

**02355749 Limited ("THE COMPANY")  
(In Liquidation)**

**Company Number: 02355749**

**Registered Office: The Old Dairy, Broadfield Road, Sheffield, South  
Yorkshire, S8 0XQ**

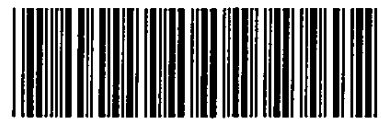
**Trading Address: The Old Dairy, Broadfield Road, Sheffield, South  
Yorkshire, S8 0XQ**

**Leeds District Registry 486 of 2013**

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Progress Report pursuant to Rule 4.49B of The Insolvency Rules  
1986

Period: 26 June 2014 to 25 June 2015



### **Important Notice**

This progress report has been produced by the Liquidator of the Company solely to comply with his statutory duty to report to creditors on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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**TO ALL CREDITORS OF 02355749 LIMITED ("THE COMPANY") (IN LIQUIDATION)**

I refer to my appointment as Liquidator of the Company taking over the administration from the Official Receiver with effect from 26 June 2013 and write in order to provide a Progress Report pursuant to Rule 4 49B of the Insolvency Rules 1986

This Progress Report covers the period 26 June 2014 to 25 June 2015 ("the Period") The Progress Report for the Period is broken down as follows

- 1 Progress during the Period
- 2 Liquidator Remuneration
- 3 Disbursements
- 4 Creditor Rights to Challenging Liquidator Remuneration and Expenses
- 5 Liquidator's Duties and Execution of Functions
- 6 Other Matters
- 7 Enclosures

To assist creditors by affording greater transparency as to my duties and the way in which I would typically execute the same, at section 5 of the Progress Report the same is set out in some detail

**1 PROGRESS DURING THE PERIOD**

Please see the attached Receipts & Payments Account for the Period

As mentioned in my previous report to creditors dated 16 July 2014, I became aware that the Company was involved in a party wall dispute with a third party and I was attempting to retrieve the Company's books and records from all parties involved with the dispute, including solicitors, accountants and surveyors in order for me to gain a good understanding of the events leading up to the winding up of the Company

I instructed solicitors on a time cost basis in order to assist me in retrieving the requested documents from the Company's former bank An Order was made for the bank to provide me with the requested information and also receive the costs order in the sum of £1,296 40 including VAT

From a review of the accountant's files, I have been investigating dividends declared in the accounts I have instructed solicitors on a time cost basis to obtain advice in respect of the same This matter is currently ongoing

I can advise that my review is continuing into the Company's affairs

**1 1 Unrealised Assets**

The Official Receiver's report to creditors dated 26 June 2013 listed no assets in which the Company held an interest

I am not currently aware of any unrealised assets to date However, my investigations are ongoing as set out in the progress section above It is not known whether there will be any realisations in respect of the same

## **2. LIQUIDATOR REMUNERATION**

At a meeting of creditors convened on 10 September 2013 the Company's creditors approved my remuneration on a time costs basis

Enclosed with this Progress Report is a breakdown of time costs incurred by my staff and I in attending to the administration of the Company's estate during the Period. These time costs total £11,714.20 in respect of 41.00 hours at an average hourly rate of £285.71

I have also attached a breakdown of my time costs since the date of my appointment on 26 June 2013. These costs total £56,305.30 in respect of 206.90 hours at an average hourly rate of £272.14

There have been insufficient realisations for me to draw any remuneration to date

I attach to this report a detailed breakdown of my time costs to date by category of work undertaken. The following table illustrates how the time shown on this detailed breakdown is categorised

<b>Category</b>	<b>Category Code</b>
Administration and Planning	100-199
Investigations	200-299
Realisation of Assets	300-399
Creditors	500-599

A summary of the work carried out in each category is provided below

### **2.1 Administration & Planning**

This category would include such tasks as general correspondence, correspondence with solicitors where instructed, the preparation of the Company's corporation tax returns and cashing matters as well as statutory requirements that I am obliged to undertake pursuant to the Insolvency Act 1986 and associated legislation

This category will also include the day-to-day administration of the liquidation estate, the performance of bank reconciliations and compliance reviews, the banking of cheques and maintenance of accurate financial records for the estate, applications for VAT refunds (where applicable) and the filing and retrieval of documents from archive

"Emails" and "General Correspondence" will involve a wide number of matters across many work categories including but not limited to correspondence with agents, solicitors, directors, accountants and banks as well as internal correspondence relating to the planning of the case and delegation of tasks

### **2.2 Investigations**

This category will include correspondence with banks, accountants and other third parties in relation to their dealings with the Company and the review of any files or information received which may relate to the Company's affairs. It will also involve correspondence with the Company's directors and their solicitors, where relevant

This category will also include the review of the Company's bank records for payments made to or on behalf of any connected entities, including directors, and will where applicable include correspondence with solicitors instructed by me

This category included the review of the accountants files to investigate two of the dividends that were declared, a review of the solicitors files to investigate the events leading up to the Company's liquidation in respect of the party wall dispute and a review of bank records for payments made to or on behalf of any connected entities including directors, correspondence with solicitors as to the findings and likely success of any litigation arising from the same and correspondence with the directors in relation to their dealings with the Company

As creditors will appreciate there has been substantial correspondence with the directors and solicitors in relation to the dividends being reviewed and for advice regarding the case generally

### 2 3 Realisations of Assets

This category would include work undertaken in order to attempt to realise any assets of the Company, including correspondence with agents and solicitors under my instruction. In addition, it will include the preparation and review of witness statements and court applications

This category included entering into correspondence with solicitors in relation to the two dividends declared

### 2 4 Creditors

This category would include preparing statutory progress reports, taking telephone calls from creditors, dealing with incoming correspondence from creditors, and holding any creditor meetings

A copy of the guide for creditors can be requested from my office and includes details on office holder remuneration. Alternatively this guide may also be accessed along with the latest version of Statement of Insolvency Practice Number 9 ("SIP 9") (England and Wales) at the R3 website

<https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice/e-and-w>

SIP 9 can also be accessed at our website <http://www.ocinsolvency.com/> in the Technical Information section. If for any reason neither of those links work, then alternatively you should be able to obtain the SIP 9 from the following <http://www.icaew.com/technical/insolvency/insolvency-regulations-and-standards/statements-of-insolvency-practice-sips-england>

### 2 5 Narrative Overview

The sections above which break down work completed into the various categories of tasks undertaken are designed to provide creditors with information regarding the complexity of the case, any exceptional responsibility falling on the office holder, the office holder's effectiveness and the value and nature of the property in question in this case

If any creditor has any queries in relation to that which is set out above or would like any further information relating to these matters, please contact my offices and I will endeavour to deal with the same

In addition to the above, the following information is supplied to give creditors an overview of the case in accordance with Statement of Insolvency Practice 9 (England and Wales)

### 2 5 1 *Nature of the Assignment*

The main aspects of this case relates to the investigation of the Company's affairs leading up to the liquidation. This revolved mainly around the party wall agreement and the dispute leading to the winding up of the Company.

### 2 5 2 *Initial Views*

It was apparent that investigations should be undertaken into the affairs of the Company leading up to liquidation to establish the reasoning behind the Company's failure and also to identify any potential claims that may exist.

It was therefore clear that a thorough investigation would need to be undertaken in relation to this matter.

### 2 5 3 *Significant Aspects of Case*

As any Liquidator enters office as a relative stranger one of the significant aspects of the case will have been to obtain and where necessary reconstruct the books, papers and records of the Company. In circumstances where records appears to have been missing the reconstruction can be all the more time consuming. However, whilst this is undoubtedly one of the primary duties when entering office it is also part of my statutory responsibilities.

As set out above, there has been a significant amount of time spent on investigating the Company's affairs and potential claims that were identified. This included detailed analysis of the Company's accounting papers and books and records.

Due to the complexity of these issues, a large amount of time was spent by more senior staff who attract a higher charge out rate.

### 2 5 4 *Views of Creditors*

There are currently no funds available for creditors and therefore the carrying out of investigations and the potential legal proceedings will not have any impact on distributions to creditors.

### 2 5 5 *Remuneration*

As set out above, creditors agreed my remuneration on a time costs basis at a meeting of creditors held on 10 September 2013.

### 2 5 6 *Agents, Subcontractors and Professionals*

This report sets out details of agents and solicitors instructed by me to assist with my administration of the liquidation. These individuals will have been chosen as a result of their anticipated effectiveness to carry out the various roles, whilst considering the cost of the services provided.

The various bases of their remuneration have been set out in the progress section above. The invoices of the various parties are reviewed by me upon receipt.

### 2 5 7 *Management of the Assignment*

The various aspects of the case are overseen by me as Liquidator, however work is generally delegated to more junior members of staff where it is considered appropriate and reasonable.

The strategy with respect to the case will have been considered by me on a continual basis throughout

### **3. DISBURSEMENTS**

I have incurred the following disbursements on account in the Period, these have not been drawn from estate funds

3 1 Statutory Bonding	£15 00
3 2 Land Registry	£3 00

### **4 CREDITOR RIGHTS TO CHALLENGING LIQUIDATOR REMUNERATION AND EXPENSES**

Creditors are entitled under Rule 4.49E of the Insolvency Rules 1986, within 21 days of the receipt of this report (secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or any unsecured creditor with the permission of the court) to request further information from me regarding my remuneration and expenses which have been detailed in this progress report

Pursuant to Rule 4.131 of the Insolvency Rules 1986 creditors (secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or any unsecured creditor with the permission of the court) have a right to challenge my remuneration and expenses via application to Court on the grounds that the remuneration charged or the expenses incurred by me as set out in this report are, in all the circumstances, excessive or, the basis fixed for remuneration is inappropriate

### **5. LIQUIDATOR'S DUTIES AND EXECUTION OF FUNCTIONS**

#### **5 1 Liquidator Duties**

I have a number of statutory duties which apply as follows

- 5 1 1 Duty to call meetings when requisitioned in accordance with the Insolvency Rules
- 5 1 2 Duty of notification via advertisement of the appointment and the convening of creditors meetings
- 5 1 3 Duty to provide annual progress reports to creditors and file the same at Companies House
- 5 1 4 Duty to provide information to the Official Receiver
- 5 1 5 Duty to collect the Company's assets
- 5 1 6 Duty to realise assets and discharge liabilities
- 5 1 7 Duty to discover who the creditors of the Company are and the amount of their claims
- 5 1 8 Duty to meet the prescribed requirements for the provision of security (referred to as a bond) for certain types of losses in relation to the insolvent estate
- 5 1 9 Duty to manage and administer the insolvent estate and its funds

It is the primary duty of a liquidator of a company to collect its assets with a view to discharging its liabilities to the extent the assets permit. To perform that function the liquidator needs information. The companies legislation has for many years given a liquidator power to obtain it from those who can be expected to have relevant information.

I am obliged under Section 144 of the Insolvency Act 1986 to take into my custody and control the Company's property, which includes its books, papers and records as defined in Section 436 of the Insolvency Act 1986.

A Liquidator enters office as a relative stranger to the Company and I am required pursuant to Statement of Insolvency Practice Number 2 ("SIP 2") to investigate and reconstitute knowledge of the Company. SIP 2 states as follows:

*" an office holder has a duty to investigate what assets there are (including potential claims against third parties including the directors) and what recoveries can be made locate the company's books and records (in whatever form), and ensure that they are secured "*

A full copy of SIP 2 can be downloaded from the Technical section of [www.ocinsolvency.com](http://www.ocinsolvency.com)

In the satisfaction of reconstituting knowledge of the Company I am obliged to consider any claims capable of swelling the Company's assets. I would therefore need to seek to identify, discover and recover the Company's property. To undertake that exercise I will need to obtain the books and records for the Company from its Officers and if relevant its agents. Whilst there are many and varied statutory functions of a liquidator, obtaining the books and records is arguably one of the most important duties as without the same it can be impossible to identify the assets with sufficient specificity to enable their recovery.

This is a compulsory liquidation and therefore pursuant to Section 143 of the Insolvency Act 1986 I have a duty to furnish and assist the Official Receiver with such information as may be reasonably required for the purposes of carrying out his or her functions in relation to the winding up. I am also obliged pursuant to Section 218 of the Insolvency Act 1986 to report to the Official Receiver any apparent criminal offences in relation to the Company by any past or present officer or any member of the Company.

## 5.2 Books and Records

By virtue of Section 386(3) of the Companies Act 2006 the Company's accounting records should have contained daily entries confirming details of all monies received and paid by the Company. In addition the same should have contained a record of the assets and liabilities of the Company.

Without this information I may be unable to independently verify what assets both exist and or should exist and only be in a position to collect disclosed assets.

## 5.3 Fulfilling the Liquidator's Functions

As this is a compulsory liquidation I have not had any prior dealings and or introduction to the Company through its Directors. In light of the same it will be / have been necessary for me to conduct an information gathering exercise to obtain the books and records and also where possible to obtain the Director's cooperation via completion of a questionnaire to obtain data on the Company.

There are usually a number of sources of the Company's books, papers and records as follows:



5 3 1 the Company's officers such as its Directors,

5 3 2 the Company's accountants who may and often will have acted as its tax agents,

5 3 3 the Company's bankers who may and often will have acted as its agents in the processing of transactions,

5 3 4 the Company's solicitors who may have acted as agents

Accordingly, I intend to or will have sought to call up the files of the Company from those typical sources. Often the information gathering process is time consuming with entitlement to information being the focus of some debate.

Once the information has been obtained it would need to be collated, catalogued and then reviewed to investigate the Company's affairs, dealings and property.

If there are any matters that arise from a review of the same that lead me to not have a satisfactory understanding of the Company's financial affairs or information is incomplete, then it may be necessary for me to interview some or all of the Directors. Investigations generally may involve contacting third parties as part of the process of unscrambling the Company's dealings.

My investigations into the Company's affairs will generally have regard to any transactions or trading that appear capable of giving rise to greater realisations for creditors. The provisions under the Insolvency Act 1986 and Companies Act 2006 which may enable me as Liquidator to effect the same would include but not necessarily be limited to the following:

- Section 212 of the Insolvency Act 1986 - Misfeasance and Breach of Duty
- Section 213 of the Insolvency Act 1986 - Fraudulent Trading
- Section 214 of the Insolvency Act 1986 - Wrongful Trading
- Section 238 of the Insolvency Act 1986 - Transactions at an Undervalue
- Section 239 of the Insolvency Act 1986 - Preferences
- Section 423 of the Insolvency Act 1986 - Transactions defrauding creditors
- Section 847 of the Companies Act 2006 - Unlawful Dividends

Directors owe companies fiduciary duties and as a result of their duty of loyalty, to act within their powers, avoid conflicts of interest and to promote the success of the Company, they have a duty to disclose any of the above that give rise to a breach of those duties.

If any creditor is aware or becomes aware of the existence of any transactions or trading that they consider to be consistent with the above or of concern generally, then please contact my office to afford me details of the same for my consideration.

## **6 OTHER MATTERS**

Should any Creditor reasonably require further particulars in relation to any aspect of the conduct of my administration then please submit such requests in writing to this office. The same will be considered and if appropriate further information may be furnished such that you may reasonably require the same.

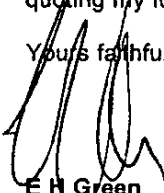
**7 ENCLOSURES**

The following are enclosed for your attention

- 7 1 Breakdown of time costs for the Period
- 7 2 Detailed breakdown of time costs by category of work undertaken for the Period
- 7 3 Breakdown of time costs since appointment
- 7 4 Detailed breakdown of time costs by category of work undertaken since appointment
- 7 5 Receipts & Payments Account

Any queries with regard to this Progress Report must be submitted in writing to this office quoting my full reference

Yours faithfully



**E H Green**  
Liquidator


*Licensed by the Institute of Chartered Accountants in England & Wales*

15 July, 2015

02355749 Limited  
(In Liquidation)

Liquidator's Abstract Of Receipts And Payments

	Statement of affairs £	From 26/06/2014 To 25/06/2015 £	From 26/06/2013 To 25/06/2015 £
<b>RECEIPTS</b>			
Costs Order		1,296 40	1,296 40
		<u>1,296 40</u>	<u>1,296 40</u>
<b>PAYMENTS</b>			
Legal Fees		1,092 17	1,092 17
Official Receiver's Fee		0 00	1,070 00
Secretary of State Fee		88 00	176 00
		<u>1,180 17</u>	<u>2,338 17</u>
<b>BALANCE - 25 June 2015</b>		<u><b>116.23</b></u>	<u><b>(1,041.77)</b></u>
<b>MADE UP AS FOLLOWS</b>			
VAT Debtors		204 23	204 23
ISA		(88 00)	(1,246 00)
		<u>116 23</u>	<u>(1,041 77)</u>

  
\_\_\_\_\_  
Elliot Harry Green  
Liquidator

**SIP 9 - Time & Cost Summary**

Period 26/06/13 25/06/15

## Time Summary

Classification of work function	Hours				Total Hours	Time Cost (£)	Average hourly rate (£)
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff			
Administration & planning	19 40	2 30	0 70	57 20	79 60	17,390 30	218 47
Investigations	57 40	9 40	0 00	37 00	103 60	33,049 20	318 39
Realisations of assets	2 60	0 20	0 00	0 20	3 00	1 250 00	416 67
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	4 90	0 80	0 00	14 60	20 50	4 615 80	225 16
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
<b>Total Hours</b>	<b>84 30</b>	<b>12 70</b>	<b>0 70</b>	<b>109 20</b>	<b>206 90</b>	<b>56,305 30</b>	<b>272 14</b>
<b>Total Fees Claimed</b>						<b>0 00</b>	

## Sub Analysis in Period

100	Admin & Planning	2 00	300 00
101	Reviewing Incoming Correspondence	0 10	15 00
102	Telephone Calls	6 40	1,077 20
103	Bank Reconciliations	0 20	30 00
104	Reviews	4 50	690 40
106	General Correspondence	22 70	6,533 20
107	Case Opening	11 00	1,530 20
110	IPS Diary Update	0 10	17 50
111	Other	0 10	25 00
112	Incoming correspondence	0 20	50 00
113	Our solicitors correspondence	2 10	593 60
115	Instructions to solicitors	0 30	45 00
116	Official Receiver correspondence	1 10	365 80
117	Internal Memo	6 20	2,624 10
118	Cashbook / Cashier / Cheque Matters	1 90	297 50
119	Correspondence with Debtor/Director	3 40	510 00
120	Emails	3 80	620 00
121	Filing	7 40	1,100 80
124	Internal discussion	0 10	15 00
125	Corporation Tax Return	0 10	15 00
128	Review of case administrators work	2 90	475 00
130	Archiving	2 50	375 00
131	Amend Audio Typing	0 50	85 00
201	Correspondence With Banks	0 80	115 40
202	Correspondence With Solicitors	9 70	2,408 40
203	Correspondence With Accountants	4 40	1,017 00
204	Review Solicitors Files	19 90	8,695 00
205	Review Accountants Files	9 10	3,505 00
206	Review Company Records	14 40	3,240 00
209	Interview Company Directors	10 80	1,252 00
213	Other	0 70	275 00
214	Incoming correspondence	0 90	245 00
215	Our solicitors correspondence	10 90	4,157 40
216	Instruction to agents / valuers	0 20	90 00
217	Instructions to solicitors	0 10	15 00
218	Official Receiver correspondence	1 40	565 40
220	Correspondence with Debtor / Director	8 40	2,574 20
221	Telephone Calls	10 10	4 292 00
223	Companies House Searches	0 30	45 00
229	General Correspondence	1 70	557 40
301	Correspondence With Agents	0 50	225 00
303	Draft Witness Statements	0 60	270 00
305	Review Of Witness Statements	1 50	675 00
310	Our solicitors correspondence	0 20	50 00
314	Correspondence with Debtor / Director	0 20	30 00
502	Proxies	0 10	45 00
503	Creditors Reports	5 00	750 00
504	Telephone Calls With Creditors	3 20	1,440 00
505	Creditors Enquiries/Response	1 00	290 00
506	Creditors Meetings	4 30	705 00
512	Correspondence with creditors	6 90	1,385 80
		206 90	56,305 30

**SIP 9 - Time & Cost Summary**

Period 26/06/14 25/06/15

## Time Summary

Classification of work function	Hours					Total Hours	Time Cost (£)	Average hourly rate (£)
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff				
Administration & planning	3 00	0 00	0 00	16 10		19 10	3,677 60	192 54
Investigations	14 40	0 00	0 00	3 10		17 50	6,926 60	395 81
Realisations of assets	0 50	0 00	0 00	0 00		0 50	225 00	450 00
Trading	0 00	0 00	0 00	0 00		0 00	0 00	0 00
Creditors	1 00	0 00	0 00	2 90		3 90	885 00	226 92
Case specific matters	0 00	0 00	0 00	0 00		0 00	0 00	0 00
<b>Total Hours</b>	<b>18 90</b>	<b>0 00</b>	<b>0 00</b>	<b>22 10</b>		<b>41 00</b>	<b>11,714 20</b>	<b>285 71</b>
<b>Total Fees Claimed</b>							<b>0 00</b>	

## Sub Analysis in Period

100	Admin & Planning	0 50	75 00
102	Telephone Calls	0 50	75 00
104	Reviews	3 40	505 40
106	General Correspondence	3 00	812 40
113	Our solicitors correspondence	1 40	387 80
117	Internal Memo	1 30	481 20
118	Cashbook / Cashier / Cheque Matters	1 10	165 00
119	Correspondence with Debtor/Director	0 10	15 00
120	Emails	0 70	105 00
121	Filing	2 50	365 80
124	Internal discussion	0 10	15 00
125	Corporation Tax Return	0 10	15 00
128	Review of case administrators work	1 80	270 00
130	Archiving	2 50	375 00
131	Amend Audio Typing	0 10	15 00
201	Correspondence With Banks	0 10	15 00
202	Correspondence With Solicitors	0 70	165 00
204	Review Solicitors Files	4 30	1,935 00
205	Review Accountants Files	2 50	825 00
206	Review Company Records	1 20	480 00
213	Other	0 50	225 00
215	Our solicitors correspondence	5 30	1,978 60
220	Correspondence with Debtor / Director	0 20	90 00
221	Telephone Calls	2 70	1,215 00
301	Correspondence With Agents	0 50	225 00
502	Proxies	0 10	45 00
503	Creditors Reports	2 90	435 00
504	Telephone Calls With Creditors	0 50	225 00
512	Correspondence with creditors	0 40	180 00
		<hr/>	<hr/>
		41 00	11,714 20