

LIQ03

Notice of progress report in voluntary winding up



Companies House

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COMPANIES HOUSE

1 Company details

Company number 05520334
Company name in full J & R Builders (Norwich) Limited

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

2 Liquidator's name

Full forename(s) Patrick
Surname Lannagan

3 Liquidator's address

Building name/number Mazars LLP
Street
Post town One St Peters Square
County/Region Manchester
Postcode M23DE
Country

4 Liquidator's name ①

Full forename(s) Conrad Alexander
Surname Pearson

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

5 Liquidator's address ②

Building name/number Mazars LLP
Street
Post town One St Peters Square
County/Region Manchester
Postcode M23DE
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	2	d	8	m	1	m	1	y	2	y	0	y	1	y	8
To date	d	2	d	7	m	1	m	1	y	2	y	0	y	1	y	9

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	2	d	4	m	0	m	1	y	2	y	0	y	2	y	0
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J & R Builders (Norwich) Limited - In Liquidation

Liquidators' progress report covering the period from 28 November 2018 to 27
November 2019

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J & R Builders (Norwich) Limited - In Liquidation (“the Company”)

Progress Report to Creditors & Members

1. Introduction

- 1.1. This report is prepared pursuant to Rules 18.3 and 18.7 of the Insolvency (England and Wales) Rules 2016, the purpose of which is to provide creditors with details of the progress of the Liquidation during the 12 months to 27 November 2019 (‘the current period’).
- 1.2. Kevin Lucas of Lucas Johnson Ltd (‘the previous Liquidator’) was appointed Liquidator on 28 November 2014 by members and creditors pursuant to s98 of the Insolvency Act 1986.
- 1.3. At a meeting of creditors held on 1 August 2017 pursuant to S171 of the Insolvency Act 1986, creditors resolved that Kevin Lucas be removed as Liquidator and be granted his release from office. At the same meeting, creditors resolved for the appointment of new Liquidators in Patrick Alexander Lannagan and Mr Conrad Alexander Pearson, both of Mazars LLP (‘the current Liquidators’)
- 1.4. Mr Lannagan is authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales and Mr Pearson is authorised in the UK by the Insolvency Practitioners Association.
- 1.5. Identification details relating to the Company and the Liquidators are attached at Appendix A.

2. Liquidators' Receipts and Payments

- 2.1. A summary of receipts and payments covering the period from 28 November 2018 to 27 November 2019 is attached at Appendix B(i), which also covers the cumulative period from the date of the current Liquidators’ appointment to 27 November 2019. A summary of the previous Liquidator’s receipts and payments account is provided at Appendix B(ii). A comparison of the figures provided in the directors’ Statement of Affairs to actual realisations made to date is included to assist creditors in assessing progress to date.
- 2.2. The receipts and payments account confirms that there are currently no funds in hand. An explanation of the assets to be realised and the expenses paid is provided below. An explanation of the assets realised and the expenses paid is provided below.

3. Asset Realisations and Details of Progress

Creditors will recall that no assets were recognised as remaining in the Company at the point of Liquidation according to the directors’ Statement of Affairs. However, the previous Liquidator had identified several rights of action as part of his investigations, and work in this area was ongoing during the current period.

3.1. Claims against associated parties

- 3.1.1. Creditors will be aware from our last report that the current Liquidators have pursued a number of claims through the High Court, which were being defended by the following respondents:
- Mrs Muriel Christine Kean ('first respondent'), a connected party as Mrs Kean is a shareholder and former director of the Company;
 - Mr Robert Alan Kean ('second respondent'), a connected party as Mr R Kean is the director and a shareholder of the Company; and
 - Wensum Ltd ('third respondent'), a connected party as the sole director and shareholder is Mr James Kean who is also a shareholder and former director of the Company.
- 3.1.2. The current Liquidators with the assistance of Freeths LLP and specialist Counsel continued to progress the following legal claims against the respondents:
1. Transaction at an under value/transaction defrauding creditors relating to the sale of the properties known as Units B1, B6 & B7 Risby Business Park, Newmarket Road, Risby, Bury St Edmunds, IP26 6RD ('the units') - £105,000;
 2. Preference/transaction at an under value/transaction defrauding creditors relating to the first respondent's loan account - £125,000; and
 3. Preference/transaction at an under value/transaction defrauding creditors relating to a legal charge at the units - £1,400,000.
- 3.1.3. A trial took place at the High Court of Justice, Business & Property Courts in Manchester from 14 to 18 January 2019. However, the Judge's decision was delayed due to further submissions being presented by the respondents. Following the trial, the Judgment was formally handed down on 10 April 2019 in favour of the Joint Liquidators (see 3.1.6 below).
- 3.1.4. Despite the Judgment, further submissions were presented by the respondents to appeal the decision which included an application to Court to challenge the appointment of the former Liquidator and the insolvency process in its entirety with claims that the appointment was not valid ('the challenge'). Accordingly, this caused further delays in listing the hearing to formalise the quantum of the Judgment at Court.
- 3.1.5. The final application in respect of the challenge was heard at the High Court of Justice, Business & Property Courts in Manchester on 3 & 4 September 2019 involving the same parties and the former Liquidator. During day two of the hearing, the current Liquidators received notification that Mr R Kean had declared himself bankrupt on 27 August 2019. On the basis that Mr R Kean had no standing to pursue the challenge at this hearing, the proceedings were stayed.
- 3.1.6. On 1 October 2019, the Court made the following Order:
1. The respondents pay the Joint Liquidators £125,000 plus interest of £19,879 being a total of £144,879 in respect of claim 2 above;

2. The respondents pay the Joint Liquidators £7,500 plus interest of £1,114 being a total of £8,614 in respect of claim 3 above;
 3. The first and second respondents pay the Joint Liquidators £1,400,000 plus interest of £169,035 being a total of £1,569,035 in respect of claim 3 above; and
 4. The respondents pay the Joint Liquidators' costs to be assessed if not agreed, with the sum of £65,000 to be paid on account.
- 3.1.7. With the assistance of Freeths LLP, the current Liquidators are taking steps to enforce Judgment against Mrs Kean and Wensum Ltd. Furthermore, a formal claim representing the amounts set out in the Order due to the Liquidation estate will be issued in Mr R Kean's bankruptcy estate in early course. A further update regarding the enforcement of the Judgment will be provided to creditors in our next report.
- 3.2. Property Assets**
- 3.2.1. We previously advised in our reports that a disposal strategy was being sought regarding the four residual parcels of land at Risby Business Park ('residual land') still in the name of the Company. These property assets were subject to a legal charge granted in favour of Mrs Kean and charging orders granted in favour of creditors (see 6.1 below).
- 3.2.2. In the period of this report, the current Liquidators received contact from a number of interested parties in respect to purchasing the residual land. We instructed our agents, McPartland & Gifford Limited ('M&G') to assist with valuing the residual land.
- 3.2.3. Due to the interest received from various parties, the current Liquidators have asked M&G to assist with the sale and marketing process which is currently ongoing. An update of this position will be provided to creditors in our next report.
- 3.3. VAT on Property Sales**
- 3.3.1. Enquiries into this matter are ongoing. Following the outcome of the Judgment as detailed in 3.1 above, we are seeking guidance from our solicitors, Freeths LLP as to the best course of action in dealing with this matter.
- 3.4. Other Assets**
- 3.4.1. Creditors will note that Mr R Kean alleged that the Company owned certain assets at the commencement of the Liquidation, namely:
- Further parcels of land;
 - A car park; and
 - Plant and Equipment.
- 3.4.2. As noted in 3.2 above, we have instructed M&G to assist with the sale and marketing of the parcels of land still in the Company's name, which has been assumed to include the same car park alleged by Mr R Kean.
- 3.4.3. Despite requests, Mr R Kean has not provided details regarding the Company's plant and equipment to enable the current Liquidators to establish the whereabouts or potential value and realisation of these assets.

4. Assets still to be realised and matters outstanding

4.1. Legal Claim

- 4.1.1. As noted in section 3.1, a Judgment in favour of the Joint Liquidators was granted on 14 April 2019. With the assistance of Freeths LLP, we are taking steps to enforce Judgment against Mrs Kean and Wensum Ltd.
- 4.1.2. A formal claim will be issued in Mr R Kean's bankruptcy estate in early course.
- 4.1.3. A further update in this regard will be provided to creditors in our next report.

4.2. Property assets

- 4.2.1. We are continuing to correspond with M&G in respect of the sale of the residual land and associated car park as detailed in 3.2 above.
- 4.2.2. An update will be provided in the Joint Liquidators' next report.

4.3. VAT on Property Sales

- 4.3.1. As noted in 3.3 above, we are seeking guidance from our solicitors on this matter.
- 4.3.2. A further update in this regard will be provided to creditors in our next report.

5. Estimated Outcome Statement ('EOS')

- 5.1. An estimate of the outcome of the Liquidation is attached at Appendix C4.
- 5.2. Due to the uncertainty relating to the level of asset realisations and the extent to which Judgement can be enforced against the various parties, the Joint Liquidators are unable to estimate the outcome available to creditors at this juncture.
- 5.3. In view of the uncertainties, the Joint Liquidators are proposing that their remuneration be fixed on a combination of fee bases, comprising a percentage fee basis in respect of asset realisation work and a set fee, or fixed fee, in respect of statutory and compliance work so as to align the level of remuneration more closely with the level of realisations. Further details are provided in section 8 and Appendix C.

6. Liabilities

6.1. Secured Creditors

- 6.1.1. According to the filing history at Companies House, the Company has three satisfied charges and one unsatisfied charge as follows:
- 6.1.2. A fixed Legal charge over the Company's assets was granted in favour of National Westminster Bank Plc ("Nat West"). It was created on 18 August 2009 and was registered at Companies House on 20 August 2009. Companies House records that as at 6 July 2012, the charge in favour of Nat West was fully satisfied.

- 6.1.3. A fixed and floating charge debenture over the Company's assets and a legal charge over its property at Risby Business Park were granted in favour of Santander UK Plc ("Santander"). These charges were created on 27 April 2011 and registered at Companies House on 12 May 2011. Companies House records that as at 30 May 2014, the charges in favour of Santander were fully satisfied.
- 6.1.4. A legal mortgage over part of the Company's land at Risby Business Park, registered under title number SK215745 ('the property') was granted in favour of Mrs Kean. It was created on 22 May 2014 and was registered at Companies House on 28 May 2014. The indebtedness to Mrs Kean in respect of a loan is stated at £1,599,596 in the Mortgage deed and the repayment terms are defined as 'one month after demand is made by the lender'.
- 6.1.5. In May 2014, Mrs Kean issued a demand for repayment of this debt, then obtained possession of the property under a consent order dated 13 October 2014, having issued possession proceedings in September following the Company's failure to pay. The directors' Statement of Affairs recognised an unsecured debt in the sum of £384,000 remaining after repossession. However, as detailed in 3.1 above, the Court ruled against this legal charge in favour of Mrs Kean and granted judgment in favour of the Joint Liquidators.
- 6.1.6. An independent creditor, Birketts LLP, obtained a final charging order in respect of a judgement debt of £12,782.17 in July 2014. A second independent creditor, Nimmo Industrial Buildings Ltd, obtained an interim charging order in October 2014 in respect of its judgment debt of £59,504.56 plus interest and costs.
- 6.1.7. Both Birketts LLP and Nimmo Industrial Buildings Ltd have suffered a shortfall for the full extent of their claims, which rank as unsecured.

6.2. Preferential Creditors

- 6.2.1. There are no preferential creditors in this case.

6.3. Unsecured Creditors

- 6.3.1. According to the directors' Statement of Affairs, the Company had 16 unsecured creditors with debts totalling £607,576.03. Claims received to date total £1,108,837.27 from 18 creditors including 5 claimants which are not listed in the Statement of Affairs.
- 6.3.2. At this stage in the Liquidation, claims have not been adjudicated for dividend purposes. However the previous Liquidator has necessarily adjudicated on some creditor claims for the purpose of voting at meetings.
- 6.3.3. Creditors will note in the Estimated Outcome Statement that the outcome to creditors is currently uncertain. Dividend prospects for unsecured creditors will be determined by the successful recovery of claims and asset realisations set out in sections 3 and 4. Further details will be provided to creditors in the next report.

7. Prescribed Part

- 7.1. In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being

50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.

- 7.2. As there is no floating charge, the Prescribed Part does not apply in this instance.

8. Investigations

- 8.1. In accordance with the Company Directors Disqualification Act 1986, the Joint Liquidators are required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the Liquidation. The Joint Liquidators can confirm that this obligation has been complied with and a confidential report was submitted to the Insolvency Service on 27 May 2015 by the previous Liquidator.
- 8.2. An initial investigation into the Company's affairs has also been undertaken by the Liquidators in accordance with Statement of Insolvency Practice 2. The purpose of these investigations is to establish whether there are any potential asset recoveries or conduct which requires further investigation.
- 8.3. Actions identified as a result of the investigation work completed by the previous Liquidator are set out in previous reports and summarised in 3.1 above.
- 8.4. Should creditors have any information which they consider may assist the Liquidators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Liquidators, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the Company's affairs.

9. Joint Liquidators' Remuneration

9.1. Basis of remuneration

- 9.1.1. In accordance with Rule 18.16 of the Insolvency (England & Wales) Rules 2016, the basis of the Joint Liquidators' remuneration may be fixed;
- a) As a percentage of the value of the assets which are realised or distributed, or of the one value and the other in combination; or
 - b) By reference to the time properly given by the Liquidators and their staff in attending matters arising in the winding-up; or
 - c) As a set amount; or
 - d) As a combination of any one or more of the above.
- 9.1.2. Creditors will note from previous reports that the previous Liquidator sought approval for his remuneration on a time cost basis at a meeting of creditors held on 18 May 2016. The previous Liquidator had incurred total time costs of £147,312.50 representing 518.80 hours at an average charge out rate of £283.95 per hour during the period he was in office.

9.1.3. The current Liquidators are now seeking a decision from creditors that their remuneration be agreed as a combination of bases as follows:

- A fixed fee of £120,000 plus VAT in respect of work undertaken to date in respect of investigations and the pursuit of the legal claims set out in section 3.1 and work of a statutory or compliance nature; and
- A percentage basis by reference to the value of property with which the Joint Liquidators are required to deal, in respect of future and prospective realisations and dealing with creditor claims. The Joint Liquidators consider that the percentage basis will ensure for the benefit of creditors that the costs are minimised in the event that future asset realisations are lower than anticipated.

9.1.4. This request is made pursuant to Rule 18.29 of the Insolvency (England & Wales) Rules 2016. A Fees Information Pack is provided within this annual report to support this request.

9.1.5. A Liquidation Committee is required to approve the Liquidators' remuneration; however, where a committee is not formed, a decision in this regard is to be sought from the creditors.

9.1.6. Having considered the extent of work carried out to date and the work which remains to be done in concluding the Liquidation, the combination of bases is considered to be fair and reasonable. To date, the current Liquidators have incurred time costs of £135,014 and in proposing a percentage fee in relation to asset realisations, the current Liquidators believe that the overall level of remuneration will be more closely tied to the success of future realisations and the outcome for creditors.

9.1.7. The Liquidators' fees estimate acts as a cap on fees and no further fees can be drawn without reverting to creditors for further approval.

9.1.8. In accordance with Statement of Insolvency Practice 9, a guide entitled 'A Creditors Guide to Liquidators Fees' providing information on creditors rights in this area is available to download from the website

https://www.r3.org.uk/media/documents/publications/professional_Liquidations%20Creditor%20Fee%20Guide%20April%202017.pdf or will be provided on written request to the Liquidators.

9.2. Costs already incurred

9.2.1. As noted in the Fees Pack attached, the Joint Liquidators' have already undertaken work on this case prior to seeking fee approval, so as to continue to progress the Liquidation and attend to various statutory requirements.

9.2.2. Further information on the work carried out during the current reporting period in respect of the realisation of assets is provided in Section 3 and 4 of the report and also within the narrative summary attached at Appendices C2 and C3.

10. Joint Liquidators' Disbursements

10.1. Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. There are two categories of disbursements, including Category 1 (payments directly to independent third parties) and Category 2 (costs

incurred by the Joint Liquidators or the firm that can be allocated to the case on a proper and reasonable basis).

- 10.2. Category 2 disbursements require approval in the same manner as the Joint Liquidators' remuneration and a decision is being sought from creditors in this regard. Details of this firm's disbursement charging policy is included in the Disbursements policy at Appendix C6.
- 10.3. Details of disbursements incurred in the period and whether they constitute Category 1 or Category 2 disbursements, is provided below. Details of disbursements paid during the period is provided within the attached receipts and payments account.

Type of Disbursement	Description	Amount incurred in period (£)	Total amount incurred (£)
<u>Category 1</u>			
Specific bond	The premium cost of a specific bond for each Liquidator in respect of the potential value of the assets. As the asset value is dependent on the outcome of litigation, the bond paid to JLT Specialty Limited was £20	Nil	20.00
Statutory advertising	Costs paid to Courts Advertising Ltd for statutory advertising requirements namely the London Gazette for notice of the appointment of Liquidators.	Nil	84.60
Travel	The costs of train travel and also parking incurred by the Liquidators in attending meetings.	Nil	1,129.42
Land Registry Fees	The cost of obtaining title documents from the Land Registry	Nil	24.00
Refreshments	The costs of refreshments incurred by the Liquidators whilst working away from the office	10.17	47.81
Legal Disbursements	Freeths LLP in connection with Alternative Dispute Resolution process and a Court fee relating to the Trial	1,090.00	4,952.71
Total Category 1		1,100.17	6,258.54
<u>Category 2</u>			
Mileage	The allocated cost of mileage incurred by the Liquidators attending meetings.	Nil	30.51
Total Category 2		Nil	30.51
Total		1,100.17	6,289.05

11. Expenses

- 11.1. Details of all expenses incurred during the period of the report and likely future expenses are provided in the Expenses Statement attached at Appendix C5.
- 11.2. Further details of expenses paid during the period of the report are shown in the receipts and payments account at Appendix B.
- 11.3. The Estimated Outcome Statement ('EOS') at Appendix C4 and the Expense Estimate at Appendix C5 provide details of the future expenses which the Liquidators consider will be, or are likely to be incurred on this matter. Including the former Liquidator and the current Liquidators' remuneration, the costs are currently uncertain as set out in Appendix C5.
- 11.4. A detailed review of the professional costs incurred during the progress of the Liquidation will be conducted once there are sufficient funds in the estate to discharge these costs. For information purposes, all professional costs incurred to date are disclosed in this report, including some costs associated with litigation which are not allowable as an expense.

12. Matters Outstanding

- 12.1. As can be seen from this report, Judgement has been awarded by the Court in respect of the legal action against the associated parties in favour of the Joint Liquidators. Steps are currently being taken by the Joint Liquidators with the assistance of their advisors to enforce the Judgement against Mrs Kean and Wensum Ltd.
- 12.2. We have also engaged agents to assist us with the sale and marketing of the residual land and car park at Risby Business Park.
- 12.3. A further update regarding the above and the progress made in respect to the VAT on property sales will be provided to creditors in our next report.

13. Creditors' Rights

13.1. Further information

- 13.1.1. We would advise you that, pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the Court, may, within 21 days of receipt of this progress report, ask the Liquidators for further information about the remuneration and expenses set out in this progress report.

13.2. Apply to Court

- 13.2.1. Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the Court may, within 8 weeks of the receipt of this progress report, apply to the Court on one or more of the following grounds:

- a. That the remuneration charged by the Liquidators, or
- b. That the basis fixed for the Liquidators' remuneration, or
- c. That the expenses incurred by the Liquidators,

is, in all of the circumstances, excessive or inappropriate.

13.3. Further guidance

- 13.3.1. In accordance with Statement of Insolvency Practice 9, creditors can find additional information on their rights relating to Liquidators' fees in a copy of the publication "A creditors guide to Liquidators' fees" which is available to download from the website [https://www.r3.org.uk/media/documents/publications/professional Liquidations%20Creditor%20Fee%20Guide%20April%202017.pdf](https://www.r3.org.uk/media/documents/publications/professional%20Liquidations%20Creditor%20Fee%20Guide%20April%202017.pdf) or, alternatively, will be provided free of charge upon written request to this office.
- 13.3.2. For further general information regarding a creditor's role throughout an insolvency process, creditors are reminded that they can also visit <http://www.creditorinsolvencyguide.co.uk>.



P Lannagan
Joint Liquidator

Dated 24 January 2020

Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and bound by the Insolvency Code of Ethics. Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: www.mazars.co.uk/Legal-and-privacy.

J & R Builders (Norwich) Limited – In Liquidation**Identification Details****Details relating to the Company**

Company name	J & R Builders (Norwich) Limited
Previous names	N/A
Trading name	N/A
Company number	05520334
Registered office	c/o Mazars LLP, One St Peters Square, Manchester, M2 3DE
Trading address	Wensum Nurseries, Tavernham Lane, Costessey, Norwich, NR8 5BE

Details relating to the current Liquidators

Date of appointment	1 August 2017
Current Liquidators	Patrick Alexander Lannagan and Conrad Alexander Pearson, both of Mazars LLP IP No(s) 009590 and 014732
Liquidators' address	Mazars LLP, One St Peters Square, Manchester, M2 3DE
Liquidators' contact telephone number	T: +44(0) 161 238 9200

Details relating to the previous Liquidator

Date of appointment	28 November 2014
Date removed from office	1 August 2017
Previous Liquidator	Kevin Lucas, of Lucas Johnson Ltd IP No 9485
Previous Liquidator address	Lucas Johnson Ltd, 32 Stamford Street, Altrincham, Cheshire, WA14 1EY

J & R Builders (Norwich) Limited - in Liquidation
Current Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 28/11/2018 To 27/11/2019 £	From 01/08/2017 To 27/11/2019 £
ASSET REALISATIONS		
Claims Against Associated Parties	NIL	NIL
	NIL	NIL
COSTS OF REALISATIONS		
Previous Liquidator's Remuneration	NIL	NIL
Previous Liquidator's Disbursements	NIL	NIL
Current Liquidators' Remuneration	NIL	NIL
Current Liquidators' Disbursements	NIL	NIL
Agent's Fees & Disbursements	NIL	NIL
Legal Fees & Disbursements	NIL	NIL
Insurance Costs	NIL	NIL
Other Costs	NIL	NIL
	NIL	NIL
UNSECURED CREDITORS		
(223,001.03) Trade & Expense Creditors	NIL	NIL
(384,000.00) Mrs Kean	NIL	NIL
(575.00) HMRC re PAYE & NI	NIL	NIL
	NIL	NIL
(607,576.03)	NIL	NIL
REPRESENTED BY		
Bank Account		NIL

**J & R Builders (Norwich) Limited - in Liquidation
Previous Liquidator's Summary of Receipts & Payments**

Statement of Affairs £	From 28/11/2018 To 27/11/2019 £	From 28/11/2014 To 27/11/2019 £
ASSET REALISATIONS		
Funds Held by Solicitor	NIL	245.01
Deposit for Meeting Costs	NIL	12,360.00
Bank Interest Gross	NIL	0.74
Claims Against Associated Parties	NIL	NIL
	<u>NIL</u>	<u>12,605.75</u>
COSTS OF REALISATIONS		
Liquidator's Fee in relation to Meeting	NIL	7,038.69
Liquidator's Disbursements	NIL	67.60
Legal Fees in relation to Meeting	NIL	5,321.31
Meeting Room Hire	NIL	103.65
Statutory Advertising	NIL	74.50
	<u>NIL</u>	<u>(12,605.75)</u>
UNSECURED CREDITORS		
(223,001.03) Trade & Expense Creditors	NIL	NIL
(384,000.00) Mrs Kean	NIL	NIL
(575.00) HMRC re PAYE & NI	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
(607,576.03)	NIL	NIL
REPRESENTED BY		
Funds Transferred to Current Liquidators		<u><u>NIL</u></u>

Strictly Private and Confidential

J & R Builders (Norwich) Limited - In Liquidation

FEES INFORMATION PACK

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- C6 Disbursements policy**

FEES ESTIMATE

The current Liquidators' total Fees Estimate as at 27 November 2019 to conclude this matter is based on two elements: a fixed fee element and a percentage fee element as set out below. The total estimated fee cannot be disclosed at this stage in order not to influence the level of asset realisations. However, the table below and the detailed narrative summaries in Appendices C2 & C3 provide a breakdown of how these costs will be split between the different functions the Joint Liquidators and their staff are required to perform on this case.

Description of Work	Narrative Summary	Fee basis	Estimated Total Costs (£)
Tasks concerned with Liquidation and planning; statutory and compliance matters; reporting and liaising with creditors; investigations and pursuit of legal claims	Appendix C2	Fixed Fee	120,000.00
Tasks concerned with the realisation of assets, adjudication of claims and distributions to creditors	Appendix C3	Percentage basis: 10% of future realisations	Uncertain
Total			Uncertain

Attached to this Fees Estimate are two detailed narrative summaries of the work already carried out and the work anticipated to be carried out on each fee basis, together with an explanation as to why the various tasks are required.

Not all of the work which the Liquidators are required to perform will provide a direct financial benefit to creditors. Some of the work to be undertaken is required because statute dictates that these tasks must be performed, or because guidance issued by the Insolvency Service or the regulatory bodies requires such. However, a large proportion of the work will involve realising assets and investigating the Company's affairs, with a view to maximising the funds available to creditors.

This work may provide a financial return to unsecured creditors, if realisations can achieve the level awarded in the Judgement.

Exceeding the Fees Estimate

The Fee Estimate for work to be done on a fixed fee basis is based on cases of a similar size and complexity and assumes that there are no complexities or additional issues not disclosed in the narrative summary of work to be undertaken schedule at Appendix C2. No additional fee may be drawn on a fixed fee basis without approval by creditors. In the event that additional work is required in those areas covered by the fixed fee, the Liquidators may revert to creditors to agree any changes to the Fee Estimate.

Creditors should note that the Fee Estimate provided on a percentage basis of realisations is not capped regardless of the level of realisations. A narrative summary of the work to be undertaken on this basis is detailed at Appendix C3.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS IN THE PERIOD
28 NOVEMBER 2018 TO 27 NOVEMBER 2019 AND ESTIMATE FUTURE WORK REQUIRED TO BE
UNDERTAKEN ON A FIXED FEE BASIS****Description of work**

The work outlined in the Appendix is necessary to ensure that the case is administered correctly and in line with statutory requirements. It is not expected that this work will result in a direct financial benefit for creditors and is largely required by statute and to ensure that the case is administered in line with statutory requirements.

Appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. Some of the work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

Administration and Planning

Work already undertaken in this category includes:

- Completing case strategy notes and documenting decisions;
- Holding strategy meetings with the team and advisors, in particular regarding the legal action against the respondents;
- Preparation of documentation required for the legal action.

Further work to be undertaken will include:

- Holding strategy meetings, as required;
- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system;
- Managing and archiving Company records.

The majority of this work derived no financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

Taxation

The following activities were undertaken in order to ensure the Company is compliant with tax requirements:

- Reviewing the Company's VAT position;
- Preparing and submitting post-Liquidation VAT returns, as required by statute;
- Preparing and submitting post-Liquidation Corporation Tax return, as required by statute.

Future work to be undertaken in this category includes:

- Preparing and submitting post-Liquidation VAT returns, as required by statute;
- Preparing and submitting post-Liquidation Corporation Tax returns, as required by statute.

The majority of this work derived no financial benefit for creditors, however, it is required in accordance with tax legislation.

Cashiering

Cashiering work undertaken in the current period includes:

- Establishing set up of case details on our insolvency software system;
- Setting up bank accounts, including deposit accounts as necessary;
- Bank account maintenance, including periodic reconciliations;
- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.

Further work to be undertaken will include:

- Bank account maintenance, including periodic reconciliations;
- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by our regulatory bodies.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS IN THE PERIOD
28 NOVEMBER 2018 TO 27 NOVEMBER 2019 AND ESTIMATE FUTURE WORK REQUIRED TO BE
UNDERTAKEN ON A FIXED FEE BASIS****Description of work****Statutory and Compliance**

Work already undertaken in this category includes:

- Case monitoring and statutory compliance, including internal case reviews;
- Case bordereau.

Future work to be undertaken in this category includes:

- Documenting the outcome of creditor decisions, in particular regarding fee approval;
- Case monitoring and statutory compliance, including internal case reviews.

The majority of this work derived no financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements and this firms internal procedures.

Creditors

Work undertaken to date in this category includes the following tasks:

- Responding to any creditor queries which arise;
- Updating creditors with progress of Liquidation.

Future work to be undertaken in this category includes:

- Responding to any creditor queries which arise;
- Logging creditor claims received.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors. However, if a dividend is to be paid to unsecured creditors, work undertaken in dealing with creditor claims will have a financial benefit in enabling the correct adjudication of claims (refer to Appendix C3 below).

Reporting

Reporting requirements during the period as prescribed by statute have included the following:

- Preparing and circulating of the Joint Liquidators' progress report.

Future work to be undertaken in this category includes:

- Preparing and issuing annual progress reports required in accordance with The Insolvency Act and Rules to provide creditors with an update on the progress of the Liquidation;
- Reporting to Creditors in respect of fee and expenses estimate and seeking approval;
- Reporting on the outcome of creditor decisions;
- Closure reporting.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

Investigations

Further details of the investigation required to be carried out is provided within Section 8 of the report. A summary of the work undertaken to date is as follows:

- Meetings and conference calls with advising solicitors;
- Review of files and books and records for information for requested documentation;
- Preparation of witness statements and supporting documents required for Court;
- Attendance by the Joint Liquidators and their staff at Court.

Future work to be undertaken in this category includes:

- Progressing with requirements in connection with the legal action.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure compliance with statutory duties and in connection with the legal action.

**NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT LIQUIDATORS IN THE PERIOD
28 NOVEMBER 2018 TO 27 NOVEMBER 2019 AND ESTIMATE FUTURE WORK REQUIRED TO BE
UNDERTAKEN ON A PERCENTAGE BASIS**

Description of work

Realisation of Assets

Work already undertaken in this category has included:

- Obtaining a professional valuation and agents recommendations of the Company's residual property assets;
- Arranging ongoing insurance cover regarding the Company's assets;
- Preparation of witness statements and supporting documents required for Court;
- Ongoing strategy meetings and conference calls with our advisors;
- Attendance by the Joint Liquidators and their staff at the Court;
- Review of Court Order granted in the Joint Liquidators' favour;
- Strategy discussions with advisors regarding the enforcement of Judgement against the respondents;
- Engaging in correspondence with Mr R Kean's Trustee in Bankruptcy.

It is anticipated that the work undertaken will have added value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.

Due to the complex nature of this case, the majority of this work has been done by senior members of staff.

Adjudication of Claims

No work has been undertaken in this category to date. However, should there be sufficient funds available in the Liquidation estate to enable a distribution to creditors, the work anticipated to be required in this category will include:

- Issuing a Notice of Intended Dividend, setting a deadline for claims to participate in a first interim distribution;
- Adjudication of creditor claims received, including reviewing the Company records, where required;
- Requesting further information where necessary;
- Dealing with rejected or partially rejected claims, if necessary;

There is a financial benefit to creditors in carrying out this work as it ensures that creditor claims are correctly recorded and fairly adjudicated for participation in the distribution.

Distribution to creditors

In the event that there are sufficient funds to enable a distribution to unsecured creditors, the work anticipated to be undertaken in this regard will include:

- Preparing dividend calculations;
- Processing and payment of distributions, including the cashiering work involved in issuing the payments and the paperwork involved;
- Issuing dividend letters and cheques.

The Fee Estimate assumes that none of the claims will require substantial verification. There is expected to be a direct financial benefit for creditors as the amounts realised exceed the costs of realisation and there is a surplus available for distribution.

J & R Builders (Norwich) Limited - In Liquidation
Joint Liquidators' Estimated Outcome Statement
27 November 2019

	Realised / Paid £	Future Movements £	Total £
Asset Realisations			
SECURED ASSETS			
Land at Risby Business Park	Nil	Uncertain	Uncertain
	Nil	Uncertain	Uncertain
COSTS OF REALISATION			
Legal Fees & Disbursements	Nil	(4,000.00)	(4,000.00)
Agent's Fees & Disbursements	Nil	(7,000.00)	(7,000.00)
	Nil	(11,000.00)	(11,000.00)
ASSET REALISATIONS			
Funds Held by Solicitor	245.01	Nil	245.01
Deposit for Meeting Costs	12,360.00	Nil	12,360.00
Bank Interest Gross	0.74	Nil	0.74
Dividend from Mr R Kean's Bankruptcy Estate	Nil	Uncertain	Uncertain
Recovery of funds from Mrs M Kean	Nil	Uncertain	Uncertain
Recovery of funds from Wensum Ltd	Nil	Uncertain	Uncertain
VAT on Property Sales	Nil	Uncertain	Uncertain
Realisations from Other Assets	Nil	Uncertain	Uncertain
	12,605.75	Uncertain	Uncertain
COSTS OF REALISATION			
Former Liquidator's Costs			
Liquidator's Fee in relation to Meeting	(7,038.69)	Nil	(7,038.69)
Liquidator's Disbursements	(67.60)	Nil	(67.60)
Legal Fees in relation to Meeting	(5,321.31)	Nil	(5,321.31)
Meeting Room Hire	(103.65)	Nil	(103.65)
Statutory Advertising	(74.50)	Nil	(74.50)
Former Liquidator's Fee	Nil	(147,312.50)	(147,312.50)
Former Liquidator's Disbursements	Nil	(50,267.46)	(50,267.46)
Legal Fees & Disbursements	Nil	(75,995.01)	(75,995.01)
Adverse Litigation Costs	Nil	Uncertain	Uncertain
Agent's Fees and Disbursements	Nil	(6,000.00)	(6,000.00)
Current Liquidators' Costs			
Joint Liquidators' Fee (Fixed Costs)	Nil	(120,000.00)	(120,000.00)
Joint Liquidators' Fees (10% of all realisations)	Nil	Uncertain	Uncertain
Joint Liquidators' Disbursements	Nil	(7,000.00)	(7,000.00)
ATE Insurance	Nil	(92,000.00)	(92,000.00)
Insurance	Nil	(3,640.00)	(3,640.00)
Agent's Fees and Disbursements	Nil	Uncertain	Uncertain
Legal Fees & Disbursements	Nil	(220,000.00)	(220,000.00)
	(12,605.75)	Uncertain	Uncertain
Assets Available to Unsecured Creditors			Uncertain
Unsecured Creditors			
Unsecured Creditors			1,108,837.27
			Uncertain
Shortfall to Unsecured Creditors			Uncertain
Dividend to Unsecured Creditors			Uncertain

CURRENT LIQUIDATORS' EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Incurred in Previous Periods (£)	Incurred in Current Period (£)	Likely Future Expense (£)	Total Expense Estimate (£)
Professional advisors' costs The officeholder's choice of the professional advisors listed below was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.					
Legal fees and disbursements	<p>Freeths LLP have been instructed to continue acting for the Liquidators in respect of pursuing the claims. They were chosen based on their experience in insolvency matters and prior knowledge of the case particulars.</p> <p>Their fees have been agreed on a time cost basis and are conditional on recoveries within the estate. Freeths LLP have incurred time costs incurred in the current period of £75,202.01 plus VAT and disbursements of £59,096.96 plus VAT.</p>	76,608.10	134,298.97	13,092.93	224,000.00
Agent's fees and disbursements - Lambert Smith Hampton	<p>The pre-existing engagement with Lambert Smith Hampton ('LSH') was continued in order to obtain an independent professional valuation of Unit B6 as a side letter to the original valuation report.</p> <p>The engagement with LSH was continued because of their experience in providing such valuations and their knowledge of the property assets in question.</p> <p>Their fees have been agreed on a fixed fee basis plus VAT. No costs have been incurred by LSH during the period of this report.</p>	750.00	Nil	Nil	750.00
Agent's fees and disbursements - McPartland & Gifford Limited	<p>McPartland & Gifford Limited ('M&G') were instructed to provide an independent professional valuation, the sale and marketing of the Company's residual land and associated car park at Risby Business Park.</p> <p>M&G have been instructed because of their experience in providing such valuations and services in an insolvency scenario.</p> <p>Their fees have been agreed on a fixed fee basis. M&G have incurred fees of £1,500 plus VAT and disbursements of £543.50 plus VAT during the period of this report.</p>	Nil	2,043.50	4,206.50	6,250.00

CURRENT LIQUIDATORS' EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Incurred in Previous Periods (£)	Incurred in Current Period (£)	Likely Future Expense (£)	Total Expense Estimate (£)
Other expenses					
Insurance for Legal expenses	<p>An indemnity policy has been taken out with Acasta European Insurance Company Limited to cover the costs of legal action in the event that this action is unsuccessful, to protect the Liquidation estate from adverse costs.</p> <p>The premium cost of this policy is conditional on the outcome. Due to the success of the legal action, a cost of £92,000 has been incurred in the current period.</p>	Nil	92,000.00	Nil	92,000.00
Insurance of assets	<p>The property assets of the Company are insured under the Insolvency Scheme with JLT Specialty Limited. The amount incurred in the previous periods represents the quarterly premiums for the period 1 August 2017 to 31 October 2018.</p> <p>The amount incurred in the period represents the quarterly premiums for the period 1 November 2018 to 31 October 2019. Further insurance costs will be incurred until the property assets are disposed of.</p>	1,400.00	1,120.00	1,120.00	3,640.00
Liquidators' Remuneration	To project manage the orderly winding up of the Company's affairs, and to perform those tasks required as dictated by statute, best practice and ethical requirements.	88,858.00	31,142.00	Uncertain	Uncertain
Liquidators' Disbursements	<p>Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds.</p> <p>A further breakdown of the disbursements incurred in the period is provided within Section 10 of the report.</p>	5,631.59	1,100.17	268.24	7,000.00
Total		173,247.69	261,704.64	Uncertain	Uncertain

Type of Expenditure	Who expense incurred by and nature of expense	Total Amount Incurred (£)
Professional advisors' costs The previous Liquidator's choice of the professional advisors listed below was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.		
Legal fees and disbursements	Freeths LLP were instructed to advise and assist in pursuing claims to recover monies in respect of voidable transactions which occurred prior to Liquidation. They were chosen based on their experience in insolvency matters. Their fees have been agreed on a time cost basis on condition of recoveries.	23,894.30
	Under a separate engagement, Freeths LLP were instructed to advise and assist the previous Liquidator in relation to the meeting of creditors held on 1 August 2017. The time costs in relation to this work amount to £12,015.40 plus disbursements as follows: Travel costs 136.31 Court Fees 280.00 Office copy costs 111.00 The sum of £5,712.31 has been settled from the deposit provided by the creditor requisitioning the meeting.	12,542.71
Legal fees and disbursements	DTM Legal LLP were instructed to advise and assist in respect of the recovery of company records from Hatch Brenner LLP and matters arising in relation to land at Risby Business Park. They were chosen based on their experience in insolvency matters. Their fees have been agreed on a time cost basis on condition of recoveries.	35,829.00
Legal fees and disbursements	Turner Parkinson LLP were instructed to assist with the dismissal of the winding up petition. They were chosen based on their experience in insolvency matters. Their fees have been agreed on a time cost basis and their total time costs are £3,402.00 plus VAT. Disbursements incurred by Turner Parkinson LLP are as follows: Counsel's Fee £175.00 Land Registry £152.00	3,729.00
Legal fees and disbursements	Berg & Co were instructed to provide legal advice in respect of a potential professional negligence claim against the Company's solicitors Hatch Brenner LLP. They were chosen based on their experience in insolvency matters. Their fees were agreed on a time cost basis on condition of recoveries. This engagement took place in the months before the replacement of the previous Liquidator and the solicitors files had not been reviewed prior to 01/08/17.	Nil

PREVIOUS LIQUIDATOR'S EXPENSES STATEMENT

Type of Expenditure	Who expense incurred by and nature of expense	Total Amount Incurred (£)
Agent's fees and disbursements	<p>Lambert Smith Hampton were instructed to provide an independent professional valuation of freehold land and properties at Risby Business Park including a special assumption valuation at market value as at 22 May 2014.</p> <p>They were instructed because of their experience in providing such valuations. Their fees have been agreed on a fixed fee basis plus VAT and disbursements.</p>	6,000.00
Other Expenses		
Adverse Litigation costs	<p>The Court order of 10 March 2017 requires that Tranche 1 of the Applicant's (Muriel Kean) costs be paid as an expense of the Liquidation. These are the costs of and incidental to the Application up to and including 11 November 2016 together with half of the costs of and incidental to the hearing in 10 March 2017.</p> <p>Details of costs totalling £26,051.00 were provided by the Applicant but these remain subject to assessment and negotiation.</p>	Subject to agreement
Liquidators' Remuneration	<p>To project manage the orderly winding up of the Company's affairs, and to perform those tasks required as dictated by statute, best practice and ethical requirements.</p> <p>The previous Liquidator sought creditor approval for his remuneration on a time cost basis. The total time costs incurred in the period 28 November 2014 to 1 August 2017 is as stated.</p>	147,312.50
Liquidators' Disbursements	<p>Disbursements are costs paid by the Liquidator's firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. A further breakdown of the disbursements incurred in the period and in total during the Liquidation is provided within Section 10 of the report.</p>	50,267.46
Total Expenses	(not including adverse costs)	279,574.97

DISBURSEMENTS POLICY**Disbursements**

Some of the expenses incurred on this matter are likely to be paid by this firm in the first instance and subsequently re-charged to the estate. Such disbursements fall into 2 categories as follows:

Category 1 disbursements: These are payments to independent third parties where there is specific expenditure directly referable to the case and as such can be drawn without prior approval.

Category 2 disbursements: These are costs that are directly referable to the case but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the Joint Liquidators or their firm, and that can be allocated to the case on a proper and reasonable basis. Such disbursements require approval in the same manner as remuneration.

It is proposed that the following Category 2 disbursements incurred in administering the case be charged:

- Mileage will be charged at relevant Inland Revenue rates, currently 45p per mile.

All other disbursements are to be reimbursed at cost.

The Joint Liquidators reserve the right to increase the charges applicable to mileage and photocopying during the course of the case in line with inflation or increases from our suppliers. Any material amendments will be advised to creditors in the next statutory report.

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 **Victoria Stewart**

Company name **Mazars LLP**

Address **One St Peters Square
Manchester**

Post town **M2 3DE**

County/Region

Postcode

Country

DX

Telephone **T: +44(0) 161 238 9200**



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