

LIQ03

Notice of progress report in voluntary winding up



Companies House

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05/06/2020

#242

COMPANIES HOUSE

1 Company details

Company number 0 6 9 9 4 1 1 3

Company name in full Switch Gas and Electric Limited

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

2 Liquidator's name

Full forename(s) Antony

Surname Denham

3 Liquidator's address

Building name/number DLP House

Street 46 Prescott Street

Post town Halifax

County/Region West Yorkshire

Postcode H X 1 2 Q W

Country England

4 Liquidator's name ①

Full forename(s) Sarah

Surname Long

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

5 Liquidator's address ②

Building name/number DLP House

Street 46 Prescott Street

Post town Halifax

County/Region West Yorkshire

Postcode H X 1 2 Q W

Country England

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

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6 Period of progress report

From date	^d 0	^d 5	^m 0	^m 4	^y 2	^y 0	^y 1	^y 9
To date	^d 0	^d 4	^m 0	^m 4	^y 2	^y 0	^y 2	^y 0

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 0	^d 2	^m 0	^m 6	^y 2	^y 0	^y 2	^y 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 **Sharna Swaby**

Company name **DL Partnership (UK) Limited**

Address **DLP House**

46 Prescott Street

Post town **Halifax**

County/Region **West Yorkshire**

Postcode

H	X	1		2	Q	W
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Country

DX

Telephone **01422 356093**



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

**Switch Gas and Electric Limited – In Liquidation (“the Company”)
Joint Liquidators’ Annual Progress Report to Creditors
In Accordance with Section 104A of the Insolvency Act 1986**

1 Introduction

- 1.1 At a meeting of members held on 5 April 2016, a resolution was passed that the Company be wound-up and that we Sarah Long and Antony Denham of DL Partnership (UK) Limited (“DLP”), DLP House, 46 Prescott Street, Halifax, HX1 2QW be appointed as Joint Liquidators. Our appointment was subsequently confirmed later that day at a meeting of creditors.
- 1.2 The Company carried on business as a price comparison, call centre from rented premises situated at SGE House, Burley Hill Trading Estate, Burley Road, Leeds, LS24 2PU.
- 1.3 The Company is registered at Companies House under the number 06994113 and its current registered office is c/o DLP House, 46 Prescott Street, Halifax, HX1 2QW.
- 1.4 This is our fourth annual progress report to creditors in accordance with Section 104A of the Insolvency Act 1986.

2 Receipts and Payments

- 2.1 Please find enclosed at Appendix A, a copy of our receipts and payments account for the period covering 5 April 2019 to 4 April 2020.

3 Asset Realisations

- 3.1 As detailed in the director’s Statement of Affairs, the Company’s assets consisted of cash at bank totalling £3,000 and a sundry refund of £11. These funds were transferred into the Liquidation estate account during the first year of the Liquidation.
- 3.2 A pre appointment refund of £774 was also received during the first year of the Liquidation from HM Revenue & Customs (“HMRC”) which represented a credit held on the Company’s VAT account in respect of a VAT penalty together with gross bank interest of £1.
- 3.3 A business rates refund of £1,685 was received into the Liquidation estate during the third reporting period. No additional realisations have been made during the period 5 April 2019 to 4 April 2020.

4 Basis of the Joint Liquidators’ Remuneration

- 4.1 Upon our appointment, we sought to agree the basis and the amount of our remuneration for acting as Joint Liquidators, the basis on which certain of our disbursements (Category 2 disbursements) should be paid and a Statement of Affairs fee for assisting the director to convene and hold the statutory meetings required to place the Company into Liquidation, As such, an estimated outcome statement of the Liquidation incorporating our Statutory Fees Estimate and Statement of Expenses was forwarded to creditors on 6 April 2016.
- 4.2 These resolutions were proposed by correspondence and the final date for voting was 9 May 2016. The following resolutions were therefore subsequently passed by creditors on the Decision Date of 9 May 2016.

- "The remuneration of DL Partnership (UK) Limited for assisting the director to convene and hold the statutory meetings required to place the Company into Liquidation and for assisting the director in presenting her estimated statement of affairs, her report and all ancillary documentation to the meeting, be agreed at a set fee of £1,000, together with their Category 1 disbursements as reported to creditors on 6 April 2016".
- "The Joint Liquidators be remunerated on the basis of a set fee in the amount of £1,500 as set out in their Statutory Fees Estimate sent to creditors on 6 April 2016, such fees to be drawn on account as described therein."
- "The Joint Liquidators are authorised to recover Category 2 disbursements out of the assets of the Company as an expense of the Liquidation on the following basis:

Room Hire	£25/hour or part thereof
Photocopying	15p/sheet
Faxes (incoming and outgoing)	25p/page
Travel	40-50p per mile"

4.3 No amount has yet been recharged to the estate in respect of our Statement of Affairs fee of £1,000 for assisting the director in convening the meetings of members and creditors, preparing the Company's Statement of Affairs and preparing ancillary documentation for presentation at the meetings.

4.4 The set fee proposed of £1,500 was calculated based on our estimate of the likely time costs to be incurred during the course of the Liquidation given our knowledge of the case as at the date of our appointment. Our firm's actual underlying time costs in relation to the administration of the Liquidation for the period 5 April 2019 to 4 April 2020 were £3,373 making total time costs incurred to date of £24,575. No amount has been recharged to the estate to date. Detailed below is a summary of time charged by each member of our staff.

Hours					Time Cost £	Average hourly rate £
Classification of work function	Director	Associate	Cashier	Total Hours		
Administration and planning	3.40	5.50	4.10	13.00	1,982.50	152.50
Investigations	60.00	7.50	-	67.50	16,125.00	238.89
Creditors	8.00	6.50	-	14.50	2,975.00	205.17
Realisation of Assets	-	0.80	-	0.80	120.00	150.00
Total Hours/ Fees claimed to 4 April 2019	71.40	20.30	4.10	95.80	21,202.50	221.32
Administration and planning	1.10	0.50	0.30	1.90	372.50	196.05
Investigations	9.00	-	-	9.00	2,250.00	250.00
Creditors	3.00	-	-	3.00	750.00	250.00
Realisation of Assets	-	-	-	-	-	-
Total Hours/ Fees claimed to 4 April 2020	84.50	20.80	4.40	109.70	24,575.00	224.02

4.5 To reduce the level of professional costs incurred, some of the work has been conducted by staff under our supervision. The hourly charge-out rates for each level of our staff applicable for the period of the Liquidation are detailed at Appendix B.

4.6 The Statutory Fees Estimate included an illustrative allocation of the set fee over the principal activities to be conducted. The work actually undertaken by this firm is briefly detailed below:

4.7 Case Planning and Administration

As Joint Liquidators we are obliged by Statute, the Insolvency Code of Ethics and regulatory requirements (as well as commercial considerations) to carry out numerous statutory tasks such as advertising and filing as well as to adequately plan and administer the case throughout its conduct until we are released. These tasks also include the preparation of a fee and expenses proposal. The case management work performed under this heading primarily consists of strategic planning and case progression matters, periodic file reviews, returns and reports, record keeping (including the liquidation cash book) and other case management activities. All of this work is a statutory or regulatory requirement.

4.8 Investigations - Preliminary Investigation and Statutory Report on the Director's Conduct

Every Liquidator is obliged to conduct a minimum, preliminary investigation into the conduct of the Company's Affairs prior to his or her appointment. The nature and extent of the investigatory work required is set out in Statement of Insolvency Practice 2 ("SIP2"). This is a statutory requirement. A copy of SIP2 can be found on the following website www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice/e-and-w.

They are also required to send a report on the conduct of each person who has been a director of the Company in the three year period prior to the Liquidation to the Department for Business, Energy & Industrial Strategy ("BIS"). This work is a further statutory requirement. Details of the work required here are set out in Guidance Notes which can be found on the following BIS website: www.gov.uk/government/publications/company-directors-disqualification-act-1986-guidance-notes-completion-of-statutory-reports-and-returns. These are two quite separate mandatory activities; however there is a degree of overlap in terms of the work that needs to be done.

Additional time costs have actually been incurred in respect of these investigations due to the issues discussed at Section 6.6 and 7.2 of this report.

4.9 Creditors

Throughout the duration of the Liquidation we have continued to report to the creditors of the Company, either on an individual basis (dealing with queries, proof of debt forms, paperwork, retention of title claims) or collectively (statutory reporting). We have also issued four statutory reports as to the position of the Liquidation as at the anniversary.

4.10 Realisation of Assets

This specifically relates to the issues dealt with at Section 3 of this report.

4.11 Other

We reserved the right to seek additional fees based on actual time costs incurred in respect of detailed investigations, dividend payments and additional reporting as and when appropriate in which case a further Statutory Fees Estimate will be provided for creditor approval.

- 4.12 A creditors' guide to Liquidators' fees can be found at the guide to fees section of our website at www.dlppartnership.co.uk along with a statement of creditors' rights in this regard which details the creditors' right to request further information and/or to challenge the remuneration and expenses of the Liquidator.

5 Joint Liquidators' Disbursements

- 5.1 Disbursements of £155 representing storage costs of £130, postage of £9 and photocopying of £16 have been incurred for the period 5 April 2019 to 4 April 2020 making total disbursements incurred to date of £940. Disbursements of £795 have been recharged to the estate to date, of which £9 was billed during this reporting period. A breakdown of disbursements is included below:

Category 1 Disbursements	Projected (£) 6 April 2016	Actual (£) 4 April 2020
Statutory Insurance Bond	72.00	72.00
Statutory Advertising	254.00	253.80
Postage	18.00	31.91
Printing		62.00
Record Storage	Uncertain	489.19
Total Category 1	344.00	908.90
Category 2 Disbursements		
Photocopying	33.00	31.05
Facsimile	0.00	0.00
Travel	0.00	0.00
Total Category 2	33.00	31.05
Total Disbursements	377.00	939.95

- 5.2 Statutory Insurance Bond
The Statutory Insurance Bond is a statutory cost. The premium due varies with the expected realisable assets in the estate. These premiums are set by the Joint Liquidators' underwriter. This bond amount is the amount due for estate realisations in the band £5,001 to £10,000.
- 5.3 Statutory Advertising
We are obliged by Statute to advertise certain events arising during the Liquidation in the London Gazette. Advertising charges are set by them. In this case, the winding up of the Company, the appointment of the Joint Liquidators and the notice of the initial creditors' meeting were all advertised.
- 5.4 Postage & Printing
We initially made provision for notifying creditors of our appointment as Joint Liquidators, our fee approval and the publication of our final report. We have now also issued four annual progress reports. As you will be aware, postal charges are set by the Royal Mail. Printing charges are incurred when reporting to creditors in order to produce the relevant circulars and these charges are set by our external, third party printer. Communicating with creditors is a statutory cost.
- 5.5 Record Storage
It is a statutory requirement that the Company's books and records be collected and retained covering the three years prior to the Liquidation. At the time of drafting our Statutory Fees Estimate, the director had not delivered up the Company's records and we were therefore unable to estimate the cost of storage

fees and ultimate destruction costs. We have since collected and incurred storage costs in respect of 26 boxes.

5.6 Photocopying, Facsimile and Travelling

As there are minimal creditors in this case, we expected that the majority of the reports to creditors would be photocopied at the offices of DLP. We did not anticipate any facsimile charges would arise in this Liquidation nor did we envisage that either we or our staff would incur any travelling costs during the conduct of this case.

5.7 Details of the rates at which Category 2 charges are made are shown at Appendix B. We would confirm that creditors approved our Category 2 disbursements by resolution conducted by correspondence on 9 May 2016.

6 Distributions to Creditors

6.1 There are no known preferential creditors in this case.

6.2 As there are no mortgages or charges secured against the Company, the prescribed part provisions of Section 176A of the Insolvency Act 1986 do not apply in this case.

6.3 To date, we have received unsecured claims totalling £149,918 compared to the estimated statement of affairs figure of £27,979. A summary of creditors' claims in this matter is detailed in the table below:

Nature of Creditor	Statement of Affairs (£)	Claims Received (£)
Trade & Expense Creditors	15,401	7,728
Director's Current Account	12,576	86,414
HM Revenue & Customs (VAT)	1	55,776
HM Revenue & Customs (PAYE)	1	
Total	27,979	149,918

6.4 Prior to Liquidation, the Company had participated in an Incentive Award Planning scheme. An enquiry into the validity of this tax planning scheme was opened by HMRC and as a consequence a determination of £55,776 was issued against the Company.

6.5 This sum was calculated based on the PAYE and National Insurance which HMRC considered should have been charged on an incentive award made to an employee of £100,000.

6.6 For the purposes of the Company's estimated statement of affairs, the director submitted an initial claim of £12,576. Following a review of the Company's books and records, we have established that the management accounts as at 31 March 2015 included a director's loan account balance of £nil. The director has since provided us with a schedule of additional loan account transactions from 1 April 2015 to Liquidation which appears to show her as a creditor in the sum of £86,414. The director also stated in her initial report to creditors that she received no salary for the final fifteen months of trading. The director's status as a creditor therefore remains under review.

7 Report on the Director

7.1 We have carried out our investigation into the affairs of the Company in accordance with Statement of Insolvency Practice 2 and have submitted our final report on the conduct of the director prior to our appointment, to BIS.

- 7.2 As you can appreciate the content of this report is a confidential document between BIS and our firm. We can however state that our investigations into the Company's affairs remain ongoing in respect of potential recoveries that may be of benefit to creditors.

8 General

- 8.1 The issues relating to the investigation of any potential recoveries as detailed at Section 7 above are the only matters outstanding in this case together with the payment of the Joint Liquidators' outstanding costs.
- 8.2 Should you require any additional details regarding the information contained within this report then please do not hesitate to contact this office.

Signed

Sarah Long (9615)

Joint Liquidator

Date: 2 June 2020

Switch Gas and Electric Limited - in Liquidation
APPENDIX A - Joint Liquidators' Receipts and Payments Account

<u>Estimated to Realise as per Statement of Affairs</u>		<u>Period 05.04.2016 to 04.04.2019</u>	<u>Period 05.04.2019 to 04.04.2020</u>	<u>Cumulative Total</u>
		<u>£</u>	<u>£</u>	<u>£</u>
<u>Receipts</u>				
3,000.00	Cash at Bank	3,000.00	0.00	3,000.00
11.00	Sundry Refund	10.83	0.00	10.83
	VAT Penalty Refund	773.70	0.00	773.70
	Business Rates Refund	1,685.30	0.00	1,685.30
	Gross Bank Interest	1.25	0.00	1.25
<u>3,011.00</u>	<u>Total</u>	<u>5,471.08</u>	<u>0.00</u>	<u>5,471.08</u>
<u>Payments</u>				
	Joint Liquidators' Disbursements	785.41	9.30	794.71
	<u>Total</u>	<u>785.41</u>	<u>9.30</u>	<u>794.71</u>
	<u>Balance</u>	<u>4,685.67</u>	<u>(9.30)</u>	<u>4,676.37</u>
<u>Made Up as Follows</u>				
	Output VAT			0.00
	Cash at Bank			4,676.37
	Input VAT			0.00
				<u>4,676.37</u>

APPENDIX B - DL PARTNERSHIP PUBLISHED TARIFF OF CHARGE-OUT RATES & DISBURSEMENTS

1. Basis of the Joint Liquidators' Remuneration

The hourly charge-out rates for each level of our staff applicable for the period from 5 April 2016 are detailed below:

Grade	Rate per hour
	£
Directors	250
Associates	150
Cashier	75

The level of staff has been selected based upon the nature and complexity of the assignment. All staff involved in the assignment have been charged directly to the case in units of six minutes.

2. Joint Liquidators' Disbursements

Category 1 disbursements relate to external services provided which are directly attributable to the case. Category 2 disbursements relate to shared or allocated costs which generally relate to internal charges made for items such as postage, faxes and internal room hire.

Details of the rates at which these charges are made are shown below. In our opinion the charges are in line with the cost of external provision of these charges.

Disbursement	Charge
Photocopying (circulars only, per page)	15p
Faxes (incoming & outgoing, per page)	25p
Internal Room Hire (per hour, minimum charge £25)	£25.00
Mileage (per mile)	40p - 50p

In accordance with best practice guidelines as set out in Statement of Insolvency Practice 9, creditors' approval is required for Category 2 disbursements to be charged as an expense of the Liquidation.