

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



A6CIR0QW

A18

10/08/2017

#66

COMPANIES HOUSE

on, please
at
ieshouse

1 Company details

Company number 0 2 8 4 6 0 0 3

Company name in full Farnrise Construction Limited

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

2 Liquidator's name

Full forename(s) David J

Surname Dunckley

3 Liquidator's address

Building name/number 30 Finsbury Square

Street

Post town London

County/Region

Postcode E C 2 P 2 Y U

Country

4 Liquidator's name ①

Full forename(s)

Surname

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

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

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 3	^d 0	^m 0	^m 6	^y 2	^y 0	^y 1	^y 6
To date	^d 2	^d 9	^m 0	^m 6	^y 2	^y 0	^y 1	^y 7

7

Progress report

☒ The progress report is attached

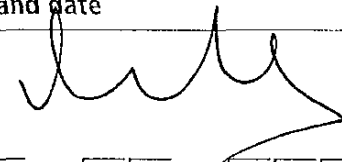
8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d0

^d1

^m0

^m8

^y2

^y0

^y1

^y7

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 David J Dunckley

Company name Grant Thornton UK LLP

Address 30 Finsbury Square

Post town London

County/Region

Postcode EC2P 2YU

Country

DX

Telephone Tel/Fax



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

Our Ref DJD/ZLC/BLA/JET/F30200813/

To the creditors and members

7 August 2017

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB

T +44 (0)161 953 6900
F +44 (0)161 953 6317
grantthornton.co.uk

Farnrise Construction Limited - In Liquidation (the Company)

1 Introduction

1.1 Following my appointment as liquidator of the above Company on 30 June 2015, in accordance with section 104A of the Insolvency Act 1986 I now report on the progress of the liquidation for the year ended 29 June 2017 and attach:

- Appendix A, an account of our receipts and payments for the year ended 29 June 2017 and also for the whole liquidation to date
- Appendix B, a statement of the remuneration charged by the liquidator in the period 30 June 2016 to 29 June 2017 and a statement of expenses incurred in the period
- Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to request additional information from the liquidator (rule 18.9)
- Appendix E, an extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 18.34).

1.2 Please note that I am authorised by the Insolvency Practitioners Association to act as an insolvency practitioner. I am bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

2 Statutory information

The Company's registered number is 02846003.

3 Progress report
Assets

3.1 No statement of affairs has been prepared for the liquidation. Surplus funds totalling £278,294 have been transferred from the administration. The difference between the amount shown in the final administration report and this report of £55 relates to bank interest posted following the conversion to liquidation.

Chartered Accountants

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority.

Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address. Please see grantthornton.co.uk for further details.

Contracts and debtors

- 3.2 As previously reported, I appointed Naismiths Limited (Naismiths) to deal with contract and debtor negotiations on my behalf. The directors' statement of affairs estimated a realisable value of £1,473,051 for book debts, sales retentions and work in progress, however, this figure did not take into account contract disputes, the ageing of the balances and loss of continuity.
- 3.3 Realisations totalling £33,555 have been received during the period, bringing the total realisations to £154,797 for the administration and liquidation.
- 3.4 No further realisations are anticipated.

Directors' loans

- 3.5 At the date of appointment the Company's books and records showed that c£231,000 was owed to the Company through various directors' loans.
- 3.6 During the administration, I received settlement in full from one director totalling £73,300.
- 3.7 I have received settlements totalling £53,700 during the liquidation from the remaining two directors with £22,500 being received in the period.

Freehold reversionary interests

- 3.8 As previously advised, the Company retained the freehold reversionary interest of two apartment blocks.
- 3.9 One of the freehold interests was sold for £20,000 during the administration and the remaining freehold interest was sold for £41,000 during the liquidation.

Terminal loss relief claim and reclaiming Section 455 tax

- 3.10 As previously reported, I have been liaising with HM Revenue & Customs (HMRC) regarding a terminal loss relief claim and a Section 455 tax reclaim. HMRC has applied set off with a historic PAYE and NI debt and therefore no realisations will be received. However, this set off significantly reduced HMRC's unsecured claim in the liquidation.

Other realisations

- 3.11 In the period, a rates refund of £2,207 has been received from Surrey County Council.

Liabilities

Secured creditor

- 3.12 The Royal Bank of Scotland plc was paid in full during the administration.

Preferential creditors

- 3.13 Preferential creditors totalling £47,772 were paid in full on 3 September 2015.

Unsecured creditors

- 3.14 The directors' statement of affairs estimated that unsecured claims totalled £5.61 million. As previously advised, the figure provided in the statement of affairs for unsecured creditors was not considered accurate due to the large number of claims received that were not listed.

- 3.15 I agreed unsecured claims totalling £9,836,654 and a first and final dividend of 1.8p in the £ was paid on 3 May 2017.

4 Liquidator's remuneration and expenses

- 4.1 On 16 June 2014, in the course of the administration of the Company, the creditors fixed the basis of remuneration to be by reference to the time properly given by the joint administrators and their staff.
- 4.2 Pursuant to rule 18.20(4) of the Insolvency (England and Wales) Rules 2016, this basis applies also in the liquidation.
- 4.3 You will note from the SIP 9 table attached at Appendix C that my time costs to date are £140,978 and from the receipts and payments account attached at Appendix A, that I have drawn fees of £109,550.
- 4.4 A considerable amount of time has been spent in the period dealing with unsecured creditor claims as the information provided by the Company could not be relied upon. Due to this, high levels of unexpected claims were received which had to be adjudicated.
- 4.5 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_-_April_2017.pdf. Alternatively, I will supply this information by post on request.
- 4.6 In addition, I have drawn expenses of £1,065 relating to postage and Land Registry searches as indicated in Appendix A.

5 Other expenses incurred by the liquidator

- 5.1 Naismiths has been paid £22,150 in the period in respect of debt collection costs.
- 5.2 Pinsent Masons LLP has been paid £6,610 in the period for assisting in recovering the directors' loan accounts and the sale of the freehold property.

Yours faithfully
for and on behalf of Farnrise Construction Limited



David J Dunkley
Liquidator

Enc

Farnrise Construction Limited - in liquidation
Summary of receipts and payments
from 30 June 2015 to 29 June 2017

Statement of Affairs £	From 30/06/2015 to 29/06/2016 £	From 30/06/2016 to 29/06/2017 £	Total £
Receipts			
Admin/Receivers Surplus	5,200.00	0.00	5,200.00
Legal Fees	(4,675.00)	4,675.00	0.00
Chargeholder (1)	5,000.00	0.00	5,000.00
Freehold Land & Property	41,000.00	0.00	41,000.00
Admin/Receivers Surplus	273,093.75	0.00	273,093.75
Book Debts	39,566.89	33,554.83	73,121.72
Tax Refund	2,697.33	0.00	2,697.33
Misc Float Receipts	167.85	0.00	167.85
Misc Refunds	0.00	2,207.00	2,207.00
Directors Loan Accounts	31,200.00	22,500.00	53,700.00
Agents/Valuers Fees (1)	(6,030.00)	6,030.00	0.00
Vat on Sales	6,512.37	5,118.34	11,630.71
HMRC - VAT received/paid	5,854.94	25,837.24	31,692.18
HMRC - Fixed VAT received/paid	935.00	0.00	935.00
	400,523.13	99,922.41	500,445.54
Payments			
Heat & Light	0.00	5.81	5.81
Telephone	278.15	0.00	278.15
Insurance	1,768.65	(274.88)	1,493.77
Hire of Equipment	80.00	0.00	80.00
Debt Collection costs	8,948.33	22,150.00	31,098.33
Liquidators Fees	0.00	109,549.80	109,549.80
Liquidators Expenses	0.00	1,065.27	1,065.27
Legal Fees (1)	17,146.20	6,610.20	23,756.40
Professional Fees	3,016.17	0.00	3,016.17
Corporation Tax	3,967.17	3,818.20	7,785.37
Administrators Fees	24,735.05	0.00	24,735.05
Administrators Expenses	1,011.91	0.00	1,011.91
Repairs & Maintenance - Heritage Court	1,564.91	0.00	1,564.91
Storage Costs	0.00	587.25	587.25
Statutory Advertising	84.60	70.20	154.80
Bank Charges	12.50	88.25	100.75
Preferential Creditors (All)	47,772.01	0.00	47,772.01
Unsecured Creditors (All)	0.00	176,655.95	176,655.95

Farnrise Construction Limited - in liquidation
 Summary of receipts and payments
 from 30 June 2015 to 29 June 2017

Statement of Affairs	From 30/06/2015 to 29/06/2016	From 30/06/2016 to 29/06/2017	Total
£	£	£	£
Vat on Purchases	12,367.31	30,955.58	43,322.89
Fixed Charge VAT on Purchases	935.00	0.00	935.00
	123,687.96	351,281.63	474,969.59
Net Receipts/(Payments)	276,835.17	(251,359.22)	25,475.95
Made up as follows			
Floating Current Account NIB	276,835.17	(251,359.22)	25,475.95
	276,835.17	(251,359.22)	25,475.95

**B Remuneration charged and expenses incurred by the liquidator
in the period**

	Charged/incurred in period 30/06/2016 to 29/06/2017	Cumulative charged/incurred to 29/06/2017	Of which paid to 29/06/2017
	£	£	£
Joint liquidators' fees:			
Time costs	62,041	140,978	109,550
Expenses	1,020	1,065	1,065
Professional fees:			
CAPA	0	2,046	2,046
Secure IT Disposals	0	970	970
Legal fees:			
Pinsent Masons LLP	6,610	21,736	21,736
Quastel Midgen LLP	0	2,020	2,020
Agents/valuers:			
Naismiths Limited	22,150	31,098	31,098
Insurance:			
JLT Specialty Limited			

C SIP 9 information

Introduction

The following information is provided in connection with the liquidator's remuneration and disbursements in accordance with Statement of Insolvency Practice 9.

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown below. Tasks are allocated to staff at the appropriate level. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

Current rates from 1 July 2014	£
Partner / Director	470-615
Manager	290-470
Other senior professional	240-305
Administrators up to	160-230
Assistants and support staff up to	150-175

Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at 45p a mile. VAT is added to disbursement charges as necessary.

Farnrise Construction Limited - In Liquidatio - F30200813 - SIP 9 TIME COST ANALYSIS

Transaction period : 30/06/2015 to : 29/06/2017

	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Administration and Planning	.80	492.00	18.00	6,285.00	25.29	5,739.85	78.45	11,764.75	122.54	24,281.60
Creditors			33.60	11,405.00	105.33	26,779.20	170.35	25,008.00	309.28	63,192.20
Hiatus period										
Investigations			6.75	2,327.50	23.25	5,580.00	.75	60.00	30.75	7,967.50
Pensions			2.50	1,300.00					2.50	1,300.00
Realisation of Assets			19.25	5,452.50	35.25	8,560.00	12.40	1,952.00	66.90	16,964.50
Taxation			39.10	17,922.50	21.50	5,667.00	29.65	3,683.00	90.25	27,272.50
Trading										
Total	.80	492.00	119.20	45,692.50	210.62	52,326.05	291.60	42,467.75	622.22	140,978.30

Total fees billed to date (Time) : £ 135,000

Farnrise Construction Limited - In Liquidatio - F30200813 - SIP 9 TIME COST ANALYSIS

Transaction period : 30/06/2015 to : 29/06/2017

	Partner		Manager		Executive		Administrator		Total	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Administration and Planning	.80	492.00	18.00	6,285.00	25.29	5,739.85	78.45	11,764.75	122.54	24,281.60
Creditors			33.60	11,405.00	105.33	26,779.20	170.35	25,008.00	309.28	63,192.20
Hiatus period										
Investigations			6.75	2,327.50	23.25	5,580.00	.75	60.00	30.75	7,967.50
Pensions			2.50	1,300.00					2.50	1,300.00
Realisation of Assets			19.25	6,452.50	35.25	8,560.00	12.40	1,952.00	66.90	16,964.50
Taxation			39.10	17,922.50	21.50	5,667.00	29.65	3,683.00	90.25	27,272.50
Trading										
Total	.80	492.00	119.20	45,692.50	210.62	52,326.05	291.60	42,467.75	622.22	140,978.30
										226.57

Total fees billed to date (Time) : £ 135,000

Farnrise Construction Limited - In Liquidation

Time costs incurred in the period 30 June 2016 to 29 June 2017

TASKS	Incurred to date		
	Av Hry Rate	Hrs	£
STATUTORY AND ADMINISTRATIVE TASKS	241	92	22,021
File reviews			
Bank account administration and transactions			
Statutory reports to creditors			
Statutory pension reports			
Tax, VAT and PAYE compliance			
Dealing with the terminal loss relief claim			
VAT returns			
REALISATION OF ASSETS	301	5	1,430
Liaising with Naismiths regarding debtors			
Liaising with JLT Specialty Limited regarding insurance cover for the properties			
CREDITORS	208	186	38,590
Agreeing unsecured claims			
Correspondence with unsecured creditors			
Liaising with employees regarding their unsecured claims			
Estimated outcome statements			
Total costs	220	282	62,041

D An extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to request additional information from the liquidator

Rule 18.9

- 1 The following may make a written request to the office-holder for further information about remuneration (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report or account under rule 18.14 -
 - a a secured creditor;
 - b an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
 - c members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
 - d any unsecured creditor with the permission of the court; or
 - e any member of the company in a members' voluntary winding up with the permission of the court.
- 2 A request, or application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report or account by the person, or by the last of them in the case of an application by more than one member or creditor.
- 3 The office holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by-
 - a providing all of the information requested;
 - b providing some of the information requested;
 - c declining to provide the information requested.
- 4 The office-holder may respond by providing only some of the information requested or decline to provide the information if-
 - a The time or cost of preparation of the information would be excessive; or
 - b disclosure of the information would be prejudicial to the conduct of the proceedings;
 - c disclosure of the information might reasonably be expected to lead to violence against any person; or
 - d the office-holder is subject to an obligation of confidentiality in relation to the information.
- 5 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.
- 6 A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of -
 - a the office holder giving reasons for not providing all of the information requested; or
 - b the expiry of the 14 days within which an office-holder must respond to the request.
- 7 The court may make such order as it thinks just on an application under paragraph (6).

E An extract from the Insolvency (England and Wales) Rules 2016 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive

Rule 18.34

- 1 This rule applies to an application in an administration, a winding up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that-
 - a the remuneration charged by the office-holder is in all the circumstances excessive;
 - b the basis fixed for the office-holders remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - c the expenses incurred by the office-holder are in all the circumstances excessive.
- 2 The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable-
 - a a secured creditor
 - b an unsecured creditor with either-
 - i the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - ii the permission of the court, or
 - c in a members' voluntary winding up-
 - i members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - ii a member of the company with the permission of the court.
- 3 The application by a creditor or member 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 remuneration or the incurring of the expenses in question ("the relevant report").