

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
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www.gov.uk/companieshouse

1 Company details

Company number 0 0 3 6 8 0 8 5

Company name in full Harry Fairclough Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Andrew Stephen

Surname McGill

3 Liquidator's address

Building name/number 3rd Floor

Street 9 Colmore Row

Post town Birmingham

County/Region

Postcode B 3 2 B J

Country

4 Liquidator's name ①

Full forename(s) Adam Henry

Surname Stephens

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 25

Street Moorgate

Post town London

County/Region

Postcode E C 2 R 6 A Y

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

^d1^d5^m1^m2^y2^y0^y2^y0

To date

^d1^d4^m1^m2^y2^y0^y2^y1

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signatur

X



X

Signature date

^d1^d1^m0^m2^y2^y0^y2^y2

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 Tracey Elms

Company name Smith & Williamson LLP

Address 3rd Floor

9 Colmore Row

Post town Birmingham

County/Region

Postcode B 3 2 B J

Country

DX

Telephone 0121 710 5200



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



Harry Fairclough Limited (in creditors' voluntary liquidation)

Joint liquidators' annual progress report for the period from 15
December 2020 to 14 December 2021

11 February 2022



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1. Glossary

Abbreviation	Description
the Company	Harry Fairclough Limited
the liquidators/joint liquidators	Andrew Stephen McGill and Adam Henry Stephens
the administrators/joint administrators/former administrators	Andrew Stephen McGill and Adam Henry Stephens
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
IR86	Insolvency Rules 1986, as revoked by IR16 If preceded by R, this denotes a rule number
SOA	Statement of Affairs
HMRC	Her Majesty's Revenue and Customs
NatWest	National Westminster Bank plc
RPS	Redundancy Payments Service
Squires	Squire Patton Boggs solicitors
Reporting period	15 December 2020 to 14 December 2021
Hiatus period	Period between administrators' final report and the date of the liquidators appointment (being the date the notice of move from administration to CVL registered by Companies House) The hiatus period for this case is 30 November 2020 to 15 December 2020

2. Introduction and Summary

This report is our first progress report since appointment and covers the period from 15 December 2020 to 14 December 2021.

By way of reminder, we, Andrew Stephen McGill, of Smith & Williamson LLP, 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ and Adam Henry Stephens, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY were appointed liquidators of the Company on 15 December 2020 following exit from administration.

The principal trading address of the Company was Howley Lane, Howley, Warrington, Cheshire, WA1 2DN.

The Company's registered office is 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ and its registered number is 00368085.

3. Transactions in the hiatus period

Creditors will be aware that we were appointed joint liquidators following exit from Administration. Our final progress report in the administration covered the period ended 29 November 2020. Details of the transactions that occurred from 30 November 2020 to the date of our appointment as joint liquidators (15 December 2020) are shown on the receipts and payments account at Appendix I.

3.1 Funds transfer from Administration

As at the 15 December 2020 (the date the Company entered into liquidation) funds totalling £12,432 were received from the administration estate. These funds were made up of £10,884 cash in the administration bank accounts, fixed charge VAT receivable £295 and floating charge VAT receivable of £1,253 transferred to the liquidation estate.

Other transactions in the hiatus period were:

- Security costs of £1,090 in relation to the freehold property were paid;
- Debtor receipts of £1,540 due to Harry Fairclough Construction Ltd (in liquidation) that had been received in error were paid to the Harry Fairclough Construction Ltd liquidation estate;
- Utility costs relating to the freehold property in the amount of £414 were paid; and
- Bank interest of £4 was received.

4. Realisation of assets

Attached at Appendix II is our receipts and payments account for the period from 15 December 2020 to 14 December 2021.

4.1 Freehold Property

As set out in the former administrators' proposals and progress reports, the Company owned a freehold property located at Howley Lane, Howley, Warrington.

A sale of the property was completed on 5 February 2021 for £910,000. After payment of the costs associated with realising the property (including security, maintenance, site clearance, legal costs and agents costs) £110,799 was paid to NatWest Bank under its fixed charge to settle the bank's debt in full resulting in net sale proceeds of £670,303.

The background to the sale of the property is summarised below:

- Formal marketing of the property was delayed until early Summer 2020 as result of the COVID-19 pandemic.
- Jones Lang LaSalle Limited ("JLL") were originally instructed to assist with the sale of the property. Our instructed agent moved from JLL to Savills in Spring 2020 and the instruction was transferred to Savills at that time.
- A sales and marketing strategy was agreed in June 2020 as follows:
 - An initial marketing campaign was initiated to gather interest in the property followed by an informal tender process to focus interest.
 - The marketing strategy included targeted brochure mailing to potential developers, local & Rightmove advertising plus listing on the Savills website.
 - The marketing strategy implemented generated significant interest in the property and a number of viewing days were held on site during July & August 2020.
 - Offers were invited from interested parties by early September 2020 and this resulted in 11 offers for the property on a number of conditional & unconditional bases.
- Significant ongoing negotiations continued with a number of interested parties and following intense discussions and on the recommendation of Savills, the former administrators accepted an unconditional offer for the freehold property in October 2020.
- The initial purchaser moved the conditions attached to their offer so significantly that the administrators disengaged with them and subsequently re-engaged with Kayber Court Investments Limited, the purchaser of the property.
- The former administrators had instructed Squires to assist with the conveyancing of the property and given they had a working knowledge of the background to the case the liquidators continued to instruct them to assist with the property sale. Details of the costs incurred and work carried out by Squires is detailed in Appendix XI.
- A significant amount of both the administrators/liquidators time & legal advisors' time was spent on progressing the abortive sale to the initial purchaser and then progressing the sale to the eventual purchaser. Matters were complicated further given the level of due diligence and investigations required by the solicitors acting for the ultimate purchaser which resulted in material additional work relating to various complicated legal queries and other issues in the hiatus period, and January 2021 until completion of the property sale on 5 February 2022.
- A flood at the premises in January 2021 (after exchange but before completion) also complicated matters and lead to a delay in completion with further additional costs as a result.
- A significant amount of time was also spent dealing with matters that related to the protection of the property and complying with insurance requirements for vacant premises, which were further compounded by the ongoing COVID-19 restrictions, whilst the sale of the property was being progressed over a 12 month period, which included:
 - Trespassers on site During October 2020 and strategy to ensure site was unoccupied and secure
 - Additional 24 hour manned security to monitor site and protect the premises.
 - Reduced to 12 hour manned security during the evening, night and morning.
 - Installation of fencing to significantly improve security on site
 - Installation of further CCTV camera, further signage and increased surveillance
 - Additional site clearance as a result of the trespassers on site

Following the completion of the sale the final utility bills (water, electricity) were paid and are accounted for in the receipts and payment account attached at Appendix II.

4.2 Bank Interest Gross & Interest Received

Bank Interest received on the designated bank account for the liquidation operated with Royal Bank of Scotland. Bank interest totalling £26 has been received in the period 15 December 2020 to 14 December 2021.

In addition, interest totalling £1,571 was received from the purchaser as after exchange of contracts the date of completion for the property was delayed by the purchaser due to the flooding issues outline above.

No further asset realisations are anticipated.

5. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date of liquidation or who held office at any time during the three years immediately preceding insolvency.

We have complied with our duty in this regard. As all submissions are strictly confidential, we are unable to disclose their content.

During the preceding administration, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors as a response to our request to complete an investigation questionnaire. Our investigations did not reveal any issues requiring further reporting.

In order not to duplicate this work and incur additional and unnecessary time costs, we did not repeat this exercise in the liquidation. However, we undertook a review of our previous initial assessment to check for any new matters that would require further investigation. No such matters were identified.

6. Creditors

6.1 Secured creditors

NatWest holds a legal mortgage containing a fixed charge over the Company's freehold property, dated 8 June 2000.

Following the sale of the property £110,799 was paid to NatWest to discharge its debt in full.

6.2 Prescribed Part

The Company did not grant any floating charges and the Prescribed Part requirements do not therefore apply.

6.3 Ordinary preferential creditors

We set out below a summary of the ordinary preferential claims received:

Ordinary preferential creditor	SOA claims £	Claims received £	Claims agreed £
Employee claims (110 claims)	188,810	77,030	77,030
Redundancy Payments Service		65,842	65,842
Pension Schemes		Nil	Nil
Total	189,492	142,872	142,872

The company operated various pension schemes for its employees however it was only the "sponsoring employer" for one pension scheme being The Peoples Pension. The employee element of pension contributions that had been deducted but not paid over would be a preferential claim. The pension claim was submitted to the RPS, however the RPS rejected the preferential element as the employees had already been paid arrears of wages for the same period. Therefore, The Peoples Pension would have a direct claim in the liquidation for these contributions, however we have received a nil claim from The Peoples Pension.

A claim had been received from the RPS for payments it has made to the employees in respect of wage arrears and holiday pay. The RPS has a subrogated claim in the liquidation in respect of these payments.

We undertook a review of the RPS claim received and allocated the payments made by the RPS to the employee claims on our case management software in order to calculate the employee claims over and above the statutory limits paid by the RPS. Notice of Intended Dividend was issued to the preferential creditors on 2 September 2021, giving a deadline for claims of 1 October 2021. The dividend was to be paid within 2 months of that date i.e. by 30 November 2021.

However, the dividend was postponed as after issuing the notice of intended dividend, we received a revised final claim from the RPS which affected the amount of the claims of some employees. The liquidators formed the view that the payment of the distribution would not be feasible by 30 November 2021 as a further review of all employee claims would be required to ensure that the payments made to all employees were correct.

After the period of this report a further Notice of Intended Dividend was issued to the preferential creditors on 22 December 2021, giving a deadline for claims of 28 January 2022. The dividend will be paid within 2 months of this date i.e. by 27 March 2022.

The preferential creditors will be paid in full.

6.4 Secondary preferential creditors

For insolvency proceedings commencing after 1 December 2020 claims from the secondary preferential creditors (mainly HMRC) which will rank below the ordinary preferential creditors in relation to outstanding taxes 'paid' by employees and customers of that business. These include Value Added Tax (VAT), Pay as You Earn (PAYE), employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. It is important to note that there is no cap or time limit on what HMRC can recover in respect of the above.

The secondary preferential creditors will only be entitled to receive a dividend after all the ordinary preferential creditors have received 100p in the pound (£).

HMRC will continue to be an unsecured creditor for corporation tax and any other taxes owed directly by a company/business (for example employer National Insurance Contributions).

Although the liquidation commenced after 1 December 2020, it was preceded by an administration that commenced on 21 February 2020, there are therefore no secondary preferential creditor claims.

6.5 Unsecured creditors

A summary of unsecured claims received and agreed is set out below:

	SOA claims	Claims received	Claims agreed
Trade & Expenses Creditors	101,179	87,687	Nil
Employees/RPS	1,559,953	1,957,000	1,183,178
Pension schemes	28,361	Nil	Nil
Intercompany creditors	6,646,426	6,646,986	Nil
HMRC	464,839	424,623	424,623
Total	8,800,758	7,071,609	424,623
Number of claims	131	102	2

Based on current information it is anticipated that realisations will be sufficient to pay a small dividend to unsecured creditors given the significant level of unsecured claims. The quantum and timing of the dividend is uncertain at present and will depend on final assets realisations, costs of the liquidation and the quantum of creditor claims.

The company operated various pension schemes for its employees however it was only the “sponsoring employer” for one pension scheme being The Peoples Pension. The employer element, totalling £413 of pension contributions that had been deducted but not paid over would be an unsecured claim. The pension claim was submitted to the RPS and paid by them and therefore is included in the RPS claim in the figures above.

7. Former Administrators’ costs

As this liquidation was preceded by an administration, the former administrators’ outstanding fees and expenses become a first charge in the liquidation.

7.1 Pre-administration costs

On 7 May 2020 the following amounts in respect of pre-administration costs were approved and have been paid in the liquidation:

Recipient	Amount paid £
Smith & Williamson LLP	23,347
Squires	4,698

7.2 Administrators’ remuneration

The creditors approved that the basis of the administrators’ and subsequent liquidators’ remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration and subsequent liquidation for the period from 21 February 2020 to 20 February 2021 in the amount of £249,847. This was granted following the joint administrators providing a fees’ and expenses’ estimate and the requisite majority of creditors granting approval by means of a resolution by correspondence on 7 May 2020.

Creditors will be aware that we were appointed joint liquidators following the Company exiting administration. Our final progress report in the administration covered the period ended 29 November 2020. As reported in the administrators’ final progress report our time costs for that period were £238,108.

During the hiatus period (from 30 November 2020 to 15 December 2020) the time costs incurred by the administrators amounted to £14,009, bringing the total administrators time costs to £252,117. The time analysis at Appendix IV provides details of the activity costs incurred by staff grade during the hiatus period.

Administrators’ fees of £249,847 were paid on 3 March 2021.

7.3 Administrators’ disbursements

The following disbursements were incurred by the former administrators and remained outstanding at the date the Company was placed into liquidation and have been subsequently paid in the liquidation:

Description	Costs incurred £	Costs paid £
Administrators’ bonds	140	140
Travel & Subsistence	301	301
Postage	25	25
Category 2 disbursements - Mileage	918	918
Total	1,384	1,384

Approval to draw Category 2 disbursements was also given by creditors by means of a resolution by correspondence on 7 May 2020:

8. Liquidators' remuneration

As stated above the creditors approved that the basis of the administrators' and subsequent liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration (and subsequent liquidation) for the period from 21 February 2020 to 20 February 2021 in the amount of £249,847.

The liquidators' time costs for the reporting period are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
15 December 2020 to 14 December 2021	338	90,558	268	Nil

Attached as Appendix III, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Details of work carried out in the period are also included in the body of this report.

Included within the above are the joint liquidators' time costs from 15 December 2021 to 20 February 2021 (being the end of the period covered by the current fees estimate that was previously approved by creditors) in the amount of £28,050. This together with the time costs incurred for the administration period to 15 December 2020 (including the hiatus period referred to in section 7.2) of £252,117 amounts to £280,167 compared to our original estimate of £249,847, which is £30,320 higher than previously estimated.

Appendix V provides a copy of the previously authorised time cost estimate breakdown for comparison purposes. Appendix VI provides a comparison of the estimated time costs and actual time costs for the period from 21 February 2020 to 20 February 2021 and the reasons for the differences.

As our original time costs estimate has been exceeded we will be seeking the appropriate authority from creditors to draw the £30,320 in excess of the previous estimate for the period to 20 February 2021.

Furthermore, we will be seeking approval from creditors for the liquidators' time costs for the period from 21 February 2021 to the end of the liquidation. A fees estimate for this period is included at Appendix VII, which details the estimated fees according to the grade of staff, expected number of hours to perform specific tasks, some of which are mandatory, and the average hourly rate for this period.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising. In the event that the fees estimate is likely to be exceeded, the joint liquidators' will need to provide an update and seek approval from the creditors before drawing any additional sums. Fee estimates may be given up to a certain event/stage or for a designated period if it is not possible to provide an accurate estimate at any given point.

Where no creditors' committee is appointed, approval of the liquidators' remuneration shall be fixed using the decision-making process either at a virtual creditors' meeting or by electronic and/or postal voting. Details of the decision-making process are provided at section 11 below.

Subject to the relevant authority being granted by the creditors the further time costs which may be drawn by the joint liquidators' will be £139,309 (£30,320 in relation to the time costs that exceeded the previous fees estimate outlined above, plus the further time costs from 21 February 2021 to the end of the liquidation, estimated at £108,989 - See Appendix VII) without further recourse to the creditors. For the avoidance of our time costs estimate of £108,989 includes £62,508 of time costs already incurred for the period 21 February 2021 to 14 December 2021 (the end of the current reporting period) plus £46,481 estimated from 15 December 2021 to the end of the liquidation.

In summary, the joint liquidators are seeking fee approval as follows:

Period	Time Costs incurred/estimated £	Fees already approved £	Fee approval sought £
21 February 2020 - 20 February 2021	280,167	249,847	30,320
21 February 2021 - end of liquidation	108,989	Nil	108,989
Total	389,156	249,847	139,309

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and providing information relating to the company and its former officers to the Insolvency Service as required by the Company Directors' Disqualification Act 1986.

A copy of 'A Creditor's Guide to Liquidator's Fees' can be downloaded free of charge from R3's website at the following address:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/liquidation-a-guide-for-creditors-on-insolvency-practitioner-fees/>

Alternatively, a hard copy is available on request, free of charge.

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix VIII.

On a general note, please be aware that the charge out rates are subject to an annual review.

We have no business or personal relationships with the parties who approve our fees.

9. Liquidation expenses

The tables referred to below (included in the Appendices) provide details of our expenses (which includes expenses remaining outstanding at the end of the preceding administration). Expenses are amounts properly payable by us as liquidators from the estate. The tables excludes distributions to creditors. The tables also exclude any potential tax liabilities that we may need to pay as a liquidation expense because the amounts becoming due will depend on the position at the end of the tax accounting period.

The tables should be read in conjunction with the receipts and payments account at Appendix II which shows expenses actually paid during the period and the total paid to date.

9.1 Subcontractors

We have not utilised the services of any subcontractors since our appointment as liquidators. However, consultants (former members of staffs) were used by the former administrators. There were no costs outstanding at the date of our appointment as liquidators.

9.2 Professional advisers

As you will be aware, our estimated expenses included the cost of instructing professional advisors and the table at Appendix IX discloses the costs incurred and paid, along with the original estimates.

We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

9.3 Liquidators' expenses

Appendix X includes expenses paid and/or incurred in the current period.

9.4 Category 2 expenses

At Appendix XII is the information relating to Category 2 expenses that have been incurred and/or paid in the current period.

9.5 Policies regarding use of third parties and expense recovery

Appendix VIII provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of expenses.

10. Outstanding matters

The remaining actions to be concluded in the liquidation are as follows:

- Complete the decision procedure in relation to seeking further fee approval from creditors
- Payment of a preferential dividend
- Issue notice of intended dividend to unsecured creditors that have not yet claimed in the liquidation
- Payment of dividend to agreed unsecured creditors
- Adjudication of unsecured creditors' claims
- Complete and submit corporation tax returns for administration and liquidation periods and obtaining tax clearance
- Closure of the liquidation, including preparing and issuing our final report to creditors and Companies House

11. Creditors' decisions

The joint administrators are seeking approval of their remuneration and category 2 disbursements by means of voting by correspondence. Notice of a decision being sought by correspondence and a voting form for the approval of the administrators' remuneration and category 2 disbursements are provided at Appendices XIII and XIV respectively together with the steps required by creditors.

Creditors who meet certain thresholds prescribed by the Insolvency Act 1986, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may request a physical meeting to be held to consider the Proposed Decisions (incorporating the approval of our fees). However, such a request must be made in writing to the Convener within 5 business days from 11 February 2022.

12. Privacy and Data Protection

As part of our role as joint liquidators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rsgdpr>. If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact our office if you believe this applies.

13. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the liquidators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Andrew Stephen McGill or Adam Henry Stephens in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

i) Email: insolvency.enquiryline@insolvency.gov.uk

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

14. Next report

We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors with our final account, prior to vacating office.



Andrew Stephen McGill and Adam Henry Stephens

Joint Liquidators

Date: 11 February 2022

Andrew Stephen McGill and Adam Henry Stephens have been appointed as Joint Liquidators of the Company on 15 December 2020. They act as agents and without personal liability.

Both office-holders are authorised and licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Further details of their licensing body along with our complaints and compensation procedure can be accessed at: <https://smithandwilliamson.com/en/insolvency-licensing-bodies/>

The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.icaew.com/technical/insolvency/sips-regulations-and-guidance/insolvency-code-of-ethics>

The Joint Liquidators may act as controllers of personal data, as defined by the UK data protection law, depending upon the specific processing activities undertaken. Smith and Williamson LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment.

The Fair Processing Notice in relation to the UK General Data Protection Regulation can be accessed at <http://smithandwilliamson.com/rrsgdpr>

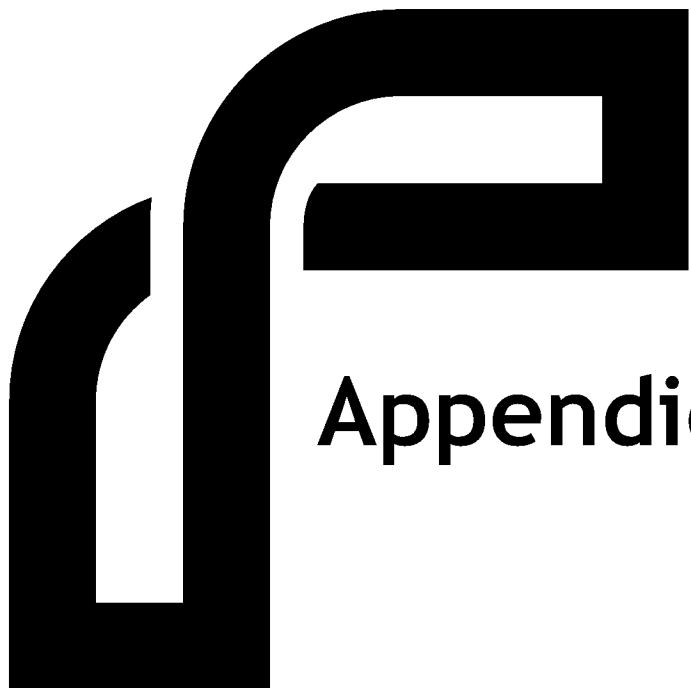
Should you wish to be supplied with a hard copy of any notice, attachment or document relating to a case matter, please contact the staff member dealing with this matter at any time via telephone, email or by post and this will be provided free of charge within five business days of receipt of the request.

The word partner is used to refer to a member of Smith & Williamson LLP. A list of members is available at the registered office

Registered in England at 25 Moorgate, London EC2R 6AY No OC369631

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities

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Appendices

I Receipts and payments account for the hiatus period

Administrators receipts and payments account for the hiatus period from 30 November 2020 to 15 December 2020

Harry Fairclough Limited (In Administration) Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 30/11/2020 To 15/12/2020 £	From 21/02/2020 To 15/12/2020 £
	GENERAL FIXED CHARGE	
850,000.00	Freehold Property - Howley Lane. How	NIL
(102,567.00)	Less NatWest Bank	NIL
	Bank Charges FCR	(1.85)
		(1.85)
	PROPERTY & LAND	
	Security, Maintenance/Site Clearance	1,090.42
	EPC Survey & Distributions FCR	NIL
	Transfer of Fixed Charge VAT to Liq	295.38
		(1,385.80)
	ASSET REALISATIONS	
5,000.00	Plant & Office Equipment	NIL
46,000.00	Motor Vehicles	NIL
Uncertain	Pension Refund	NIL
Uncertain	Corporation Tax Refund	NIL
NIL	Interco Debt- H Fairclough (Contractin	NIL
	Insurance Refund	948.41
	Rates Refund	4,093.28
NIL	Prepayment & Accrued Income	1,969.23
	Bank Interest Gross	4.04
	Third Party Debtors	133,041.94
	Third Party Funds	1,650.00
		195,528.50
	COST OF REALISATIONS	
	Third Party Debtors - tfr to HFC	1,540.32
	Third Party Funds - tfr to HFNB	NIL
	Transfer funds to CVL	10,883.80
	Transfer of Floating Charge VAT to Liq	1,252.91
	Insurance Excess	NIL
	Ransom - RedSky IT (Hemel) Ltd	2,300.00
	Ransom - Staveley Communications Lt	416.73
	Utilities	7,917.34
	Electronic Data + E-mails - Elite Group	1,890.96
	Statutory Advertising	91.00
	Bank Charges	16.60
	Consultancy Fees	13,630.00
		(14,092.79)
	PREFERENTIAL CREDITORS	
(87,200.00)	Employees Wage Arrears	NIL
(101,610.00)	Employees Holiday Pay	NIL
(682.00)	Pension Schemes	NIL
		NIL
	UNSECURED CREDITORS	
(101,179.00)	Trade & Expense Creditors	NIL
(1,559,953.00)	Employees	NIL
(28,361.00)	Pension Schemes	NIL
(96,910.00)	HM Revenue & Customs - VAT	NIL
(356,589.00)	HM Revenue & Customs - PAYE/NIC	NIL
(11,340.00)	HM Revenue & Customs - CIS	NIL
(6,646,426.00)	Intercompany Creditor	NIL
		NIL
	DISTRIBUTIONS	
(262,110.00)	Ordinary Shareholders	NIL

Harry Fairclough Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 30/11/2020 To 15/12/2020 £	From 21/02/2020 To 15/12/2020 £
	NIL	NIL
(8,453,927.00)	(15,474.55)	(0.00)
REPRESENTED BY		NIL

Notes and further information required by SIP 7

- There was a difference between the net fixed charge VAT in the administrators' receipts and & payments to 29 November 2020 at Appendix I of the administrators' final progress report and the net fixed charge VAT on the liquidation receipts and payment due to the following:
 - Receipt of £4,144.55 from HMRC on 11 November 2020 had not been posted to fixed charge VAT control account and the fixed charge VAT receivable account on the receipts and payments account. The net balance of the fixed charge VAT receivable account therefore was £77.31 at 29 November 2020;
 - £218.07 VAT paid on invoices within the hiatus period;

The fixed charge VAT receivable transferred to the liquidation totalled £295.38.

- There was a difference between the net floating charge VAT in the administrators' receipts and & payments to 29 November 2020 at Appendix I of the administrators' final progress report and the net floating charge VAT on the liquidation receipts and payment due to the following:
 - Receipt of £9,185.47 from HMRC on 11 November 2020 had not been posted to floating charge VAT control account. In addition, the VAT return entries had not been posted to floating charge VAT receivable and payable accounts on the receipts and payments account. The balances on the floating charge VAT accounts at 29 November 2020 were therefore:

VAT Receivable (floating)	1,590.09
VAT Payable (floating)	(420.00)
Net VAT (floating)	1,170.09
 - £82.82 VAT paid on invoices in respect within the hiatus period

The floating charge VAT receivable transferred to the liquidation totalled £1,252.91.

Notes and further information required by SIP 7

- Approval of the administrators' and liquidators' remuneration was granted by the unsecured creditors by means of a resolution by correspondence on 7 May 2020.
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.
- Information concerning the liquidators' remuneration and expenses incurred is provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is an expense of the liquidation and shown as irrecoverable VAT.

III Time analysis for the reporting period

From 15 December 2020 to 14 December 2021

Period	Partner Hours	Director & Associate Director Hours	Manager Hours	Other Professionals Hours	Support Hours	Total Hours	Cost £	Average rate £/hr
Administration & planning								
Statutory & Regulatory	-	1.30	6.97	-	-	8.27	2,239.18	271
Case administration	25.85	7.10	49.47	25.32	-	107.73	32,316.00	300
Post appointment AML	-	-	6.53	-	-	6.53	1,542.02	236
Sub-total Administration & planning	25.85	8.40	62.97	25.32	-	122.53	36,097.20	295
Investigations								
Directors	-	-	2.30	-	-	2.30	524.40	228
Sub-total Investigations	-	-	2.30	-	-	2.30	524.40	228
Realisation of assets								
Freehold property assets	22.82	-	27.93	-	-	50.75	17,102.44	337
Other assets	-	-	0.12	0.05	-	0.17	39.61	238
Tax assets	-	-	0.08	-	-	0.08	20.99	252
Premises clearance	0.30	-	0.37	-	-	0.67	229.21	344
Sub-total Realisation of assets	23.12	-	28.50	0.05	-	51.67	17,392.25	337
Creditors								
Chargeholders	-	-	0.05	-	-	0.05	12.60	252
Employees, Pensions & RPS	4.93	6.80	1.32	141.93	-	154.98	34,900.27	225
Unsecured creditors (exc. Staff)	0.10	0.25	4.62	2.03	-	7.00	1,631.66	233
Sub-total Creditors	5.03	7.05	5.98	143.97	-	162.03	36,544.53	226
Total of all hours	54.00	15.45	99.75	169.33	-	338.53		
Total of all £	25,392.34	6,016.64	23,986.08	35,163.32	-		90,558.38	
Average rate	470.23	389.43	240.46	207.66	-			268
Time undertaken by non insolvency teams								
Total hours (non insolvency teams)	-	-	-	-	-	-	-	-
Total £ (non insolvency teams)	-	-	-	-	-	-	-	-
Average rate £/hr (non insolvency teams)	-	-	-	-	-	-	-	-
Grand total hours	54.00	15.45	99.75	169.33	-	338.53		
Grand total £	25,392.34	6,016.64	23,986.08	35,163.32	-		90,558.38	
Average rate £/hr (all staff)	470	389	240	208	-			268

Explanation of major work activities undertaken

Administration & Planning

This encompasses the costs of the office holders and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:

- Preparing and issuing the statutory notification of the liquidators' appointment to creditors, members and Companies House;
- Arranging for the advertisement of the Liquidators' appointment in the London Gazette;
- Dealing with routine correspondence and enquiries by post, email and telephone;
- Maintaining physical case files and electronics case details on case management software;
- Undertaking case reviews in-line with firm internal procedures;
- Case planning, administration, and general case progression, including adjustments to the initial strategy;
- Maintaining and managing the liquidators' cash book and bank accounts and all cashiering functions;
- Completing and submitting VAT returns;
- Reviewing the position in relation to Corporation Tax with regards to the sale of the property and other assets; and
- Preparing fees budgets & monitoring costs.

Realisation of assets

This section refers to the realisation of the company's assets and includes the following:

- Liaising with secured charge holder in respect of the sale of the property.
- Sales negotiations with the second purchaser, including sales contract negotiations and drafting.
- Discussions with our legal advisors in respect of sales documentation.
- Sourcing information necessary for the sale.
- Liaising with the broker with regards to insurance of assets.
- Dealing with property Security (System maintenance, monitoring, alarm response / key holding)
- Site clearance

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work under this section includes:

- Dealing with creditor correspondence via post, email and telephone;
- Notifying additional potential creditors of the liquidators' appointment;
- Maintaining creditors' information on our case management software;
- Recording and maintaining the list of creditors;
- Dealing with creditor claim queries and recording proof of debt forms received;
- Substantially dealing with the preferential creditor claims to include the RPS, employees and pension providers with a view to agreeing preferential claims, further details of which are provided in section 6.3 of the report;
- Requesting confirmation of the RPS' claim;
- Reconciling the RPS's preferential claim;
- Issuing notice of intended dividend to the preferential creditors.

IV Time analysis for the hiatus period

From 30 November 2020 to 15 December 2020

"Hiatus" Period	Partner	Director & Associate	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	3.48	3.15	18.07	-	-	24.70	6,943.36	281
Case administration	0.30	0.12	2.93	2.15	-	5.50	1,336.79	243
Sub-total Administration & planning	3.78	3.27	21.00	2.15	-	30.20	8,280.15	274
Realisation of assets								
Freehold property assets	5.20	-	8.92	-	-	14.12	4,504.55	319
Other assets	-	-	0.65	-	-	0.65	157.80	243
Leasing and HP assets	-	-	2.05	-	-	2.05	497.40	243
Premises clearance	0.48	-	0.93	-	-	1.42	455.57	322
Sub-total Realisation of assets	5.68	-	12.55	-	-	18.23	5,615.32	308
Creditors								
Unsecured creditors (exc. Staff)	-	-	0.32	0.17	-	0.48	113.82	235
Sub-total Creditors	-	-	0.32	0.17	-	0.48	113.82	235
Total of all hours	9.47	3.27	33.87	2.32	-	48.92		
Total of all £	4,350.90	1,226.07	7,982.81	449.51	-		14,009.29	
Average rate	459.61	375.32	235.71	194.03	-			286
Time undertaken by non insolvency teams								
Total hours (non insolvency teams)	-	-	-	-	-	-		
Total £ (non insolvency teams)	-	-	-	-	-	-		
Average rate £/hr (non insolvency teams)	-	-	-	-	-	-		
Grand total hours	9.47	3.27	33.87	2.32	-	48.92		
Grand total £	4,350.90	1,226.07	7,982.81	449.51	-		14,009.29	
Average rate £/hr (all staff)	460	375	236	194	-			286

Explanation of major work activities undertaken

Administration & Planning

This encompasses the costs of the office holders and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:

- Drafting, finalising and issuing the administrators' final progress report to creditors, Companies House and the Court;
- Dealing with routine correspondence and enquiries by post, email and telephone;
- Maintaining physical case files and electronics case details on case management software;
- Case planning, administration, and general case progression, including adjustments to the initial strategy;
- Maintaining and managing the administrators' cash book and bank accounts and all cashing functions;

Realisation of assets

This section refers to the realisation of the company's assets and includes the following:

- Sales negotiations, including sales contract negotiations and drafting in relation to the sale of the freehold property;
- Liaising with our legal advisors in respect of sale of the property;
- Insurance of the assets, and claims under policies if required;
- Dealing with property site clearance and return of leased assets.

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work under this section includes:

- Dealing with creditor correspondence via post, email and telephone.

V Initial approved fee estimate

For the period 21 February 2020 to 20 February 2021

Harry Fairclough Limited (In Administration) Fees estimate according to number of hours, grade of staff and expected work to be undertaken								
Anticipated case duration	1							
	Partner	Partner	Manager/ Assistant Manager	Senior Administrator	Administrator			
Hourly rate (£)	540	432	240	192	168			
	Hours					Total hours	Total estimated time costs (£)	Average hourly rate
Classification of work function								
Administration and planning								
Statutory returns, reports & meetings			78.00	45.00		123.00	27,360.00	222.44
Cashiering general, including bonding		3.00	5.00	14.00		22.00	5,184.00	235.64
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary		10.00	7.00	7.00		24.00	7,344.00	306.00
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax that are not trading related)		7.00	17.50	10.50	-	35.00	9,240.00	264.00
Protection of company records (incl electronic)			7.00	7.00	-	14.00	3,024.00	216.00
Insurance & general asset protection		0.90	7.00	7.00		14.90	3,412.80	229.05
Travelling			8.00	8.00		16.00	3,456.00	216.00
Investigations								
Directors' correspondence & conduct questionnaires		3.50	14.00	14.00		31.50	7,560.00	240.00
Reporting to the Conduct Assessment Service		3.50	14.00	7.00		24.50	6,216.00	253.71
Realisation of assets								
Freehold property (land and buildings)		21.00	21.00	21.00		63.00	18,144.00	288.00
Debtors not financed (includes reassigned debtors)			7.00	7.00		14.00	3,024.00	216.00
Plant & machinery		3.50	14.00	24.50		42.00	9,576.00	228.00
Tax refunds		3.50	7.00	3.50		14.00	3,864.00	276.00
Cash at Bank				2.50		2.50	480.00	192.00
Wind Down, Premises, Key Suppliers								
Property issues (inc landlord and site clearance)			3.50	7.00		10.50	2,184.00	208.00
Shutdown or handover		3.50	7.00	7.00		17.50	4,536.00	259.20
Other		3.50	7.00	7.00		17.50	4,536.00	259.20
Creditors								
Fixed charge creditors		7.00	7.00	7.00		21.00	6,048.00	288.00
Employees & pension (other) (incl Jobcentre/CSA etc)	7.00	5.50	14.00	12.00	80.00	118.50	25,260.00	213.16
Unsecured creditors		3.50	7.00	7.00		17.50	4,536.00	259.20
Other			3.50	3.50		7.00	1,512.00	216.00
Total	7.00	78.90	255.50	228.50	80.00	649.90	156,496.80	240.80
Time costs for the period from 21.02.20 to 05.04.20						357.40	93,349.75	261.19
Grand Total for the period from 21.02.20 to 20.02.21						1,007.30	249,846.55	248.04

Harry Fairclough Limited In Administration Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *		
Estimated expenses applicable to all cases		Total (excluding VAT)
Specific bond		140.00
Statutory advertising costs		91.00
Search costs (HM Land Registry & Companies House)		20.00
Case specific costs - where applicable		
Security & other property costs		19,000.00
Insurance		24,500.00
Pensions - Smith & Williamson Financial Services Limited		5,000.00
Agents' fees		28,000.00
Legal fees		7,500.00
Storage & destruction costs of books and records + Site Clearance		10,000.00
Business mileage		1,200.00
Total		95,451.00

Explanation of the above categories

Administration and Planning

This section of the analysis encompasses the cost of the office holders and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:

- Preparing the documentation and dealing with the formalities of appointment.
- Statutory notifications and advertising.
- Protection of company's assets and records (including electronic).
- Dealing with routine correspondence.
- Dealing with agents on general appointment matters, not relating to the sale of assets or correspondence with advisers on investigation matters.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (including 6 month reviews).
- Case bordereau and reviews.
- Case planning; administration; and general case progression, including adjustments in appointment strategy.
- Preparing reports to stakeholders.
- Maintaining and managing the appointment's cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.
- Submitting VAT returns and Corporation Tax returns (when due).
- Dealing client identification and internal Smith & Williamson LLP compliance requirements.

Investigations

Investigations include work carried out as a consequence of the obligations placed upon us to investigate the Company's affairs. The work undertaken is that described in SIP2 and SIP4 which govern both the investigations of the Company's failure and also examine the conduct of the directors. This work includes the following:

- Investigating the reasons for the failure of the Company (including enquiries with the company's directors and possible interviews of key stakeholders).
- Review and investigation of stakeholders' complaints and responses into the failing of the business and actions of company's directors.
- Review and storage of books and records.
- Asset tracing (including land registry and company searches).
- Possible actions (including legal recourse) to restore assets of the company, or compensate the company for the financial losses incurred.
- Preparing a return/report pursuant to the Company Directors' Disqualification Act.
- Discussions and correspondence with relevant personnel and agents.

Realisation of assets

This section is in relation to the realisation of the Company's assets, which is explained in detail through the contents of our report. [A significant amount of time may be spent in relation to the sale of the assets of the Company, which may also be allocated to trading]. The work generally includes the following:

- Liaising with secured chargeholders in respect of the sale of assets subject to their security.
- Liaising with the interested parties and prospective purchasers.
- Discussions with our sales agents including in respect of the most appropriate sales strategy and tactics to conclude the sale as soon as reasonably practicable.
- Sales negotiations, including sales contract negotiations and drafting.
- Discussions with our legal advisors in respect of sales documentation and subsequently in relation to tax matters.
- Sourcing information necessary for the sale.
- Book debt collection, management and assignment if subject to finance.
- Insurance of the assets, and claims under policies if required.
- Miscellaneous asset realisation (i.e. cash at bank), outlined in the contents of the report.
- Dealing with certain VAT and tax matters relating to the sales process. This includes sourcing certain records (which may not be available at the time of any sale).

Trading

In order to achieve a better realisation of the Company's assets and to maintain the goodwill of the business the office holders may have continued to trade the business.

Detailed below is a breakdown of time spent in relation to trading:

Overseeing the work of managing agents or existing management and staff and reconciling records. This represents a major proportion of the time incurred under the sub-headings "accounting" and also "other". On certain occasions financial information provided was not consistent and also required further investigations to resolve particular matters.

Those matters recorded under the sub category "other" are:

- Regular monitoring of trading activities including weekly monitoring meetings
- Preparing, reviewing and presenting trading update reports
- Reviewing the trading information provided by managing agents or existing management and staff.

Particular matters that were recorded under the "accounting" sub category are

- Reconciling case receipts and payments to records provided
- Ensuring that VAT was appropriately accounted for
- Discussing with staff and management on trading
- On-going discussion and meetings regarding the provision of information to the office holders' team.

Some matters were recorded under both categories from time to time; and so both sub-categories (of "accounting" and "other") should be reflected upon jointly.

- Dealing with ad hoc matters including licencing matters (e.g. [alcohol], [entertainment], [software], [PDQ],[regulatory] licences)
- Approving payments to suppliers and staff.
- Dealing with customers and suppliers including landlords.
- Ensuring that business adheres / conforms to legislation (e.g. Health & Safety legislation, and Employment law)
- Management of the organised shutdown or handover of business.

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Dealing with creditor correspondence via email and telephone.
- [As the Company's business was being traded during the period of office it was necessary to maintain a dialogue with certain key stakeholders as a result certain dialogue may relate to trading activities]
- Preparing reports to chargeholders.
- Dealing with creditors' committee correspondence via email and telephone. Meetings of the creditors' committee is also recorded within "Administration and Planning" in respect of statutory matters and meetings.
- Maintaining creditors' information on our insolvency database.
- Maintaining employee claims and liaising with Job Centre, Redundancy Payments Services etc.
- Adjudicating of creditor claims including matters of ROT.
- Distributions to various categories of creditors.

Shareholders

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Maintaining members' information on IPS.
- Shareholder communications; including non-statutory reporting.
- Shareholder distributions in specie.
- Shareholder interim and final distributions.
- Filing.
- Distribution reviews, and approval.

VI Comparison to initial fees estimate

Category	Estimate time costs 21 February 2020 to 20 February 2021 (£)	Actual time costs 21 February 2020 to 20 February 2021 (£)	Difference (£)	Reasons provided
Administration & Planning	98,423.00	118,478.16	20,055.16	Administration and planning costs were higher than estimated due to the impact of restrictions caused by Covid and adaptations required to procedures in order to deal with internal and external correspondence, filing, document management, planning, statutory reporting and other administrative tasks.
Investigations	15,338.40	9,962.15	(5,376.25)	Time costs in respect of Directors correspondence, conduct investigations and reporting (as required by the Insolvency Service) and assessment of matters that may have led to asset realisations for the benefit of the estate have been lower than originally forecast due to the level of further investigations required following the SIP2 initial assessment undertaken by the administrators.
Realisation of Assets	54,848.00	82,940.41	28,092.41	Additional time costs reflect the increased unforeseen work required in respect of the property sale primarily due to an abortive sale and protracted negotiations with the eventual purchaser plus increased Covid-19 related matters dealing with site security, maintenance and clearance.
Wind down, premises & Key Suppliers	22,392.00	33,529.03	11,137.03	This also includes the unforeseen work required in order to wind down operations, site clearance, continuation of key supplies and backups of key data, over and above that anticipated at the time of our proposals.
Creditors	58,806.40	35,219.33	(23,587.07)	These costs are lower than originally forecast as it was anticipated that the adjudication and agreement of employee, RPS and any pension scheme preferential claims would be undertaken in the first year. Due to the timing of receipt of the RPS claim the majority of this work was not actually carried out until after 20 February 2021
VAT	38.75	38.75	0.00	
Total	249,846.55	280,167.83	30,321.28	

VII Liquidators' further fees and expenses estimate

For the period from 21 February 2021 to end of the liquidation

	Partner/Director	Associate director	Manager	Other Professionals	Support	Total	Cost	Average rate
	Hours	Hours	Hours	Hours	Hours	Hours	£	£/hr
Administration & planning								
Statutory & Regulatory	9.80	14.00	-	69.23	-	93.03	25,118.45	270
Case administration	25.81	4.79	27.37	23.33	-	81.30	25,895.40	319
Sub-total Administration & planning	35.61	18.79	27.37	92.56	-	174.33	51,013.85	293
Realisation of assets								
Freehold property assets	0.67	-	3.18	-	-	3.85	1,084.80	282
Tax assets	-	-	0.08	-	-	0.08	19.20	240
Premises clearance	0.30	-	-	-	-	0.30	144.00	480
Sub-total Realisation of assets	0.97	-	3.26	-	-	4.23	1,248.00	295
Creditors								
Employees, Pensions & RPS	7.67	12.50	0.02	163.43	-	183.62	43,761.35	238
Unsecured creditors (exc. Staff)	5.00	13.25	-	24.80	-	43.05	12,965.75	301
Sub-total Creditors	12.67	25.75	0.02	188.23	-	226.67	56,727.10	250
Total of all hours	49.25	44.54	30.65	280.79	-	405.23		
Total of all £	23,640.00	17,623.10	7,356.00	60,369.85	-		108,988.95	
Average rate	480	396	240	215	-			269
Time undertaken by non insolvency teams								
Total hours (non insolvency teams)	-	-	-	-	-			
Total £ (non insolvency teams)	-	-	-	-	-			
Average rate £/hr (non insolvency teams)	-	-	-	-	-			
Grand total hours	49.25	44.54	30.65	280.79	-	405.23		
Grand total £	23,640.00	17,623.10	7,356.00	60,369.85	-		108,988.95	
Average rate £/hr (all staff)	480	396	240	215	-			269

Estimated future expenses in accordance with Category 1 (SIP 9) and payable to third parties

Estimated expenses applicable to all cases	Supplier	Total (excluding VAT)
Statutory advertising costs - unsecured dividend	Courts Advertising	97.00
Agents' fees - Preparation and submission of corporation tax return	WR Partners	1,000.00
Legal fees - independent adjudication on intercompany creditor claims	TBC	2,000.00
Storage & destruction costs of company books and records and administrators/liquidators case files	Iron Mountain	250.00
Total		3,347.00

Category 1 expenses, in accordance with Statement of Insolvency Practice 9 are specific costs payable to an independent third party and relate directly to the case in question.

Explanation of major work activities

Administration & Planning

This encompasses the costs of the office holders and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:

- Preparing and issuing the liquidators' annual progress report for this reporting period;
- Preparing a further fees estimate to the end of the liquidation and seeking approval from creditors by a decision procedure;
- Dealing with routine correspondence and enquiries by post, email and telephone;

- Maintaining physical case files and electronics case details on case management software;
- Undertaking case reviews in-line with firm internal procedures;
- Case planning, administration, and general case progression, including adjustments to the initial strategy;
- Preparing fees budgets & monitoring costs
- Maintaining and managing the liquidators' cash book and bank accounts and all cashiering functions;
- Complete the decision procedure in relation to the further fee approval
- Complete and submit VAT and corporation tax returns for the liquidation period
- Obtaining tax clearance from HMRC
- Closure of the liquidation, including preparing and issuing our final report

Realisation of assets

This section refers to the realisation of the company's assets and includes the following:

- Finalising post completion matters with agents and site clearance in relation to the property sale;
- Dealing with VAT refunds.

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work under this section includes:

- Dealing with creditor correspondence via post, email and telephone;
- Notifying additional potential creditors of the liquidators' appointment;
- Maintaining creditors' information on our case management software;
- Dealing with creditor claim queries and recording proof of debt forms received;
- Dealing with the preferential creditors to include the RPS, employees and pension providers to agreeing preferential creditor claims, further details of which are provided in section 6.3 of the report;
- Requesting confirmation of the RPS' claim;
- Reconciling the RPS's revised preferential claim;
- Issuing notice of intended dividend to the preferential creditors
- Payment of a dividend to preferential
- Issue notice of intended dividend to unsecured creditors not yet claimed in the liquidation
- Adjudicating on unsecured creditor claims
- Payment of a dividend to agreed unsecured creditors

VIII Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policy in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Expense recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director or consultant as joint office-holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add best value and service to the assignment.
- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations; and
- The professional and ethical standards applicable to the service provider.

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

External professional advisers are third party entities. The insolvency practitioners and their firm do not have any association with any external provider of services and therefore they do not fall within the definition of an associate as defined in Section 435 of the Insolvency Act 1986 and in Statement of Insolvency Practice 9. Payments to external professional advisers for the services they provide are therefore not a category 2 expense as defined in Statement of Insolvency Practice 9 and therefore do not require prior approval from the committee or creditors.

Payments to associates

Smith & Williamson Employee Benefit Consultants (S&WEBC) a division of Smith & Williamson Financial Services Limited (S&WFS)

S&WFS, through its Employee Benefits Consultancy division, provides specialist advice to insolvency practitioners on their appointment as office-holders of insolvent estates in relation to all aspects of pensions. S&WFS is a company associated with Smith & Williamson LLP and may be engaged to deal with the pension affairs of insolvent estates of which insolvency practitioners from Smith & Williamson LLP are appointed office-holders.

Payments to parties in which office-holders or their firm have an interest must be disclosed to, and approved by, the committee or the creditors as a category 2 expense pursuant to Statement of Insolvency Practice 9. Consequently, details of the charge out rates for S&WFS are set out below. Fees for their services are accrued on a time costs basis.

S&WFS Employee Benefits Consultancy	Per hour
Charge out rates from 1 August 2020	£
Director	280-360
Associate Director	220-275
Manager	160-200
Administrator	70-110

Expenses

Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 expense to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012, Smith & Williamson LLP's policy is to recover only two types of Category 2 expense, namely S&WFS's fees, as referred to above, and business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 expenses.

Details of any Category 2 expenses incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the liquidators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2021

Smith & Williamson LLP	London office	Regional offices
Restructuring & Recovery Services	£/hr	£/hr
Charge out rates as at 1 July 2020		

Partner / Director	495-570	396-456
Associate Director	380-465	372
Managers	285-400	228-320
Other professional staff	125-465	152-204
Support & secretarial staff	105	84

Smith & Williamson LLP	London office	Regional offices
Restructuring & Recovery Services	£/hr	£/hr
Charge out rates as at 1 July 2021		

Partner	590-610	480
Director & Associate Director	395-530	395-415
Managers	290-430	240-335
Other professional staff	130-280	160-215
Support & secretarial staff	100-120	90

Notes

1. Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1 minute units or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. Up to 31 January 2021 the cashiering function time is incorporated within 'Other professional staff' rates. From 1 February 2021 the cashiering function time is split between 'Other professional staff' and 'Associate Director'.
4. Partner includes a Consultant acting as an office-holder or in an equivalent role.

IX Professional advisers

Name of professional advisor	Basis of fee arrangement	Initial estimate £	B/f from previous period £	Costs incurred in current period £	Cumulative total £	Estimate future £	Anticipated future total £	Variance - initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Squires Patton Boggs (UK) LLP - legal advice re validity of appointment and property sale and strategy	Hourly rate and expenses	7,500	25,809	51,691	77,500	Nil	77,500	70,000	77,500	Nil
Jones Lang LaSalle Limited/Savills - valuation and disposal advice re chattel assets	Hourly rate and expenses	28,000	5,397	18,002	23,399	Nil	23,399	1,370	23,399	Nil
Hilco Appraisal Limited - valuation and disposal advice re chattel assets	Hourly rate and expenses		5,971	Nil	5,971	Nil	5,971		5,971	Nil
WR Partners - corporation tax returns advice and preparation	Hourly rate and expenses	Nil	Nil	4,500	4,500	1,000	5,500	5,500	4,500	Nil
Total		35,500	37,177	74,193	111,370	1,000	112,370	76,870	111,370	Nil

Squire Patton Boggs (UK) LLP

Legal fees were previously estimated at £40,000 (per Joint administrators' final progress report dated 8 December 2020) from an initial estimate of £7,500, this increase was explained in the Joint administrators' final progress report. Legal costs have increased further to £77,500 given the much more extensive work required as outlined in Section 4, in particular in respect of the property sale including flooding issues in early 2021 (causing complications between exchange & completion) and material unexpected delays between exchange and completion by the buyer. The additional costs also reflects the legal work undertaken drafting contact documentation to more than one interested party (as referred to in section 4.1 of the report).

Work undertaken by Squire's maybe summarised as follows:

- Security Review and Validity of Appointment
- Abortive Sale to initial purchaser-including drafting a sale & purchase agreement and property work regarding the proposed additional site survey,
- Sale to Kayber Court Investments Limited including:
 - Dealing with Negotiating the sale contract and transaction documents
 - Material delays around exchange
 - Flooding issues
 - Additional costs incurred as a result of delays around completion
 - Advising in relation to failure to complete, drafting and serving notice to complete and other advice

X Liquidators' expenses

Description	Initial / revised estimate £	B/f from previous period £	Costs incurred in current period £	Cumulative total £	Estimate future £	Anticipated future total £	Variance - initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Liquidators' bonds	140	140	Nil	140	Nil	140	Nil	140	Nil
Statutory advertising	91	Nil	91	91	95	186	95	91	Nil
Travel & Subsistence	Nil	338	Nil	338	Nil	338	338	301	37
Electronic data and emails	Nil	Nil	236	236	Nil	236	236	236	Nil
Category 2 disbursements (see Appendix XII)	1,200	917	Nil	917	Nil	917	(283)	917	Nil
Total	1,431	1,395	327	1,722	95	1,817	386	1,685	37

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

XI Property Costs

The majority of the costs were incurred and outstanding at the end of the preceding administration and therefore have been paid from the liquidation

Description	Initial / revised estimate £	B/f from previous period £	Costs incurred in current period £	Cumulative total £	Estimate future £	Anticipated future total £	Variance - initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Marsh Ltd- Insurance of property and assets	24,500	14,372	Nil	14,372	Nil	Nil	(10,128)	13,958	Nil
Site security(system maintenance, monitoring, alarm response/key holding) plus site clearance (combustibles and chemicals in yard & office)	19,000	52,422	2,366	54,788	Nil	Nil	35,788	32,894	Nil
Utilities	Nil	9,953	1,800	11,753	Nil	Nil	NA	1,800	Nil
Total	43,500	76,747	4,166	80,913	Nil	Nil	25,788	48,652	Nil

Note: Cumulative total costs may include costs incurred and paid in prior periods.

As advised in the administrators' previous reports, they spent a significant amount of time dealing with matters that relate to the protection of the property and complying with insurance requirements for vacant premises, further compounded by the ongoing COVID-19 restrictions.

The much-protracted restrictions caused by the Coronavirus pandemic has resulted in more significant site security costs over and above what were anticipated at the time of their proposals. General costs incurred dealing with the premises have included the following outlined in our previous progress report:

- Instructing an agent to perform periodic inspections of the property to ensure that there has been no damage or other issues arising at the property.

- Cut off all non-essential utilities (water; gas etc).
- Install additional security measures at the property.
- Given that trade had ceased and the property was going to be left vacant for an extended period of time the administrators were required to clear the premises and yard of all waste, combustible items and chemicals. This was very challenging given the significant quantity and nature of the waste and chemicals on site. This work has been completed and the costs are outlined in section 8.3. The premises and the site has been cleared in anticipation of the sale.
- The administrators have experienced severe issues with the incumbent alarm system and the monitoring of the system and response by the organisation providing the service of first responder and keyholder. This has resulted in disturbances effecting local residents from faults with the alarm system and responses to the alarm and alerts. The administrators had to take steps to install a new temporary alarm system and instruct a new first responder and keyholder. A new Alarm system is now in place and is fully operational.
- Trespassers on site During October 2020 and strategy to ensure site was unoccupied and secure
- Additional 24 hour manned security to monitor site and protect the premises.
- Reduced to 12 hour manned security during the evening, night and morning.
- Installation of fencing to significantly improve security on site
- Installation of further CCTV camera, further signage and increased surveillance
- Additional site clearance as a result of the trespassers on site

XII Category 2 expenses

Description	Initial / revised estimate £	B/f from previous period £	Costs incurred in current period £	Cumulative total £	Estimate future £	Anticipated future total £	Variance - initial to anticipated £	Costs paid in current period £	Total costs outstanding at period end £
Business mileage @ HMRC rates	1,200	917	Nil	917	Nil	917	(283)	917	Nil

Approval to recover the Category 2 disbursements shown above was given by the creditors by a decision by correspondence on 7 May 2020.

Smith & Williamson LLP have settled these amounts and will recover these costs from the estate when funds allow.

XIII Notice of Decisions being sought by correspondence under R15.8 of the IR16

HARRY FAIRCLOUGH LIMITED (the “Company”)

Registered Number - 00368085

THE PROPOSED DECISIONS

The following decisions are proposed by Andrew Stephen McGill and Adam Henry Stephens, the joint liquidators, as decisions to be made by the Company’s creditors by correspondence:

1. Under Rule 6.19 of the Rules, that a liquidation committee should NOT be established unless sufficient, eligible creditors are willing to be members of a committee
2. Under Rule 18.16 of the Insolvency (England and Wales) Rules 2016 and in the absence of a Creditors' Committee, the Joint Liquidators be entitled to draw the time costs for the period from 21 February 2020 to 20 February 2021 that are £30,320 (excluding VAT) in excess of the previous fees estimate approved by creditors, as detailed in the Joint Administrators’ report dated 11 February 2022.
3. Under Rule 18.16 of the Insolvency (England and Wales) Rules 2016 and in the absence of a Creditors' Committee, the further remuneration of the Joint Liquidators be fixed by reference to time properly given by them and their staff in attending to matters arising in the Liquidation estimated to total £108,989 (excluding VAT) for the period from 21 February 2021 to the conclusion of the Liquidation, as detailed in the Joint Administrators’ report dated 11 February 2022 be approved.
4. That the joint liquidators be authorised to draw their remuneration from the estate as and when funds permit.
5. That the joint liquidators be authorised to draw Category 2 expenses in accordance with their firm’s published tariff, provided to creditors with this Notice.

ENSURING YOUR VOTES ON THE PROPOSED DECISIONS ARE COUNTED

In order for votes on the Proposed Decisions to be counted, a creditor must have delivered the **Voting Form** accompanying this Notice, together with a proof of debt in respect of their claim to the joint liquidators (unless already submitted), whose contact details are below, on or before **11 March 2022 (the Decision Date)**, failing which their votes will be disregarded.

Appeal of the Joint Liquidators’ decision

Pursuant to Rule 15.35 of the Rules, any creditor may apply to the court to appeal a decision. However, an appeal must be made within 21 days of the Decision Date.

Liquidation committee - nominations

Under Rule 6.19 of the Rules, we are obliged to invite creditors to decide whether to establish a liquidation committee each time a decision is sought.

A decision on this matter is therefore included on the Voting Form. Any nominations for membership of the committee must be received by the joint liquidators on or before the Decision Date and will only be accepted if the joint liquidators are satisfied as to the nominee’s eligibility to be a member of such committee under

Rule 17.4 of the Rules. Please note that nominations for membership can also be made on the Voting Form accompanying this notice. In the absence of the requisite number of eligible creditors willing to act, a Liquidation Committee will not be formed.

A guide to Committees, produced by R3 (a trade body for insolvency practitioners), can be found at <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>

Creditors with a small debt

Any creditor whose debt is treated as a small debt (£1,000 or less inclusive of VAT) must still deliver a proof of debt in respect of their claim with their Voting Form if they wish to vote on the Proposed Decisions.

Creditors who have opted out from receiving notices may, nevertheless, vote if the creditor provides a proof of debt to support their vote.

Request for a physical meeting


Insolvency legislation also provides that creditors who meet certain thresholds, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may require a physical meeting to be held to consider the Proposed Decisions. Such a request must be made in writing to the Joint liquidator by no later than 5 business days after the date of delivery of this Notice and should be accompanied by a proof of debt (unless already submitted).

In the event that a physical meeting is convened and our fees are approved on a time cost basis (in line with any fees estimate(s)) and there are funds available in the estate, the associated costs will be charged to the estate and drawn accordingly.

Contact details

Documents to be delivered pursuant to this Notice can be sent by post to the joint liquidators at Smith & Williamson LLP, 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ or alternatively by email to Tracey.Elms@smithandwilliamson.com. Any person who requires further information may contact Tracey Elms by telephone on 0121 710 5207 or alternatively by e-mail at Tracey.Elms@smithandwilliamson.com.

Dated: 11 February 2022

Signed: 
.....
Joint Liquidator

XIV Voting form

Insolvency Act 1986

Voting Form (Creditors' Voluntary Winding Up)

Name of Company HARRY FAIRCLOUGH LIMITED	Company registration number: 00368085
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Please indicate whether you are in favour or against each of the decisions set out below and return this form with a completed proof of debt form (if not already submitted) to Smith & Williamson LLP, 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ, on or before **11 March 2022** (the **Decision Date**) in order that approval may be determined.

		In Favour (✓)	Against (✓)
1	That a liquidation committee should NOT be established unless sufficient eligible creditors are willing to be members of a committee under Rule 6.19 of the Insolvency (England and Wales) Rules 2016.		
2	Under Rule 18.16 of the Insolvency (England and Wales) Rules 2016 and in the absence of a Creditors' Committee, the Joint Liquidators be entitled to draw the time costs for the period from 21 February 2020 to 20 February 2021 that are £30,320 (excluding VAT) in excess of the previous fees estimate approved by creditors, as detailed in the Joint Administrators' report dated 11 February 2022.		
3	Under Rule 18.16 of the Insolvency (England and Wales) Rules 2016 and in the absence of a Creditors' Committee, the further remuneration of the Joint Liquidators be fixed by reference to time properly given by them and their staff in attending to matters arising in the Liquidation estimated to total £108,989 (excluding VAT) for the period from 21 February 2021 to the conclusion of the Liquidation, as detailed in the Joint Administrators' report dated 11 February 2022 be approved.		
4	That the joint liquidators be authorised to draw their remuneration from the estate as and when funds permit.		
5	That the joint liquidators be authorised to draw Category 2 expenses in accordance with their firm's published tariff, details of which accompanied the decision notice		

Liquidation committee

NOTE - It is not necessary to form a liquidation committee for the joint liquidators to perform their statutory duties and obligations. However, Rule 6.19 of the Insolvency (England and Wales) Rules 2016 require that where a decision is sought from creditors, it is necessary to invite creditors to decide on whether a liquidation committee should be established.

The Insolvency (England and Wales) Rules 2016 also state that where the creditors decide that a liquidation committee should be established, it cannot be established unless it has at least three (and no more than five) members. Therefore, if you believe a liquidation committee should be established, and have voted against the first decision above, please nominate below a creditor that is prepared to serve as a member of the liquidation committee. Please note that creditors can nominate themselves to serve on the liquidation committee. In the absence of the requisite number of creditors willing to act as members, a liquidation committee will not be formed. Information on the role of a liquidation committee can be found at the following website address: <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>

I wish to nominate _____ (insert name)

Representing _____ (insert name of creditor)

to be a member of the liquidation committee.

Please complete the section below before returning the form

Name of creditor	
Signature for and on behalf of creditor	
Position with creditor or relationship to creditor or other authority for signature - please indicate	
Is the signatory the sole member of a body corporate?	YES / NO
Date of signing	

XV Proof of debt form

Proof of Debt Form

Harry Fairclough Limited (in liquidation)		
1	Creditor Name (If a company, please also state company registration number)	
2	Address of creditor for correspondence	
3	Email address for creditor	
4	Total amount of claim, including VAT and outstanding uncapitalised interest <i>Note: Any trade or other discounts (except discount for immediate or early settlement) which would have been available to the company but for the insolvency proceedings should be deducted from the above claim where relevant. Where any payment is made in relation to the claim or set-off applied after date of winding-up, this should be deducted</i>	£
5	If the amount in 4 above includes outstanding uncapitalised interest, please state the amount	£
6	Details of any documents by reference to which the debt can be substantiated (please attach copies)	
7	Particulars of how and when the debt was incurred by the Company	
8	Particulars of any security held, the value of the security, and the date it was given	Value = £ Date given / /
9	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
10	Signature of creditor or person authorised to act on his behalf	
11	Name in BLOCK CAPITALS	
12	Position with or in relation to creditor Address of person signing (if different from 2 above)	
13	Are you the sole member of the (corporate) creditor?	Yes/No

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