

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 2 7 1 6 4 7 6

Company name in full Llangollen Railway PLC

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Alan

Surname Coleman

### 3 Liquidator's address

Building name/number Barid House

Street Seebeck Place

Post town Milton Keynes

County/Region Buckinghamshire

Postcode M K 5 8 F R

Country

### 4 Liquidator's name ①

Full forename(s) Marco

Surname Piacquadio

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number Barid House

Street Seebeck Place

Post town Milton Keynes

County/Region Buckinghamshire

Postcode M K 5 8 F R


Country

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

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<b>6</b>	<b>Period of progress report</b>															
From date	d	0	d	2	m	0	m	4	y	2	y	0	y	2	y	2
To date	d	0	d	1	m	0	m	4	y	2	y	0	y	2	y	3
<b>7</b>	<b>Progress report</b>															
<input checked="" type="checkbox"/> The progress report is attached																
<b>8</b>	<b>Sign and date</b>															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	d	3	d	1	m	0	m	5	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

Ellen Gordon

Company name

FTS Recovery Limited

Address

Barid House

Seebeck Place

Post town

Milton Keynes

County/Region

Buckinghamshire

Postcode

M

K

5

8

F

R

Country

DX

Telephone

01908 754 666

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

# Joint Liquidators' Annual Progress Report to Creditors & Members

Llangollen Railway PLC - In **Creditors' Voluntary**  
Liquidation

Reporting period from 2 April 2022 to 1 April 2023

Date: 30 May 2023

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## **1 Introduction and Statutory Information**

- 1.1 I, Alan Coleman Ground Floor, Baird House, Seebeck Place, Knowlhill, Milton Keynes, MK5 8FR was appointed as Joint Liquidator of Llangollen Railway PLC (the Company) on 2 April 2022, together with Jason Elliot of Cowgill Holloway Business Recovery LLP. I am authorised to act as an insolvency practitioner in the UK by the ICAEW.
- 1.2 It should be noted that at the time of the appointment of Joint Liquidators both Alan Coleman and Jason Elliot were Insolvency Practitioners at Cowgill Holloway Business Recovery LLP.
- 1.3 Creditors are advised that this case has transferred practices along with Alan Coleman, Joint Liquidator, from Cowgill Holloway Business Recovery LLP to FTS Recovery Limited, and contact details for the case should be updated accordingly.
- 1.4 On 23 December 2022, Jason Elliot was resigned from office as Joint Liquidator of the Company and Marco Piacquadio was appointed Joint Liquidator alongside Alan Coleman who remains Joint Liquidator, by block transfer order, in The High Court of Justice Business and Property Leeds, No: 000969 of 2022.
- 1.5 Marco Piacquadio is authorised to act as an insolvency practitioner in the UK by the IPA. We are bound by the Insolvency Code of Ethics when carrying out all professional work in relation to an insolvency appointment. In the event of case related queries, the Liquidators can be contacted on telephone number 0161 938 0240 or by email via [chris.jones@ftsrecovery.co.uk](mailto:chris.jones@ftsrecovery.co.uk).
- 1.6 The registered office of the Company was changed to Regency House 45-53 Chorley New Road Bolton BL1 4QR on 12 April 2021.
- 1.7 Please be advised the registered office of the Company is currently being updated at Companies House to C/O FTS Recovery Limited, Ground Floor, Baird House, Seebeck Place, Knowlhill, Milton Keynes, MK5 8FR. It is expected this will be reflected on the record in the coming weeks.
- 1.8 This progress report provides an update on the conduct of the Liquidation for the period from 2 April 2022 to 1 April 2023 (the Period) and should be read in conjunction with any previous progress reports which have been issued.
- 1.9 Information about the way that this firm will use, and store personal data on insolvency appointments can be found at <https://ftsrecovery.co.uk/legal/data-protection/>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.10 The principal trading address of the Company was Llangollen Station, Abbey Road, Llangollen, LL20 8SN.
- 1.11 The registered number is 02716476.

## **2 Receipts and Payments**

- 2.1 At Appendix A is my Receipts and Payments Account covering the Period of this report.
- 2.2 In Section 3 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs.

### 3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and his staff.

#### Administration (including statutory compliance & reporting)

- 3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined in my initial fees estimate/information which was previously agreed by creditors.
- 3.3 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidators.
- 3.4 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

#### Realisation of Assets

#### Administration Surplus

- 3.5 The final administration receipts and payments indicated funds held within the estate account of £263,990.76 with additional VAT to be reclaimed in the sum of £27,964.48, totalling £291,955.24.
- 3.6 However, Joint Administrators fees and disbursements totalling £4,023.55 plus VAT were drawn from the balance of funds stated in the final receipts and payment account of the administration prior to the funds being transferred to the liquidation estate account. Therefore, the actual amount received in to the liquidation estate account was £259,162.49 and this is reflected in the attached receipts and payments account
- 3.7 As a result of these additional payments in the administration, the VAT element of costs to be reclaimed is increased to £28,769.19 and a refund is to be requested HM Revenue and Customs in this regard.

#### Cash at Bank / Funds Received in Error

- 3.8 Additional funds of £5,816.50 were recovered from the Company's bank account, however, £4,731.50 related to funds received in error which were returned during the period.
- 3.9 It is anticipated that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors because this may for example be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3<sup>rd</sup> party security, result in a distribution to the preferential and unsecured creditors of the Company.

#### Creditors (claims and distributions)

- 3.10 The Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

- 3.11 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.
- 3.12 Work undertaken by the Liquidators in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however the Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims.
- 3.13 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.
- 3.14 At this stage, I consider the following matters worth bringing to the attention of creditors:
- There is one secured creditor, Natwest, who are owed approximately £138,366 as at the date of liquidation
  - Ordinary preferential creditors were paid in full during the preceding Administration
  - Secondary Preferential Creditors in relation of VAT and PAYE are estimated at £5,000. No claim has been received to date.
  - As at the date of this report, unsecured creditor claims totalling £1,051,114.62 have been received from over 350 creditors.

#### Investigations

- 3.15 Some of the work Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.
- 3.16 I can confirm that the report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the preceding Administration. As this is a confidential report, I am unable to disclose the contents.
- 3.17 Shortly after appointment, I 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 considered any information provided by creditors. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

#### Matters still to be dealt with

- 3.18 The following matters are still to be dealt with:
- Liaise with HMRC to ensure that the final VAT incurred during the Administration of c£28k is reclaimed and funds secured for the benefit of the estate



- Liaise with HMRC in order to obtain their secondary preferential claim
- Circulate notice of intended dividends in relation secondary preferential and unsecured creditors and distribute funds accordingly

#### 4 Creditors

##### Secured Creditors

- 4.1 Natwest holds a fixed and floating charge over the Company's assets. At the date of the liquidation the indebtedness to the secured creditor was estimated at £138,366 and has now been agreed at £138,366 to which interest will be added.
- 4.2 It should be noted that during the preceding Administration the indebtedness of Natwest was agreed at £163,368, however, a distribution of £25,002 was actioned under their fixed charge from fixed charge realisations.
- 4.3 As a result, the indebtedness of Natwest is £138,366 as at the date of liquidation.
- 4.4 Creditors will be updated regarding future floating charge distributions to Natwest in due course.

##### Preferential Creditors

- 4.5 A summary of the preferential claims in the liquidation and details of any distributions paid to date can be found below:
- 4.6 Creditors will note that the ordinary preferential creditors were paid in full during the preceding Administration. A dividend of 100 pence in the £ to ordinary preferential creditors was declared on 18 March 2022.
- 4.7 As a result, there are no ordinary preferential creditor claims anticipated in the liquidation.
- 4.8 Following the dividend declaration on 18 March 2022, dividend payments of 2 employees in the sum of £1,142.01 remain unclaimed. The liquidators are currently in the process of trying to locate these employees in order to facilitate a payment to them, however, should this not be possible then the unclaimed dividends will be sent to the Duchy of Lancaster.

##### Secondary Preferential Creditors

Secondary preferential claims	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1	Date dividend paid
VAT (HMRC)	Claim yet to be received	2,000.00	-	-
PAYE, Employee NIC & CIS deductions (HMRC)	Claim yet to be received	3,000.00	-	-

- 4.9 A dividend is anticipated to secondary preferential creditors prior to the conclusion of the liquidation, the details of which will be provided to the secondary preferential creditors in due course.

##### Unsecured Creditors

- 4.10 Creditors will note from the final administration report that claims totalling £828,372 from 73 unsecured creditors had been received.
- 4.11 As at the date of this report, unsecured creditor claims totalling £1,051,114.62 have been received from over 350 creditors.

- 4.12 The Company granted a floating charge to Natwest on 25 October 2002. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part), which only applies to charges created after 15 September 2003.
- 4.13 As outlined within the final administration report, it is estimated that a distribution to unsecured creditors will become available in this matter. A notice of intended dividend will be issued to creditors imminently with a view to making a dividend distribution as soon as possible and once the distributions have been made to the secondary preferential creditors (HM Revenue & Customs) as and when we receive their claim and payment to the floating charge creditor (Natwest).
- 4.14 During the last year we have been in contact with the low valued creditors (claims below £1,000) to obtain their bank account details to allow an efficient dividend to be made to this class of creditor given the high number of low valued claims. Work is continuing with the claims above £1,000.

## 5 Joint Liquidators' Remuneration

- 5.1 Where a company in Administration subsequently moves into Liquidation under Paragraph 83 of Schedule B1 to the Insolvency Act 1986 and the Administrators become the Liquidators, the basis of fees fixed in the earlier Administration automatically transfers to the subsequent liquidation.
- 5.2 As outlined within the final report, the basis of the Joint Administrators Fees was fixed in the Administration by reference to the time properly spent by them and their staff in managing the Administration. The original fees estimate was approved on 21 May 2021 in the sum of £69,945.00.
- 5.3 An increase in the original fees estimate of £48,990.00 was sought from creditors via a decision by correspondence on 23 November 2021. A decision regarding the formation of a creditors committee was also sought on the same date as an increase in fee approval and a committee was formed.
- 5.4 A first creditors committee was held on 23 February 2022 and at the meeting the decision to approve the increase in the joint administrators' fee estimate was approved by the creditors committee.
- 5.5 Accordingly, the approved fees estimate in force at the end of the Administration imposed an overall cap on our fees of £118,935.00.
- 5.6 The Administrators final report indicated that total administration time costs in the sum of £99,175.90 had been incurred, however, only remuneration of £93,045 had been drawn.
- 5.7 The administrators final report stated that the administrators unbilled time costs of £25,890 would be drawn as an expense of the liquidation in due course. This remains within the fees estimate approval obtained from creditors for the Administration.
- 5.8 However, an additional £4,063 was drawn prior to the appointment of liquidators, taking the total drawn during the administration to £97,108.
- 5.9 An additional £21,827 has been drawn during the liquidation, taking total fees drawn throughout the administration and Liquidation to £118,935 in this matter.
- 5.10 My time costs for the Period are £24,351.75. This represents 152.65 hours at an average rate of £159.53 per hour. Attached as Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the liquidation.

5.11 At the date of this report, I would confirm that my fees estimate for the liquidation remains unchanged and I currently anticipate that the total amount that will be paid to my firm in respect of the time costs incurred will be as outlined above.

5.12 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from:

[www.icaew.com/regulation/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides](http://www.icaew.com/regulation/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides)

5.13 Attached as Appendix C is additional information in relation to the Liquidators' fees and expenses including where relevant, information on the use of subcontractors and professional advisers.

## **6 Creditors' Rights**

6.1 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) may request in writing that the Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.

6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress 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 by the Liquidators, as set out in this progress report, are excessive.

## **7 Next Report**

7.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.

7.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 0161 938 0240 or by email at [chris.jones@ftsrecovery.co.uk](mailto:chris.jones@ftsrecovery.co.uk).

Yours faithfully



Alan B Coleman  
Joint Liquidator

# LLANGOLLEN RAILWAY PLC - IN LIQUIDATION

## Appendix A - Receipts and Payments Account for the Period from 2 April 2022 to 1 April 2023

Statement of Affairs £	From 02 April 2022 To 01 April 2023 £	From 02 April 2022 To 01 April 2023 £
<b>FLOATING CHARGE RECEIPTS</b>		
Cash at Bank	2,997.50	2,997.50
Funds Transferred from Administration	259,162.49	259,162.49
Funds Received in Error	2,819.00	2,819.00
	<u>264,978.99</u>	<u>264,978.99</u>
<b>FLOATING CHARGE PAYMENTS</b>		
Joint Administrators' Post Appt Fees	21,827.00	21,827.00
Stationery & Postage	406.94	406.94
Funds received in error	4,731.50	4,731.50
Storage Costs	76.43	76.43
Statutory Advertising	88.75	88.75
Bank Charges	15.00	15.00
	<u>(27,145.62)</u>	<u>(27,145.62)</u>
<b>PREFERENTIAL CREDITORS</b>		
Unclaimed Dividends re: Wage Arrears & Hol Pay	1,142.01	1,142.01
	<u>1,142.01</u>	<u>1,142.01</u>
<u>0.00</u>	<u>238,975.38</u>	<u>238,975.38</u>
<b>REPRESENTED BY</b>		
VAT Receivable		4,482.82
Bank 1 Current - FTS Recovery		234,492.56
		<u>238,975.38</u>



Alan Coleman  
Joint Liquidator

Appendix B - Time Analysis for the Period from the 2 April 2022 to 1 April 2023

	Partner	Partner	Senior Manager	Senior Manager	Manager	Senior Administrator	Administrator	Junior Administrator	Cashier/ Support Staff	Total hours	Total Cost £	Average Cost £
Administration (including Stat			0.40	1.30	3.90		5.00	1.90	104.50	117.00	18,090.50	154.62
Investigations												
Creditors (Claims /Distributions)	3.00		0.80		0.80		0.75		30.30	35.65	6,261.25	175.63
Asset Realisation/Management												
Planning & Strategy												
Total Hours	3.00	-	1.20	1.30	4.70	-	5.75	1.90	134.80	152.65	24,351.75	159.53
Charge out Rates applicable to the period	395.00	375.00	275.00	250.00	275.00	180.00	175.00	120.00	150.00			

## Appendix C

### Additional Information in Relation to the Joint Liquidators' Fees, Expenses & the use of Subcontractors

#### Staff Allocation and the use of Subcontractors

The 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, 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.

We have not utilised the services of any subcontractors during the liquidation, however, subcontractors were utilised during the preceding Administration and these were outlined within the joint administrators' final progress report for the period ending 18 March 2022.

#### Professional Advisors

On this assignment we have not used any professional advisors during the liquidation.

All previous professionals utilised during the Administration were paid during the Administration.

#### Joint Liquidators' Expenses

The estimate of expenses which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees was approved. The table below compares the anticipated costs against those incurred to date.

##### Category 1 expenses

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include disbursements which are payments first met by an office holder and then reimbursed from the estate.

Expense	Estimated overall cost £	Paid in the period covered by this report £	Incurred but not paid to date £
Statutory advertising	0.00	88.75	0.00
Specific Penalty Bond	0.00	0.00	920.00
External Mail Services	0.00	406.94	0.00
External Storage Costs	0.00	76.43	0.00
Bank charges	0.00	15.00	0.00

#### Gazette Direct

Upon appointment of a liquidator it is a legal requirement to place notices in the appropriate place. London Gazette provide specialist insolvency advertising as required by statute. The fee charged is standard to advertisements of this nature.

#### AUA Insolvency Risk Services "AUA"

It is a legal requirement that a liquidator take specialist insurance, known as a specific bond, over each case to which they are appointed. AUA are specialist insolvency insurance providers. The fee charged is standard to all practitioners and is proportionate to the value of the assets of the insolvent estate.

#### Postworks

It is a legal requirement that office holder communicate with relevant parties to an insolvent estate. Postworks Ltd are a specialist mailing provider utilised for the purpose of sending statutory communications to parties interested in an insolvent estate. Charges include printing and postage and are charged on a per mailing per case basis. these charges are proportionate to the printing and postage costs for such communications if carried out by the estate holders own staff.

#### Handelsbanken

Upon appointment an office holder is required to open a specialist estate bank account for the purposes of making and receiving payments on behalf of the estate. Handelsbanken a specialist provider of estate bank accounts. The fee charged by them is standard to the setting up of a case bank account

#### Category 2 expenses

These 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 therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Details of Category 2 expenses charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors.

No category 2 expenses have been incurred in this matter.

#### Charge-Out Rates

FTS Recovery Limited's current charge-out rates effective from 1 August 2022 are detailed below.

Please note this firm records its time in minimum units of 6 minutes.

<b>Grade</b>	<b>Charge-out rates from 1 August 2022 (£ per hour)</b>
Director	450
Senior Manager	325
Assistant Manager	225
Senior Administrator	180
Administrator	150
Support Staff	120

Cowgill Holloway Business Recovery LLP's current charge-out rates effective from 01 June 2021 are detailed below:

<b>Staff Grade</b>	<b>(Per hour) £</b>
Partner	395.00
Consultant	350.00
Director	350.00
Senior Manager	300.00
Manager	275.00

## LLANGOLLEN RAILWAY PLC - IN LIQUIDATION

Assistant Manager	250.00
Senior Administrator	225.00
Administrator	175.00
Cashier / Support Staff	150.00
Junior Administrator	120.00