

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 8 6 2 2 2 8 2

Company name in full Crossco (1334) Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Colin

Surname Hardman

3 Liquidator's address

Building name/number 45 Gresham Street

Street

Post town London

County/Region

Postcode E C 2 V 7 B G

Country

4 Liquidator's name ①

Full forename(s) Kevin

Surname Ley

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 45 Gresham Street

Street

Post town London

County/Region

Postcode E C 2 V 7 B G

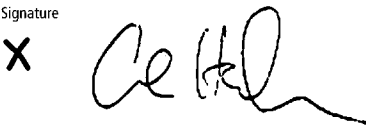
Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6	Period of progress report															
From date	^d	0	^d	8	^m	0	^m	3	^y	2	^y	0	^y	2	^y	2
To date	^d	0	^d	7	^m	0	^m	3	^y	2	^y	0	^y	2	^y	3
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	^d	0	^d	5	^m	0	^m	5	^y	2	^y	0	^y	2	^y	3

LIQ03

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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 **Liam Clarke**

Company name **Evelyn Partners LLP**

Address **45 Gresham Street**

Post town **London**

County/Region

Postcode **E C 2 V 7 B G**

Country

DX

Telephone **020 7131 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:

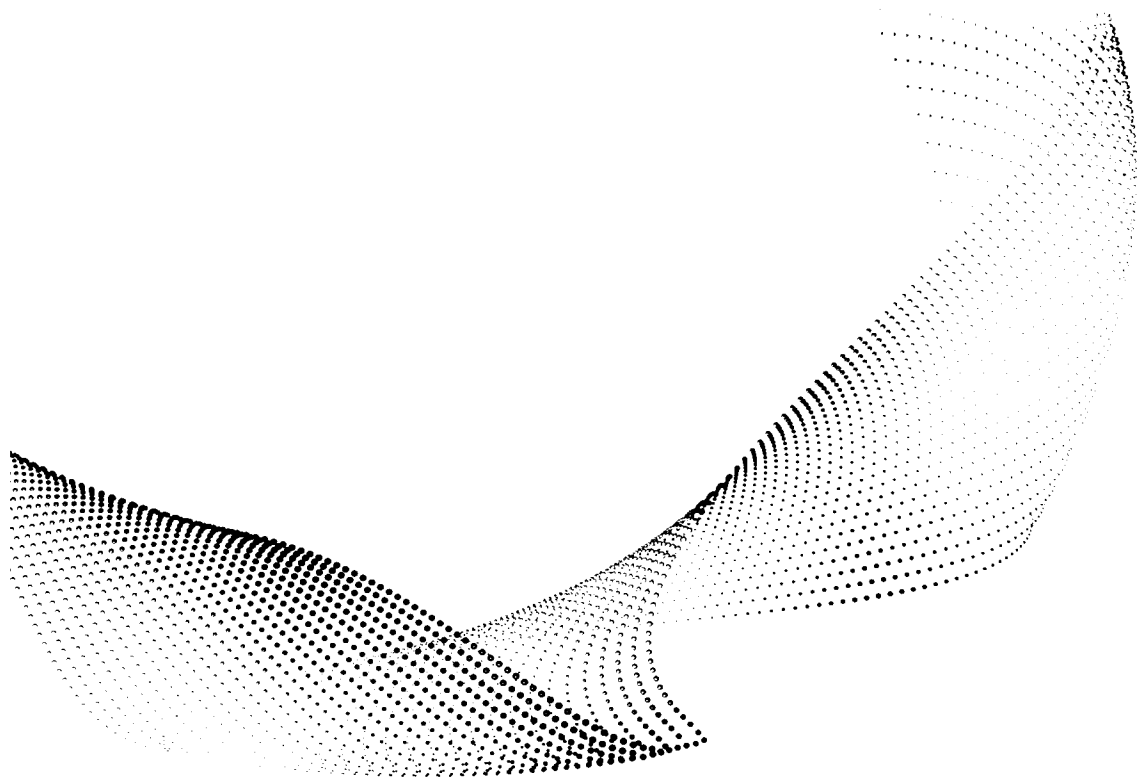
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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



Crossco (1334) Limited (in creditors' voluntary liquidation)

The joint liquidators' annual progress report for the period from 8 March 2022
to 7 March 2023

5 May 2023

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1. Glossary

Abbreviation	Description
the Company	Crossco (1334) Limited
Company registration number	08622282
The Group	Butterfly Group Healthcare Limited's wholly owned subsidiaries as detailed in the body of this report
HMRC	His Majesty's Revenue and Customs
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
liquidators/joint liquidators	Colin Hardman and Kevin Ley
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint the administrators
SOA	Statement of Affairs

2. Introduction and Summary

This report provides an update on the progress of the liquidation of the Company for the period ended 7 March 2023 and should be read in conjunction with any previous reports.

By way of reminder, Colin Hardman and Kevin Ley of Evelyn Partners LLP, 45 Gresham Street, London, EC2V 7BG were appointed the joint liquidators of the Company on 8 March 2021 by the Company's members and the passing of the creditors' deemed consent procedure. They act as agents of the Company and without personal liability.

Both office-holders are authorised and licensed in the UK by the Institute of Chartered Accountants in England and Wales and are bound by their code of ethics. Further details of their licensing body along with our complaints and compensation procedure can be accessed at:

From 14 June 2022, we are operating under a single new brand and the firm's name has changed to Evelyn Partners LLP. Please note that this is a change to our brand only and that the services provided are unaffected. Please also be aware that we have recently changed our postal and registered office address to 45 Gresham Street, London EC2V 7BG.

The Company was incorporated on 24th July 2013 in the name of Crossco (1334) Limited. The Company's principal purpose was a holding company for structured lending within the historic Group. The Company was established as a holding company for all the lending within the Group from Yorkshire Bank plc, similar entities within the Group were established to manage and control Group lending from other banks and establishments. The debt and share capital of the Company was acquired on 25th November 2014, as part of an acquisition of the Group by the Monarch Group.

Since this acquisition the Company has held inter-company balances in respect of the Butterfly Group Healthcare Limited activities. We understand that the majority of these Group balances had been repaid and the underlying assets have been sold prior to liquidation with the residual debt due being recorded in the Group's accounts.

Following a re-organisation and Group disposal of the care home operations, simplification of the legacy corporate structure has been undertaken, resulting in the liquidation of the Company together with other Group companies.

The principal trading address of the Company was 2 Merchants Drive Parkhouse Carlisle CA3 0JW. The Company's registered office is now 45 Gresham Street, London, EC2V 7BG and its registered number is 08622282.

3. Group wind-down

As previously reported, the liquidation of the Company is part of an ongoing corporate simplification process being undertaken by Evelyn Partners LLP for Butterfly Group Healthcare Limited (the intermediate parent company within the Group).

In total there are currently 16 formal insolvency appointments ongoing in this regard, 14 members' voluntary liquidations ("MVL") and 2 creditors' voluntary liquidations ("CVL"). A schedule of the companies in question (which includes the Company) are outlined below:

Company Name (in App order)	Company Number	Appointment Date	Appointment Type
World Trade Properties Limited	5617532	16 December 2020	MVL
Aspenframe Limited	3407287	16 December 2020	MVL
Salco Homes Limited	3410643	16 December 2020	MVL
Eagle View Care Home Limited	4499419	17 December 2020	MVL
System Cycle Limited	3047307	17 December 2020	MVL
Express Care Limited	5722121	17 December 2020	MVL
Primrose Care Home Limited	4595746	17 December 2020	MVL
Executive Health Care Limited	4851843	17 December 2020	MVL
Sovereign Guest Services Limited	7224440	17 December 2020	MVL
Hillcrest Care Homes Limited	2780067	17 December 2020	MVL
Express Care (Guest Services) Limited	4562740	17 December 2020	MVL
Windmill Hills Care Homes Limited	3164158	17 December 2020	MVL
Crossco (1332) Limited	8585509	18 December 2020	MVL
Crossco (1334) Limited	8622282	08 March 2021	CVL
Sovereign Care Homes Limited	9262607	08 March 2021	CVL
Crossco (1333) Limited	08622277	01 September 2022	MVL

In accordance with the terms of the joint liquidators' engagement letter dated 3 December 2020, Butterfly Group Healthcare Limited is the party liable for the costs and expenses of the MVL appointments including Evelyn Partners LLP's pre-liquidation costs.

4. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 8 March 2022 to 7 March 2023. This account includes cumulative figures for the period from 8 March 2021 to 7 March 2023

The receipts and payments account also includes a comparison with the directors' SOA values.

As outlined above and as detailed in the directors' SOA, no asset realisations were expected as confirmed within the receipts and payments account for the period.

To date, the joint liquidators are unaware of any other assets to realise and therefore do not expect any funds being paid into the estate.

5. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date of the liquidation or who held office at any time during the three years immediately preceding insolvency.

We have complied with our duty in this regard. As all submissions are strictly confidential, we are unable to disclose their content.

Shortly after appointment, we 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 information provided by creditors as a response to our request to complete an investigation questionnaire. Our investigations have not revealed any issues requiring further reporting.

6. Creditors

6.1 Secured Creditors

Butterfly (Finance) Limited holds a fixed and floating charge over the Company's assets. At the date of the liquidation the indebtedness was estimated at £8,587,739 as per the SOA.

As detailed in section 4, no asset realisations were envisaged or achieved to date within the liquidation. As such, no funds have been paid to Butterfly (Finance) Limited in the period. The joint liquidators thereby formally confirm that no dividend will be made to the secured creditor.

6.2 Prescribed Part

The Company did not grant any floating charges and the Prescribed Part requirements do not therefore apply.

6.3 Ordinary and secondary preferential creditors

Claims from the secondary preferential creditors mainly include Her Majesty's Revenue and Customs (HMRC) which will rank below the ordinary preferential creditors in relation to outstanding taxes 'paid' by employees and customers of that business. These include Value Added Tax (VAT), Pay As You Earn (PAYE), employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. It is important to note that there is no cap or time limit on what HMRC can recover in respect of the above.

Certain queries have been raised by HMRC in respect of the Company's VAT affairs in light of outstanding VAT returns for the wider VAT Group. These matters are being addressed by the wider Group and we do not envisage any claim against the Company in this regard.

No ordinary or secondary preferential claims were disclosed by the Company and, to date, no claims have been submitted. The joint liquidators also confirm that there will be no funds available for preferential creditors in any event

6.4 Unsecured creditors

Total unsecured claims as per the directors' SOA were nil, and no claims in this regard have been received.

We expect no further realisations. As such, there will be insufficient funds available to declare a dividend to creditors should any further claims come forward. Therefore, we formally provide notice pursuant to R14.36 IR16, that no dividend to unsecured creditors will be made in this case.

7. The joint liquidators' remuneration

7.1 Pre appointment remuneration

In accordance with the terms of the joint liquidators' engagement letter dated 3 December 2020, Butterfly Group Healthcare Limited is the party liable for Evelyn Partners LLP's pre-liquidation costs.

For the purposes of transparency, our fees and costs in respect of all pre-appointment work have been approved by Butterfly Group Healthcare Limited and will be paid directly by it, as such, the funds will not be drawn from the liquidation estate.

Within the period, the sum of £15,012.18 has been paid in relation to pre appointment remuneration for the two CVL appointments.

7.2 Joint liquidators' remuneration

In accordance with the terms of the joint liquidators' engagement letter dated 3 December 2020, Butterfly Group Healthcare Limited is the party liable for the payment of the joint liquidators' fees.

For the purposes of transparency, our fees and costs in respect of all post liquidation work have been approved by Butterfly Group Healthcare Limited and will be paid directly by it. The funds will not be drawn from the liquidation estate.

Within the period the sum of £12,537.57 has been paid in relation to the joint liquidators' remuneration for the two CVL appointments.

Details of Evelyn Partners LLP's charge out rates (including any changes during the period of this case) along with the policies in relation to the use of staff are provided at Appendix II.

8. The joint liquidators' expenses

In accordance with the terms of the joint liquidators' engagement letter dated 3 December 2020, Butterfly Group Healthcare Limited is the party liable for the joint liquidators' fees and expenses.

For the purposes of transparency, we outline below the expenses incurred in respect of the liquidation in the following sub sections.

8.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

8.2 Professional advisors

On this assignment we have sought input from professional advisers who have had historic dealings with the Company's affairs as part of the wider Group simplification and wind-down, namely the following:

- Apex Group Ltd - In respect of the Company's historic VAT affairs;
- BDO LLP – In respect of the Company's historic accounts and tax affairs; and
- Baines Wilson LLP – In respect of the Company's legal affairs.

At present no party has been formally instructed by the joint liquidators in respect of ongoing matters, but in accordance with the other costs incurred in respect of this process, Butterfly Group Healthcare Limited have agreed to settle these costs directly.

8.3 The joint liquidators' expenses

The following expenses have been incurred in the current period:

Description	Costs incurred in current period £	Costs incurred Cumulative £	Paid in period £	Total costs outstanding at period end £
Statutory Advertising	-	285.00	285.00	-
Specific Bond	-	140.00	140.00	-
Travel	-	91.60	-	91.60
TOTAL	-	661.60	570.00	91.60

As outlined above, in accordance with the terms of the joint liquidators' engagement letter dated 3 December 2020, Butterfly Group Healthcare Limited is the party liable for the payment of the joint liquidators' fees and expenses.

8.4 Category 2 expenses

No Category 2 expenses have been incurred in the period.

8.5 Policies regarding use of third parties and expense recovery

Appendix II provides details of Evelyn Partners LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of expenses.

9. Outstanding matters

The remaining actions to be concluded in the liquidation are as follows:

- Awaiting confirmation of post appointment tax clearance from HMRC; and.
- Closure of the liquidation, including preparing and issuing our final report

10. Privacy and Data Protection

As part of our role as the joint liquidators, we would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at www.evelyn.com/rrsgdpr. If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact Gabrielle Southern of our office if you believe this applies.

The joint liquidators may act as controllers of personal data, as defined by the UK data protection law, depending upon the specific processing activities undertaken. Evelyn Partners LLP may act as a processor on the instructions of the joint liquidators. Personal data will be kept secure and processed only for matters relating to the joint liquidators' appointment.

The Fair Processing Notice in relation to the UK General Data Protection Regulation can be accessed at www.evelyn.com/rrsgdpr

Should you wish to be supplied with a hard copy of any notice, attachment or document relating to a case matter, please contact the staff member dealing with this matter at any time via telephone, email or by post and this will be provided free of charge within five business days of receipt of the request.

11. Creditors' rights

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 or otherwise with the court's permission) may request in writing that the joint liquidators provide further information about their remuneration or expenses which have been itemised in this report.

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

The above rights apply only to matters which have not been disclosed in previous reports.

Whilst creditors do have these rights, these only apply to remuneration or expenses settled directly from the liquidation estate. As stated in sections 7 & 8 above, our fees have been paid outside of the estate by Butterfly Group Healthcare Limited, in accordance with our engagement letter. As such, whilst the joint liquidators have a duty to inform creditors of such rights, they do not apply within this matter.

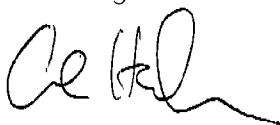
On a general note, if you have any comments or concerns in connection with our conduct, please contact Colin Hardman or Kevin Ley in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 45 Gresham Street, London, EC2V 7BG or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

- i. Email:
- ii. Telephone number: +44 300 678 0015
- iii. Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

12. Next report

We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors with our final account, prior to vacating office.



Colin Hardman and Kevin Ley

The joint liquidators

Date: 5 May 2023

Appendices



I Receipts and payments account

Receipts and payments account to 7 March 2023

Statement of Affairs £		From 08/03/2022 To 07/03/2023 £	From 08/03/2021 To 07/03/2023 £
	SECURED CREDITORS		
(8,587,739.00)	Butterfly (Finance) Limited	NIL	NIL
		NIL	NIL
	SHAREHOLDERS		
(1,367,401.00)	A Ordinary Shareholders	NIL	NIL
(100.00)	B Ordinary Shareholders	NIL	NIL
		NIL	NIL
<u>(9,955,240.00)</u>		<u>NIL</u>	<u>NIL</u>
	REPRESENTED BY		
			<u>NIL</u>

Notes and further information required by SIP 7

- The liquidators' remuneration has been approved and will be paid by a third party. Remuneration paid to date is listed in the body of the report
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- Payments have been made to us from outside the estate details of which are outlined in the body of the report.
- Details of significant expenses paid are provided in the body of our report.
- Information concerning the liquidators' remuneration and expenses incurred is provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- As no funds have been received or expected within the estate, the joint liquidators do not have an open bank account in respect of the estate.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is an expense of the liquidation and shown as irrecoverable VAT.

II Staffing, charging, subcontractor and advisor policies and charge out rates

Introduction

Detailed below are:

- Evelyn Partner LLP's policy in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Expense recovery
- Evelyn Partners LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director or consultant as joint office-holders, 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. The charge out rate schedule below provides details of all grades of staff and their experience level. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the case (including our cashiers, support and secretarial staff) charge time directly to the assignment and are included in any analysis of time charged. Each grade of staff has an hourly charge-out rate which is reviewed from time to time. Time up to 31 July 2020 is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1 minute units or multiples thereof. The minimum time chargeable is one minute. We do not charge general or overhead costs.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required. No subcontractors have been used in this case.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add best value and service to the assignment.
- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations; and
- The professional and ethical standards applicable to the service provider.

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

External professional advisers are third party entities. The insolvency practitioners and their firm do not have any association with any external provider of services and therefore they do not fall within the definition of an associate as defined in Section 435 of the Insolvency Act 1986 and in Statement of Insolvency Practice 9. Payments to external professional advisers for the services they provide are therefore not a category 2 expense as defined in Statement of Insolvency Practice 9 and therefore do not require prior approval from the committee or creditors.

Expenses

Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 expense to a case generally comprise 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 Evelyn Partners LLP personnel in connection with the case.

Category 2 expenses 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.

Since 7 July 2012 Evelyn Partners LLP's policy is to recover only one type of Category 2 expense, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 expenses.

Details of any Category 2 expenses incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

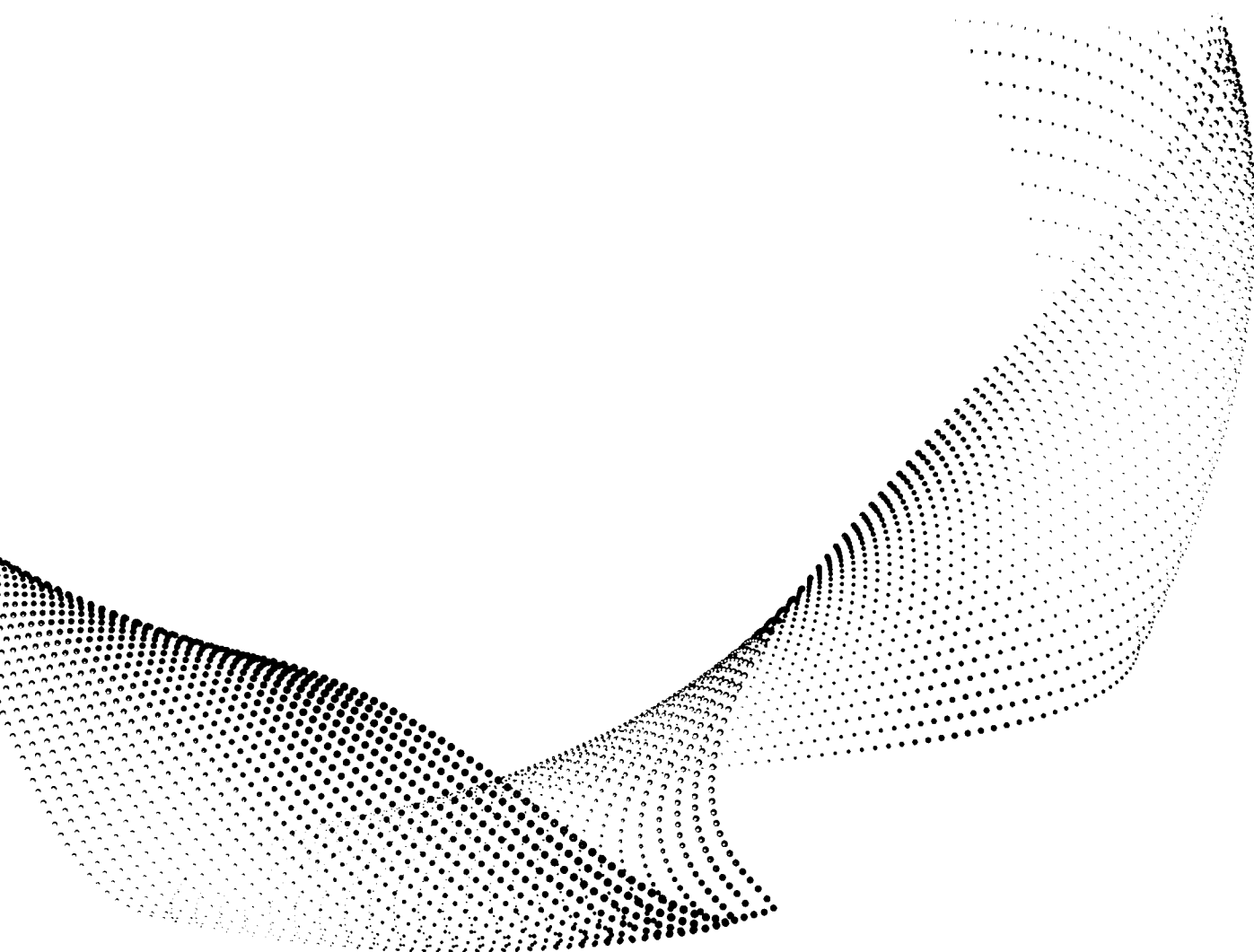
A schedule of Evelyn Partners LLP's charge out rates was issued to creditors at the time the basis of the liquidators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2022 and 1 January 2023.

Evelyn Partners LLP Restructuring & Recovery Services	Charge out rates from 1 July 2020 £/hr	Charge out rates from 1 July 2021 £/hr	Charge out rates from 1 July 2022 £/hr	Charge out rates from 1 January 2023 £/hr
Partner / Director	495-570	590-610	650-670	700-720
Associate Director	380-465	395-530	420-570	440-610
Managers	285-400	290-430	280-460	340-500
Other professional staff	125-465	130-280	205-300	160-290
Support & secretarial staff	105	100-120	100-120	100-120

Notes

1. Time is recorded in 1-minute units or multiples thereof.
2. The firm's cashiering function is centralised, cashiering function time continues to be reported according to the seniority of staff undertaking the work in our time analyses and is split between 'Other professional staff', 'Managers' and 'Associate Director'.
3. Partner includes a Consultant acting as an office-holder or in an equivalent role.



www.evelynpartners.com

Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

Evelyn Partners LLP is regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities and is registered in England at 45 Gresham Street, London, EC2V 7BG. No. OC369631.

CLA Evelyn Partners Limited is registered to carry on audit work and regulated by the Institute of Chartered Accountants in England and Wales for a range of Investment business activities.

evelyn
PARTNERS