

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 7 2 4 0 8 5 7

Company name in full Freego Electric Bikes Ltd.

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Alexander

Surname Kinninmonth

3 Liquidator's address

Building name/number Highfield Court, Tollgate

Street Chandlers Ford

Post town Eastleigh

County/Region

Postcode S O 5 3 3 T Y

Country

4 Liquidator's name ①

Full forename(s) Richard

Surname Brewer

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Highfield Court, Tollgate

Street Chandlers Ford

Post town Eastleigh

County/Region

Postcode S O 5 3 3 T Y

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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Period of progress report

From date

^d2^d4^m0^m1^y2^y0^y2^y0

To date

^d2^d3^m0^m1^y2^y0^y2^y1

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d1^d9^m0^m3^y2^y0^y2^y1

**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 **Richard Brewer**

Company name **RSM Restructuring Advisory LLP**

Address **Highfield Court, Tollgate**

Chandlers Ford

Post town **Eastleigh**

County/Region

Postcode **S O 5 3 3 T Y**

Country

DX

Telephone **023 8064 6464**

**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

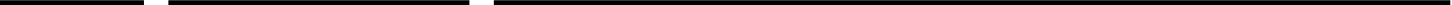
FREEGO ELECTRIC BIKES LTD. - IN LIQUIDATION

JOINT LIQUIDATORS' PROGRESS REPORT

FOR THE TWELVE MONTH PERIOD TO 23 JANUARY 2021

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING





INTRODUCTION

Contact details

The key contacts at RSM in connection with this report are:

Primary office holder	Case Administrator
Richard Brewer	Amy Slee
RSM Restructuring Advisory LLP	RSM Restructuring Advisory LLP
Highfield Court, Tollgate, Chandlers Ford,	Highfield Court, Tollgate, Chandlers Ford,
Eastleigh, SO53 3TY	Eastleigh, SO53 3TY
Tel: 023 8064 6464	Tel: 023 8064 6434

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Basis of preparation

This report has been prepared solely to comply with the statutory requirements of legislation to provide creditors with information relating to the progress of the liquidation. It should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

Appendices

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This report 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 revision and additional costs. They should not be used as the basis for any bad debt provision or any other purpose. 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. The Joint Liquidators act as agents of the Company and without personal liability.

General guidance on the Liquidation process

You may also wish to note that profession's trade body, R3, have also produced general guidance on the different insolvency processes, which can be located at their website

CONDUCT OF THE LIQUIDATION

Realisation of assets

Book debtors

Book debts had a book value of £5,055 in accordance with the Statement of Affairs. A total of £2,604 has been received to date. Due to disputes and offsets, the balance will be written off.

Anti-Dumping Tariff Refund

The Company made an overpayment in respect of an anti-dumping tariff levied by HM Revenue and Customs ('HMRC') and a refund was due of approximately £4,363. HMRC are owed £244,921 and the refund is therefore subject to Crown set off. No recoveries are expected in this respect.

Investigations

All investigative matters have previously been reported.

Case specific matters

Time incurred in this respect involves the general liaison with the Company's director on matters not elsewhere classified.

Statutory and case management matters

The following work does not usually result in a financial return to creditors but is required by legislation, best practice and to ensure case management. Work done in the period included:

Statutory requirements

- statutory filing
- preparing, review and issuing progress reports to creditors and other prescribed parties
- taxation matters, post appointment VAT, pre-appointment VAT and tax returns, corporation and other post appointment tax returns and payments
- general taxation matters

Case management matters

- periodic case reviews, ongoing case planning and statutory, liaising with joint office holders
- maintaining and updating case management records
- dealing with routine correspondence not attributable to other categories of work
- maintenance of cashiering records, bank accounts, receipts and payments, billing

The time costs incurred to date in dealing with these matters is set out in the attached analysis of time costs.

Receipts and payments

A summary of receipts and payments is attached. Receipts and payments are shown net of VAT, with any amount due to or from HMRC shown separately.

OUTSTANDING MATTERS

Assets remaining to be realised

There are no further assets remaining to be realised.

Other outstanding matters

A distribution of the funds held will shortly be made to creditors. A final report will then be issued and the case can be closed.

CREDITORS' CLAIMS AND DIVIDEND PROSPECTS

Dividend prospects

	Owed (£)	Paid to date (£)	Estimated future prospects
Secured creditor: Eric Lane	16,000	NIL	Shortfall
Preferential creditors	N/A	N/A	N/A
Unsecured creditors	85,349	NIL	Shortfall
Estimated Net Property	29,879		20-30p in the £
Estimated 'Prescribed Part' available for creditors	N/A		

Prescribed Part

The 'Prescribed Part' is a statutory amount set aside for unsecured creditors from funds ('Net Property') available to a Qualifying Floating Charge Holder ('QFCH'). The amount of Net Property is calculated on a sliding scale up to maximum £800,000 depending on when the floating charge was created and whether or not it is a first ranking floating charge.

There is a floating charge held in favour of Mr Eric Lane, however, following legal advice it has been determined that this charge is invalid. The 'Prescribed Part' is therefore not applicable.

Mr Lane's debenture registered at Companies House also included a fixed charge. It is presently being considered as to whether any element of the business sale is subject to the fixed charge.

Agreement of claims

Creditors' claims are usually only agreed if there is a likelihood of a dividend being made to that particular class of creditor.

In this case, at present no work has been done to date to agree creditors' claims, other than that necessary for the purposes of admitting claims for voting, where applicable.

If you have not already submitted a Proof of Debt, a copy of the form can be obtained at <https://rsmuk.ips-docs.com> or by request to this office.

Creditors whose debts are treated as a small debt in accordance with Rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must still deliver a proof of debt if they wish to vote. Rule 14.31(1) states that Office Holders may treat a debt, which is a small debt according to the accounting records or the statement of affairs of the company, as if it were proved for the purposes of paying a dividend. Small debts are defined in Rule 14.1(3) as a debt (being the total amount owed to a creditor) which does not exceed £1,000.

Dividend payments

A dividend to the unsecured creditors is expected to be paid within the next 6 months.

Creditor communication

The following work was done in the period to comply with legislation, best practice and to ensure creditors were kept informed.

- dealing with communication with creditors
- maintenance of schedules of creditors' claims
- liaising with, and reporting to, the secured creditor
- dealing with HMRC and Crown set off

Creditors only derive an indirect financial return from this work on cases where a dividend is payable.

The time incurred in dealing with these matters during the period is set out in the attached post appointment analysis of time costs.

JOINT LIQUIDATORS' FEES, COSTS AND EXPENSES

Guide to Liquidator's fees and expenses

A Guide to Liquidator's Fees, which provides information for creditors in relation to the fees and expenses of an Liquidator, can be accessed at [www.gov.uk/guidance/liquidator-fees-and-expenses](#) under 'general information for creditors'. A hard copy can be requested from this office by telephone, email or in writing. All fees, costs and expenses are subject to VAT.

Relevant Approving Body

The unsecured creditors are the Relevant Approving Body and are responsible for approving the Joint Liquidators' fee basis and, where applicable, 'Category 2' expenses. However, if a liquidation committee is established at any stage, this would become its responsibility and it would be the Relevant Approving Body.

Basis of Remuneration

Insolvency legislation allows a Liquidator to charge fees on one of, or a combination of, the following bases:

- as a percentage of the value of the property the Liquidator has to deal with (percentage basis);
- to the time spent by the Liquidator or their staff on the administration of the case (time cost basis);
- as a set amount (fixed fee basis); or
- a combination of the above (mixed fee basis).

The Joint Liquidators' remuneration was previously approved by the Relevant Approving Body on a fixed fee basis of £15,000 plus VAT.

Remuneration Charged

Legislation requires that 'remuneration charged' is reported. Remuneration is charged when the work to which it relates is done. It does not mean the Joint Liquidators' fees have been paid. Amounts paid to date, if any, are shown in the attached receipts and payments account.

During the period, the fees charged by the Joint Liquidators, on the basis set out above, totalled £5,394. An analysis of time incurred in the period is attached. Time costs incurred since appointment total £27,382.

The Joint Liquidators' fixed fee of £15,000 plus VAT was paid during a prior reporting period.

Further fee approval

The amount of fee that can be drawn is limited to the amount approved by the Relevant Approving Body, whether calculated on the basis of time in accordance with a fee estimate, or for a fixed amount or a percentage rate, cannot be further increased or the percentage rate changed, without their approval.

It is not expected that further fee approval will be sought.

Expenses and professional costs

The total costs and expenses estimated to be incurred by the Joint Liquidators are set out below together with details of those incurred in the period. Amounts incurred in the period may include estimates where actual invoices have not been received. Amounts paid to date are shown in the attached receipts and payments account. The quantum of costs and expenses is higher than the estimates previously provided to creditors due to a protracted recovery of book debts and prolonged attempts to recover the anti-dumping tariff refund.

Category 1 expenses

These comprise external supplies of incidental services specifically identifiable to the insolvency estate. They do not require approval of the Relevant Approving Body prior to being paid.

Type of expense	Total estimated (£)	Incurred in period (£)
Bond	85.00	0
Statutory Advertising	253.80	0
Website fee	8.00	0
Courier	45.00	0
Agents fees	3,000.00	0
Accountancy fees	500.00	0
Total	3,891.80	0

Category 2 expenses

These are costs which are not capable of precise identification or calculation, or that may include an element of shared or allocated costs. Payments to outside parties that the Joint Liquidators, firm, or any associate has an interest, are also treated as 'Category 2' expenses. These expenses require the specific approval of the relevant Approving Body before being paid from the insolvency estate.

The Relevant Approving Body has approved the payment of the 'Category 2' expenses, at the rates prevailing at the date they were incurred. Details of the current rates are set out below.

Type of expense	Total estimated (£)	Incurred in period (£)
Room hire (£100 per room)	0	0
Mileage (42.5p per mile)	2.13	0
Tracker reports (£10 per report)	0	0
Subsistence (£25 per night)	0	0
Total	2.13	0

Other professional costs

The Joint Liquidators retained the following advisers based on their experience and expertise. These costs are not subject to approval by the Relevant Approving Body. However, they are subject to review and approval by the Joint Liquidators.

Party	Nature of advice	Total estimated (£)	Incurred in period (£)
Ellis Jones Solicitors	Legal advice	450.00	450.00
Total		450.00	450.00

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

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

If you wish to make a request for further information, then it must be made within 21 days of receipt of this report in writing by either by (i) any secured creditor or (ii) 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.



Richard Brewer
Restructuring Advisory Director
RSM Restructuring Advisory LLP
Joint Liquidator

Alexander Kinninmonth and Richard Brewer are licensed to act as Insolvency Practitioners 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

APPENDICES



A. STATUTORY INFORMATION

Company information		Liquidation information	
Company name:	Freego Electric Bikes Ltd.	Court reference:	N/A
Company number:	07240857	Joint Liquidators:	Richard Brewer and Alexander Kinninmonth
Date of incorporation:	30 April 2010	Date of appointment:	24 January 2019
Trading name:	N/a	Joint Liquidators:	Primary office holder Richard Brewer RSM Restructuring Advisory LLP Highfield Court, Tollgate, Chandlers Ford, Eastleigh, SO53 3TY 02380 646 408 IP Number: 9038
Trading address:	3 St Denys Road, Portswood, Southampton, Hampshire, SO17 2GN		Joint office holder: Alexander Kinninmonth RSM Restructuring Advisory LLP Highfield Court, Tollgate, Chandlers Ford, Eastleigh, SO53 3TY IP Number: 9019
Principal activity:	Retail of electric bikes		
Registered office:	RSM Restructuring Advisory LLP Highfield Court, Tollgate, Chandlers Ford, Eastleigh, SO53 3TY		
Previous company names:	N/A		
Directors:	Mr Richard Daviesm Mr Eric Lane, Ms Teresa Martin, Mr Marcin Wietrzyk, Mr Keith Richard Wilson		
Secretary:	N/a		

B. RECEIPTS AND PAYMENTS SUMMARY

Freego Electric Bikes Ltd.
In Liquidation
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 24/01/2020 To 23/01/2021 £	From 24/01/2019 To 23/01/2021 £
	ASSET REALISATIONS]		
15,512.00	Anti-Dumping Tariff Refund	NIL	NIL
	Bank Interest Gross	56.38	135.24
5,055.00	Book Debts	NIL	2,604.00
3,010.00	Cash at Bank	NIL	4,245.68
900.00	Furniture & Equipment	NIL	NIL
	Insurance Refund	NIL	642.48
	Intellectual Property	NIL	3,000.00
	Other Refunds	NIL	2,663.01
4,400.00	Stock - Freego Bike Parts & Spares	NIL	2,000.00
15,700.00	Stock - Freego Bikes	NIL	47,172.97
		56.38	62,463.38
	COST OF REALISATIONS		
	Agents/Valuers Fees	NIL	7,113.05
	Bank Charges	0.37	1.85
	Bond	NIL	85.00
	Legal Fees	NIL	750.00
	Office Holders Expenses	NIL	2.13
	Office Holders Fees	2,334.00	15,000.00
	Preparation of S. of A.	NIL	6,000.00
	Statutory Advertising	NIL	169.20
	Website Fee	NIL	13.00
		(2,334.37)	(29,134.23)
	FLOATING CHARGE CREDITORS		
(16,000.00)	Mr Eric Lane	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(40,986.45)	Employees / Directors	NIL	NIL
(10,046.08)	HMRC	NIL	NIL
(34,316.74)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(102.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(56,874.27)		(2,277.99)	33,329.15
	REPRESENTED BY		
	Bank 1 Current		32,829.15
	Vat Control Account		5,724.91
	Vat Payable		(10,434.59)
	Vat Receivable		5,209.68
			33,329.15

Note:

1. The Company is VAT registered. The costs of the liquidation are shown exclusive of VAT
2. Funds are held in an interest bearing RBS account.