

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



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A18

29/01/2020

#75

COMPANIES HOUSE

### 1 Company details

Company number 0 5 7 0 5 4 9 8

Company name in full Rizzo Works Limited (Formerly Known As Sherman Construction Ltd)

#### → Filling in this form

Please complete in typescript or in bold black capitals.

### 2 Liquidator's name

Full forename(s) Alan

Surname Simon

### 3 Liquidator's address

Building name/number Langley House

Street Park Road

Post town London

County/Region

Postcode N 2 8 E Y

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.

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Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 3	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
To date	<sup>d</sup> 0	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X  X

Signature date

<sup>d</sup> 2	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
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**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 **Alan Simon**

Company name **AABRS Limited**

Address **Langley House**

**Park Road**

Post town **London**

County/Region

Postcode **N 2 8 E Y**

Country

DX

Telephone **020 8444 2000**



**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)**

**Liquidator's Annual  
Progress Report to  
Creditors & Members**

**Rizzo Works Limited (Formerly Known As  
Sherman Construction Ltd)  
- In Liquidation**

**27 January 2020**

**RIZZO WORKS LIMITED (FORMERLY KNOWN AS SHERMAN CONSTRUCTION LTD) - IN LIQUIDATION**

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## **RIZZO WORKS LIMITED (FORMERLY KNOWN AS SHERMAN CONSTRUCTION LTD) - IN LIQUIDATION**

### **1 Introduction and Statutory Information**

- 1.1 I, Alan Simon of AABRS Limited, Langley House, Park Road, London, N2 8EY, was appointed as Liquidator of Rizzo Works Limited (Formerly Known As Sherman Construction Ltd) (the **Company**) on 03 December 2018.
- 1.2 This progress report covers the period from 03 December 2018 to 02 December 2019 (**the Period**).
- 1.3 The principal trading address of the Company was 1 Carthusian Street, London, EC1M 6DZ.
- 1.4 The registered office of the Company has been changed to Langley House, Park Road, East Finchley, London, N2 8EY and its registered number is 05705498.
- 1.5 Information about the way that we will use and store personal data on insolvency appointments can be found at <https://www.aabrs.com/privacy-policy>. If you are unable to download this, please contact us and a hard copy will be provided to you.

### **2 Progress of the Liquidation**

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.
- 2.2 At Appendix A is my Receipts and Payments Account for the Period.
- 2.3 Further information about the basis of remuneration agreed in this case and the Liquidator's fees estimate can be found in section 4 of this report, together with any relevant information about revisions to this estimate, where applicable.

#### **Administration (including statutory compliance & reporting)**

- 2.4 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to creditors in my initial fees information.
- 2.5 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.
- 2.6 Some of the work undertaken by an insolvency practitioner is required by statute and may not necessarily provide a financial benefit to creditors but is required on every case by statute. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of the former employees via the National Insurance Fund.
- 2.7 Below are details of the work I have undertaken during the reporting period: -
  - (i) Notifying creditors of the Liquidator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House;

## **RIZZO WORKS LIMITED (FORMERLY KNOWN AS SHERMAN CONSTRUCTION LTD) - IN LIQUIDATION**

- (ii) Complying with statutory duties in respect of the Liquidator's specific penalty bond;
- (iii) Creation and update of case files on my firm's insolvency software;
- (iv) Securing the Company's books and records;
- (v) Completion and filing of the notice of the Company's insolvency to HM Revenue & Customs;
- (vi) Pension regulatory reporting to all relevant parties;
- (vii) Initial assessment required by the Statement of Insolvency Practice 2 and the Company Directors Disqualification 1986 (CDDA) including review of the Company's books and records and the identification of potential asset realisations which may be pursued in the liquidation;
- (viii) Writing to the Company's bankers requesting copy bank statements;
- (ix) Periodic case progression reviews;
- (x) Opening, maintaining the liquidation estate cashbook and bank account;
- (xi) Dealing with all post-appointment VAT and corporation tax compliance;
- (xii) Dealing with former employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company;
- (xiii) Circulaing the Company's creditors with proposals for the basis of the Liquidator's remuneration as decisions to be made by creditors by electronic voting;
- (xiv) Responding to creditor enquiries and correspondence;
- (xv) Instructing a third-party, Middleton Barton Valuation, to dispose of the Company's assets;
- (xvi) Instructing E-Accounting Solutions Limited, an independent firm offering accountancy services, to prepare a cash book analysis for review;
- (xvii) Logging creditors proof of debts onto my firm's insolvency software.

- 2.8 My investigations into the Company's affairs are still in progress. Creditors will appreciate that I am unwilling to disclose information in relation to my ongoing enquiries as to do so may jeopardise potential recoveries for the liquidation estate. However, I hope to provide creditors with details of my investigations within my next report to creditors.

### **Realisation of Assets**

- 2.9 It is considered that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations

## **RIZZO WORKS LIMITED (FORMERLY KNOWN AS SHERMAN CONSTRUCTION LTD) - IN LIQUIDATION**

and the extent of any 3<sup>rd</sup> party security, result in a distribution to the preferential and unsecured creditors of the Company.

### **2.10 Book Debts**

- (i) The director's statement of affairs indicated that book debts were estimated to realise £1,524.17 and £360 has been recovered.
- (ii) The assets were valued by an independent firm of valuers, Middleton Barton Valuation, and sold to SC (Projects and Consulting) Ltd, a connected party. I refer you to the paragraph below relating to connected party transactions for further details.

### **2.11 Cash at Bank**

- (i) The director's statement of affairs indicated that cash at bank was estimated to realise a sum of £35.07 and £1,985.55 was realised.

### **2.12 Plant and Machinery including Motor Vehicles**

- (i) The director's statement of affairs indicated that plant and machinery was estimated to realise £5,000 and £3,720 has been realised.
- (ii) The assets were valued by an independent firm of valuers and sold to SC (Projects and Consulting) Ltd, a connected party. I refer you to the paragraph below relating to connected party transactions for further details.

### **2.13 Retention**

- (i) The director's statement of affairs indicated that retentions were estimated to realise £28,193.55 and £6,840 has been realised.
- (i) The assets were valued by an independent firm of valuers and sold to SC (Projects and Consulting) Ltd, a connected party. I refer you to the paragraph below relating to connected party transactions for further details.

### **2.14 Sundry Refunds**

- (i) A sundry refund of £41.66 was received from the Driver & Vehicle Leasing Agency following disposal of a Company vehicle.

### **Unrealised Assets**

- 2.15 Based on the current position of the case, the remaining unrealised assets include the following: -

- (i) Potential rights of action identified during my investigations in to the Company's affairs; further information in this regard may be found in section 2.23 below.

### **Creditors (claims and distributions)**

- 2.16 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with



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correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

- 2.17 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.18 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.
- 2.19 I consider the following matters worth noting in my report to creditors at this stage:
- There is no secured creditor;
  - I have provided support and assistance to 9 employees;
  - Preferential claims totalling £4,064.32 have been received;
  - There are 29 unsecured creditor claims anticipated in this case with a value per the director's statement of affairs of £674,170.58;
  - I have received unsecured claims totalling £526,328.08 from 16 creditors; I have yet to receive unsecured claims from 30 creditors whose debts are estimated to total £205,906.26 as per director's statement of affairs;
  - No claims have been agreed at this stage.

### **Investigations**

- 2.20 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations. This work may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.
- 2.21 I can confirm that I have submitted a report on the conduct of the director of the Company to the Department for Business Innovation & Skills under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 2.22 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors as a response to my request to complete an investigation questionnaire.
- 2.23 My investigations into the Company's affairs are still in progress. Creditors will appreciate that I am unwilling to disclose information in relation to my ongoing

**RIZZO WORKS LIMITED (FORMERLY KNOWN AS SHERMAN CONSTRUCTION LTD) - IN LIQUIDATION**

enquiries as to do so may jeopardise potential recoveries for the liquidation estate. However, I hope to provide creditors with details of my investigations within my next report to creditors.

**Connected Party Transactions**

- 2.24 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to SC (Projects and Consulting) Ltd, a connected party, during the period covered by this report:

<b>Date of transaction</b>	<b>Assets involved &amp; nature of transaction</b>	<b>Consideration paid &amp; date</b>	<b>Sold to</b>	<b>Relationship</b>
21 December 2018	Purchase of office equipment, motor vehicles, debtor ledger, retentions and work-in-progress	Total consideration: £10,920 plus VAT received on 21 December 2018	SC (Projects and Consulting) Ltd	Common directorship of Mr Gerald Charles Priechenfried.  Mr Priechenfried resigned as director of the Company on 02 May 2018 but remained active in the management of the Company following his resignation.

- 2.25 The assets of the Company were professionally valued on an 'in situ', willing buyer basis by Chris Eckersley of Middleton Barton Valuation.
- 2.26 A provision of 25% had been made for potential bad debts. However, the purchaser advised that there had been a substantial degradation in value due to difficulties in securing payment including snagging and purchase order cancellation; this resulted in an offer of 60% of the 'in-situ' value.
- 2.28 Sale to an unconnected party was considered but not deemed a viable option as the assets ex situ severely depreciated any realisation and the hiatus in trading would result in delay in work in progress been completed and affecting realisations in respect of the debtor's ledger. Accordingly, the sale of the Company's assets in situ achieved a greater realisation for the benefit of the estate.

**3 Creditors****Secured Creditors**

- 3.2 There is no secured creditor registered at Companies House.

**Qualifying Floating Charge Holder (QFC)**

- 3.3 The Company did not grant any floating charges to a secured creditor.

**RIZZO WORKS LIMITED (FORMERLY KNOWN AS SHERMAN CONSTRUCTION LTD) - IN LIQUIDATION**

Accordingly, there is no requirement to create a fund out of a company's net floating charge property for unsecured creditors (known as the Prescribed Part).

**Preferential Creditors**

3.4 A summary of preferential claims is detailed below:

<b>Preferential claim</b>	<b>Received Claim £</b>	<b>Statement of Affairs Claim £</b>	<b>Dividend paid p in the £1</b>
Employee claims (Total number of claims = 9)	1,147.86	Uncertain	Nil
Redundancy Payments Office (RPO)	2,916.46	Uncertain	Nil

3.5 No claims have been agreed at this stage and will only be adjudicated should a dividend become payable.

3.6 I would confirm that a dividend to preferential creditors is dependent on the level of realisations that may be achieved, if any, in respect of the potential rights of action identified during the course of my investigations.

**Unsecured Creditors**

3.7 I have received claims totalling £526,328.08 from 16 creditors. I have yet to receive claims from 30 creditors whose debts are estimated to total £205,906.26 as per director's statement of affairs.

3.8 No claims have been agreed at this stage and will only be adjudicated should a dividend become payable.

3.9 I would confirm that a dividend to unsecured creditors is dependent on the level of realisations that may be achieved, if any, in respect of the potential rights of action identified. Should a dividend become payable, this office will issue notice of the same.

**4 Liquidator's Remuneration**

4.1 Creditors approved that the basis of the Liquidator's remuneration be fixed at £15,000 plus VAT.

4.2 Creditors also agreed that the Liquidator be authorised to draw category 2 disbursements in accordance with his firm's published tariff.

4.3 My fees information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.

4.4 The Liquidator has drawn £12,600 plus VAT against the total set fee agreed of £15,000 plus VAT approved by creditors.

4.5 At the date of this report, I would confirm that my fees estimate for the liquidation remains unchanged. I reserve the right to refer back to creditors should I consider that the estimate will be exceeded and will provide creditors

**RIZZO WORKS LIMITED (FORMERLY KNOWN AS SHERMAN CONSTRUCTION LTD) - IN LIQUIDATION**

with relevant information on the reasons for this and an updated estimate of costs if this proves necessary.

- 4.5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from [www.aabrs.com/resources/creditors-guides](http://www.aabrs.com/resources/creditors-guides).
- 4.6 Attached as Appendix B is additional information in relation to the Liquidator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

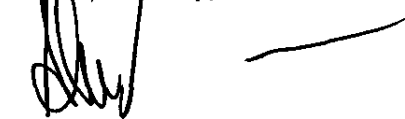
**5 Creditors' Rights**

- 5.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 5.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

**6 Next Report**

- 6.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will make my final account available to all creditors.
- 6.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 020 8444 2000 or by email at [info@aabrs.com](mailto:info@aabrs.com).

Yours faithfully,



**Alan Simon**  
**Liquidator**

**Appendix A**

**Rizzo Works Limited  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments**

<b>Statement of Affairs</b>		<b>From 03/12/2018 To 02/12/2019</b>	<b>From 03/12/2018 To 02/12/2019</b>
<b>£</b>		<b>£</b>	<b>£</b>
	<b>ASSET REALISATIONS</b>		
	Bank Interest Gross	0.79	0.79
1,524.17	Book Debts (3)	360.00	360.00
35.07	Cash at Bank (4)	1,985.55	1,985.55
5,000.00	Plant & Machinery inc Motor Vehicles	3,720.00	3,720.00
28,193.55	Retention (5)	6,840.00	6,840.00
	Sundry Refunds	41.66	41.66
		<u>12,948.00</u>	<u>12,948.00</u>
	<b>COST OF REALISATIONS</b>		
	Liquidators Fees	12,600.00	12,600.00
	Specific Bond	186.00	186.00
	Statutory Advertising	103.96	103.96
		<u>(12,889.96)</u>	<u>(12,889.96)</u>
	<b>PREFERENTIAL CREDITORS</b>		
Uncertain	Employees Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>UNSECURED CREDITORS</b>		
(4,601.53)	HM Revenue & Customs (Corporation	NIL	NIL
(139,750.77)	HM Revenue & Customs (PAYE)	NIL	NIL
(242,000.00)	HM Revenue & Customs (VAT)	NIL	NIL
(298,710.11)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(100.00)	Ordinary Shares	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(650,409.62)</b>		<b>58.04</b>	<b>58.04</b>
	<b>REPRESENTED BY</b>		
	Bank 1 Deposit		0.05
	VAT Receivable		57.99
			<u>58.04</u>

## **RIZZO WORKS LIMITED (FORMERLY KNOWN AS SHERMAN CONSTRUCTION LTD) - IN LIQUIDATION**

### **Appendix B**

#### **Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements**

##### **1 Staff Allocation and the Use of Sub-Contractors**

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Director, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

##### **2 Professional Advisors**

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

<b>Name of Professional Advisor</b>	<b>Basis of Fee Arrangement</b>
E-Accountancy Solutions Limited (accountancy services)	Hourly rate

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

##### **3 Liquidator's Expenses & Disbursements**

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees was approved, a copy of which is set out below:

<b>Expenses including category 1 disbursements</b>	<b>Estimated cost £</b>
Statutory advertising	142.30 plus VAT
Specific penalty bond	80.00 plus VAT
<b>Category 2 disbursements</b>	
Storage (per box, per year) - £50	50.00 plus VAT

##### **Current position of Liquidator's expenses**

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

**RIZZO WORKS LIMITED (FORMERLY KNOWN AS SHERMAN CONSTRUCTION LTD) - IN LIQUIDATION**

<b>Expenses including category 1 disbursements</b>	<b>Paid in the Period £</b>	<b>Incurred but not paid to date £</b>	<b>Total anticipated cost £</b>
Accountancy fees -E-Accountancy Solutions Limited (1)	0.00	80.00	80.00
R6.7 – expenses of decision procedure	0.00	71.15	71.15
Specific penalty bond	186.00	0.00	186.00
Statutory advertising	103.96	38.34	142.30
<b>Category 2 disbursements</b>			
Storage costs (2)	0.00	400.00	800.00

- (1) E Accountancy Solutions Limited is assisting in the preparation of a cash book for the purpose of analysis.
- (2) Eight boxes of records have been received, incurring a charge of £50.00 plus VAT each. The total estimate of £50.00 plus VAT has been revised up to £800.00 plus VAT to provide for further investigation into the potential rights of actions identified.
- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.