

LIQ03

Notice of progress report in voluntary winding up



Companies House

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COMPANIES HOUSE

1 Company details

Company number 0 6 6 1 8 9 3 3

Company name in full De Facto 1641 Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Lindsey J

Surname Cooper

3 Liquidator's address

Building name/number 3 Hardman Street

Street

Post town Manchester

County/Region

Postcode M 3 3 H F

Country

4 Liquidator's name ①

Full forename(s) Christopher

Surname Ratten

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 3 Hardman Street

Street

Post town Manchester

County/Region

Postcode M 3 3 H 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	3	d	1	m	0	m	5	y	2	y	0	y	1	y	8
To date	d	3	d	0	m	0	m	5	y	2	y	0	y	1	y	9

7 Progress report

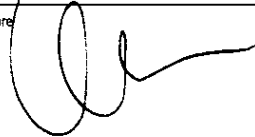
☐ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	2	d	3	m	0	m	7	y	2	y	0	y	1	y	9
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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 **Tom Haley**

Company name **RSM Restructuring Advisory LLP**

Address **9th Floor**

3 Hardman Street

Post town **Manchester**

County/Region

Postcode

M 3 3 H F

Country

DX

Telephone

0161 830 4000

**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

In the matter of

**De Facto 1641 Limited In Liquidation
(‘the Company’)**

Joint Liquidators’ progress report

23 July 2019

**Lindsey J Cooper and Christopher Ratten
Joint Liquidators**

**RSM Restructuring Advisory LLP
3 Hardman Street
Manchester
M3 3HF
Tel: 0161 830 4000
Email: restructuring.manchester@rsmuk.com**

Sections

1. Progress of the liquidation
2. Details of what remains to be done and matters preventing closure
3. Creditors' claims and dividend prospects
4. Receipts and payments summary
5. Joint Liquidators' remuneration, expenses and disbursements
6. Creditors' right to information and ability to challenge remuneration and expenses

Appendices

- A. Statutory information
- B. Dividend Prospects
- C. Summary of receipts and payments
- D. RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement
- E. RSM Restructuring Advisory LLP Manchester current charge out and disbursement rates
- F. Statement of expenses incurred in the period from 31 May 2018 to 30 May 2019
- G. Joint Liquidators' time cost analysis for the period from 31 May 2018 to 30 May 2019

This report has been prepared in accordance with insolvency legislation to provide creditors, members and the registrar of companies with information relating to the progress of the liquidation in the period from 31 May 2018 to 30 May 2019. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has been prepared solely to comply with the requirements of the relevant legislation. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

Neither the Joint Liquidators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

1 Progress of the liquidation

The costs incurred to date and those expected to be incurred in dealing with the matters below are set out in detail at Section 5.

1.1 Realisation of assets

The Joint Liquidators are obliged to realise and get in the Company's property and maximise realisations. In some cases this does not result in sufficient realisations to enable a financial return to creditors, after taking into account the costs and expenses of realisation and dealing with the legislative requirements of administering the case. Details of the realisations made are set out below, with information relating to dividends, if any, contained within Appendix B.

1.1.1 Intercompany settlement pre-appointment transaction

As per the directors' report to creditors the wholly owned subsidiary of De Facto 1640 Limited (formerly LK Bennett Acquisitions Limited) ('1640') was acquired by LK Bennett London Limited on 6 April 2017 for nominal consideration. LK Bennett London Limited is owned by Phoenix Equity Nominees Limited and Eywood Limited who are both connected parties.

The Joint Liquidators have carried out their statutory investigations into this transaction and concluded that the asset was not disposed of at fair value. The transaction was subsequently challenged by REYL & Cie SA ('REYL'), a creditor within 1640.

As a result of court proceedings commenced by REYL against various parties, including the Company, and connected companies De Facto 1639 Limited ('1639') and 1640, mediation was entered into between all parties concerned in September 2018.

A settlement agreement was subsequently reached between all parties involved and the settlement monies have been paid. In accordance with the agreement, the settlement funds totalling £1,004,103 were paid to the Company.

1.1.2 Bank Interest Gross

Gross bank interest totalling £310.93 has been received during the current period.

1.1.3 Third Party Funds Received

During the period, funds totalling £1,809 were paid to the Company in error. The balance was refunded to the respective party during the period.

1.2 Investigations

In accordance with our statutory obligations, we have filed the appropriate documentation in relation to the conduct of the directors.

We can advise you that, following our initial assessment, further investigations were undertaken in relation to a transaction that was completed prior to the appointment of the Joint Liquidators. Further details in respect of the transaction are provided in section 1.1.1 above.

We confirm that these actions have now concluded and a settlement agreement has been reached between the Company and various other parties.

1.3 Case specific matters

As discussed in more detail earlier in this report it has been necessary to liaise with various parties in relation to the pre-appointment transaction identified and subsequent settlement agreement entered into by the Company and various other parties.

1.4 Administration and planning

Certain aspects of the work that the Joint Liquidators undertake are derived from the underlying legal and regulatory framework for cases of this nature. This work, which does not usually result in any direct financial return to creditors, is a necessary aspect of ensuring that the Joint Liquidators are complying with both their legislative and best practice responsibilities and ensuring that the case is managed efficiently and effectively. It includes matters such as:

- Periodic case reviews, ongoing case planning and strategy
- Maintaining and updating computerised case management records
- Dealing with routine correspondence not attributable to other categories of work
- Ongoing consideration of ethical and anti-money laundering regulations
- General taxation matters, including seeking tax clearance from HMRC
- Preparation of receipts and payments accounts, maintenance of cashing records
- Preparing, reviewing and issuing final report to creditors and other parties
- Filing of final documentation at Companies House and other relevant parties
- General administrative matters in relation to closing the case

2 Details of what remains to be done and matters preventing closure

2.1 Assets remaining to be realised

There are no assets remaining to be realised.

2.2 Other outstanding matters

All outstanding matters relating to the liquidation and the liquidations of 1639 and 1640 have now been concluded and the Liquidators have commenced closure proceedings. A final progress report will be issued to creditors shortly.

3 Creditors' claims and dividend prospects

Dividend returns to creditors are attached.

The Joint Liquidators have reviewed and agreed the unsecured creditors' claims during the current period. A first and final distribution was paid to the unsecured creditors on 20 May 2019.

The Joint Liquidators are obliged to deal with a number of matters in relation to creditors to comply with both the legislative and best practice requirements and to ensure creditors are kept informed. Creditors will only derive an indirect financial return from this work on cases where a dividend has been paid. These matters include:

- Preparation and issue of progress reports and associated documentation;
- Maintenance of schedules of preferential and unsecured creditors' claims;
- Dealing with correspondence and telephone calls;
- Where necessary, consideration of creditors' claims; acceptance or rejection of claims and complying with legislative obligations in relation to adjudication of creditors' claims generally for voting and, if applicable, dividend purposes;

3.1 Prescribed part

The 'Prescribed Part' is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs.

There are no creditors secured by charges over the assets and undertakings of the Company. There is therefore no requirement to estimate the amount of the prescribed part of the assets under Section 176A of the Insolvency Act 1986.

4 Receipts and payments summary

We attach a summary of our receipts and payments for the period from 31 May 2018 to 30 May 2019, along with cumulative figures where applicable.

4.1 VAT basis

Receipts and payments are shown net of VAT as the Company was not VAT registered and consequently VAT is not recoverable from HM Revenue and Customs. Any irrecoverable VAT is shown in the receipts and payments as a 'cost of realisation'.

5 Joint Liquidators' remuneration and expenses

5.1 Authority for remuneration, disbursements and expenses

The Joint Liquidators' remuneration was approved on 27 November 2018 by the general body of creditors on the following basis.

On the basis of time costs limited to the sum of £48,162.20 (plus VAT) in accordance with the fee estimate dated 9 November 2018.

5.2 Remuneration and expenses incurred in the period from 31 May 2018 to 30 May 2019 and since appointment

Sums drawn, both in respect of the current period of the report, and since appointment, in accordance with the relevant approval(s) set out above, are detailed in the attached receipts and payments account.

The Joint Liquidators are required to report remuneration 'charged' in the period. This reflects the time charged to the case for any category of work where remuneration has been approved on a time cost basis. The Joint Liquidators can only draw remuneration based on time costs, that has been approved in accordance the fee estimate(s), as set out above.

Since the date of our appointment the Joint Liquidators have incurred time costs of £59,406.

The Joint Liquidators have incurred time costs of £33,615 in the current period. An analysis of time incurred in the period is attached.

5.3 Expenses and disbursements

Attached are the Joint Liquidators' charging, expenses and disbursement policy statement, together with the current rates. Details of the expenses (including category 1 and category 2 disbursements) that the Joint Liquidators have incurred in the period of the report are also attached, along with cumulative figures.

The amount of the expenses incurred is higher than the estimate provided to creditors on 9 November 2018 because the legal fees incurred relating to the settlement agreement were higher than anticipated.

5.3.1 Other professional costs

Whilst professional costs are not subject to approval by the relevant approving body, all professional costs are subject to review before being paid.

Field Fisher LLP ('FF') and Enyo Law LLP ('Enyo'), solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. They have advised me on the ongoing investigations and the legal proceedings commenced by the aggrieved creditors. We have agreed their remuneration based on their standard hourly charge-out rates, plus VAT and disbursements. To date FF and Enyo have been paid £38,392.00 plus VAT and £177,610.33 plus VAT respectively.

5.4 Pre-appointment fees and expenses

Prior to appointment the Joint Liquidators incurred costs of £6,000 plus VAT in respect of reasonable and necessary expenses for assisting the directors with the preparation of the statement of affairs and in seeking the creditors' nomination of Joint Liquidators through the deemed consent procedure. These were paid by L.K. Bennett London Limited and therefore will not appear on the receipts and payments account attached at Appendix C.

6 Creditors' right to information and ability to challenge remuneration and expenses

In accordance with the provisions of relevant legislation creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

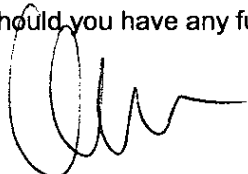
A request for further information must be made within 21 days of receipt of this report in writing by any secured creditor or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court on the grounds that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

A Creditors' Guide to Liquidators' Fees, which provides information for creditors in relation to the remuneration of a Liquidator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

Should you have any further queries please do not hesitate to contact me.



Lindsey Cooper
RSM Restructuring Advisory LLP
Joint Liquidator

Lindsey J Cooper is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales
Christopher Ratten is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

Appendix A

Statutory and other information

Company information	
Company name:	De Facto 1641 Limited
Company number:	06618933
Date of incorporation:	13 June 2008
Trading name:	L.K. Bennett Finance Limited)
Trading address:	3 Cavendish Sq, london, W1G 0IB
Principal activity:	Holding company
Registered office:	RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester, M3 3HF
Previous registered office:	Rivington House, 82 Great Eastern Street, London, EC2A 3JF

Liquidation information		
Joint Liquidators:	Lindsey J Cooper and Christopher Ratten	
Date of appointment:	31 May 2017	
Correspondence address & contact details of case manager:	Liz Williamson RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester, M3 3HF Email: restructuring.manchester@rsmuk.com	
Name, address & contact details of Joint Liquidators	Primary Office Holder Lindsey J Cooper RSM Restructuring Advisory LLP 3 Hardman Street, Manchester, M3 3HF 0161 830 4031 IP Number: 008931	Joint Office Holder: Christopher Ratten RSM Restructuring Advisory LLP 3 Hardman Street, Manchester, M3 3HF 0161 830 4000 IP Number: 9338

Appendix B

Dividend prospects

	Owed	Paid to date	Estimated future prospects
Secured creditor: None	NIL	NIL	NIL
Preferential creditors	NIL	NIL	NIL
Unsecured creditors	£151.161m	£683,664	NIL
Estimated net property	N/A		
Estimated prescribed part available for unsecured creditors	N/A		

Any estimated outcome for creditors is illustrative and may be subject to change.

Appendix C

De Facto 1641 Limited Trading As: L.K. Bennett Finance Limited In Liquidation Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 31/05/2018 To 30/05/2019 £	From 31/05/2017 To 30/05/2019 £
	ASSET REALISATIONS		
	Bank Interest Gross	310.93	310.93
	Settlement Funds Received - TUV	1,004,103.00	1,004,103.00
	Third Party Funds Received	1,809.00	1,809.00
		1,006,222.93	1,006,222.93
	COST OF REALISATIONS		
	Legal Fees	216,002.33	216,002.33
	Office Holders Fees	25,000.00	25,000.00
	Statutory Advertising	87.48	87.48
	Third Party Funds Refunded	1,809.00	1,809.00
	VAT - Irrecoverable	48,217.97	48,217.97
		(291,116.78)	(291,116.78)
	UNSECURED CREDITORS		
(14,339,008.00)	Associated Creditors	NIL	NIL
(136,822,000.00)	Trade & Expense Creditors	683,664.00	683,664.00
		(683,664.00)	(683,664.00)
	DISTRIBUTIONS		
(11,112,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(162,273,008.00)		31,442.15	31,442.15
	REPRESENTED BY		
	Bank 1 Current		31,442.15
			31,442.15

Appendix D

RSM Restructuring Advisory LLP charging, expenses and disbursements policy statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP Manchester are attached.
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A decision regarding the approval of category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Manchester will be sought from the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

Appendix E

RSM Restructuring Advisory LLP Manchester current charge out and category 2 disbursement rates

Hourly charge out rates		
	Rates at commencement £	Current rates £
Partner	435	525
Directors / Associate Directors	330-385	385-475
Manager	286-315	245-335
Assistant Managers	209	240-245
Administrators	143-204	105-240
Support staff	143-173	195

Category 2 disbursement rates	
Subsistence	£25 per night
Travel (car)	42.5p per mile
'Tracker' searches	£10 per case

Appendix F

Statement of expenses incurred in the period from 31 May 2018 to 30 May 2019

Expenses (excluding category 2 disbursements) Type and purpose	Incurred in period	
	Paid £	Unpaid £
Statutory advertising	87.48	Nil
Legal Fees	216,002.33	3,200.00
Irrecoverable VAT	48,217.97	5,272.44
Corporation Tax	0.00	121.74
Sub Total	264,307.78	8,594.18
Category 2 disbursements		
Recipient, type and purpose		
RSM Restructuring Advisory LLP - Mileage	Nil	Nil
RSM Restructuring Advisory LLP - Tracker search	Nil	Nil
Sub Total	Nil	Nil
Total	264,307.78	8,594.18

NOTE: This Appendix may include estimated amounts where actual invoices have not been received. The amounts paid in the period are shown in the attached receipts and payments account. Invoices may have been paid in a period after that in which they were incurred.

Appendix G

Joint Liquidators' time cost analysis for the period from 31 May 2018 to 30 May 2019

From May 2018	To May 2019	Hours Spent	Partners	Directors - Associate Directors	Managers	Assistant Managers	Administrators	Executive Support Staff	Part Hours	Total Time Cost	Average Rates
Administration and Planning											
			7.2	3.2	0.2	12.8	6.5	0.0	29.9	£ 9,160.00	306.35
			0.0	0.0	0.0	0.0	0.0	0.1	0.1	£ 19.00	190.00
			0.2	1.2	0.0	1.4	6.7	1.4	10.9	£ 2,248.00	206.24
			0.0	0.3	3.0	0.4	0.0	0.0	3.7	£ 808.50	218.51
			7.4	4.7	3.2	14.6	13.2	1.5	44.6	£ 12,235.50	274.34
Realisation of Assets											
			0.0	0.0	0.0	0.5	0.0	0.0	0.5	£ 120.00	240.00
			0.0	0.0	0.0	0.1	0.0	0.0	0.1	£ 24.00	240.00
			0.0	0.0	0.0	0.6	0.0	0.0	0.6	£ 144.00	240.00
Creditors											
			0.6	0.0	0.0	11.5	1.0	0.9	14.0	£ 3,327.00	237.64
			3.5	15.5	0.0	6.2	10.2	0.0	35.4	£ 11,154.50	315.10
			4.1	15.5	0.0	17.7	11.2	0.9	49.4	£ 14,481.50	293.15
Case Specific Matters - Shareholders											
			0.0	2.1	0.0	0.0	1.0	0.0	3.1	£ 978.50	315.65
			0.0	2.1	0.0	0.0	1.0	0.0	3.1	£ 978.50	315.65
Case Specific Matters - Legal Matters											
			4.9	4.2	0.0	6.8	0.0	0.0	15.9	£ 5,775.50	363.24
			4.9	4.2	0.0	6.8	0.0	0.0	15.9	£ 5,775.50	363.24
			16.4	26.5	3.2	39.7	25.4	2.4	113.6	£ 33,615.00	295.91
			£ 8,545.00	£ 10,222.00	£ 663.00	£ 9,433.50	£ 4,295.50	£ 456.00	£ 33,615.00		
Total Hours (from May 2018)											
Total Time Cost (From May 2018)											
			16.4	26.5	3.2	39.7	25.4	2.4	113.6	£ 33,615.00	295.91
			£ 8,545.00	£ 10,222.00	£ 663.00	£ 9,433.50	£ 4,295.50	£ 456.00	£ 33,615.00		
Total Hours											
Total Time Cost											
Average Rates											
			521.04	385.74	207.19	237.62	169.11	190.00	295.91		