

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

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01/04/2021

#178

COMPANIES HOUSE

### 1 Company details

Company number 0 5 0 5 1 4 8 3

Company name in full R.J.F. Building Ltd

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

### 2 Liquidator's name

Full forename(s) John Allan

Surname Carpenter

### 3 Liquidator's address

Building name/number 7400 Daresbury Park

Street Daresbury

Post town Cheshire

County/Region

Postcode W A 4 4 B S

Country

### 4 Liquidator's name ①

Full forename(s) Christopher Benjamin

Surname Barrett

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

### 5 Liquidator's address ②

Building name/number 7400 Daresbury Park

Street Daresbury

Post town Cheshire

County/Region

Postcode W A 4 4 B S

Country

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

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**6** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	
To date	<sup>d</sup> 1	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1	

**7** Progress report

	<input checked="" type="checkbox"/> The progress report is attached	
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**8** Sign and date

Liquidator's signature	Signature X  X								
Signature date	<sup>d</sup> 3	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1	

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 **Alex Trust**Company name **Dow Schofield Watts Business  
Recovery LLP**Address **7400 Daresbury Park  
Daresbury**Post town **Cheshire**

County/Region

Postcode **W A 4 4 B S**

Country

DX

Telephone **0844 7762740****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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**R.J.F. Building Ltd (“the Company”)**  
**– In Creditors’ Voluntary Liquidation**  
Company number: 05051483

**Joint Liquidators’ Third Annual Progress Report**  
In accordance with S104A of the Insolvency Act 1986 and Rules 18.3 and 18.7  
of the Insolvency (England and Wales) Rules 2016

Reporting period: 19 February 2020 to 18 February 2021

<b>Contents</b>	
<b>1</b>	<b>Introduction</b>
<b>2</b>	<b>Liquidators’ Actions During the Period</b>
<b>3</b>	<b>Liquidators’ Remuneration, Disbursements and Expenses</b>
<b>4</b>	<b>Outcome for Creditors</b>
<b>5</b>	<b>Conclusion of the Liquidation</b>
<b>Appendices</b>	
<b>A</b>	<b>Statutory Information</b>
<b>B</b>	<b>Liquidators’ Receipts &amp; Payments Account</b>
<b>C</b>	<b>Information Regarding Liquidators’ Remuneration &amp; Expenses</b>

## **R.J.F. Building Ltd ("the Company") – in Creditors' Voluntary Liquidation**

### **1 Introduction**

John Allan Carpenter and Christopher Benjamin Barrett were appointed as Joint Liquidators of the Company on 19 February 2018 and this is the Joint Liquidators' third progress report to the members and creditors of the Company, showing how the liquidation has been conducted. The report covers the period from 19 February 2020 to 18 February 2021.

### **2 Liquidators' Actions During the Period**

#### **2.1 Receipts and Payments Account**

A summary of the Joint Liquidators' receipts and payments account is attached at **Appendix B** which shows all asset realisations and payments in respect of the costs of liquidation for the period from 19 February 2020 to 18 February 2021, as well as cumulatively from the commencement of the liquidation.

The liquidation estate funds are held in an interest-bearing account in the name of the Company and controlled by the Joint Liquidators.

#### **2.2 Asset Realisations**

At the date of my previous progress report, there were no assets per the director's Statement of Affairs that remained to be realised and the only potential future realisations were those that may have been achieved as a result of the Joint Liquidators' investigations.

#### **Antecedent Transactions**

During our investigations into the Company's affairs, we identified the sum of £25,000 being paid as a shareholder dividend to Mr Fernyhough, which appeared to be an unlawful dividend on the grounds that the Company had insufficient reserves to declare the dividend payment.

The Joint Liquidators wrote to both the director and the Company's accountant to request information regarding the dividend payment made to the shareholder, Mr Fernyhough. Certain information was received, however, following review of the further information and explanations received, the Joint Liquidators still considered that the Company had insufficient distributable reserves and that the dividend payment should not have been made.

The Joint Liquidators instructed solicitors who advised that they agreed that the dividend was an unlawful dividend. The solicitors issued a demand letter to Mr Fernyhough requesting repayment of the dividend. The sum of £25,000 was received from Mr Fernyhough during October 2020.

#### **Bank interest**

Nominal bank interest has been received during the period.

#### **2.3 Costs of the Liquidation**

The Joint Liquidators have paid costs of the liquidation totalling £2,018 since the date of the previous progress report as detailed in the receipts and payments account at **Appendix B**. These are discussed in more detail in section 3 below.

## 2.5 Investigations

The Joint Liquidators have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the date of liquidation and submit a confidential report to the Insolvency Service Disqualification Unit. The confidential report on the conduct of the directors of the Company has been submitted to the Insolvency Service.

The Joint Liquidators are also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf.

Appropriate investigations have been carried out and have resulted in additional realisations of £25,000 as discussed above. Certain lines of enquiry have not yet been fully concluded.

## 3 Joint Liquidators' remuneration, disbursements and expenses

### Approval of remuneration and disbursements

Creditors approved by a decision by correspondence on 17 April 2019 that the Joint Liquidators would be remunerated by reference to the time properly spent in dealing with matters in the liquidation and that they would be permitted to charge Category 2 disbursements at the rates set out in **Appendix C**. The fees estimate was £15,240 and the expenses estimate was £4,084.

### Remuneration, disbursements and expenses charged and paid in the liquidation

The Joint Liquidators' time costs and disbursements have been incurred and paid during the period of liquidation as follows:

Remuneration	Incurred (£)	Paid (£)
From appointment on 19 February 2018 to 18 February 2020	14,045.00	Nil
From 19 February 2020 to 18 February 2021	3,481.00	Nil
	<u>17,526.00</u>	<u>Nil</u>
 Disbursements	 Incurred (£)	 Paid (£)
Category 1 disbursements from 19 February 2018 to 18 February 2020	10.44	Nil
Category 1 disbursements from 19 February 2020 to 18 February 2021	93.09	Nil
Category 2 disbursements from 19 February 2018 to 18 February 2020	Nil	Nil
Category 2 disbursements from 19 February 2020 to 18 February 2021	Nil	Nil
	<u>103.53</u>	<u>Nil</u>

The above costs exclude VAT. I have attached at **Appendix C** a breakdown of the above time costs and further details of the above disbursements.

At the date of this report the remuneration anticipated to be charged by the Joint Liquidators is likely to exceed the Fees Estimate. The reasons for the additional time costs being incurred are:

- When the Fees Estimate was prepared in March 2019 it was anticipated that all matters in the liquidation would be concluded within 24 months of the date of appointment. This has not been possible;
- Additional time spent has been spent reviewing and pursuing recovery of the unlawful dividend as a result of the outcome of our investigations; and
- Additional time spent has been spent in liaising with creditors and sufficient funds have been realised to allow a dividend distribution, which was not expected when the Fees Estimate was issued.

As a result, I intend to seek the approval of creditors under Rule 18.30 of the Insolvency (England and Wales) Rules 2016 to draw additional fees in excess of the original Fees Estimate prior to declaring a dividend distribution to unsecured creditors.

#### **Professional advisers and other expenses**

Expenses have been incurred by the Joint Liquidators in the instruction of Solicitors, Napthens LLP ("Napthens") in this matter. Napthens provided assistance in pursuing the unlawful dividend payment made to the shareholder. Their fees were agreed on a time cost basis and they have been paid the sum of £2,018 plus VAT in the period.

The choice of professional advisers and the Joint Liquidators' fee arrangement with them was based on an assessment of the work required and the suitability of those professionals to carry out that work.

Details of the professional fees incurred and paid are set out at **Appendix C**.

The expenses incurred or anticipated to be incurred are not likely to exceed the expenses estimate.

#### **Pre-appointment costs**

Prior to our appointment, the Company agreed to pay the fees of Dow Schofield Watts Business Recovery LLP for assisting the director in placing the Company into liquidation and assisting with the preparation of the Statement of Affairs and Director's Report. The pre-appointment costs consisted of fees of £6,000 plus VAT and disbursements of £186 plus VAT and were paid in full by the Company prior to the date of liquidation.

#### **Creditors' guide to fees and creditors' rights regarding fees**

Further information relating to liquidators' fees can be found in "A creditors' guide to liquidators' fees" which can be accessed at the website of the Insolvency Practitioners' Association ([www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk) > Regulation and Guidance > Creditors Guides to Fees), or the Institute of Chartered Accountants in England & Wales ([www.icaew.com](http://www.icaew.com) > Technical Resources > Insolvency > Creditors' Guides). The guide includes details of creditors' right to request information under Rule 18.9 of the Insolvency (England and Wales) Rules 2016 and their right to challenge liquidators' remuneration and expenses under Rule 18.34. A summary of these rights is also set out in **Appendix C**. A copy of the guide will be provided free of charge upon request to Dow Schofield Watts Business Recovery LLP.

### **4 Outcome for creditors**

#### **Secured Creditors and Prescribed Part**

There are no secured creditors in this matter.

In cases where a company gave a floating charge over its assets to a creditor on or after 15 September 2003, the prescribed part provisions set aside a proportion (the "prescribed part") of the funds that would otherwise have been available for distribution to floating charge creditors (the "net property") so that the prescribed part can be distributed to unsecured creditors.

As there is no floating charge holder, the prescribed part provisions do not apply.

#### **Preferential creditors**

There are no known preferential creditor claims in this matter.

### **Unsecured creditors**

A distribution to unsecured creditors is expected to be paid and I will write to notify creditors when I am in a position to pay the distribution.

### **5 Conclusion of the Liquidation**

The liquidation will remain open whilst our investigations are concluded, the expenses of liquidation are paid, any surplus funds are distributed, and the Company's VAT and corporation tax affairs are concluded.



**John Allan Carpenter**

**Joint Liquidator**

Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales



## **Appendix A: Statutory Information**

### **Company Information**

Company Name:	R.J.F. Building Ltd
Trading Name:	N/a
Previous Name:	N/a
Company Number:	05051483
Date of Incorporation:	20 February 2014
Former Trading Address:	Hilly Lees Farm, Smythamley, Macclesfield, SK11 0SL
Current Registered Office:	c/o Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park, Daresbury, Warrington, WA4 4BS
Former Registered Office:	2 The Courtyard, Greenfield Farm Industrial Estate, Congleton, Cheshire, CW12 4TR
Principal Trading Activity:	Building and property improvement

### **Appointment details**

Joint Liquidators' names and address:	John Allan Carpenter (IP number 16270) and Christopher Benjamin Barrett (IP number 9437) both of Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park, Daresbury, Warrington, WA4 4BS.
Commencement of liquidation:	19 February 2018
Date of appointment:	19 February 2018
Appointment made:	by members and creditors

The Joint Liquidators act jointly and severally.

**Appendix B: Receipts and Payments Account**

**R.J.F. Building Ltd**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 19/02/2020 To 18/02/2021 £	From 19/02/2018 To 18/02/2021 £
	<b>ASSET REALISATIONS</b>		
7,423.20	Cash In Agents Client Account	NIL	NIL
	Antecedent Transactions	25,000.00	25,000.00
	Cash at Bank	NIL	39.27
	Bank Interest Gross	0.50	0.59
		<u>25,000.50</u>	<u>25,039.86</u>
	<b>COST OF REALISATIONS</b>		
	Legal Fees	2,018.00	2,018.00
		<u>(2,018.00)</u>	<u>(2,018.00)</u>
	<b>UNSECURED CREDITORS</b>		
(13,065.40)	Trade & Expense Creditors	NIL	NIL
(10.00)	Director's Loan Account	NIL	NIL
(586.55)	Banks/Institutions	NIL	NIL
(13,784.00)	HM Revenue & Customs	NIL	NIL
(1.00)	Consumer Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(1.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(20,024.75)</u>		<u><b>22,982.50</b></u>	<u><b>23,021.86</b></u>
	<b>REPRESENTED BY</b>		
	Vat Receivable		403.00
	Bank 1 Current		22,618.86
			<u><b>23,021.86</b></u>

## Appendix C: Information relating to the Liquidators' Fees and Disbursements

### 1. Time recording policy

Work undertaken on insolvency appointments is recorded in 6 minute units on an electronic time recording system. Time properly incurred on cases is charged at the hourly charge-out rate of the grade of staff undertaking the work.

The current hourly charge-out rates are as follows:

Staff grade	Hourly rate (£) from 1 April 2020
Partner and Insolvency Practitioner	320
Manager	245-265
Assistant Manager	195-240
Senior Case Administrator	155-190
Case Administrator	105-150
Cashier	135
Trainee Case Administrator	80-100

The hourly charge-out rates are reviewed annually and may increase during the course of the liquidation.

### 2. Existing Fee Arrangements

The existing fee arrangements were decided by creditors by a vote by correspondence on 17 April 2019.

The Joint Liquidators are authorised to draw their remuneration on the basis of time properly spent in dealing with this matter, and they are permitted to charge Category 2 disbursements in accordance with the tariff set out below. The Joint Liquidators' Fees Estimate provided to creditors when initially seeking fee approval was £15,240. As time costs to date exceed this amount, approval will be sought from creditors to draw additional fees in excess of the original Fees Estimate.

### 3. Time and Charge out summary

For the period of the report, from 19 February 2020 to 18 February 2021, a total of 17.5 hours have been spent at an average charge out rate of £198.91 bringing the time costs for this period to £3,481.00. A summary table is shown overleaf.

From the commencement of the liquidation to 18 February 2021 a total of 108.0 hours have been spent at an average charge out rate of £162.28 bringing the total cost to date to £17,526.00. The second table overleaf shows a summary of these costs.

## Time Entry - SIP9 Time & Cost Summary

R010 - R.J.F. Building Ltd  
All Post Appointment Project Codes  
From: 19/02/2020 To: 18/02/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.80	1.10	3.00	1.60	6.50	1,200.00	184.62
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.80	0.70	5.30	0.00	6.80	1,288.50	189.49
Investigations	0.00	0.10	0.10	0.00	0.20	42.00	210.00
Realisation of Assets	1.10	1.20	1.50	0.20	4.00	950.50	237.62
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>2.70</b>	<b>3.10</b>	<b>9.90</b>	<b>1.80</b>	<b>17.50</b>	<b>3,481.00</b>	<b>198.91</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

## Time Entry - SIP9 Time & Cost Summary

R010 - R.J.F. Building Ltd  
All Post Appointment Project Codes  
From: 19/02/2018 To: 18/02/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	3.50	4.50	4.90	8.40	21.30	3,662.00	171.92
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	7.80	6.60	9.90	9.50	33.80	6,125.50	181.23
Investigations	4.10	5.60	15.70	21.60	47.00	6,499.00	138.28
Realisation of Assets	1.10	1.90	1.90	1.00	5.90	1,239.50	210.08
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>16.50</b>	<b>18.60</b>	<b>32.40</b>	<b>40.50</b>	<b>108.00</b>	<b>17,526.00</b>	<b>162.28</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	

#### 4. Description of work carried out during the period

The work carried out during the third year of the liquidation can be summarised as follows:

##### 4.1 Administration and planning

- Processing bank receipts and payments;
- Maintaining financial records and carrying out bank reconciliations;
- Case reviews; and
- Dealing with taxation returns and correspondence.

##### 4.2 Realisation of Assets

- Liaising with solicitors;
- Liaising with the shareholder and accountant regarding unlawful dividend; and
- Pursuing unlawful dividend.

##### 4.3 Investigations

- Liaising with the Insolvency Service.

##### 4.4 Creditors and members

- Recording and maintaining the list of creditors;
- Recording creditor claims;
- Reporting to creditors and members; and
- Responding to creditor queries.

Staff of different levels were involved in the activities above depending on the experience required.

#### 5. Disbursements

##### Disbursements policy

Office holders' disbursements fall under two categories:

Category 1 disbursements consist of external supplies of goods or services specifically relating to the case. Where such costs are paid by Dow Schofield Watts Business Recovery LLP, creditor approval is not required for those costs to be recharged to the insolvency estate. Category 1 disbursements will typically include costs such as statutory advertising, specific bond insurance, company search fees, storage, postage, external room hire and travel expenses (excluding business mileage).

Category 2 disbursements are costs that are directly referable to the case but not to a payment to an independent third party. They include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Such disbursements can only be charged to the insolvency estate with the approval of creditors. It is our policy to seek creditor approval for the payment of the following Category 2 disbursements:-

Disbursement type	Rate
Mileage	45p per mile

The following disbursements have been incurred and paid during the liquidation:

	This period		Previous period(s)		Cumulatively	
	Incurring (£)	Paid (£)	Incurring (£)	Paid (£)	Incurring (£)	Paid (£)
<b>Category 1 disbursements</b>						
Bordereau	87.60	Nil	Nil	Nil	87.60	Nil
Postage	5.49	Nil	10.44	Nil	15.93	Nil
<b>Total disbursements</b>	<b>93.09</b>	<b>Nil</b>	<b>10.44</b>	<b>Nil</b>	<b>103.53</b>	<b>Nil</b>

The above costs exclude VAT.

## 6. Professional advisors and expenses

The Joint Liquidators have incurred liquidation expenses in connection with the instruction of the following parties:

Name	This period		Previous period(s)		Cumulatively	
	Incurring (£)	Paid (£)	Incurring (£)	Paid (£)	Incurring (£)	Paid (£)
Napthens LLP (solicitors)	2,018.00	2,018.00	Nil	Nil	2,018.00	2,018.00
<b>Total</b>	<b>2,018.00</b>	<b>2,018.00</b>	<b>Nil</b>	<b>Nil</b>	<b>2,018.00</b>	<b>2,018.00</b>

The above costs exclude VAT.

## 7. Creditors' rights

Under rule 18.9 of the Insolvency (England and Wales) Rules 2016, creditors are entitled to request information from the office-holders about their remuneration or expenses set out in this report.

Any request must be made by a secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or by any unsecured creditor with the permission of the court. A request, or an application to the court for permission, must be made within 21 days of receipt of the report or account.

The office-holder must, within 14 days of receipt of such a request respond by: providing all of the information requested; providing some of the information requested; or declining to provide the information requested.

The office-holder may respond by providing only some of the information requested or decline to provide the information if: the time or cost of preparation of the information would be excessive; disclosure of the information would be prejudicial to the conduct of the proceedings; disclosure of the information might reasonably be expected to lead to violence against any person; or the office-holder is subject to an obligation of confidentiality in relation to the information. An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

A creditor may apply to the court within 21 days of: the office-holder giving reasons for not providing all of the information requested; or the expiry of the 14 days within which an office-holder must respond to a request. The court may make such order as it thinks just.



Under rule 18.34 of the Insolvency (England and Wales) Rules 2016, an application to court may be made on the grounds that the office-holders' remuneration is in all the circumstances excessive, the basis of remuneration is inappropriate, or the expenses incurred by the office-holders are in all the circumstances excessive.

Any application may be made by a secured creditor, an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including the creditor in question), or by any unsecured creditor with the permission of the court. The application must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question.

If the court considers the application to be well-founded, it must make one or more of the following orders: an order reducing the amount of remuneration; an order reducing any fixed rate or amount; an order changing the basis of remuneration; an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the winding up; an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by the liquidator to the company; any other order that it thinks just.

Unless the court orders otherwise, the costs of the application must be paid by the applicant and are not payable as an expense of the winding up.