging ongoing insurance for the Company's business and assets. ✓

- Liaising with post appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place.
- Reviewing whether any insurance premiums due.
- Assessing the level of insurance premiums.



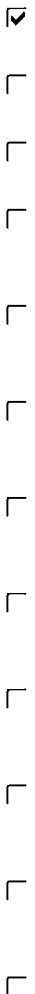
Chattel

- Liaising with agents regarding the sale of assets.
- Dealing with any third party claims.



Property

- Reviewing the Company's leasehold properties including review of leases if applicable.
- Communicating with landlords regarding rent, property occupation and other issues if applicable.
- Performing land registry searches if applicable.
- Securing, insuring and making ready for sale.
- Instructing agents to market, reviewing marketing materials and considering the most appropriate method of sale.
- Instructing solicitors.
- Liaising with secured creditors.
- Dealing with tenants and utility companies.
- Considering offers and negotiating heads of terms for sale.
- Consider, review and amend sale contracts.
- Dealing with rating authorities, planning issues and environmental issues.
- Reviewing completion statement, paying fees and costs of solicitors and agents and secured creditors' claims.



ROT claims

- Receiving and responding to claims from creditors that claim to have retained title to goods supplied.
- Establishing terms of business and assets on site.



Pre appointment bank account

- Liaising with the bank regarding transfer of funds and the closure of pre appointment bank accounts.



- Dealing with the Company's pre appointment account.



Directors' loan account

- Identifying from the Company's books and records.



- Interrogating Company's books and records to substantiate the claims in the accounts.



- Interviewing the directors and considering investigating and responding to possible defences put forward.



- Meetings with the directors to negotiate settlement of the debt.



- Instructing solicitors and editing witness statements for Court.



- Collecting monies owed by directors



Bank miss-selling claims & similar

- Reviewing potential claims and instructing agents as necessary.



Assets not on statement of affairs

- Dealing with assets identified following appointment which were not detailed on the statement of affairs.



VAT & tax

- Gathering initial information from the Company's records in relation to taxation.
- Corresponding with the Company's former accountants, HM Revenue & Customs and directors to understand and obtain copies of the previous tax returns and accounts.
- Calculating and claiming VAT bad debt relief.
- Calculating and claiming corporation tax terminal loss relief.
- Reviewing the Company's pre-appointment corporation tax and VAT position.
- Analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations.
- Analysing VAT related transactions.
- Dealing with post appointment tax returns and compliance.
- Prepare or instruct accountants to prepare tax returns to reclaim tax.



Trading

Strategy and management

- Monitoring and controlling the day to day trading of the business.
- Preparing cash flow statements to monitor the cash position.



- Securing petty cash on site and monitoring spend. ┌
- Dealing with issues in relation to stock and other assets required for trading. ┌
- Monitoring stock and stock reconciliations. ┌
- Monitoring ongoing trading including attending site. ┌
- Attending to supplier and customer queries and correspondence. ┌
- Dealing with hauliers to ensure ongoing services. ┌
- Ensuring ongoing provision of emergency and other essential services to site. ┌
- Ongoing health and safety compliance. ┌
- Dealing with landlord and property issues. ┌
- General management and supervision of trading carried out by our staff based on site. ┌
- Compliance with legal and licensing obligations and ongoing monitoring. ┌
- To do all such other things as may be necessary or expedient for the management of the affairs, business and property of the company. ┌

Employees

- Liaising with staff and trade unions. ┌
- Setting up a new RTI registration for the business with HMRC and submitting relevant information in respect of wages and salaries paid. ┌

Utilities/purchases

- Attending to supplier and customer queries and correspondence. ┌
- Raising, approving and monitoring purchase orders and setting up control systems for trading. ┌
- Negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions in order to ensure continued support. ┌

Sales/contracts

- Communicating and negotiating with customers regarding ongoing supplies including agreeing terms and conditions. ┌