

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

SATURDAY



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16/04/2022

#37

COMPANIES HOUSE

1 Company details

Company number 09770915

Company name in full Red Dot Recruitment UK Limited

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

2 Liquidator's name

Full forename(s) Lisa Marie

Surname Moxon

3 Liquidator's address

Building name/number 7400 Daresbury Park

Street Daresbury

Post town Warrington

County/Region Cheshire

Postcode WA44BS

Country

4 Liquidator's name

Full forename(s) Christopher Benjamin

Surname Barrett

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

5 Liquidator's address

Building name/number 7400 Daresbury Park

Street Daresbury

Post town Warrington

County/Region Cheshire

Postcode WA44BS

Country

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

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6 Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

7 Final account

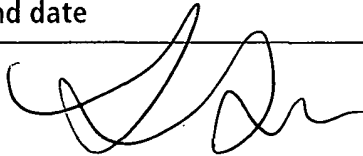
☒ I attach a copy of the final account.

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	d	m	m	y	y	y	y
1	3	0	4	2	0	2	2

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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

Katie Armstrong

Company name

Dow Schofield Watts Business Recovery LLP

Address

7400 Daresbury Park

Daresbury

Post town

Warrington

County/Region

Cheshire

Postcode

W A 4 4 B S

Country

DX

Telephone

01928 378014



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

Red Dot Recruitment UK Limited (“the Company”)
– In Creditors’ Voluntary Liquidation
Company number: 09770915

Joint Liquidators’ Final Account

In accordance with S106 of the Insolvency Act 1986 and Rule 18.14
of the Insolvency (England and Wales) Rules 2016

Reporting period: 25 March 2021 to 11 February 2022

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B	Liquidators’ Receipts & Payments Account
C	Information Regarding Liquidators’ Remuneration and Expenses

Red Dot Recruitment UK Limited ("the Company") – in Creditors' Voluntary Liquidation

1 Introduction

Lisa Marie Moxon and Christopher Benjamin Barrett were appointed as Joint Liquidators of the Company on 25 March 2021 and this is the Joint Liquidators' first and final progress report to the members and creditors of the Company, showing how the liquidation has been conducted. The report covers the whole period of the liquidation from commencement to the date of the final account.

2 Liquidators' Actions since Appointment

Following our appointment, we dealt with the initial statutory requirements, including statutory advertising and notifications to the Registrar of Companies, members and creditors of the Company, and took steps to realise the Company's assets.

2.1 Receipts and Payments Account

A summary of the Joint Liquidators' receipts and payments account is attached at **Appendix B** which shows all asset realisations and payments in respect of the costs of liquidation during the period.

The liquidation estate funds were held in an interest-bearing account in the name of the Company and controlled by the Joint Liquidators.

2.2 Asset Realisations

Asset realisations are considered to be complete.

Assigned Book Debts

The Company's book debts are assigned to the secured creditor, Secure Trust Bank Plc ("Secure Trust"). At the date of liquidation, the Company had one outstanding book debt in the sum of £2,880 and it was anticipated that the debt would be recoverable in full. At the date of the liquidation, Secure Trust was owed the sum of £3,716.

During the period, Secure Trust has recovered the book debt of £2,880 in full. There remains a shortfall owing to Secure Trust.

VAT on factoring charges

During the period, the Joint Liquidators have reclaimed the VAT on Secure Trust Bank Plc's termination charges and received a VAT refund from HM Revenue and Customs ("HMRC") in the sum of £405.

Director's Loan Account ("DLA")

The Company's accounting records state that there was an overdrawn director's loan account of £75,528 owed to the Company by Martin Warding. The director subsequently paid the sum of £1,619 towards the pre-liquidation costs of Dow Schofield Watts Business Recovery LLP, which was allocated against his director's loan account leaving a balance of £73,909 owed to the Company. The estimated to realise value of the DLA was nil due to the director's personal financial position.

Following appointment, the Joint Liquidators reviewed the information provided by the director, including his assets and liabilities and income and expenditure. Based on the information provided, it did not appear that Mr Warding was in a position to make any repayment proposals in respect of his DLA. As such, it was

not considered in the best interests of creditors to initiate recovery action as the costs of the process would outweigh any benefit to creditors.

No realisations have been achieved in this regard.

Cash held in Client Account

At the date of liquidation, the Company held the sum of £214 in the client account of Dow Schofield Watts Business Recovery LLP.

Following our appointment, the sum of £214 was transferred in full to the liquidation estate.

Sundry Debtors

The Company's accounting records show that the Company had other debtors of £13,320. For Statement of Affairs purposes the estimated to realise value was uncertain.

Following appointment, we undertook a review of the sundry debtors and it was concluded that the full balance of £13,320 related to the rent deposit.

The landlord has a claim in the liquidation in the sum of £116,417 after the deduction of the rent deposits.

As such, the rent deposits are not recoverable.

Prepayments

The director's Statement of Affairs included prepayments of £9,490 with an uncertain estimated to realise.

Following appointment, we undertook a review of the prepayments and wrote to the director and the Company's accountant to establish the recoverability of the prepayments and to obtain any supporting documentation.

Following the review it was concluded that the prepayments were irrecoverable due to the creditor position of the various suppliers and landlord.

No realisations have been achieved.

Bank Interest

Nominal bank interest has been received during the liquidation.

2.3 Costs of the Liquidation

The Joint Liquidators have paid costs of the liquidation totalling £619 as detailed in the receipts and payments account at **Appendix B**. These are discussed in more detail in section 3 below.

2.4 Distributions

No distributions have been paid to creditors during the liquidation.

2.5 Investigations

The Joint Liquidators have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the date of liquidation and submit a confidential report to the

Insolvency Service Disqualification Unit. The confidential report on the conduct of the directors of the Company has been submitted to the Insolvency Service.

The Joint Liquidators are also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf.

Appropriate investigations have been carried out and have been concluded.

2.6 Code of ethics

As insolvency practitioners we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this matter. Prior to our appointment a review of ethical issues was undertaken and no ethical threats were identified where safeguards needed to be applied.

Ethical issues have been reviewed periodically during the reporting period. Since the commencement of the liquidation, no new ethical threats have been identified.

3 Liquidators' remuneration and expenses

Approval of remuneration and category 2 expenses

Creditors approved by a decision by correspondence on 7 May 2021 that the Joint Liquidators would be remunerated on the basis of a set amount of £10,000 plus VAT and that they would be permitted to pay category 2 expenses at the rates set out in **Appendix C**.

Remuneration charged and paid

The Joint Liquidators have drawn fees of £384.

Expenses charged and paid

The expenses of the liquidation incurred and paid are as follows:

Expenses	Incurred (£)	Paid (£)
Category 1 expenses from 25 March 2021 to 11 February 2022	235.29	235.29
Category 2 expenses from 25 March 2021 to 11 February 2022	0.00	0.00
	<u>235.29</u>	<u>235.29</u>

The expenses estimate issued to creditors before seeking fee approval was £422. An explanation of the distinction between category 1 and category 2 expenses is set out at **Appendix C** together with analysis and further information regarding the expenses incurred and paid.

Pre-appointment costs

It had been agreed with the Company that the fees of Dow Schofield Watts Business Recovery LLP for assisting the director with the deemed consent procedure, and preparation of the Statement of Affairs and report to creditors would be £7,500 plus VAT and disbursements. The director, Martin Warding personally paid the sum of £1,619 with the balance being paid by the Company from funds held in the client account of Dow Schofield Watts Business Recovery LLP prior to the date of the liquidation.

The pre-appointment costs have been paid in full.

Creditors' guide to fees and creditors' rights regarding fees

Further information relating to liquidators' fees and expenses can be found in "Liquidation: a guide for creditors on insolvency practitioner fees" which can be accessed and downloaded from the website of R3, the Association of Business Recovery Professionals (<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>). The guide includes details of creditors' right to request information under Rule 18.9 of the Insolvency (England and Wales) Rules 2016 and their right to challenge liquidators' remuneration and expenses under Rule 18.34. A summary of these rights is also set out in **Appendix C**. A copy of the guide will be provided free of charge upon request to Dow Schofield Watts Business Recovery LLP.

4 Outcome for creditors

Secured Creditors and Prescribed Part

In addition to an assignment of the book debts, Secure Trust holds a debenture dated 29 October 2015 creating fixed and floating charges over the Company's assets. At the date of the liquidation, Secure Trust was owed the sum of £3,716 under the terms of the facility, prior to the application of termination or collection charges. Secure Trust has collected the one remaining assigned book debt in the sum of £2,880 and has suffered a shortfall in this matter.

In cases where a company gave a floating charge over its assets to a creditor on or after 15 September 2003, the prescribed part provisions set aside a proportion (the "prescribed part") of the funds that would otherwise have been available for distribution to floating charge creditors (the "net property") so that the prescribed part can be distributed to unsecured creditors.

As there were insufficient realisations to allow a distribution to the floating charge creditor, the net property and prescribed part are both nil.

Ordinary preferential creditors

The director's Statement of Affairs included estimated ordinary preferential claims totalling £12,611 in respect of sums owed to former employees of the Company for arrears of pay and holiday pay. Due to the level of realisations in this matter there were insufficient funds available to allow a distribution to ordinary preferential creditors.

Secondary preferential creditors

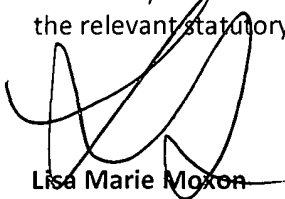
The director's Statement of Affairs included an estimated secondary preferential amount of £86,617 owed to HMRC in respect of certain tax deductions. Due to the level of realisations in this matter there were insufficient funds available to allow a distribution to secondary preferential creditors.

Unsecured creditors

Due to the level of realisations in this matter there were insufficient funds available to allow a distribution to unsecured creditors. A notice of no dividend is being issued to all known unsecured creditors with this final account.

5 Conclusion of the Liquidation

The Company's affairs are fully wound up. The Joint Liquidators will vacate office under Section 171 of the Insolvency Act 1986 on delivering to the Registrar of Companies a copy of this final account together with the relevant statutory notice.

A handwritten signature in black ink, appearing to read 'Lisa Marie Moxon', is written over the printed name.

Lisa Marie Moxon
Joint Liquidator

Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association

Appendix A: Statutory Information

Company Information

Company Name:	Red Dot Recruitment UK Limited
Trading Name:	N/a
Previous Name:	MLW Recruit Ltd
Company Number:	09770915
Date of Incorporation:	10 September 2015
Former Trading Address:	3 Hardman Square, Manchester, M3 3EB
Current Registered Office:	c/o Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park, Daresbury, Warrington, WA4 4BS
Former Registered Office:	3 Hardman Square, Manchester, M3 3EB
Principal Trading Activity:	Recruitment Agency

Appointment details

Joint Liquidators' names and address:	Lisa Marie Moxon (IP number 16370) and Christopher Benjamin Barrett (IP number 9437) both of Dow Schofield Watts Business Recovery LLP, 7400 Daresbury Park, Daresbury, Warrington, WA4 4BS.
Commencement of liquidation:	25 March 2021
Date of appointment:	25 March 2021
Appointment made:	by members and creditors

The Joint Liquidators act jointly and severally.

Appendix B: Receipts and Payments Account

Red Dot Recruitment UK Limited

In Liquidation

Joint Liquidators' Summary of Receipts and Payments (Daybook Basis)

Statement of Affairs £	From 25 March 2021 To 11 February 2022 £	From 25 March 2021 To 11 February 2022 £
SECURED ASSETS		
2,880.00 Assigned Book Debts	0.00	0.00
	0.00	0.00
SECURED CREDITORS		
(3,716.39) Secure Trust Bank Plc	0.00	0.00
	0.00	0.00
ASSET REALISATIONS		
VAT Refund on factoring charges	405.00	405.00
NIL Director's Loan Account	0.00	0.00
Cash held in Client Account	214.07	214.07
Bank Interest Gross	0.03	0.03
Uncertain Sundry Debtors	0.00	0.00
Uncertain Prepayments	0.00	0.00
	619.10	619.10
COST OF REALISATIONS		
Office Holders Fees	383.81	383.81
Office Holders Expenses	235.28	235.28
Bank Charges	0.01	0.01
	(619.10)	(619.10)
PREFERENTIAL CREDITORS		
(12,610.65) Employee (Arrears & Hol Pay)	0.00	0.00
	0.00	0.00
2ND PREFERENTIAL CREDITORS		
(86,616.65) HM Revenue & Customs	0.00	0.00
	0.00	0.00
UNSECURED CREDITORS		
(61,819.05) Trade & Expense Creditors	0.00	0.00
(15,342.65) Employees (Redundancy & PILON)	0.00	0.00
(131,958.73) Banks/Institutions	0.00	0.00
(11,334.26) HM Revenue & Customs	0.00	0.00
(18,000.00) Red Dot Commercial Limited	0.00	0.00
(1,263.99) Pension arrears	0.00	0.00
	0.00	0.00
DISTRIBUTIONS		
(100.00) Ordinary Shareholders	0.00	0.00
	0.00	0.00
(339,882.37)	(0.00)	(0.00)

Statement
of Affairs
£

From 25 March 2021
To 11 February 2022
£

From 25 March 2021
To 11 February 2022
£

REPRESENTED BY

NIL

Appendix C: Information regarding Liquidators' Remuneration and Expenses

1. Time recording policy

Work undertaken on insolvency appointments is recorded in 6 minute units on an electronic time recording system. Time properly incurred on cases is charged at the hourly charge-out rate of the grade of staff undertaking the work.

The current hourly charge-out rates are as follows:

Staff grade	Hourly rate (£) from 1 April 2021
Partner and Insolvency Practitioner	330
Manager	250-270
Assistant Manager	200-245
Senior Case Administrator	160-195
Case Administrator	110-155
Cashier	140
Trainee Case Administrator	80-100

The hourly charge-out rates are reviewed annually and may have increased during the course of the liquidation.

2. Existing fee arrangements

The existing fee arrangements were decided by creditors by a decision by correspondence on 7 May 2021.

The Joint Liquidators are authorised to draw their remuneration on the basis of a set amount of £10,000 plus VAT and they are permitted to pay category 2 expenses in accordance with the tariff set out below.

The fees drawn to date total £384.

3. Description of work carried out during the period

The work carried out during the liquidation can be summarised as follows:

3.1 Administration and planning

- Statutory duties associated with the appointment including the filing and advertising of relevant notices;
- Notification of the appointment to creditors, members, employees and other interested parties;
- Setting up case files;
- Reviewing available information to determine appropriate strategy;
- Setting up estate bank account;
- Processing bank receipts and payments;
- Maintaining financial records and carrying out bank reconciliations;
- Case reviews; and
- Dealing with taxation returns and correspondence.

3.2 Realisation of Assets

- Identifying assets;
- Liaising with secured creditor in relation to book debts;
- Recovering VAT on factoring charges;
- Correspondence with director and concluding recoveries in respect of the director's loan account;
- Transferring funds from client account to estate account; and
- Reviewing prepayments and sundry debtors;

3.3 Investigations

- Correspondence with the director;
- Review of questionnaires and information provided by creditors;
- Review of company books and records; and
- Completion of statutory report to the Insolvency Service.

3.4 Creditors and members

- Recording and maintaining the list of creditors;
- Liaising with secured creditor
- Dealing with employee related matters;
- Recording creditor claims;
- Reporting to creditors and members;
- Responding to creditor queries; and
- Preparation of final account.

Staff of different levels were involved in the activities above depending on the experience required.

4. Expenses

Expenses policy

Expenses payments from an insolvent estate must be fair, reasonable and proportionate. Expenses fall into two categories:

Category 1 expenses are payments to persons who are not associates of the office-holders for services which are directly attributable to the insolvency appointment. Category 1 expenses can be paid from the estate without prior approval. Where Dow Schofield Watts Business Recovery LLP has paid the supplier for services directly attributable to the insolvency appointment, these costs can be recharged to the insolvent estate. Category 1 expenses will typically include costs such as legal fees, agents' fees, statutory advertising, specific bond insurance, storage costs, postage, external room hire and travel expenses (excluding business mileage). Although no approval is required, an expenses estimate will be supplied when seeking fee approval.

Category 2 expenses are payments to associates of the office-holders, or which have an element of shared costs, which are directly attributable to the insolvency appointment. Category 2 expenses cannot be paid from the estate without prior approval. It is our policy to seek creditor approval for the payment of the following category 2 expenses when seeking fee approval:

Expense type	Rate
Mileage (payments made to office-holders or staff members for car journeys in relation to the insolvency appointment)	45p per mile

Expenses incurred and paid

The expenses incurred and paid during the liquidation are set out below.

	This period		Expenses Estimate (£)
	Incurred (£)	Paid (£)	
Category 1 expenses			
Statutory advertising	188.00	188.00	282.00
Statutory bond	30.00	30.00	30.00
Document storage & destruction	0.00	0.00	50.00
Corporation tax	0.00	0.00	20.00
Postage	17.28	17.28	40.00
Bank charges	0.01	0.01	0.00
Total category 1 expenses	235.29	235.29	422.00
Category 2 expenses			
Mileage	0.00	0.00	50.00
Total category 2 expenses	0.00	0.00	50.00
Total expenses	235.29	235.29	472.00

The above costs exclude VAT. Please note that where certain of the above expenses were paid to third-party suppliers by Dow Schofield Watts Business Recovery LLP and such costs were subsequently reimbursed from the liquidation estate, the expenses appear in the Receipts and Payments account as Office Holders Expenses.

The expenses incurred have not exceeded the expenses estimate.

Specialist advice and services

No expenses have been incurred by the Joint Liquidators in the instruction of any professional advisers in this matter.

Payments to sub-contractors

No work has been sub-contracted out that could otherwise have been carried out by the office holders or their staff.

Payments to associates

No payments have been made to associates of the office holders, their firm, or any individuals within their firm.

5. Creditors' rights

Under rule 18.9 of the Insolvency (England and Wales) Rules 2016, creditors are entitled to request information from the office-holders about their remuneration or expenses set out in this final account.

Any request must be made by a secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or by any unsecured creditor with the permission of the court. A request, or an application to the court for permission, must be made within 21 days of receipt of the report or account.

The office-holder must, within 14 days of receipt of such a request respond by: providing all of the information requested; providing some of the information requested; or declining to provide the information requested.

The office-holder may respond by providing only some of the information requested or decline to provide the information if: the time or cost of preparation of the information would be excessive; disclosure of the information would be prejudicial to the conduct of the proceedings; disclosure of the information might reasonably be expected to lead to violence against any person; or the office-holder is subject to an obligation of confidentiality in relation to the information. An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

A creditor may apply to the court within 21 days of: the office-holder giving reasons for not providing all of the information requested; or the expiry of the 14 days within which an office-holder must respond to a request. The court may make such order as it thinks just.

Under rule 18.34 of the Insolvency (England and Wales) Rules 2016, an application to court may be made on the grounds that the office-holders' remuneration is in all the circumstances excessive, the basis of remuneration is inappropriate, or the expenses incurred by the office-holders are in all the circumstances excessive.

Any application may be made by a secured creditor, an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including the creditor in question), or by any unsecured creditor with the permission of the court. The application must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question.

If the court considers the application to be well-founded, it must make one or more of the following orders: an order reducing the amount of remuneration; an order reducing any fixed rate or amount; an order changing the basis of remuneration; an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the winding up; an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by the liquidator to the company; any other order that it thinks just.

Unless the court orders otherwise, the costs of the application must be paid by the applicant and are not payable as an expense of the winding up.