

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



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A6ZUKKCO

15/02/2018

#90

COMPANIES HOUSE

1 Company details

Company number 0 6 4 4 6 3 6 1

Company name in full London Welsh Rugby Football Club Limited

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

2 Liquidator's name

Full forename(s) John Dean Cullen FCCA FABRP

Surname MIPA

3 Liquidator's address

Building name/number 2 Sovereign Quay

Street Havannah Street

Post town Cardiff

County/Region

Postcode C F 1 0 5 S F

Country

4 Liquidator's name

Full forename(s) Bethan Louise Evans FCCA MABRP

Surname MIPA

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

5 Liquidator's address

Building name/number 2 Sovereign Quay

Street Havannah Street

Post town Cardiff

County/Region

Postcode C F 1 0 5 S F

Country

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

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6 Period of progress report

From date	d	2	d	3	m	1	m	2	y	2	y	0	y	1	y	6
To date	d	2	d	2	m	1	m	2	y	2	y	0	y	1	y	7

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X 

X

Signature date

d	1	d	4	m	0	m	2	y	2	y	0	y	1	y	8
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

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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	Penelope Elvin
Company name	Menzies LLP
Address	2 Sovereign Quay
	Havannah Street
Post town	Cardiff
County/Region	
Postcode	C F 1 0 5 S F
Country	
DX	
Telephone	029 2049 5444



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

London Welsh Rugby Football Club Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 23/12/2016 To 22/12/2017 £	From 23/12/2016 To 22/12/2017 £
	THIRD PARTY FUNDS		
	Cash at Bank - Funds from PRL	12,499.20	12,499.20
	Rugby 1885 Limited - Funds from PRL	(8,332.80)	(8,332.80)
	Return of Funds to PRL	(4,166.40)	(4,166.40)
		0.00	0.00
	ASSET REALISATIONS		
Uncertain	Intellectual Property	1.00	1.00
3,000.00	Investments- Debentures	NIL	NIL
1,000.00	Plant and Equip	1,029.00	1,029.00
4,500.00	Motor Vehicles	4,633.00	4,633.00
1,550.00	Training/Gym Equip and Kit	1,595.00	1,595.00
700.00	Computer and Office Equipment	720.00	720.00
700.00	Medical Equipment	720.00	720.00
1,936.25	Book Debts	NIL	NIL
2,237.00	Stock	2,302.00	2,302.00
13,044.75	Cash at Bank	17,075.72	17,075.72
14.16	Cash In Hand	NIL	NIL
	Bank Interest Gross	0.68	0.68
		28,076.40	28,076.40
	COST OF REALISATIONS		
	Petitioner's Costs	920.00	920.00
	Specific Bond	80.00	80.00
	Preparation of S of A.	7,500.00	7,500.00
	Liquidators Fees	5,000.00	5,000.00
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		(24,198.83)	(24,198.83)
	PREFERENTIAL CREDITORS		
(80,778.10)	Employees Wage Arrears and Holiday	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(293,703.30)	Trade & Expense Creditors	NIL	NIL
(254,013.11)	Employees	NIL	NIL
(300,902.23)	HM Revenue and Customs - PAYE &	NIL	NIL
(2,147,000.00)	Shareholder Loans	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(8,855,003.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(11,902,717.58)		3,877.57	3,877.57

REPRESENTED BY

Barclays IB

3,877.57

3,877.57

John Dean Cullen FCCA FABRP MIPA
Joint Liquidator

Our ref: JDC/BLE/PAE/32993

Date: 14 February 2018

To all members and creditors

Please ask for Penny Elvin
T +44 (0) 29 2067 4996
Email: PEIvin@menzies.co.uk

Dear Sirs

London Welsh Rugby Football Club Limited - In Liquidation

This is the joint liquidators' first annual progress report ("the report") for the year ended 22 December 2017.

1. Statutory information

The company's registered name is London Welsh Rugby Football Club Limited and it traded as a rugby club.

The company was incorporated on 6 December 2007 under company number 06446361.

The registered office of the company was formerly Old Deer Park, 187 Kew Road, Richmond, Surrey, TW9 2AZ and was changed on 12 January 2017 to 2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF for the purpose of the liquidation.

Bethan Louise Evans FCCA MABRP MIPA and myself, of Menzies LLP, 2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF were appointed joint liquidators of the above-named company by members and creditors on 23 December 2016.

There have been no changes of liquidator in the period to which this report relates

2. Joint Liquidators' progress during the period of this report

The statement of affairs provided by the director detailed the company assets as intellectual property with a book value of an uncertain amount and an estimated to realise value of an uncertain amount. Further assets comprised of plant and equipment with a book value of £3,002 and an estimated to realise value of £1,000, motor vehicles with a book value of nil and an estimated to realise value of £4,500, training/gym equipment and kit with a book value of £3,000 and an estimate to realise value of £1,550, computer and office equipment with a book value of £2,002 and an estimated to realise value of £700, medical equipment with a book value of £1 and an estimated to realise value of £700 and stock with a book value of £7,684.95 and an estimated to realise value of £2,237.

There was an all-encompassing sale of these assets, including any and all interest the joint liquidators had in the intellectual property, which I valued at £1, to Mr Kelvin J Bryon for £11,000 plus VAT, the highest bid received, in February 2017.

The statement of affairs also outlined book debts with a book value of £7,745 and an estimated to realise value of £1,936.25. These book debts have not been realised and it is not expected that any book debts will be realised due to the minimal records in relation to these debts and the age of the debts.

Detailed on the statement of affairs was also cash in hand with a book value of £14.16 and an estimated to realise value of £14.16. This cash has not been realised and I do not expect that it will be realised.

Other assets detailed on the statement of affairs comprised investments in debentures held at the Principality Stadium, Wales with a book value of £30,000 and estimated to realise value of £3,000. Further to my appointment time has been spent liaising with my solicitor, Philip Jones of Capital Law, regarding the potential transferability of these debentures and liaising with my agent, Peter Atkinson of Hilco Global, in respect of the sale of the debentures. Upon receipt of appropriate advice it came to light that that company owns 15 transferable debentures, 4 of which ticket rights had already been assigned and 52 non-transferable debentures, 38 of which ticket rights had already been assigned. Accordingly, there are only 11 transferable unencumbered debentures. I have engaged extensively with the Welsh Rugby Union ("WRU") in respect of the proposed transferability of the debentures and whether there is any prospect that the rules regarding transferability could be relaxed and the WRU portal utilised. Correspondence between Hilco and the WRU on this matter has been ongoing. These 11 debentures have not yet been realised and I am awaiting a further update from the WRU.

No action is to be taken regarding the non-transferable debentures and once the transferable debentures have been sold by my agent I will be looking to immediately resign from the WRU.

Further to my appointment time has been spent liaising with the company's bank, The Royal Bank of Scotland, and subsequently the company's bank account was closed and funds remitted to the liquidation estate. At this time, the cash at bank balance was £29,574.92 rather than £13,044.75 as outlined on the statement of affairs.

The cash at bank balance was significantly higher than the cash at bank value outlined on the statement of affairs as a result of the December and January Premiership Rugby League ("PRL") monthly payments of £8,332.80 that were received into the company bank account on 22 December 2016 and 25 January 2017. The successor company, namely Rugby 1885 Limited, honoured the company's second PRL December fixture on the 24th December 2016 and one of two scheduled January PRL fixtures on 1st January 2017. Significant time was spent liaising with the PRL and my solicitor in respect of these third party funds. It was resolved that £8,332.80 should be transferred to Rugby 1885 Limited in relation to the two London Welsh Rugby Football Club Limited fixtures that were fulfilled by the successor company post-liquidation. It was also agreed with the PRL that the remaining half of the January payment would be returned to the PRL, following the failure of the successor club to obtain a license to fulfil the second January fixture. These monies were considered third party funds and a total of £8,332.80 was returned to Rugby 1885 Limited and £4,166.40 returned to the PRL. The cash at bank figure received in to the liquidation estate was therefore £17,075.72.

The only other asset realisation in the first year of the liquidation has been bank interest of £0.68.

Connected party transactions

As detailed above, the chattel assets of the company were sold to a connected party after the date of my appointment on 23 December 2016, as it appeared that the connected party had made a better offer than any other prospective purchaser. My agents confirmed that this offer was unlikely to be bettered and should be accepted.

Under Statement of Insolvency Practice 13, I have a duty to disclose the following information:

- The transaction was undertaken on 3 February 2017.
- The assets sold were intellectual property, plant and equipment, motor vehicles, training and gym equipment, computer and office equipment, medical equipment and stock.
- The transaction consideration was £11,000 plus VAT and which was paid on 3 February 2017.
- The counter party was Mr Kelvin Bryon.
- The connected party is Mr Kelvin Bryon and his relationship with the company in liquidation is as a shareholder of the Company, as well as being the Company's key benefactor.
- All parties were independently advised.
- The agents used were Peter Atkinson of Hilco Global.
- This transaction was immediately disclosed to the liquidation committee.

If you are aware of any matters in respect of the company assets which you believe require my investigation or are aware of any potential asset recoveries which are not outlined above, please advise me accordingly in writing, providing as much detail as possible with regard to those matters. Any such contact will of course be kept confidential.

Investigative matters

I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation.

The company's books and records have been recovered, listed and analysed. Time was spent liaising with the directors in respect of the location and access of the company books and records and additional time was also spent liaising with Restore in respect of the release of the books and records. Consequently, a release fee of £345.38 was negotiated and paid to Restore for the termination of the contract held by the company and the release of 86 boxes of books and records from the Restore premises with immediate effect.

With regards to the Company's affairs prior to liquidation, my investigations are ongoing. I am sure you will appreciate that I am unable to provide any specific information with regard to these matters, as to do so may prejudice a successful outcome.

In accordance with my statutory duties, a conduct report on the directors were submitted to the Insolvency Service pursuant to the Company Directors Disqualification Act 1986.

If you are aware of any matters which you believe require my investigation, please advise me accordingly, in writing, providing as much detail as possible with regard to those matters. Any such contact will, of course, be kept confidential.

General matters

In addition to the work undertaken to result in the asset realisations referred to above, throughout the period of my administration I have responded to the queries of creditors and noted creditor claims.

In addition to this, I have met with the members of the liquidation committee and reported to them on a six monthly basis.

As appropriate, I have liaised with the employees, the Redundancy Payments office with regard to employee matters.

Specific tasks such as the agreement of creditor claims, VAT and tax issues, cashing, statutory returns and insurance, have been allocated to team members who have specialist knowledge in the relevant areas.

Additionally, I have complied with obligations imposed by statute and my regulatory bodies which include, but are not limited to, the submission of returns to Companies House, HM Revenue and Customs, insuring assets and specific penalty bonding.

3. Abstract of the Joint Liquidators' receipts and payments

I attach at Appendix 3 an abstract of my receipts and payments for the period of this report.

Please note that all items detailed on the receipts and payments account are shown net of VAT as the company was registered for VAT and the VAT can therefore be recovered for the benefit of the insolvent estate.

4. Assets which remain to be realised

As detailed above, I have yet to realise the 11 transferable unallocated debentures and my correspondence with the WRU in this matter is ongoing.

My investigations into the company's affairs prior to liquidation to establish whether there are any potential asset recoveries, are ongoing. I am working with the liquidation committee as appropriate in respect of these investigations.

5. Joint Liquidators' remuneration

At the first meeting of the liquidation committee held on 31 January 2017 the members approved that the Joint Liquidators' should discharge as a first priority from the realisations made in the liquidation the statement of affairs fee of £7,500.00 plus VAT due to Menzies LLP. The fee was charged on a fixed fee basis. It was paid from first realisations and is shown in the enclosed receipts and payments account.

At the first meeting of the liquidation committee held on 31 January 2017 my remuneration was fixed by reference to the time properly spent by myself and my staff in attending to matters arising in the liquidation at the prevailing charge-out rates and as set out in the attached fee estimate totalling £42,152.20. For creditor's information, the charge out value of time costs incurred during the period to which this report relates amounts to £43,288.85 made up of 237.50 hours at an average charge out rate of £182.26 per hour.

In total I have recovered £5,000 in respect of my time costs that relate to this period.

I attach at Appendix 1 a breakdown of the time costs between the grades of staff allocated to the case, which includes details of the current charge out rates of myself and my team who have been and will be dealing with the liquidation.

A copy of "A Creditors' Guide to Liquidator's Fees", issued by the Association of Business Recovery Professionals, which sets out the basis of fixing the Liquidator's Remuneration, is available on our website at:

<https://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>

You should then choose the appropriate creditor guide for the type of appointment after September 2015.

Please let me know if you do not have access to the internet and would prefer a hard-copy of this guide.

6. Joint Liquidators' expenses

The payments made from the estate during the period of this progress report are largely self-explanatory.

The following agents or professional advisors have been utilised in this matter:

Professional Advisor	Nature of Work	Fee Arrangement
Capital Law	Solicitors	Time costs basis
Hilco Global	Valuation Services	Percentage of realisations
JG Collections	Books and record agent	Time cost basis
Peter Miller	Books and record agent	Time cost basis

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and we are satisfied that they are reasonable in the circumstances of this case.

Below is a table which details what disbursements have been incurred, paid and which remain outstanding in the liquidation:

Nature of Expense	Paid (£)	Remains Outstanding (£)	Total Paid by the Liquidation (£)
Petitioner's costs	920.00	Nil	920.00
Specific Penalty Bond	80.00	Nil	80.00
Agents/Valuers Disbursements	144.93	Nil	144.93
Agents/Valuers Fees	5,500.00	Nil	5,500
Legal Fees	3,125.00	Nil	3,125.00
S98 Meeting Room Hire	300.00	Nil	300.00
Books and Records Collection	1,149.90	Nil	1,149.00
Storage Costs	84.50	Nil	84.50
Statutory Advertising	229.50	Nil	229.50
Insurance of Assets	165.00	Nil	165

Should further realisations be made, these expenses will be discharged else they will remain unpaid and borne by my firm.

A statement with regard to our disbursements recovery policy is attached at Appendix 2.

7. Return to creditors pursuant to Section 176A

The provisions of Section 176A of the Act require a calculation to be made of the prescribed part of the company's net property for distribution to unsecured creditors. The prescribed part must be calculated and provided for where debentures of the company have been created after 15th September 2003.

In dealing with realisations under the prescribed part, we are entitled to take into account the claims of the preferential creditors and the costs and expenses associated in dealing with the prescribed part.

The company's net property comprises floating charge realisations less preferential claims and the costs of dealing with the prescribed part.

As there are no relevant floating charges, the provisions of Section 176A do not apply in this matter.

8. Outcome for creditors

I have not yet received a claim from the Redundancy Payments Service in respect of payments made to former employees of the company.

I have received claims in respect of PAYE and VAT from HM Revenue and Customs totalling £398,950.17 to rank for dividend.

Trade and expense creditor claims received to date total £373,407. against total trade and expense creditors' claims shown on the company's statement of affairs of £293,703.

Claims received to date in relation to shareholder loans amount to £1,880,000 against total shareholder loans shown on the company's statement of affairs of £2,147,000.

The amount and timing of any dividend will ultimately depend on the outcome of my investigation into the affairs of the company. Currently, I do not anticipate any dividend to the preferential or unsecured creditors to become payable.

9. Creditors' right to information

A creditor may make a request for further information regarding my remuneration and expenses. Any such request must be in writing and should be made within 21 days of receipt of this report. Where the request is made by an unsecured creditor, it must be supported by at least 5% in value of the unsecured creditors, or with the permission of the Court.

If the information requested is either prejudicial to my conduct of this case, might lead to violence against any person, may be confidential or the costs of preparing the requested information would be excessive, we may not be obliged to provide it.

Any unsecured creditor may make an application to the Court in respect of any information provided following such a request, or my failure to provide same, after 14 days of my receipt of that request.

Additionally, creditors may make an application to Court to challenge the amount or basis of my remuneration and expenses, which must be supported by at least 10% in value of the creditors, including the applicant's claim. The application must be made within 8 weeks of receipt of this report. The costs of the application must also be paid by the creditors making the application.

Further details with regard to these provisions form part of the guidance notes relating to fees referred to previously.

10. Next report

We are required to provide a further progress report within two months of the end of the next anniversary of the liquidation.

I regret that, in the present circumstances, I am unable to provide an indication as to when we expect to conclude the administration of this liquidation. I hope to be able to give a better indication in my next report.

Should you have any further queries in relation to the contents of this report, or with regard to other matters arising, please do not hesitate to contact us.

Yours faithfully

For and on behalf of

London Welsh Rugby Football Club Limited - In Liquidation

A handwritten signature in black ink, appearing to read 'John Dean Cullen', with a stylized flourish at the end.

John Dean Cullen
Joint Liquidator

LONDON WELSH RUGBY FOOTBALL CLUB - IN LIQUIDATION

APPENDIX 1

TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 23/12/2016 TO 22/12/2017

HOURS

Classification of work function	Partner/ Director	Manager	Senior	Administrator	Support	Total Hours	Time Costs	Average Hourly Rate
							£	£
Admin and Planning								
Investigations	14.40	8.00	1.00	70.00	1.40	94.80	15,516.35	163.67
Realisation of Assets	1.80	0.00	0.00	38.30	0.00	40.10	4,751.50	118.49
Creditors	22.90	1.40	0.00	21.80	0.00	46.10	11,696.00	253.71
Support	17.40	2.30	0.00	36.80	0.00	56.50	11,325.00	200.44
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	56.50	11.70	1.00	166.90	1.40	237.50		
Total Costs	22,410.50	2,697.00	187.50	17,916.00	77.85		43,288.85	

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS

From 1 Oct 2017 1 Oct 2016 - 30 Sept 2017

£ per hour £ per hour

Partner/Director	365-505	315-505
Manager	225-295	225-345
Senior	195	185-230
Administrator	75-195	85-180
Support Staff	80-95	55.60-105

Note 1 There may have been a number of promotions through the various grades during the period of the administration.

Note 2 Overhead costs are reflected in the charge out rates detailed.

Note 3 The charge-out rate of the Insolvency Practitioner for this assignment is currently £X per hour, and the administrator is £X per hour.

Note 4 Time is recorded in minimum units of 6 minutes.

APPENDIX 2

DISBURSEMENTS RECOVERY POLICY

Professional advisors have been selected on the basis that they have the appropriate experience and qualifications to effectively deal with the issues arising in a case of this nature.

All disbursements are shown as net of VAT. As the company was registered for VAT purposes VAT can be recovered for the benefit of the insolvent estate.

Category 1 Disbursements

Specific expenditure relating to the administration of the insolvent estate and payable to an independent third party is recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, telephone calls, postage, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

Appendix 3
London Welsh Rugby Football Club Limited
(In Liquidation)
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Uncertain Intellectual Property	1.00	1.00
3,000.00 Investments- Debentures	NIL	NIL
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(2,147,000.00) Shareholder Loans	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
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	NIL	NIL
(11,902,717.58)	3,877.57	3,877.57

VAT Receivable	4,622.77
Barclays IB	3,877.57
VAT Payable	(2,200.00)
Vat Control Account	(2,422.77)
	-
	3,877.57