

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



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17/11/2018 #97
COMPANIES HOUSE

1 Company details

Company number 0 5 9 9 9 7 4 2

Company name in full EE139 Realisations Limited (LIQ)
(formerly Earn Extra 139 Limited)

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

2 Liquidator's name

Full forename(s) Mike

Surname Kienlen

3 Liquidator's address

Building name/number Third Floor

Street 10 South Parade

Post town Leeds

County/Region

Postcode L S 1 5 Q S

Country

4 Liquidator's name

Full forename(s) Mark

Surname Ranson

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

5 Liquidator's address

Building name/number Third Floor

Street 10 South Parade

Post town Leeds

County/Region

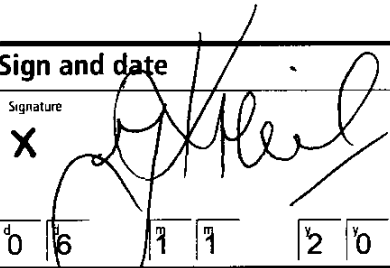
Postcode L S 1 5 Q S

Country

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

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	d	2	d	0	m	0	m	9	y	2	y	0	y	1	y	7
To date	d	1	d	9	m	0	m	9	y	2	y	0	y	1	y	8
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	Signature 															
Signature date	d	0	d	6	m	1	m	1	y	2	y	0	y	1	y	8

Joint Liquidators' Annual Progress Report to Creditors & Members

**EE139 Realisations Limited (formerly Earn Extra
139 Limited) - In Liquidation**

13 November 2018

EE139 REALISATIONS LIMITED (FORMERLY EARN EXTRA 139 LIMITED) - IN LIQUIDATION

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EE139 REALISATIONS LIMITED (FORMERLY EARN EXTRA 139 LIMITED) - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Mike Kienlen, together with my partner Mark Ranson, of Armstrong Watson LLP, Third Floor, 10 South Parade, Leeds, LS1 5QS, were appointed as Joint Liquidators of EE139 Realisations Limited (formerly Earn Extra 139 Limited) ("the Company") on 20 September 2017 following registration of the notice moving the Company from Administration to Creditors' Voluntary Liquidation (Form AM22) by the Registrar of Companies.
- 1.2 This progress report covers the period from 20 September 2017 to 19 September 2018 ("the Period") and should be read in conjunction with any previous progress reports which have been issued.
- 1.3 Information about the way that we will use and store personal data on insolvency appointments can be found at www.armstrongwatson.co.uk/privacy-policy. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 The principal trading address of the Company was Phoenix Court, Wakefield Road, Brighouse, HD6 1PF.
- 1.5 The registered office of the Company has been changed to c/o Armstrong Watson, Third Floor, 10 South Parade, Leeds, LS1 5QS and its registered number is 05999742.

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 and an explanation of the work done by the Joint Liquidators and their staff.
- 2.2 At Appendix A is my Receipts and Payments Account for the Period.

Administration (including statutory compliance & reporting)

- 2.3 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 were outlined to creditors in my initial fees estimate/information.
- 2.4 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 Joint Liquidators.
- 2.5 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

Book Debts

- 2.6 As creditors may recall the book debt collection has been successful. Book debts collected to date stand at £885,026 (£36,534 during the period of the Liquidation).

EE139 REALISATIONS LIMITED (FORMERLY EARN EXTRA 139 LIMITED) - IN LIQUIDATION

- 2.7 I now deem the book debt collection complete, save for a reclaim of Relevant Contract Tax ("RCT") in Ireland. RCT is a withholding tax that applies to certain payments made by principal contractors to subcontractors in the construction industry.
- 2.8 RCT has been withheld at a rate of 35% and I therefore estimate the value of the reclaim to be c£68,755. I have engaged the services of a tax advisor based in Ireland to assist with the reclaim from Revenue & Customs, Ireland.
- 2.9 The reclaim process is continuing and a further update will be provided in my next report to creditors.
- 2.10 It is considered that the work I, as Joint Liquidator and my staff have undertaken to date will bring a financial benefit to creditors.

Creditors (claims and distributions)

- 2.11 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. The Joint Liquidators are not only required to deal with 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.
- 2.12 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.

Pension Scheme

- 2.13 Prior to insolvency, the Company operated a pension scheme with Now: Pensions acting as Trustees. There were 131 active members as at the date of appointment of Joint Administrators over the Company on 23 January 2017.
- 2.14 Following the conversion to Liquidation, the Joint Liquidators instructed a specialist pension and insolvency agent to oversee the Joint Liquidators' duties regarding the scheme. This work is near a conclusion however, certain forms are required to be finalised and filed with payments made in connection with pension contribution arrears.
- 2.15 The above work will not necessarily bring any financial benefit to creditors generally, however the Joint Liquidators are 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 Joint Liquidators in dealing with those claims.

Investigations

Review of Employee Expense Claims

- 2.16 Following the exercise conducted by Armstrong Watson LLP's tax Specialists to establish whether HMRC's claim was reasonable it was recommended that HMRC's determinations and decisions were not to be appealed.

EE139 REALISATIONS LIMITED (FORMERLY EARN EXTRA 139 LIMITED) - IN LIQUIDATION

Additional investigations into Antecedent Transactions and Conduct of Directors

- 2.17 My investigations are continuing and are now focusing on a forensic review of historic transactions including payments made to an Employer-Financed Retirement Benefit Scheme ("EFRBS") trust. So as not to prejudice my investigations I do not consider it appropriate to comment further on specific claims or any parties involved at this stage.
- 2.18 I will be undertaking a more extensive examination of the Company's books and records in order to establish if any unlawful transactions have taken place. The areas of review include monies paid to employees, and the basis of deductions made from salary payments. My staff and I will also be seeking legal input on our findings to consider, if any recoveries are likely and if there are grounds for any claim for wrongdoing or misconduct by the officers of the Company.
- 2.19 Some of the work that the Joint Liquidators are 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 and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Joint Liquidators can pursue for the benefit of creditors.
- 2.20 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 2.21 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 any information provided by creditors.
- 2.22 My investigations revealed the issues highlighted in paragraphs 2.17 - 2.18 above.

Matters still to be dealt with

- 2.23 The following matters are still to be dealt with:
- The recovery of the monies currently held with Revenue & Customs, Ireland;
 - Continuation of the investigation into prior transactions;
 - Review of the Company's records in respect of pension scheme members and payments;
 - Liaising with solicitors in respect of potential recoveries.

3 Creditors

Secured Creditors

- 3.1 The Company has no secured creditors.

EE139 REALISATIONS LIMITED (FORMERLY EARN EXTRA 139 LIMITED) - IN LIQUIDATION

Preferential Creditors

- 3.2 There are no preferential creditor liabilities in respect of arrears of wage or accrued holiday pay. However, my specialist pension agent is overseeing the conclusion of the pension contribution arrears in connection with the scheme, which may conclude that there is a preferential claim for arrears of unpaid pension contributions.
- 3.3 There is also £52,171 cash at bank which has been ring fenced in relation to pension funds, which will be utilised to pay the unsecured element of unpaid pension contributions.

Unsecured Creditors

- 3.4 I have received claims totalling £12,833,357.18 from four creditors. I have yet to receive claims from six creditors whose debts total £2,698, as per the Company's statement of affairs.
- 3.5 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part), which only applies to charges created after 15 September 2003.
- 3.6 I cannot comment on the quantum or timing of any potential dividend at this time due to the ongoing investigations. More information will be provided in my next report.

4 Joint Liquidators' Remuneration

- 4.1 Creditors approved that the basis of the Joint Liquidators' remuneration be fixed on a time costs basis in the amount of £25,925 plus VAT. My fees estimate/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. A copy of this estimate is below.

Administration (inc statutory compliance & reporting)	30	224	6,720
Cashiering	10	174	1,740
Creditors	25	230	5,750
Debtors	25	234	5,850
Investigations	10	235	2,350
Planning	5	293	1,465
Realisation of assets	10	205	2,050

- 4.2 Creditors approved additional remuneration of £30,089 plus VAT on 13 June 2018. As a result the total fee the Joint Liquidators are authorised to draw in this Liquidation is £56,014 plus VAT.

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4.3 A copy of the £30,089 plus VAT estimate is below.

Administration (incl stat compliance & reporting, cashing, planning, forms & reports, file reviews)	2	3	0	2	10	5	22	£4,775	£217
Realisation of assets	3	5	0	1	9	1	19	£4,713	£248
Creditors (ROT, HP claims and distributions)	0	2	0	1	10	3	16	£3,203	£200
Employees (claims, pension and distributions)	0	2	0	1	4	1	8	£1,759	£220
Investigations	4	17	0	8	31	8	68	£15,639	£230

4.4 My time costs for the Period are £47,516. This represents 228 hours at an average rate of £208 per hour. Attached at Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation. To date, £46,847 plus disbursements of £15 has been drawn on account.

4.5 I now consider the fees estimate previously provided for the Liquidation to be insufficient to complete my duties and the remaining tasks that are outlined above. As a result, I intend to seek additional approval and notice of a further fee estimate/information report will be provided to creditors under separate cover.

4.6 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <https://www.armstrongwatson.co.uk/insolvency-creditor-guides>.

4.7 Attached at Appendix C is additional information in relation to the Joint Liquidators' 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 Joint Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.

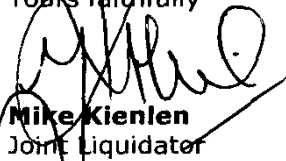
5.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in this progress report, are excessive.

EE139 REALISATIONS LIMITED (FORMERLY EARN EXTRA 139 LIMITED) - IN LIQUIDATION

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 write to all creditors with my final account.
- 6.2 If you have any queries in relation to the contents of this report, please contact Mark Barlow on 0113 2211 345 or by email at the following: mark.barlow@armstrongwatson.co.uk.

Yours faithfully



Mike Kienlen
Joint Liquidator

Mike Kienlen is licensed as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association

Mark Ranson is licensed as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

EE139 REALISATIONS LIMITED (FORMERLY EARN EXTRA 139 LIMITED) - IN LIQUIDATION

Appendix A

Receipts and Payments Account for the period from 20 September 2017 to 19 September 2018

S of A £	£	£
ASSET REALISATIONS		
Book Debts	36,534.18	
Cash at Bank	6,905.46	
Bank Interest Gross	0.10	
		43,439.74
COST OF REALISATIONS		
Liquidators' Fees	46,847.30	
Liquidators Disbursements	15.30	
Administrators' Fees	1,050.00	
Taxation Advisory Services	15,000.00	
Pension Advisory Fee	25,875.00	
Legal Fees (1)	3,448.50	
Accountancy Fees - RCT Claim	2,743.31	
Book Debt Agent Fee	56,612.59	
Repayment of Administrators' VAT	21,039.23	
Document Upload	14.00	
Storage Costs	63.42	
Statutory Advertising	117.24	
Bank Charges	5.00	
		(172,830.89)
DISTRIBUTIONS		
Distribution from Administration	1,184,714.26	
		1,184,714.26
		1,055,323.11
REPRESENTED BY		
VAT Receivable		13,419.23
Bank Account (Non Interest Bearing)		989,731.95
Pension Account		52,171.94
Vat Control Account		(0.01)
		1,055,323.11

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Appendix B

Time Analysis for the period from the 20 September 2017 to 19 September 2018

		Insolvency Practitioner	Manager	Other Senior Professional	Assistant and Support Staff	Total	Average Hourly Rate
Admin - Administration	Hrs	0.30	0.70	9.20	18.30	28.50	173
	Val	103.50	209.60	1,897.50	2,721.30	4,931.90	
Admin - Cashiering	Hrs	1.30	3.60	0.80	25.80	31.50	176
	Val	466.10	1,070.40	180.00	3,841.10	5,557.60	
Admin - Completion	Hrs		1.20	0.40	0.50	2.10	249
	Val		358.50	90.00	74.00	522.50	
Admin - File Review	Hrs	0.50	3.90	0.60	3.20	8.20	236
	Val	181.50	1,170.00	111.60	474.10	1,937.20	
Admin - Filing	Hrs		0.20	4.30	1.30	5.80	204
	Val		61.00	929.40	194.60	1,185.00	
Admin - Forms & Reports	Hrs	1.00	0.70	24.30	2.80	28.80	208
	Val	345.00	203.00	5,014.70	425.60	5,988.30	
Admin - Planning	Hrs	2.30	2.20	3.30		7.80	273
	Val	834.90	662.00	631.50		2,128.40	
Admin - Stat Forms	Hrs	0.10		2.70		2.80	190
	Val	34.50		497.00		531.50	
Administration & Reporting	Hrs	5.50	12.50	45.60	51.90	115.50	
	Val	1,985.50	3,734.50	9,351.70	7,738.70	22,782.40	
Assets - Debtors	Hrs	3.10	1.60	27.60	0.60	32.90	226
	Val	1,095.60	483.50	5,757.50	88.80	7,425.40	
Assets - Realisation of assets	Hrs	1.20	0.20	1.70		3.10	262
	Val	414.00	58.00	339.60		811.60	
Realisation of Assets	Hrs	4.30	1.80	29.30	0.60	36.00	
	Val	1,509.60	541.50	6,097.10	88.80	8,237.00	
Creditors - Unsecured	Hrs	2.00	11.50	9.20		22.70	269
	Val	716.10	3,438.50	1,947.40		6,102.00	
Creditors	Hrs	2.00	11.50	9.20		22.70	
	Val	716.10	3,438.50	1,947.40		6,102.00	

		Insolvency Practitioner	Manager	Other Senior Professional	Assistant and Support Staff	Total	Average Hourly Rate
Employee - Claims and Queries	Hrs		2.80	11.00	1.20	15.00	208
	Val		836.00	2,101.00	176.10	3,113.10	
Employees	Hrs		2.80	11.00	1.20	15.00	
	Val		836.00	2,101.00	176.10	3,113.10	
Invest - Investigations	Hrs	4.50	8.50	10.40	16.00	39.40	185
	Val	1,610.20	2,590.70	2,183.20	897.50	7,281.60	
Investigations	Hrs	4.50	8.50	10.40	16.00	39.40	
	Val	1,610.20	2,590.70	2,183.20	897.50	7,281.60	
Total	Hrs	16.30	37.10	105.50	69.70	228.60	
	Val	5,801.40	11,141.20	21,680.40	8,893.10	47,516.10	

Disbursements Summary

Disb Type	Date	Value	Note
TRAVEL	21/08/2018	15.30	
	Total	15.30	

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Appendix C

Additional Information in Relation to the Joint Liquidators' 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 Partner, 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 On this case we are proposing to use the services of the following sub-contractors

Specialist Pension Advice	Clumber Consultancy	Fixed fee of £25,875	£25,875
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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.

Clarion (legal advice)	Hourly rate and disbursements
------------------------	-------------------------------

- 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 Joint Liquidators' 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 were approved, a copy of which is set out below:

Expense	Estimated cost £
Joint Administrators' fee – final fee to be authorised by creditors	1,050
Book debt collection fee – EE CIS Limited	50,577
Book debt collection fee – Greenbox Resolutions Limited	5,103
Armstrong Watson LLP tax specialists	15,000

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Legal fees	10,000
Statutory advertising	230
Specific penalty bond	150
External storage of company's books and records	150
Document upload	56
	£87,680

Current position of Joint Liquidators' 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:

Legal fees	3,448	0	3,448
Statutory advertising	117	0	117
Taxation advice	15,000	0	15,000
Pension advisory	25,875	0	25,875
Accountancy Fee - RCT claim	2,743	0	2,743
Book debt agent fee	56,613	0	56,613
Document upload	14	0	14
Storage costs	63	0	63
Bank charges	5	5	10
Category 2 disbursements	15	0	15
Business mileage			

- 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 Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

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4 Charge-Out Rates

- 4.1 A schedule of Armstrong Watson LLP's current charge-out rates effective from 1 April 2018 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

Partner – Insolvency Practitioner	363
Senior Manager	305
Manager	270
Assistant Manager	237
Executive	190
Assistant	152

- 4.2 A schedule of Armstrong Watson LLP's charge-out rates effective from 1 November 2017 are detailed below.

Partner – Insolvency Practitioner	352
Senior Manager	296
Assistant Manager	230
Executive	184
Assistant	148

- 4.3 A schedule of Armstrong Watson LLP's charge-out rates effective from 1 April 2017 is detailed below.

Partner/Director – Insolvency Practitioner	315 - 345
Manager/Senior Manager	265 - 290
Executive/Assistant Manager	180 - 225
Assistant	145