

LIQ14 (Scot)

Notice of final account prior to dissolution in CVL



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number S C 1 1 0 0 4 9

Company name in full John Rae Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Alistair

Surname McAlinden

3 Liquidator's address

Building name/number 319 St Vincent Street

Street Glasgow

Post town G2 5AS

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s) Blair Carnegie

Surname Nimmo

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Saltire Court

Street 20 Castle Terrace

Post town Edinburgh

County/Region

Postcode E H 1 2 E G

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6

Liquidator's release

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

7

Final account

☒ I attach a copy of the final account.

8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

d

d

3

m

m

9

y

y

2

y

y

2

y

y

1

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Allison Kilgour

Company name

Interpath Advisory

Address

319 St Vincent Street

Glasgow

Post town

G2 5AS

County/Region

Postcode

Country

DX

Telephone

Tel +44 (0) 141 648 4300



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,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.



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'
final account
for the period
27 September
2020 to 27 July
2021

John Rae Limited - in Liquidation

2 August 2021

Notice to creditors

Please note that KPMG LLP sold its Restructuring practice in the UK to Interpath Ltd ('Interpath Advisory') on 4 May 2021. This will not have an impact on your day to day dealings of the liquidation of the Company and your case contacts remain the same.

This final account is the Joint Liquidators' account of the winding up, showing how it has been conducted and the Company's property has been disposed of.

We have included (Appendix 2) an account of all amounts received, and payments made since the date of our appointment.

You will find other important information in this account such as the costs which we have incurred in the period since our last progress report.

A glossary of the abbreviations used throughout this document is attached (Appendix 4).

If you wish to object to the release of the Joint Liquidators, you must give notice, in writing, to the Joint Liquidators within 28 days of delivery of this notice.

The Joint Liquidators will vacate office on delivering to the Registrar of Companies and the Accountant in Bankruptcy, the final account and notice stating that no creditor has objected to their release.

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website:

www.ia-insolv.com/case+INTERPATH+JI927F5812.html. We hope this is helpful to you.

Please also note that an important legal notice about this final account is attached (Appendix 5).

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1 Executive summary

This is the final account of the liquidation of John Rae Limited (the 'Company') and it covers the period from 27 September 2020 to 27 July 2021, which is the period since our last progress report.

We have realised all available assets, so far as it has been cost effective to do so. This includes motor vehicles and a positive cash balance held in the Company's pre-liquidation bank account. The costs incurred in carrying out the liquidation have also now been discharged (Section 2 - Progress to date).

There are insufficient funds available to enable a dividend to be paid to any class of creditor (Section 3 – Outcome for creditors).

Please note: you should read this report in conjunction with any previous reports issued to the Company's creditors; these can be found at:

www.ia-insolv.com/case+INTERPATH+JI927F5812.html.

Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.



Alistair McAlinden
Joint Liquidator

2 Final account of the winding up

This final account covers the period from the date of our appointment to 27 July 2021. It also covers the period from 27 September 2020 to 27 July 2021, which is the period since our last progress report. However, please refer to previous reports where information has previously been disclosed.

This section provides you with details of the final outcome of the liquidation. It follows the information provided in our previous reports.

2.1 Asset realisations

Realisations during the liquidation are set out in the attached receipts and payments account (Appendix 2).

No assets were realised in the period 27 September 2020 to 27 July 2021. However, summaries of the most significant realisations during the liquidation are provided below.

We received funds of £22,758.94 from the Company's pre-liquidation bank account.

We realised £12,900.00 from the sale of Company's vehicles, with outstanding finance of £865.02 settled from sale proceeds.

The Company's book debts and retentions were assigned to Royal Bank of Scotland Invoice Finance Limited ('RBSIF') in accordance with an invoice facility. Outstanding sums have been collected by RBSIF directly, who have suffered a shortfall in their lending. Accordingly, no surplus collections have arisen for the benefit of the liquidation estate.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

2.2 Costs

Payments made during the liquidation are set out in the attached receipts and payments account (Appendix 2), with a separate column for payments since our last progress report.

Summaries of the most significant payments made during the liquidation are provided below.

Fees totalling £3,876.00 was paid to GMG Asset Valuation for valuation work carried out in relation plant & machinery and stock at the outset of the liquidation, and also in respect of handling the sale of the Company's vehicles.

A total £8,387.62 was paid to CVR Global LLP for advice provided to the Company director and calling the initial meeting of creditors. These costs have been met as an expense of the liquidation.

Storage costs in relation to the Company's books and records of £2,501.51 have been paid.

Legal fees of £1,400.00 have been paid in relation to a review of the validity of securities held against the Company and also in relation to other ad-hoc legal advice provided.

The Company held a large volume of confidential paperwork in its leasehold premises. We arranged for this to be securely destroyed at a cost of £1,000.

3 Outcome for creditors

3.1 Secured creditors

The Company has two secured creditors: RBSIF and Ktwo Brands Limited.

RBSIF provided an invoice finance facility to the Company and had lending totalling approximately £293,000 at the date of liquidation. Outstanding book debts and retentions, which were assigned to RBSIF in accordance with the facility, have been collected by RBSIF directly. However, RBSIF has suffered a shortfall in the recovery of its lending.

There were insufficient asset realisations in the liquidation for a distribution to be made to RBSIF, in accordance with its security.

We understand that no sums were due to Ktwo Brands Limited at the date of liquidation.

3.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

There have been insufficient asset realisations in the liquidation to enable a distribution of funds to the preferential creditors.

3.3 Unsecured creditors

There have been insufficient asset realisations in the liquidation to enable a distribution of funds to the unsecured creditors.

3.4 Liquidation committee

A Liquidation Committee was established on 27 September 2018. The elected members are Howden Joinery, Jewson Limited and Wolesley UK Limited.

No Committee meetings have been held in the period.

4 Joint Liquidators' remuneration, expenses and payments to KPMG

4.1 Joint Liquidators' remuneration and expenses

From the date of our appointment to 27 July 2021, we have incurred time costs of £164,487.45. These represent 518.94 hours at an average rate of £316.97 per hour.

From the 27 September 2020 to 27 July 2021, we have incurred time costs of £9,742.10. These represent 27.60 hours at an average rate of £352.97 per hour.

A detailed analysis of the time spent is provided at Appendix 3.

During the period 27 September 2020 to 27 July 2021, we have drawn creditor committee approved remuneration of £16,917.38 (minus a CHAPS fee).

No further remuneration has or will be drawn in connection with the liquidation.

During period 27 September 2020 to 27 July 2021, we have not incurred any expenses and no expenses have been paid.

During the liquidation we have not paid any expenses.

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the final period from 27 September 2020 to 27 July 2021. We have also attached our charging and expenses policy.

Appendix 1

Statutory information

Company information

Company name	John Rae Limited
Date of incorporation	24 March 1988
Company registration number	SC110049
Previous registered office	16 Bourtrees Place, Hawick, Roxburghshire, TD9 9HW
Present registered office	319 St Vincent Street, Glasgow, G2 5AS
Trading address	16 Bourtrees Place, Hawick, Roxburghshire, TD9 9HW
Nature of business	Heating and plumbing contractor.

Liquidation information

Appointed by	Members and creditors pursuant to Section 98 of the Insolvency Act 1986
Date of appointment	27 September 2018
Joint Liquidators' details	Alistair McAlinden and Blair Nimmo
Joint Liquidators' address	319 St Vincent Street, Glasgow, G2 5AS
Functions	The functions of the Joint Liquidators are being exercised by them individually or together in accordance with Section 231(2) of the Insolvency Act 1986
EU Regulations	EU Regulations apply and these proceedings are the Main Proceedings as defined in Article 3 of the EU regulations.

Appendix 2

Joint Liquidators' final receipts and payment account

John Rae Limited - in Liquidation

Abstract of receipts & payments

Statement of affairs (£)		From 27/09/2020 To 27/07/2021 (£)	From 27/09/2018 To 27/07/2021 (£)
FIXED CHARGE ASSETS			
295,385.00	Book debts	NIL	NIL
		NIL	NIL
FIXED CHARGE CREDITORS			
(293,000.00)	RBS Invoice Finance	NIL	NIL
		NIL	NIL
HP/LEASING			
	HP/Leasing asset (1)	NIL	(865.02)
		NIL	(865.02)
ASSET REALISATIONS			
10,000.00	Plant & machinery	NIL	NIL
700.00	Furniture & equipment	NIL	NIL
3,300.00	Motor vehicles	NIL	12,900.00
17,577.00	Cash at bank	NIL	22,758.94
	Insurance refund	NIL	90.00
		NIL	35,748.94
OTHER REALISATIONS			
	Bank interest, gross INCLUDING FINAL	NIL	86.85
	Sundry refunds	NIL	229.56
150,000.00	Retentions	NIL	NIL
		NIL	316.41
COST OF REALISATIONS			
	Liquidator's fees	(16,917.38)	(16,917.38)
	Agents'/Valuers' fees	NIL	(3,876.00)
	CVR fees	NIL	(8,387.62)
	Legal fees	NIL	(1,400.00)
	Storage costs	NIL	(2,501.51)
	Re-direction of mail	NIL	(303.00)
	Statutory advertising	NIL	(114.98)
	Other property expenses	NIL	(1,000.00)
	Insurance of assets	NIL	(679.84)

John Rae Limited - in Liquidation**Abstract of receipts & payments**

Statement of affairs (£)		From 27/09/2020 To 27/07/2021 (£)	From 27/09/2018 To 27/07/2021 (£)
	Bank charges	(20.00)	(20.00)
		(16,937.38)	(35,200.33)
	PREFERENTIAL CREDITORS		
(62,932.00)	Employees' wage arrears/holiday pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(466,782.00)	Trade & expense	NIL	NIL
(429,492.00)	Employees	NIL	NIL
(1.00)	Landlord	NIL	NIL
(94,508.00)	HM Revenue & Customs - PAYE/NIC	NIL	NIL
		NIL	NIL
(869,753.00)		(16,937.38)	NIL
	REPRESENTED BY		
	VAT receivable		3,386.01
	Current account		NIL
	VAT payable		(2,580.00)
	Floating ch. VAT control		(806.01)
			NIL

Appendix 3 Joint Liquidators' charging and expenses policy

The time charged to the liquidation is by reference to the time properly given by us and our staff in attending to matters arising in the liquidation. This includes work undertaken in respect of in-house Interpath Advisory tax, VAT and employee specialists. This also includes work undertaken by KPMG Pensions specialists up to 1 March 2020 who, until this date, were part of the same firm as the office holders and their staff.

Our policy is to delegate tasks in the liquidation to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Liquidators' Remuneration Scotland" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/scotland/technical-guidance/fees/more/29162/page/1/creditors-guide-to-liquidators-remuneration-scotland/>

If you are unable to access this guide and would like a copy, please contact Allison Kilgour on 0141 648 4287.

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this liquidation. Time is charged by reference to actual work carried out on the liquidation.

All staff who have worked on the liquidation, including cashiers and secretarial staff, have charged time directly to the liquidation and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the liquidation but is reflected in the general level of charge-out rates.

Partner	690	690
Director	620	620
Senior Manager	560	560
Manager	467	467
Senior Administrator	325	325
Administrator	236	236
Support	147	147

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 expenses from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Expenses: These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath Advisory include mileage. This is calculated as follows:

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 45p per mile.

Use of company car – 60p per mile.

Use of partner's car – 60p per mile.

For all of the above car types, when carrying Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any expenses during this final period.

We have the authority to pay Category 1 expenses without the need for any prior approval from the creditors of the Company.

Category 2 expenses have been approved in the same manner as our remuneration.

If you wish to challenge the basis of our remuneration, the remuneration charged, or the outlays incurred during the period covered by this report, you must do so by making an application to Court.

Applications by unsecured creditors must be made with concurrence of at least 25% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant Rules can be provided on request by writing to Allison Kilgour at Interpath Advisory, 319 St Vincent Street, Glasgow, G2 5AS.

Narrative of work carried out for the period 27 September 2020 to 27 July 2021

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ preparing statutory receipts and payments accounts; ■ dealing with all closure related formalities; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the liquidation; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	<ul style="list-style-type: none"> ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ providing copies of statutory reports to the shareholders.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ drawing remuneration in accordance with the basis and amount which has been approved including expenses as determined by the Liquidation Committee and creditors; ■ dealing with the ongoing storage of the Company books and records.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the liquidation and their employment.
Creditors and claims	<ul style="list-style-type: none"> ■ responding to enquiries from creditors regarding the liquidation; ■ drafting our report.

Time costs

SIP 9 – Time costs analysis (27/09/2020 to 27/07/2021)							
	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Cashiering							
General (Cashiering)			1.00	0.20	1.20	354.40	295.33
Reconciliations (& IPS accounting reviews)		0.10	0.20		0.30	111.70	372.33
General							

SIP 9 – Time costs analysis (27/09/2020 to 27/07/2021)

	Hours				Time Cost (£)	Average Hourly Rate (£)	
	Partner / Director	Manager	Administrator	Support			Total
Fees and WIP		1.10	1.90		3.00	1,131.20	377.07
Statutory and compliance							
Checklist & reviews		0.20	2.00		2.20	725.60	329.82
Closure and related formalities		0.30	5.30		5.60	1,862.60	332.61
Tax							
Post appointment corporation tax		1.10	3.80		4.90	1,823.10	372.06
Post appointment VAT		1.00			1.00	485.60	485.60
Creditors							
Creditors and claims							
General correspondence		0.30	0.60		0.90	335.10	372.33
Statutory reports		2.50	3.80		6.30	2,375.80	377.11
Employees							
Correspondence			0.20		0.20	65.00	325.00
Investigation							
Investigations							
Mail redirection			2.00		2.00	472.00	236.00
Total in period	0.00	6.60	20.80	0.20	27.60	9,742.10	352.97

Brought forward time (appointment date to SIP 9 period start date)	491.34	154,745.35
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	27.60	9,742.10
Carry forward time (appointment date to SIP 9 period end date)	518.94	164,487.45

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 4 Glossary

Company	John Rae Limited - in Liquidation
Joint Liquidators/we/our/us	Alistair McAlinden and Blair Nimmo
Interpath/Interpath Advisory	Interpath Ltd
KPMG	KPMG LLP
RBSIF	Royal Bank of Scotland Invoice Finance Limited

Any references in this report to Sections, Paragraphs and Rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986 and the Insolvency (Scotland) (Receivership and Winding up) Rules 2018 respectively.

Appendix 5 Notice: About this final account

This final account has been prepared by Alistair McAlinden and Blair Nimmo, the Joint Liquidators of John Rae Limited (the 'Company'), solely to comply with their statutory duty under the Insolvency (Scotland) (Receivership and Winding up) Rules 2018 to provide members and creditors with an account of the winding up, showing how it has been conducted and the Company's property has been disposed of, and for no other purpose.

This final account is not suitable to be relied upon by any other person, or for any other purpose or in any other context including any decision in relation to the debt of or any financial interest in the Company. Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (Scotland) (Receivership and Winding up) Rules 2018 does so at their own risk.

Alistair McAlinden and Blair Carnegie Nimmo are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – www.interpathadvisory.com/privacy-insolvency.

The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the liquidation.

www.interpathadvisory.com

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