

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



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A11

05/03/2021

#334

COMPANIES HOUSE

1 Company details

Company number 1 0 4 5 7 5 2 0

Company name in full PNO Group Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Edward M

Surname Avery-Gee

3 Liquidator's address

Building name/number Greg's Building

Street 1 Booth Street

Post town Manchester

County/Region

Postcode M 2 4 D U

Country

4 Liquidator's name ①

Full forename(s) Daniel

Surname Richardson

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Greg's Building

Street 1 Booth Street

Post town Manchester

County/Region

Postcode M 2 4 D U

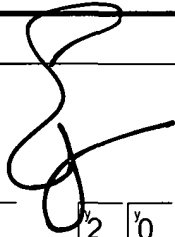

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report									
From date	^d 0	^d 9	^m 0	^m 1	^y 2	^y 0	^y 2	^y 0		
To date	^d 0	^d 8	^m 0	^m 1	^y 2	^y 0	^y 2	^y 1		
7	Progress report									
<input checked="" type="checkbox"/> The progress report is attached										
8	Sign and date									
Liquidator's signature	Signature 									
Signature date	^d 0	^d 3	^m 0	^m 3	^y 2	^y 0	^y 2	^y 1		

LIQ03

Notice of progress report in voluntary winding up



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 **Andrew Walker**

Company name **CG&Co**

Address **Greg's Building**

1 Booth Street

Post town **Manchester**

County/Region

Postcode **M 2 4 D U**

Country

DX

Telephone **0161 358 0210**



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

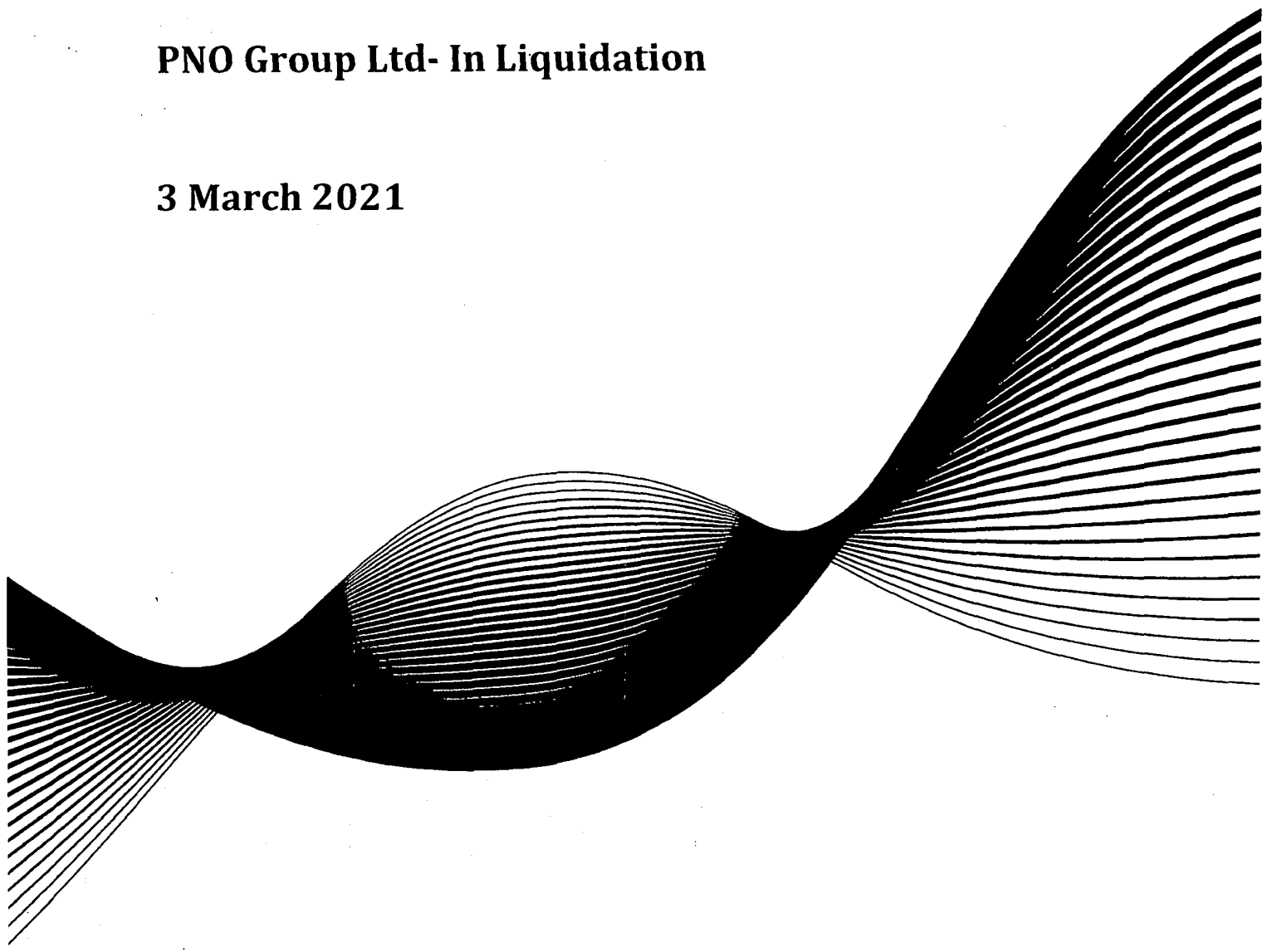
This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Joint Liquidators Annual Progress Report to Creditors & Members

PNO Group Ltd- In Liquidation

3 March 2021



cg-recovery.com
+44 (0)161 358 0210

PNO Group Ltd - In Liquidation

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- A Receipts and Payments Account for the Period from 9 January 2020 to 8 January 2021
- B Time Analysis for the Period from the 9 January 2020 to 8 January 2021 and original Fees Estimate
- C Additional information in relation to Joint Liquidators' Fees, Expenses & Disbursements

- 1.1 I, Edward M Avery-Gee, together with my partner Daniel Richardson, of CG&Co, Greg's Building, 1 Booth Street, Manchester, M2 4DU, was appointed as Joint Liquidator of PNO Group Ltd (the Company) on 9 January 2020. This progress report covers the period from 9 January 2020 to 8 January 2021 (the Period) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 Information about the way that we will use, and store personal data on insolvency appointments can be found in the attached Privacy Notice.
- 1.3 The principal trading address of the Company was 7 Cinnamon Close, Earley, Reading, RG6 5GP.
- 1.4 The registered office of the Company has been changed to C/o CG&Co, Greg's Building, 1 Booth Street, Manchester, M2 4DU and its registered number is 10457520.

2 Receipts and Payments

- 2.1 At Appendix A is our Receipts and Payments Account covering the Period of this report.
- 2.2 In Section 3 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs.

3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidators and their staff. Administration (including statutory compliance & reporting)
- 3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work we anticipated would need to be done in this area was outlined to creditors in our initial fees estimate/information.
- 3.3 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidators.
- 3.4 As noted in our initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

Cash at Bank

- 3.5 As previously reported within the SIP6 Report to Creditors dated 13 December 2019, the Director, Matthew Andrew Tanner, had transferred £6,000 from the Company's bank account with Barclays Bank plc into the CG&Co General Client Account. There are no further funds available from Barclays Bank plc. During the Virtual Meeting of Creditors, the Director advised that the Company operated additional bank accounts with HSBC Bank plc and Modulr FS. The Liquidators have realised £237,899.85 from HSBC Bank plc and £18,375.99 from Modulr FS.

Preference Payment

- 3.6 The Liquidators' investigations into the Company's affairs disclosed that the Director, Mr M Tanner, had made various withdrawals totalling £450,000 from the Company's bank account between 5 November 2019 and 2 December 2019. The Liquidators sought recovery of these withdrawals from the Director and it became necessary to instruct solicitors and to subsequently commence Court Proceedings against the Director. Prior to commencing the Court Proceedings, the Liquidators and the solicitors entered into a Damages Based Agreement ("DBA") with the solicitors. The detail of the DBA allowed the solicitors to obtain 30% plus VAT of any actual realisations, with such sum only becoming due if and when cleared sums were received into the liquidation estate, with no liability for costs in any other circumstances. The outcome of the Court Proceedings was successful, with the Liquidators successfully negotiating a settlement with the Director in the sum of £350,000. These funds have been received from the Director in full. Whilst this did result in solicitors' costs of £105,000 plus VAT, which exceeded the estimated fees level that had been provided to creditors when the Liquidators' remuneration was approved, it has resulted in a net recovery of £242,500, after deducting Counsel's fees, into the liquidation estate. Entering into a Damages Based Agreement was considered an appropriate course of action when considering the inherent litigation risks involved in going to Court.

Loan Book Debtors

- 3.7 During the virtual creditors meeting, the Director had advised that the Company had debtors and outstanding loans from former employees, which he was unable to quantify. The Liquidators obtained copies of the loan agreements and a summary of the purported outstanding balances owed by the individual employees. The documents indicate that there are 771 former employees who owe the Company loans totalling £10,717,237.61. The Liquidators have instructed solicitors to assist with the loan book collection, but in view of the COVID-19 pandemic, no letters have been sent to the individuals requesting repayment of the loans, to date.
- 3.8 In addition, the Liquidators have received gross bank interest of £284.84 in respect of funds held in the Liquidators' bank account during the Period.
- 3.9 It is considered that the work the Liquidators and their staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.

Creditors (claims and distributions)

- 3.10 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. The Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.11 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. In this case, there are no secured or preferential creditors.

- 3.12 The above work will not necessarily bring any financial benefit to creditors generally, however the Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims.
- 3.13 We consider the following matters worth noting in our report to creditors at this stage:
- There are approximately 3 unsecured creditor claims in this case with a value per the director's statement of affairs of £159,286

Investigations

- 3.14 Some of the work the Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.
- 3.15 We can confirm that we have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, we are unable to disclose the contents.
- 3.16 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 any information provided by creditors.
- 3.17 Our investigations revealed the following issue:
The Director's withdrawal of funds from the Company's bank account, as detailed in paragraph 3.6 above.

Matters still to be dealt with

- 3.18 The Liquidators have sought legal advice regarding the loan book debts, as detailed in paragraph 3.7, above.

Connected Party Transactions

- 3.19 In accordance with Statement of Insolvency Practice 13, we would advise you that no assets have been sold to the director of the Company.

4 Creditors

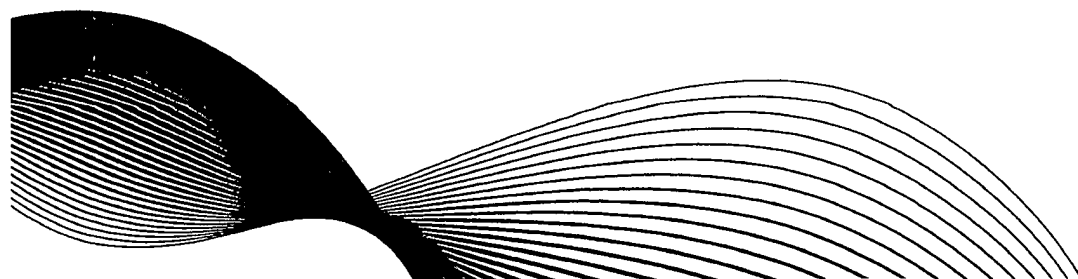
Secured Creditors

- 4.1 There are no secured creditors.

Preferential Creditors

- 4.2 There are no preferential creditors.

Unsecured Creditors



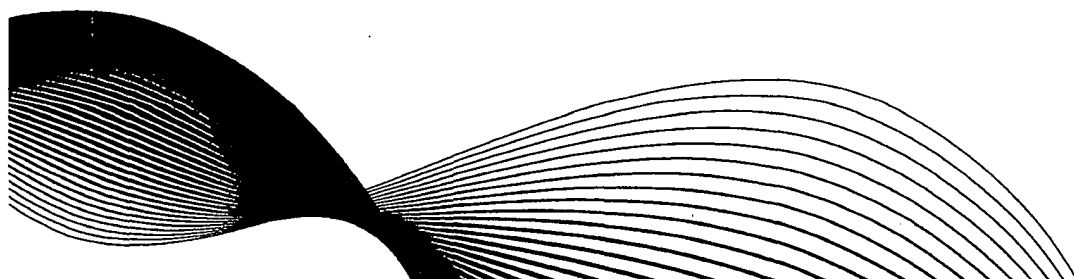
- 4.3 We have received claims totalling £740,175.76 from 3 creditors.
- 4.4 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part), which only applies to charges created after 15 September 2003.
- 4.5 We would confirm that it is anticipated there will be sufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

5 Joint Liquidators' Remuneration

- 5.1 Creditors approved that the basis of the Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Liquidation. Our fees estimate/information was originally provided to creditors when the basis of our remuneration was approved and was based on information available to us at that time, a copy of which is attached at Appendix B.
- 5.2 Our time costs for the Period are £54,031.00. This represents 309.10 hours at an average rate of £174.80 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by us in managing the liquidation. To date, no fees have been drawn on account.
- 5.3 At the date of this report, we would confirm that our fees estimate for the liquidation remains unchanged
- 5.4 A copy of 'A Creditors' Guide to Liquidators' Fees' can be downloaded from <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/>.
- 5.4 Attached as Appendix C is additional information in relation to the Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

6 Creditors' Rights

- 6.1 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) may request in writing that the Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress 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 by the Liquidators, as set out in this progress report, are excessive.

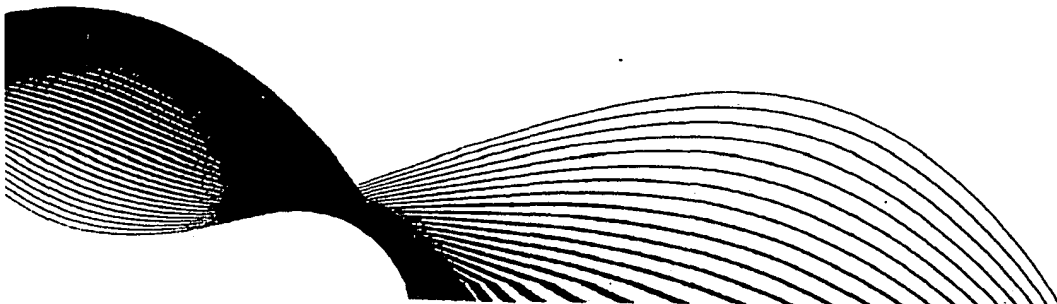
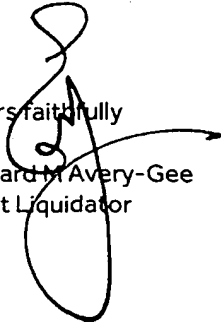


7 Next Report

- 7.1 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.
- 7.2 If you have any queries in relation to the contents of this report, we can be contacted by telephone on 0161 358 0210 or by email at info@cg-recovery.com.

Yours faithfully

Edward M Avery-Gee
Joint Liquidator



Appendix A

Receipts and Payments Account from 9 January 2020 to 8 January 2021

**PNO Group Ltd
(In Liquidation)
Joint Liquidators' Summary of Receipts and Payments
To 08 January 2021**

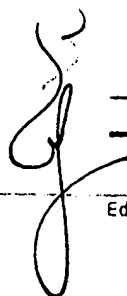
RECEIPTS	Statement of Affairs (£)	Total (£)
Cash at Bank	49,804.00	262,275.84
Preference payment		350,000.00
Bank Interest Gross		284.84
		<hr/> 612,560.68 <hr/>
PAYMENTS		
Specific Bond		600.00
Preparation of S. of A.		10,000.00
Legal Fees		116,500.00
Counsels Fee		2,500.00
Travel Expenses		557.94
Statutory Advertising		302.00
Trade & Expense Creditors	(9,286.00)	0.00
HM Revenue & Customs (VAT)	(150,000.00)	0.00
Ordinary Shareholders	(1.00)	0.00
		<hr/> 130,459.94 <hr/>
Net Receipts/(Payments)		<hr/> 482,100.74 <hr/>

MADE UP AS FOLLOWS

Bank 1 Current
VAT Receivable / (Payable)

456,240.34
25,860.40

482,100.74



Edward M Avery-Goo
Joint Liquidator

Appendix B

Time Analysis for the Period from 9 January 2020 to 8 January 2021 and original Fees Estimate

Time Entry - Detailed SIP9 Time & Cost Summary

P0049 - PNO Group Ltd
From: 09/01/2020 To: 08/01/2021
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Total Hours	Time Cost (£)	Average Hourly Rate (£)
700 : Formalities	3.00	14.50	0.00	0.00	0.00	17.50	5,492.00	312.05
Admin & Planning	3.00	14.50	0.00	0.00	0.00	17.50	5,492.00	312.05
600 : Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	2,891.00	295.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	2,891.00	295.00
501 : Unsecured Creditors	0.00	4.00	0.00	0.00	0.00	4.00	1,445.50	295.00
502 : Employee Matters	0.00	0.10	0.00	0.00	0.00	0.10	1,700.50	295.00
504 : Statutory Reporting to Creditors	2.10	0.20	0.00	0.00	0.00	2.30	3,543.50	313.56
Creditors	2.10	20.20	0.00	0.00	0.00	22.30	6,789.50	304.42
201 : CDDA Reports	1.30	8.80	0.00	0.00	0.00	10.10	3,109.50	307.87
Investigations	1.30	8.80	0.00	0.00	0.00	10.10	3,109.50	307.87
202 : Pursuing Antecedent Transactions	7.10	43.95	0.00	0.00	0.00	51.05	15,769.75	308.01
303 : Book Debts	11.15	41.30	0.00	0.00	0.00	52.45	10,587.75	318.26
306 : Other Assets	0.00	11.50	0.00	0.00	0.00	11.50	3,362.50	295.00
Realisation of Assets	18.25	96.75	0.00	0.00	0.00	115.00	35,750.00	310.87
Total Hours	24.65	150.15	0.00	0.00	0.00	174.80	54,031.00	309.10
Total Fees Claimed							0.00	

PNO Group Ltd - Estimate of time to be incurred Post Appointment												
Staff Grade	Hours									Time cost £	Average hourly rate	
	Partner	Director	Senior Manager	Manager	Assistant Manager	Senior Administrator	Administrator	Junior Administrator	Support			Total hours
Administration and planning	6.00	-	-	8.00	-	-	1.00	-	-	15.00	4,855	323.67
Appointment and case planning	1.50	-	-	-	-	-	-	-	-	1.50	593	395.00
Administration and banking	5.50	-	-	10.00	-	-	5.00	-	-	20.50	5,745	280.37
Statutory reporting and statement of affairs												
Investigations	10.00	-	-	20.00	-	-	5.00	-	-	35.00	10,475	299.29
CDDA and Investigations												
Realisation of assets												
Debt collection	7.00	-	-	40.00	-	-	100.00	-	-	147.00	27,065	184.12
Property, business and asset sales	4.00	-	-	8.50	-	-	-	-	-	12.50	4,058	327.00
Retention of Title/Third party assets	-	-	-	-	-	-	-	-	-	-	-	-
Trading												
Trading	-	-	-	-	-	-	-	-	-	-	-	-
Creditors												
Secured	-	-	-	-	-	-	-	-	-	-	-	-
Others	2.50	-	-	5.00	-	-	2.00	-	-	9.50	2,713	285.53
Creditors' committee	-	-	-	-	-	-	-	-	-	-	-	-
Other matters												
Meetings	-	-	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	-	-	-	-	-	-	-	-
Litigation	5.00	-	-	10.00	-	-	2.00	-	-	17.00	5,175	304.41
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total hours by staff grade	41.50	-	-	101.50	-	-	115.00	-	-	258.00		
Total time cost by staff grade	16,393	-	-	29,943	-	-	14,375	-	-		60,710	235.31
Average hourly rate £	395.00			295.00			125.00					
Total fees drawn to date												

Appendix C

Additional Information in Relation to the Joint Liquidators' Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, 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.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
ASW Solicitors (legal advice)	Damages Based Agreement
Pinsent Mason (legal advice)	Hourly rate and disbursements

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Joint Liquidators' Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees were approved, a copy of which is set out below:

Expense	Estimated cost £
Solicitors' costs	30,000
Statutory advertising	379
Specific penalty bond	600
Case related travel & subsistence	558
Category 2 disbursements charged by the firm:	
None	

Current position of Joint Liquidators' expenses

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Solicitors' costs	119,000.00	2,500.00	130,000.00
Statutory advertising	302.00	Nil	402.00
Specific penalty bond	600.00	Nil	600.00
Case related travel & subsistence	557.94	Nil	557.94
Category 2 disbursements			
None			

- 3.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of 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 personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3.4 Category 2 disbursements 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. We confirm that this firm does not seek to charge Category 2 disbursements.

4 Charge-Out Rates

- 4.1 CG&Co's current charge-out rates effective from 1 January 2020 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

	(Per hour) £
Partner	395
Manager	295
Assistant Manager	150
Administrator	125

Privacy Notice

Use of personal information

We process personal information to enable us to carry out our work as insolvency practitioners which includes processing data that was held by companies/individuals before our appointment together with data collected during an insolvency procedure or a fixed charge receivership. Our legal obligation to process personal data arises from work we are required to carry out under insolvency and other related legislation.

Insolvency practitioners are Data Controllers of personal data in so far as defined by data protection legislation.

CG & Co will act as Data Processor on their instructions about personal data in relation to an insolvency procedure or fixed charge receivership.

Personal data will be kept secure and processed only for matters relating to the insolvency procedure being dealt with.

The data we may process

The personal data insolvency practitioners may process in most cases will be basic details that may identify an individual and will typically be sufficient to allow us to carry out our work as insolvency practitioners, for example, dealing with the claims of individuals who are owed monies by the companies/individuals over whom we have been appointed.

However, insolvency practitioners may be appointed over entities that process personal data that is considered more sensitive, for example health records and this sensitive data will usually have been created before our appointment. Although we will take appropriate steps to safeguard sensitive data (or to destroy it where it is appropriate to do so), subject to limited exceptions, for example, where we identify previous conduct and/or action that requires further investigation, we will not be processing sensitive data.

Sharing information

We may share personal data with third parties where we are under a legal or regulatory duty to do so, or it is necessary for the purposes of undertaking our work as insolvency practitioners. We may also share personal data to lawfully assist the police or other law enforcement agencies with the prevention and detection of crime, where disclosure is necessary to protect the safety or security of any persons and/or otherwise as permitted by the law.

How long will we hold it?

Personal data will be retained for as long as any legislative or regulatory requirement requires us to hold it.

Typically, this may be up to 6 years after which it will be destroyed.

What are your rights?

You have the right to receive the information contained in this document about how your personal data may be processed by us.

You also have the right to know that we may be processing your personal data and, in most circumstances, to have information about the personal data of yours that we hold, and you can ask for certain other details such as what purpose we may process your data for and how long we will hold it.

Individuals have the right to request that incorrect or incomplete data is corrected and in certain circumstances, you may request that we erase any personal data on you which may be held or processed as part of our work as insolvency practitioners. If you have any complaints about how we handle your personal data, please contact Daniel Richardson on daniel.richardson@cg-recovery.com so we can resolve the issue, where possible. You also have the right to lodge a complaint about any use of your information with the "<https://ico.org.uk/concerns/>" (ICO), the UK data protection regulator.