

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 0 1 2 8 8 9 3 8

Company name in full R. Raphael & Sons Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Stephen Roland

Surname Browne

3 Liquidator's address

Building name/number Teneo Financial Advisory Limited

Street The Colmore Building

20 Colmore Circus, Queensway

Post town Birmingham

County/Region West Midlands

Postcode B 4 6 A T

Country United Kingdom

4 Liquidator's name ①

Full forename(s) David Philip

Surname Soden

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Teneo Financial Advisory Limited

Street The Colmore Building

20 Colmore Circus, Queensway

Post town Birmingham

County/Region West Midlands

Postcode B 4 6 A T

Country United Kingdom

② Other liquidator

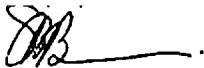
Use this section to tell us about
another liquidator.

LIQ03

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6	Period of progress report															
From date	d	3	d	0	m	1	m	0	y	2	y	0	y	2	y	2
To date	d	2	d	9	m	1	m	0	y	2	y	0	y	2	y	3

7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												

8	Sign and date															
Liquidator's signature	Signature															
	<div>X</div> <div></div> <div>X</div>															
Signature date	d	1	d	4	m	1	m	2	y	2	y	0	y	2	y	3

**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 Oliver Turvey

Company name Teneo Financial Advisory Limited

Address The Colmore Building

20 Colmore Circus

Queensway

Post town Birmingham

County/Region West Midlands

Postcode B 4 6 A T

Country United Kingdom

DX

Telephone +44 (0) 11 3396 0142

**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

R. Raphael & Sons Limited
(IN MEMBERS' VOLUNTARY LIQUIDATION)
("the Company")

Company Number: 01288938

C/O Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus Queensway,
Birmingham, B4 6AT

ANNUAL PROGRESS REPORT TO THE MEMBER FOR THE 12 MONTH PERIOD TO 29
OCTOBER 2023 PURSUANT TO SECTION 92A OF THE INSOLVENCY ACT 1986 (AS AMENDED)
("the Act") AND RULES 18.7 AND 18.12 OF THE INSOLVENCY (ENGLAND & WALES) RULES
2016 ("the Rules")

12 December 2023

Stephen Roland Browne and David Philip Soden ("the Liquidators") were appointed Joint Liquidators of R. Raphael & Sons Limited further to resolutions of the member dated 30 October 2020. All licensed Insolvency Practitioners of Teneo Financial Advisory Limited ("Teneo") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

For the purpose of section 231 of the Act, the Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

This report has been prepared for the sole purpose of updating the member for information purposes. The report may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by the member for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.



S. R. Browne and D. P. Soden
Teneo Financial Advisory Limited
The Colmore Building
20 Colmore Circus, Queensway
Birmingham
B4 6AT

Tel: +44 (0) 11 3396 0142

1. SUMMARY OF EVENTS

Key Messages	Commentary
Progress of the liquidation during the report period	<ul style="list-style-type: none"> The matters completed during the report period include internal compliance and case reviews, report preparation of the prior year's annual progress report to the member and filings at Companies House. Additionally, during the period work was undertaken to declare distributions to the member and resolve outstanding matters related to data preservation, taxation and claims management. <p>Operations</p> <ul style="list-style-type: none"> The Company is no longer regulated by the Financial Conduct Authority ("FCA"), with effect from 24 May 2023. All appropriate returns were filed prior to de-registration. Various amounts have been received, totalling £4,976, which relate to miscellaneous payments such as customer bankruptcy dividends and refunds due to the Company, among other receipts. These have been categorised as sundry income in the receipts and payments account. All employees left the Company in the prior report period, after receiving the appropriate notice. In this report period, the remaining contractor also left the Company. The Company had one payment arrangement with a former partner that has operated in the period (£43,776 was received in the report period). The Liquidators continued to take legal advice following continued non-performance and a final settlement of £70,000 was agreed, with payment received on 23 June 2023. Collections for the Company's only remaining legacy loan book (£7,617 received in the report period) ceased in the period. The Company's loan management partner notified the Liquidators that they would be unable to pay amounts owed to the Company and entered administration, a formal insolvency process. <p>Further to legal advice obtained, the Liquidators wrote to all remaining customers to inform them that the Company had written off their loans. In addition, the FCA was informed of the actions taken.</p> <p>After collections ceased, the Liquidators closed the Company's remaining legacy bank accounts and cancelled the Company's BACS services.</p> <ul style="list-style-type: none"> The Liquidators are undertaking an exercise to consolidate the data held by data storage partners, in order to comply with data retention requirements. Legal advice has been sought in relation to the significant delays experienced in this exercise due to third party providers. The Liquidators have converted and sold the investments in Visa Inc. that were held by the Company. Proceeds of US\$336,474 were received on 13 March 2023.

	<ul style="list-style-type: none"> During the period, the Liquidators were made aware of a motor vehicle discovered by Romanian authorities that was the subject of theft prior to the liquidation. On the basis that the estimated costs associated with recovery of the vehicle outweighed the value, a Notice of Disclaimer was submitted to Companies House and the Romanian authorities on 19 May 2023 to disclaim the Company's interest. <p>Taxation</p> <ul style="list-style-type: none"> The Liquidators liaised with the Company's tax advisors with regard to the submission of the final tax returns and the resolution of outstanding tax matters. HM Revenue & Customs ("HMRC") tax clearance was obtained on 11 October 2023. <p>Claims</p> <ul style="list-style-type: none"> Prior to the commencement of the liquidation, the Company assigned one of its legacy e-money card programmes to a new provider. The new provider agreed to replace the Company as issuer for this programme. In transferring funds to the new provider, the Company made assumptions on how certain balances were to be treated which may have given rise to an overpayment of up to €116,000. Following negotiations and after reviewing supporting evidence, a final settlement was agreed for repayment of £25,074 to the Company, which was received on 4 November 2022. The Liquidators have received, accepted and settled an additional creditor claim received from a former director of the Company totalling £35,868. A number of other potential claims, which have not yet been proved in the liquidation and which have arisen after the last date for proving, are under discussion with interested parties. At this time, it is not anticipated that there will be any material payments associated with these claims. <p>Separate estate – ringfenced liquidation bank account</p> <ul style="list-style-type: none"> Following communication with the affected customers whose funds were being held in a separate liquidation estate bank account, payment was made in April 2022. The remaining ringfenced funds were paid to the Insolvency Service on 30 January 2023 as unclaimed dividends and are available for customers to reclaim. All known customers were given instruction on how to claim their balances from the Insolvency Service. A receipts and payments account detailing the transactions in the ringfenced bank account during the report period is provided at Appendix 2.
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Costs of the liquidation	<ul style="list-style-type: none"> • Please note all fees, costs and expenses, unless otherwise stated, are reported net of VAT. • We have been paid £1,498,729 in total, excluding expenses and disbursements, in relation to the liquidation of the Company and a fellow group company, Southern Finance Company Limited (which was placed into liquidation on 22 October 2020 and dissolved on 25 January 2023). • Please see sections 2.2 to 2.4 for further details.
Outstanding matters	<ul style="list-style-type: none"> • Closure of residual operations and retention of data. • Distribution of any remaining surplus assets. • Statutory closing procedures.
Distributions made during the period	<ul style="list-style-type: none"> • During the report period work was undertaken to declare two distributions to the member. Please see Appendix 1 for further details.
Future distributions and closure	<ul style="list-style-type: none"> • We anticipate that further distributions of circa £500,000 will be made during the next 6 months. • It is anticipated that the liquidation will be closed within the next 6 months assuming that the outstanding matters can be resolved.

2. LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

2.1 Receipts and Payments

A receipts and payments account is provided at Appendix 1, detailing the transactions in the 12 month period since our last report, together with a summary of all transactions since our appointment.

2.2 Liquidators' Remuneration

The basis of our remuneration was fixed by the member on 30 October 2020 by reference to the time properly given by the Liquidators and their staff in attending to matters arising in the winding-up together with VAT thereon.

Our time costs for this report period are £629,333 made up of 844 hours at an average charge-out rate of £746/hour across all grades of staff. This brings our total time costs since the date of appointment on 30 October 2020 to £2,493,180 made up of 3,292 hours at an average charge-out rate of £757/hour across all grades of staff.

The Member may request a detailed breakdown of the time costs incurred or a copy of our charge out rates by writing to the address at the front of this report.

To date, in the period of appointment, we have drawn remuneration of £1,498,729, as shown in the receipts and payments account at Appendix 1.

2.3 Liquidators' Charge-Out Rates

The range of charge-out rates for the separate categories of staff is based on our national charge-out rates as summarised below.

Teneo charge out rates (£/hour)

Grade	From 1 June 2021
Directors*	1,100 - 1,195
Associate Directors	900
Managers	815
Assistant Managers	650
Other**	380

Directors* includes Senior Managing Directors, Managing Directors and Directors.

Other** includes Senior Associate and Associate Consultants

Please note that prior to 29 May 2021 (when the Restructuring Services practice transferred from Deloitte LLP to Teneo Restructuring Limited) time may have been charged to the estate by specialists from other Deloitte departments (such as Tax/VAT, Financial Advisory or Deloitte Real Estate) and whose charge out rates may fall outside the bands quoted above.

All staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

2.4 Liquidators' Expenses (including disbursements) incurred during the report period

No expenses were incurred in the report period.

Category 1 Expenses

These are payments made by us direct to third parties and for which no approval is required.

No third party expenses were incurred in the report period.

No Category 1 expenses were incurred in the report period

Category 2 Expenses

Specific approval is required before these costs and expenses can be drawn from the liquidation estate and was given by the member on 30 October 2020.

No Category 2 expenses were incurred in the report period.

3. INFORMATION FOR THE MEMBERS

3.1 Members' right to request further information

Members of the Company with at least 5% in value of the total voting rights of all the members having the right to vote at general meetings of the Company, or, any member with permission of the Court, may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

3.2 Members' right to challenge Remuneration and/or Expenses

Members of the Company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the Company, or, any member with permission of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34 of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

"A Members' Guide to Liquidators' Remuneration" is available on request using the contact details provided on page 1 which will be provided to you at no cost.

Appendix 1

**Joint Liquidators' receipts and payments account for the period from 30 October 2022 to 29 October 2023
and for the period of appointment**

£	<i>Declaration of Solvency values</i>	<i>Notes</i>	30 Oct 2022 to 29 Oct 2023	30 Oct 2020 to 29 Oct 2023
Receipts				
Cash at bank	5,088,000	1	1,888	5,077,819
Intercompany receivables	2,716,000		-	89,433
Consumer finance receivables and repayment plans	7,403,000	2	146,468	8,503,029
Zebra proprietary claim	-		-	308,045
Sale of Investments	-	3	277,794	277,794
Caravan sales	-		-	7,950
Insurance reclaim	-		-	71,000
Sundry income	-	4	4,976	45,126
Total receipts	15,207,000		431,126	14,380,196
Payments				
Interest accruing until payment of debts in full	445,000		-	-
Bills Payable	747,000		-	-
Contingent liabilities	4,423,000		-	-
Estimated costs of the Winding Up	2,827,000		-	-
Bank Charges	-		94	675
Company Secretarial Services	-		-	1,400
Consumer finance receivables - payable to loan book purch	-		-	493,504
Credit Checks	-		-	14,739
Creditor Distributions	-	5	35,868	631,977
Customer refund	-		-	3,841
D&D Leasing UK Limited	-		-	31,721
Deloitte Pre-liquidation Advice fees	-		-	43,311
Employee costs	-		-	1,247,592
FCA / Sogexia costs	-		-	79,910
FOS Settlements	-		-	19,164
FX Loss on Visa Shares	-	3	4,876	4,876
Insurance Costs	-		21,794	120,197
IT Expenses	-	6	48,824	684,737
Legal Fees	-	7	26,503	950,558
Liquidators' Expenses	-		-	4,913
Liquidators' Fees	-		306,793	1,498,729
Loan Book Sales Costs	-		-	2,000
Payment of Rates Refunds	-		-	14,042
Payroll Provider fee	-		-	14,441
Postage & redirection	-		-	519
Settlement Agreements	-		-	2,035,000
Shareholder distribution	-	8	362,918	4,819,918
Statutory Interest	-		-	26,632
Storage Costs	-		4,987	13,092
Tax Agent fee	-		-	18,300
Tax Payment	-	9	44,992	44,992
VAT Irrecoverable	-	10	77,146	677,099
Zebra Finance	-		-	3,205
Total Payments	8,442,000		934,796	13,501,082
Balance	6,765,000		-503,670	879,114
Made up of:				
Funds held in liquidation bank account				879,114
Balance				879,114



Notes

1. The funds are being held in a liquidation bank account. The bank accounts were made non-interest bearing on 28 February 2023 and the associated corporation tax on interest received has been accounted for to HMRC.
2. In the current period this amount relates to capital and interest loan repayments and repayment plan payments. In prior periods this amount included the proceeds of the sale of the legacy loan book to a third party.
3. Funds received relating to the sale of investments, namely Class C Shares in Visa Inc. The corresponding FX loss due to the conversion of these proceeds from USD to GBP is also shown.
4. The current period funds relate to miscellaneous payments received such as customer bankruptcy dividends and refunds due to the Company. In prior periods this figure includes funds received in relation to business rates refunds from councils in relation to the Company's previous ATM business, which was sold to ICE and therefore repaid to ICE under the terms of the Sale and Purchase Agreement.
5. This figure represents the total funds paid as a result of successful creditor claims in the liquidation to date, on a cumulative basis.
6. IT costs relate primarily to activities undertaken in relation of the recovery of the loan portfolio and retention of data in line with statutory obligations.
7. Legal fees have been provided by multiple legal advisors and are discussed in greater detail in the current and previous annual progress reports.
8. Two shareholder distributions have been declared during the period with a total value of £362,918.
A fifth interim distribution of £90,000 was made to the member on 1 February 2023, at a rate of £90,000 per Ordinary £1 share. An additional sixth interim distribution of \$336,475/ £272,918 was made on 31 March 2023 at a rate of \$336,475/ £272,918 per Ordinary £1 share.
For completeness, an intercompany debtor balance of £2,626,908 was distributed in-specie in a prior report period and was disclosed as appropriate in the previous annual progress report.
9. A final corporation tax return was submitted in the period, and the corresponding tax liability paid to HMRC on 19 May 2023.
10. The Company makes exempt only supplies and following advice from tax advisers was deregistered for VAT purposes on 30 October 2020 and any input VAT incurred during the liquidation will be irrecoverable.

Ringfenced funds

Joint Liquidators' receipts and payments account for the period from 30 October 2022 to 29 October 2023 and for the period of appointment

£	Declaration of Solvency values	Notes	30 Oct 2022 to 29 Oct 2023	30 Oct 2020 to 29 Oct 2023
Receipts				
Sogexia SAS client funds	-	1	-	812,489
Transfer from main liquidation estate bank account	-		-	71,698
Bank interest			2,638	2,638
Total receipts	-		2,638	886,825
Payments				
Distributions to former customers	-		-	160,955
Statutory interest paid to former customers	-		-	18,637
FX Loss	-		-	5,992
Payment to Insolvency Service	-	2	683,726	683,726
Withholding tax payment	-	3	14,709	14,709
Bank charges	-		3	3
Transfer to main liquidation estate bank account	-	4	2,804	2,804
Total Payments	-		701,242	886,825
Balance	-		-698,604	0

Notes

1. As reported in previous progress reports, in May 2021, Sogexia remitted the balances of 607 former customer accounts to the Company. The funds were initially held in a euro denominated bank account for customer payments to be made before being transferred to a sterling bank account in the previous report period, to enable the payment to be made to the ISA.
2. In January 2023, the Company paid all remaining ringfenced funds plus statutory interest, totalling £683,726, to the Insolvency Service. These funds are available to be claimed by customers and instructions have been provided.
3. The appropriate Withholding Tax in respect of the Sogexia client funds repatriation payments was calculated and paid to HMRC.
4. Following the payment to the Insolvency Service surplus funds were transferred back to the main liquidation estate and the bank account closed.

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Teneo Financial Advisory Limited is registered in England & Wales with registered number 13192958 and its registered office at The Carter Building, 11 Pilgrim Street, London, EC4V 6RN, United Kingdom.