

WU07

Notice of progress report in a winding-up by the court



Companies House

WEDNESDAY



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18/03/2020

#268

COMPANIES HOUSE

1 Company details

Company number 0 4 1 1 4 7 3 0

Company name in full WH Trading Limited

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

2 Liquidator's name

Full forename(s) Laurence

Surname Pagden

3 Liquidator's address

Building name/number Lynton House

Street 7 - 12 Tavistock Square

Post town London

County/Region

Postcode WC 1 H 9 L T

Country

4 Liquidator's name

Full forename(s) Simon Peter

Surname Carvill-Biggs

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

5 Liquidator's address

Building name/number Lynton House

Street 7 - 12 Tavistock Square

Post town London

County/Region

Postcode WC 1 H 9 L T

Country

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

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Period of progress report

From date	d	1	d	8	m	0	m	1	y	2	y	0	y	1	y	9
To date	d	1	d	7	m	0	m	1	y	2	y	0	y	2	y	0

7

Progress report

☒ The progress report is attached

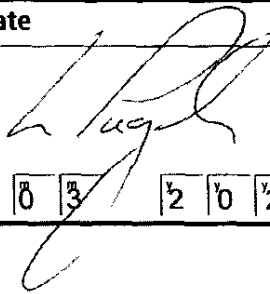
8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	1	d	6	m	0	m	3	y	2	y	0	y	2	y	0
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WH Trading Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 18/01/2019 To 17/01/2020 £	From 18/01/2018 To 17/01/2020 £
ASSET REALISATIONS		
Petitioner's Deposit	NIL	1,600.00
	NIL	1,600.00
COST OF REALISATIONS		
Bank Charges	88.00	176.00
Company Liquidation General Fee	NIL	6,000.00
O.R. Remuneration	NIL	5,000.00
	(88.00)	(11,176.00)
	(88.00)	(9,576.00)
REPRESENTED BY		
ISA main account IB		(9,576.00)
		(9,576.00)

Laurence Pagden
Joint Liquidator

WH TRADING LIMITED - IN COMPULSORY LIQUIDATION

**JOINT LIQUIDATORS' PROGRESS REPORT PURSUANT TO RULE 18.3 OF THE INSOLVENCY
(ENGLAND & WALES) RULES 2016**

FOR THE PERIOD 18 JANUARY 2019 TO 17 JANUARY 2020 ("THE PERIOD")

DATED 16 MARCH 2019

WH TRADING LIMITED - IN COMPULSORY LIQUIDATION ("THE COMPANY")

ANNUAL PROGRESS REPORT

CONTENTS

1. Introduction and executive summary
2. Asset realisations
3. Investigations
4. Joint Liquidators' remuneration
5. Joint Liquidators' expenses
6. Creditors' claims and outcome for creditors
7. Creditors' rights to further information and to challenge liquidators' remuneration and expenses
8. Data protection notice
9. Concluding remarks

APPENDICES

- I. Statutory information
- II. Joint Liquidators' receipts and payments account
- IIIa. Joint Liquidators' analysis of time costs
- IIIb. Joint Liquidators' narrative of work undertaken in the Period and future work anticipated to be undertaken

1 INTRODUCTION AND EXECUTIVE SUMMARY

- 1.1 I was appointed Joint Liquidator of the Company, by the Secretary of State, on 18 January 2018.
- 1.2 I now present my progress report for the second year of the liquidation ("the Period"), pursuant to Rule 18.3 of the Insolvency (England & Wales) Rules 2016 ("the Rules").
- 1.3 The Company's statutory information is attached at Appendix I of this report. I attach at Appendix II a receipts and payments account for the Period.

Executive Summary

- 1.4 At the date of my appointment the Company had ceased trading and purportedly sold all its assets. I investigated the position and identified that the director (Mr Richard Baker) had sold the Company's freehold property and utilised the funds to purchase a property in his own name. This was subject to two mortgages. Legal proceedings were issued against the director and I reached a settlement with him whereby he was to repay at least £200,000 in early 2020 following the sale of his property. However, after the settlement was reached the director was made bankrupt and his property is no longer vested in him. Further, one of the mortgagees has now taken possession of the property and it is in the process of being sold. Once the sale is complete, I will know how much can be recovered for the Company and its creditors. I still anticipate being able to declare a dividend to creditors.

2 ASSET REALISATIONS

- 2.1 During the period covered by this report, no realisations have been achieved.
- 2.2 As previously reported, the director had removed funds from the Company and used them to buy a property in his own name. Legal proceedings were issued against him to recover the funds and a settlement was reached on 14 January 2019 whereby:
 - He agreed to grant a charge over his property (behind the two existing charge holders), in favour of the Company.
 - He would seek to complete the development of his property in 2019 and sell it in early 2020.
 - From the proceeds of sale, he would pay to the Company a minimum of £200,000 plus a further sum dependent on the level of creditor claims.

The settlement was, in part, reached due to concerns over the director's personal financial position.

- 2.3 Shortly thereafter a bankruptcy petition was presented against him on 21 January 2019 by HM Revenue & Customs ("HMRC"). A bankruptcy order was on 12 March 2019 and at this point the property vested in the Trustee in Bankruptcy and as a result the director could not complete the development of the property and ceased making mortgage payments.
- 2.4 On the 26 March 2019 I was informed by Lester Aldridge LLP that their client, General Asset Management Limited ("GAML"), had started possession proceedings in respect of the director's property, which were due to be heard in the Kingston-upon-Thames County Court on 13 May 2019.
- 2.5 On the 8 May 2019 I was informed that Barclays Bank UK Plc ("Barclays") had instructed TLT LLP ("TLT") to also start re-possession proceedings in relation to the property. The hearing was scheduled to take place in the same County Court on 10 June 2019.
- 2.6 These hearings were adjourned, but eventually GAML was granted the right to take possession of the property under its legal charge.
- 2.7 On the 21 January 2020 I was informed that GAML were arranging to market the property for sale.

- 2.8 It is anticipated that once the sale of the Property has been completed at least £200,000 will be received, although this is dependent on how much the property is ultimately sold for and the amount owed to the prior charge holders at the time.

3. INVESTIGATIONS

- 3.1 I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.
- 3.2 As previously reported, I considered whether any claim could be brought against the former professional advisors of the Company.
- 3.3 At present, based on my legal advice, I do not anticipate bringing any such claims.

4 JOINT LIQUIDATORS' REMUNERATION

- 4.1 My time costs for the Period amount to £11,008, made up of 28.30 hours at an average charge out rate of £388.98 per hour. I attach at Appendix IIIa a breakdown of these time costs by work category and staff grade, which includes the hourly charge out rates for the grades of my staff. My total time costs are £91,273 (236.90 hours at an average charge out rate of £385.28).
- 4.2 Given the size and technical nature of the liquidation, much of the work described in the sections above was undertaken by me and an administrator. Additional assistance was provided by cashiers dealing with banking and statutory duties, and administrators offering various support services. All time spent on administering various duties was charged directly to the case in 6 minute units.
- 4.3 A narrative explanation of work done during the period since my last progress report is set out at Appendix IIIb.
- 4.4 On the 28 June 2019 I issued a report to all known creditors in which I sought approval, by a decision by correspondence, to my remuneration as Joint Liquidator on a time cost basis.
- 4.5 No creditors voted and as a result the basis of my remuneration has not been fixed. As such either I am entitled to remuneration in accordance with the scale rates set out in the legislation, which is dependent on the amounts realised and distributed, or such sum as fixed by the court.
- 4.6 Accordingly, I have not charged or drawn any remuneration during the Liquidation.
- 4.7 An explanatory note "A Creditors' Guide to Liquidators' Fees" can be found on the following link - <https://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>. Alternatively, it is available free of charge by contacting Menzies LLP. Please note that there are different versions and you should refer to the version for appointments after September 2015.

5 JOINT LIQUIDATORS' EXPENSES

- 5.1 Expenses are amounts properly payable by the Liquidators from the estate which are not remuneration or a distribution to creditors. These include disbursements, which are expenses met by and reimbursed to a liquidator in connection with the insolvency.

Liquidators' disbursements

- 5.2 In relation to disbursements, where my firm incurs a cost that is directly referable to this matter and the payment is made to a third party I will seek to reimburse these.
- 5.3 The disbursements incurred to date are shown in Appendix IIIa.
- 5.4 No disbursements will be claimed which, while costs referable to this matter, do not involve a payment to a third party; neither will any cost be reimbursed which includes an element of shared or allocated cost (e.g. photocopying). (If such costs were to be claimed then they would need creditors' approval).

Professionals & subcontractors

- 5.5 Where appropriate, I employ professionals to advise in relation to certain specialist matters.
- 5.6 The firms engaged to provide this professional advice are chosen on the basis of their experience and knowledge of the areas on which they were advising, taking into account the complexity of the assignment.
- 5.7 I engaged solicitors (HCR Sprecher Grier, formerly Sprecher Grier Limited) and barristers (Radcliffe Chambers), to provide legal advice in relation to the legal proceedings issued against the director. The basis of their fees is time costs. As there were no funds to meet these costs they have been engaged under the terms of a Conditional Fee Agreement. Accordingly, they will only be paid if the proceeding are 'successful' and recoveries are made. In such an event they will be entitled to an agreed 50% uplift on their costs, although their fees cannot exceed 50% of realisations. Their costs (including disbursements) to date total £80,510, an increase of £5,780 in the Period.
- 5.8 I also took out After the Event insurance to cover any adverse costs in the event the proceedings were unsuccessful. The premium which is payable is £33,000.00
- 5.8 None of the expenses incurred to date have been paid.

Petitioning creditor

- 5.9 The petitioning creditor is entitled to be repaid its costs of having the Company placed in liquidation. They have advised me their costs, including the deposit they were obliged to pay, are £5,095.

6 CREDITORS' CLAIMS AND OUTCOME FOR CREDITORS

Secured creditor

- 6.1 Any sums due to secured creditors were settled prior to the liquidation. Accordingly, there are no known secured creditors.

Unsecured preferential creditors

- 6.2 There are no known preferential creditors.

Unsecured non-preferential creditors

- 6.3 The information received from the Official Receiver detailed 5 non-preferential unsecured creditors with an estimated total liability of £115,340. This was based on the initial list of creditors provided by the director. Some creditors have submitted details of their claims and I have also undertaken my own review. The current position in relation to these is as follows:

Creditor	Debts per director £	Debts Per OR £	Current Anticipated £
HMRC	8,930.94	78,930.94	20,576.32
British Gas	20,000.00	19,318.79	19,318.79
Volkswagen	10,490.58	10,490.58	11,746.25
Companies House	3,000.00	3,000.00	3,000.00
JS & Co	3,600.00	3,600.00	3,760.20
PR	0.00	0.00	57,647.00
RB Furniture	0.00	0.00	0.00
TOTAL	46,201.52	115,340.31	116,048.56

- 6.4 HM Revenue and Customs ("HMRC") have submitted a claim totalling £20,576. However, due to the sale of the Property and other transactions not having been accounted for in the Company's tax returns, it is likely that HMRC's claim will increase.

Prescribed Part

- 6.6 The Prescribed Part is a ring-fenced portion of funds taken out of floating charge realisations, in liquidations where there exists an outstanding floating charge dated after 15 September 2003. This is calculated as 50% of the first £10,000 of floating charge realisations plus 20% of all other floating charge realisations, subject to a maximum prescribed part of £600,000.
- 6.7 As there are no outstanding floating charge creditors, the Prescribed Part provisions will not apply.

Estimated outcome for creditors

- 6.8 I currently anticipate, after costs, that I will be able to declare a dividend to creditors. This is subject to receiving the settlement sum of at least £200,000 referred to above.

7 CREDITORS' RIGHTS TO FURTHER INFORMATION AND TO CHALLENGE LIQUIDATORS' REMUNERATION AND EXPENSES

- 7.1 Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, is available at the link <http://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>. Please refer to the version for appointments after September 2015.

Creditors' right to request information

- 7.2 Any secured creditor, or an unsecured creditor with the support of at least 5% in value of unsecured creditors or with the leave of court, may (in writing) request me to provide additional information regarding remuneration or expenses already supplied within this report. In accordance with rule 18.9(2) of the Rules, such a request or application for leave must be made within 21 days of receipt of this report.

Creditors' right to challenge remuneration and/or expenses

- 7.3 Any secured creditor, or an unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the court, may apply to court for one or more orders under Rule 18.36(4) or 18.37(4) of the Rules. In accordance with rule 18.34(3) such applications must be made within eight weeks of receipt of this report.

8 DATA PROTECTION NOTICE

- 8.1 The Joint Liquidators are data controllers of personal data as defined by the relevant provisions of the applicable data protection legislation. Menzies LLP will act as a data processor on their instructions. Personal data will be kept secure and processed only for matters relating to the insolvency appointment. Full details of our privacy notice is at the following link: <https://www.menzies.co.uk/legal/>.

9 CONCLUDING REMARKS

- 9.1 The Liquidation will remain open until the sale of the property has been finalised, the expenses of the Liquidation have been paid and the balance distributed to creditors. I estimate that the liquidation will need to remain open for at least 9 months.
- 9.2 Should you require further information, or if you want hard copies of any of the documents made available on-line, please contact my colleague Grant Kirkwood by email at gkirkwood@menzies.co.uk or by phone on 0207 465 1957.



Laurence Padden
Joint Liquidator

Appendix I
Statutory information

Company name:	WH Trading Limited
Company number:	04114730
Registered office:	Lynton House, 7-12 Tavistock Square, London WC1H 9LT
Former registered office:	Suite A, Jubilee Centre, 10-12 Lombard Road, London SW19 3TZ
Former trading address:	Dalbani House, 257 Burlington Road, New Malden, KT3 4NE
Principal trading activity:	Property investment
Joint Liquidators' names:	Laurence Pagden and Simon Peter Carvill-Biggs
Joint Liquidators' address:	Lynton House, 7 - 12 Tavistock Square, London, WC1H 9LT
Date of appointment:	18 January 2018
Court name and reference:	High Court of Justice 007528 of 2017
Contact details of Joint Liquidators:	Grant Kirkwood, gkirkwood@menzies.co.uk , 0207 465 1957
Details of any changes of Liquidator:	Pursuant to a Court Order dated 21 December 2018, Mark Newton was removed as Liquidator and replaced as Joint Liquidator by Simon Peter Carvill-Biggs.

WH Trading Limited - In Compulsory Liquidation

Joint Liquidators' receipts and payments account

	Official Receiver's Receipts & Payments From 18/01/2018 To 18/01/2018 £	Joint Liquidators' Receipts & Payments From 18/01/2018 To 17/01/2019 £	Joint Liquidators' Receipts & Payments From 18/01/2019 To 17/01/2020 £	Total £
Receipts				
Petitioner's Deposit	1,600.00	1,600.00	0.00	1,600.00
	<u>1,600.00</u>	<u>1,600.00</u>	<u>0.00</u>	<u>1,600.00</u>
Payments				
O.R. Remuneration		5,000.00	0.00	5,000.00
Company Liquidation General Fee		6,000.00	0.00	6,000.00
Bank Charges		88.00	88.00	176.00
	<u>0.00</u>	<u>11,088.00</u>	<u>88.00</u>	<u>11,176.00</u>
Balance	<u>1,600.00</u>	<u>(9,488.00)</u>	<u>(88.00)</u>	<u>(9,576.00)</u>
Made up as follows:				
Insolvency Service Account - interest bearing				<u>(9,576.00)</u>

WH Trading Limited - In Compulsory Liquidation

Analysis of Time Costs

Period 18 January 2019 to 17 January 2020

	Partner / Director	Manager	Administrator	Total Hours	Charge £	Average rate £
Brought forward to 18 January 2019				208.60	80,265.00	384.78
Period 18 January 2019 to 17 January 2020						
Administration and planning	5.40	0.20	9.50	15.10	4,872.00	322.65
Creditors	0.50	0.00	1.30	1.80	382.50	212.50
Realisation of assets	7.00	0.00	0.10	7.10	3,582.00	504.51
Investigations	4.30	0.00	0.00	4.30	2,171.50	505.00
Hours	17.20	0.20	10.90	28.30		
Charge (£)	8,706.00	69.00	2,233.00		11,008.00	388.98
Total				236.90	91,273.00	385.28
Remuneration charged					0.00	
Outstanding time costs					91,273.00	
Disbursements						
Statutory Advertising	Incurring 18/01/2018 to 17/01/2019	Paid 18/01/2018 to 17/01/2019	Incurring 18/01/2019 to 17/01/2020	Paid 18/01/2019 to 17/01/2020	Remains outstanding	
Copying charges to supply solicitors file for investigations	80.00	0.00	0.00	0.00	80.00	
Swear Fee	100.00	0.00	0.00	0.00	100.00	
Specific Penalty Bond	7.00	0.00	0.00	0.00	7.00	
Total	210.00				210.00	
	397.00	0.00	0.00	0.00	397.00	

Appendix IIIb

Narrative of work undertaken in the period from 18 January 2019 to 17 January 2020

A description of the work undertaken since my last progress report is as follows:

1 Administration and planning

There are certain aspects of the case that are required by statute and for the efficient running of the case. They are not expected to provide a direct quantifiable benefit to creditors; however, without them, other aspects of the case which do provide a quantifiable benefit to creditors would be less efficient. They include:

- The maintenance case files and electronic case management information.
- Periodic review of files.
- Strategic case planning and the routine administration of the case.
- Preparation of documentation and reports, dealing with correspondence etc

Specifically:

Reporting

- Preparation of a report to support the request to creditors to approve the basis of the Joint Liquidators remuneration.
- Preparation of a progress report to members and creditors for circulation following anniversary to advise upon the progress made over the year.

Cashiering

- Preparing bank reconciliations.

2 Asset realisations

Net asset realisations provide the financial benefit to creditors and their quantum directly contributes to any dividend ultimately available to creditors. During the period we have:

- Liaised with the other charge holders in respect to the property.
- Discussing with my legal advisors the matters surrounding the bankruptcy of the director and the property sale.
- Considering the steps the director's Trustee in Bankruptcy took in relation to the property.

3 Investigations

Complying with statutory requirements will not necessarily produce a financial benefit to creditors but may identify potential avenues which could lead to a recovery for the benefit of creditors.

Time costs were incurred in relation to matter identified for further investigation, namely:

- Review of the former professional advisors of the Company, and their actions when dealing with the sale of the Company's premises prior to the Liquidation.
- Corresponding with our legal advisors in relation thereto, considering the merits of bringing a claim, and resolving not to do so.

4 Creditors (claims and distribution)

Time spent in this category included the following:

- Contacting specific creditors and seeking further information on their claims. Ultimately, I will need to adjudicate on the creditor claims and ensure that they had adequately proven their claims. Work undertaken in this respect is necessary to ensure that only those entitled to receive a dividend did so and that any claim was validly and adequately evidenced. To that extent there is a direct benefit to creditors.
- Dealing with routine correspondence and queries and taking telephone calls from creditors.
- Maintaining creditor information on the electronic case management files as well as the physical case files.

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Notice of progress report in a winding-up by the court



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 **Grant Kirkwood**

Company name **Menzies LLP**

Address
2 Sovereign Quay
Havannah Street

Post town **Cardiff**

County/Region

Postcode **C F 1 0 5 S F**

Country

DX

Telephone **029 2049 5444**



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