

In accordance with
Rule 18.8 of the
Insolvency (England &
Wales) Rules 2016.

WU07

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



Companies House

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

1 Company details

Company number	0	2	7	5	0	5	4	9
Company name in full	Penclawdd Shellfish Processing Co. Limited							

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

2 Liquidator's name

Full forename(s)	John Dean
Surname	Cullen

3 Liquidator's address

Building name/number	2 Sovereign Quay
Street	Havannah Street
Post town	Cardiff
County/Region	
Postcode	C F 1 0 5 S F
Country	

4 Liquidator's name ❶

Full forename(s)	Rachel Helen
Surname	Lai

❶ **Other liquidator**
Use this section to tell us about
another liquidator.

5 Liquidator's address ❷

Building name/number	2 Sovereign Quay
Street	Havannah Street
Post town	Cardiff
County/Region	
Postcode	C F 1 0 5 S F
Country	

❷ **Other liquidator**
Use this section to tell us about
another liquidator.

WU07

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

6

Period of progress report

From date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>2</div></div>	<div><div>m</div><div>1</div></div>	<div><div>m</div><div>2</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>1</div></div>	<div><div>y</div><div>9</div></div>	
To date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>1</div></div>	<div><div>m</div><div>1</div></div>	<div><div>m</div><div>2</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	

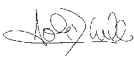
7

Progress report

<div><input checked="" type="checkbox"/> The progress report is attached</div>	
--	--

8

Sign and date

Liquidator's signature	<div>Signature</div> <div><div>X</div><div></div></div> <div><div>X</div></div>								
Signature date	<div><div>d</div><div>2</div></div>	<div><div>d</div><div>7</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>1</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>1</div></div>	

Penny Elvin

WU07

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

**Presenter information**

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

Contact name Penny Elvin

Company name Menzies LLP

Address 2 Sovereign Quay

Havannah Street

Post town Cardiff

County/Region

Postcode C F 1 0 5 S F

Country

DX DX 200767 Cardiff Bay

Telephone 029 2049 5444

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Penclawdd Shellfish Processing Co. Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 02/12/2019 To 01/12/2020 £	From 02/12/2019 To 01/12/2020 £
	ASSET REALISATIONS		
	Business Rates Refund	1,033.96	1,033.96
831.75	Cash at Bank	831.75	831.75
Uncertain	Directors' Loan Account	NIL	NIL
51,000.00	Factory Equipment	41,000.00	41,000.00
	Insurance Refund	1,400.32	1,400.32
	Intellectual Property	750.00	750.00
NIL	Leasehold Property	NIL	NIL
1,400.00	Office Furniture & Equipment	1,000.00	1,000.00
	Petitioner's Deposit	1,600.00	1,600.00
10,700.00	Plant & Vehicles	8,000.00	8,000.00
		55,616.03	55,616.03
	COST OF REALISATIONS		
	Agents Disbursements	17,048.09	17,048.09
	Agents/Valuers Fees	8,500.00	8,500.00
	Bank Charges	88.00	88.00
	O.R. Remuneration	11,000.00	11,000.00
		(36,636.09)	(36,636.09)
	UNSECURED CREDITORS		
(67,195.52)	Employees	NIL	NIL
(151,024.00)	Inter-Company Creditors	NIL	NIL
(236,798.89)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(218,397.00)	Ordinary Shareholders	NIL	NIL
(4,425,000.00)	Preference Shareholders	NIL	NIL
		NIL	NIL
(5,034,483.66)		18,979.94	18,979.94
	REPRESENTED BY		
	ISA main account IB		24,020.32
	VAT Payable		(10,150.00)
	VAT Receivable		5,109.62
			18,979.94



John Dean Cullen
Joint Liquidator

PENCLAWDD SHELLFISH PROCESSING CO. LIMITED - IN COMPULSORY LIQUIDATION

IN THE HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES,
INSOLVENCY AND COMPANIES **LIST (ChD), NUMBER 006733 OF 2019 ("THE COURT")**

JOINT LIQUIDATORS' PROGRESS REPORT PURSUANT TO RULE 18.8 OF THE INSOLVENCY (ENGLAND
& WALES) RULES 2016

FOR THE PERIOD 2 DECEMBER 2019 TO 1 DECEMBER 2020

DATED: 27 JANUARY 2020

PENCLAWDD SHELLFISH PROCESSING CO. LIMITED - IN COMPULSORY LIQUIDATION (“**THE COMPANY**”)

ANNUAL PROGRESS REPORT

CONTENTS

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

APPENDICES

1. Statutory information
2. Joint Liquidators' receipts and payments account
3. Joint Liquidators' analysis of time costs
- 3a. Joint Liquidators' narrative to time costs incurred
4. Joint Liquidators' fee estimate
- 4a. Joint Liquidators' narrative to fee estimate
5. Comparison of the time costs incurred with the fee estimate

1. INTRODUCTION AND EXECUTIVE SUMMARY

I was appointed Joint Liquidator of the Company on 2 December 2019. I now present my progress report for the first year of the Liquidation, pursuant to Rule 18.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

The Company's statutory information is attached at Appendix 1 of this report.

Executive summary

On 27 November 2019 a winding up order was made against the Company upon the petition of Holland Shellfish International UK Ltd ("the petitioning creditor") presented to the Court on 9 October 2019. On 2 December 2019, Rachel Helen Lai and I of Menzies LLP, 2 Sovereign Quay, Cardiff, CF10 5SF, were appointed Joint Liquidators of the Company by the Secretary of State.

Rachel Helen Lai and I were previously appointed Joint Provisional Liquidators of the Company on 12 November 2019 following an order made by the petitioning creditor. We acted in this capacity in the period 12 November 2019 until the winding up order was made on 27 November 2019.

At the date of my appointment as Joint Liquidator the Company had ceased trading and accordingly, I took steps to realise the remaining assets with a view to distributing the funds to creditors, after costs, in the prescribed order of priority. As Liquidator, I am also obliged to investigate the Company's affairs. At the outset it was anticipated I would not be in a position to declare a dividend to any class of creditor and this continues to be the case.

I attach at Appendix 2 a receipts and payments account for the period ended 1 December 2020. Details of progress during the period are set out in sections 2 and 3 below.

2. ASSET REALISATIONS

Sale of tangible assets

On 20 December 2019, I sold the assets of the Company located at the Company's trading address of Unit 28, Croft Industrial Estate, Gower, Swansea, SA4 3YA ("the trading site"), which comprised factory equipment, plant & vehicles and office furniture & equipment, to Holland Shellfish International UK Ltd, the petitioning creditor, a party connected with the Company by virtue of their shareholding in the Company. These assets were sold for £50,000 plus VAT and this sale was subject to the landlord of the trading site entering into a new lease with the purchaser. Following discussions with the landlord I can confirm that the lease was disclaimed by the Company on 23 December 2019.

On 25 November 2019, a valuation of the assets of the Company was prepared by Jason Hall Bsc (Hons) PGDipSurv MRICS of Lambert Smith Hampton ("LSH"), an independent firm of valuers who confirmed that they hold adequate professional indemnity insurance. This valuation was prepared by LSH following an inspection of the Company's trading site and asset register.

Upon my appointment as Joint Liquidator, I was advised by LSH that there was an urgent requirement to sell the assets located at the site as a result of the accruing security costs at the site. Accordingly, no marketing campaign was undertaken initially and in the first instance, two known interested parties were contacted immediately, one being the petitioning creditor, to establish interest and invite best offers.

The offer of £50,000 plus VAT was the only formal offer received for the assets and it was in line with the valuation referred to above. The sale of the assets on an in-situ basis maximised realisations and avoided costs such as de-commissioning, removal and transport costs. The acceptance of this offer was recommended by LSH. I therefore concluded that the sale was in the interests of the creditors.

Directors' Loan Account

The Company's last set of financial statements as at 31 March 2018 detailed an amount owing to the Company in respect of a directors' loan account in the sum of £31,673. My enquiries in this regard are ongoing and I have written to the director in respect of the recovery of this sum and his proposals for repayment.

Intellectual property

In April 2020, I was contacted by Leslie A Parsons & Sons (Bury Port) Limited, trading as Parsons Pickles, who were interested in the purchase of intellectual property of the Company, particularly hygiene methodology and data. This data was sold to Parsons Pickles in the sum of £750 plus VAT, a party connected with the Company by virtue of common shareholding.

The offer of £750 plus VAT was the only offer received for this data and I consulted my agents LSH who advised that this data would unlikely have any value to another party. In the absence of other offers and interest, I therefore concluded that the sale was in the interests of the creditors.

Insurance refund

During my review of the Company's books and records, I identified an insurance refund due to the Company in the sum of £1,400.32. I made the appropriate enquiries with Douglas Insurance Brokers and I can confirm that this refund was received in September 2020. This refund was made as a result of cancellation of the fleet insurance policy.

Cash at Bank

The Company held a current account with NatWest Bank Plc. As at the date of Liquidation, there was a balance of £831.75. Following my appointment, I requested these funds and on 9 January 2020 the balance of £831.75 was received.

Business rates refund

Following my appointment in this matter and following the sale of the tangible assets of the Company and vacation of the trading site by the Company, I liaised with Swansea Council in respect of the business rates position. A business rates refund in the sum of £1,033.96 was subsequently received into the estate February 2020 in respect of an overpayment of national non-domestic rates.

Petitioner's deposit

The Secretary of State received £1,600 in respect of the petitioning creditors' deposit.

Other assets

If creditors are aware of any other assets in this matter, I should be grateful if you would contact my colleague Penny Elvin on 029 2067 4996. In the meantime, my enquiries and investigations are ongoing in respect of the assets of the Company and further potential recoveries for the benefit of creditors.

3. INVESTIGATIONS

I have undertaken an initial investigation into the Company's affairs to establish whether there are any potential asset recoveries or conduct matters that justify further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

Specifically, I have recovered, listed and reviewed the Company's accounting records, both physical and electronic, obtained and reviewed copy bank statements for the years prior to the Company ceasing to trade and reviewed the information in the Company's last set of accounts and management accounts, including the Company's asset register. I have made enquiries with various parties as appropriate, including but not limited to the Company's former accountants, the former bookkeeper, the parent company and the director.

My investigations in this matter are extensive and ongoing. I am sure that creditors appreciate I am currently unable to give specific detail of my investigations as to do so may prejudice the outcome of any action taken as a result of my investigations.

For the avoidance of doubt, the Official Receiver is responsible for reporting obligations under S7(3) of the Company Directors Disqualification Act 1986. The content of that report is confidential.

4. JOINT LIQUIDATORS' REMUNERATION

I am yet to fix the basis of my remuneration and have not taken any steps to fix it during the period. The reason for this is that it is more cost effective to consider my remuneration at the same time as preparing my progress report to creditors.

My total time costs for the first year of the Liquidation amount to £32,418, made up of 132.50 hours at an average charge out rate of £244.66 per hour. I attach at Appendix 3 a breakdown of these time costs by work category and staff grade. I have not drawn any remuneration in this period.

Given the size and technical nature of the Liquidation, much of the work described in the sections above was undertaken by me, a manager and a senior administrator. Additional assistance was provided by cashiers dealing with banking and statutory duties, and administrators offering various support services. All time spent on administering various duties was charged directly to the case in 6-minute units.

A narrative explanation of work done since my appointment is set out at Appendix 3a.

Fee estimate

As mentioned above, I am yet to fix the basis of my remuneration. Please find at Appendix 4 my fee estimate in the matter, which includes time costs for the work that has already been undertaken as well as work that is still yet to be undertaken in the Liquidation.

The fee estimate will act as a milestone fee estimate whilst I undertake my investigations and make further enquiries as necessary. I will also take steps to realise any outstanding directors' loan account and resolve the pension position.

Once these actions have been complete, I will be in a better position to understand the full extent of Company's affairs and what further time costs are likely to be incurred during the Liquidation period. I may look to issue an additional fee estimate, should it be deemed necessary. At this stage, it is currently uncertain if my investigations in this matter will result in further realisations, however these investigations are necessary at this time to meet my requirements under the insolvency legislation and the Statement of Insolvency Practice, which set out the required practice that I must follow.

I am seeking a resolution that the Joint Liquidators may charge their fees on a time cost basis for the time properly spent on matters arising in the Liquidation. As detailed in the attached fee estimate, I estimate that the time incurred in this matter will total £53,002 plus VAT on the basis of the information currently available. This estimate acts as a cap and the Joint Liquidators may not draw fees above this sum without seeking further approval.

Enclosed at Appendix 4a is a narrative explanation of the further work provided for in this milestone fee estimate. I have allocated a further £20,584 to be incurred in this matter, being an additional 75.80 hours of work. Attached at Appendix 5 is a comparison of the time incurred in the first year of the Liquidation with the fee estimate.

It is for the Liquidation Committee ("the Committee"), if one is formed, to approve my fee estimate. However, if no Committee is formed, then my fee estimate may be approved by the creditors. If you wish to vote, you must complete and return the voting form, together with the proof of debt form (if not provided previously) enclosed with the letter to creditors to my office no later than 23.59 on 17 February 2021, the decision date.

I only anticipate needing to seek approval to draw fees in excess of this fee estimate if my additional work leads to further areas of investigation, potential further asset recoveries, or any associated action, such as arbitration or legal proceedings.

An explanatory note "A Creditors' Guide to Liquidators' Fees" can be found on the following link - <https://www.menzies.co.uk/helping-you/business-recovery/fees-guide/> Alternatively, it is available free of charge by contacting Menzies LLP. Please note that there are different versions and you should refer to the version for appointments after September 2015.

5. JOINT LIQUIDATORS' EXPENSES AND DISBURSEMENTS

Expenses

Please see the receipts and payments account detailed at Appendix 2, which shows the payments made from the estate during the Liquidation.

I have incurred total expenses of £29,771.17 during this period, as detailed in the table below. Please note, expenses in the sum of £9,313.51 were incurred while I was in office as Provisional Liquidator and I have included these in a separate column in the table.

I have paid £38,703.28 from the estate during this period, as detailed below and outlined in the attached receipts and payments account.

Type of expense	Amount incurred in the reporting period	Amount incurred in the provisional Liquidation	Amount paid in the period	Remains outstanding
O.R. Remuneration	£11,000.00	-	£11,000.00	-
Bank charges	£88.00	-	£88.00	-
Agents/Valuers fee	£5,000.00	£3,500.00	£8,500.00	-
Agents' disbursements inc general travel, locksmith and security	£11,597.60	£5,450.49	£17,048.09	-
Specific penalty bond	£320.00	-	£320.00	-
Statutory advertising	£83.02	£83.02	£166.04	-
Insurance	£280.00	£280.00	£280.00	£280.00
Pension agent	£350.00	-	£350.00	-
Books and record collection/storage agent	£1,047.55	-	£946.15	£101.40
DVLA Search	£5.00	-	£5.00	-
Total	£29,771.17	£9,313.51	£38,703.28	£381.40

Professional advisors

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Lambert Smith Hampton	Valuer/Agent	Percentage of realisations
Clumber Consultancy Limited	Pension agent	Fixed fee
Peter Miller	Books and records agent	Fixed fee
Marsh Restructuring and Recovery Practice	Insurance broker	Fixed premium

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

Agents' disbursement inc general travel, locksmith and security

LSH were instructed to assist with the trading site and assets. During the Provisional Liquidation, LSH incurred disbursements in respect of travel to and from the Company's trading site in order to obtain details of the assets to be included in their appraisal, undertake an inspection and provide their advice. The locks of the trading premises were changed in order to secure and protect the Company's assets and property therein.

Given the agreed strategy of keeping the assets in situ until sold, as detailed above, it was necessary to maintain 24/7 security at the premises in order to secure these assets together with other Company property. This security cost was incurred throughout the Provisional Liquidation and the subsequent Liquidation until the assets were sold on 20 December 2019.

My estimate of the expenses of the Liquidation are as follows:

Nature of expense	Estimated expense	Expenses incurred to date
O.R. Remuneration	£11,000.00	£11,000.00
Bank charges	£220.00	£88.00
Agents/Valuers fee	£5,000.00	£5,000.00
Agents' disbursements inc general travel, locksmith and security	£11,597.60	£11,597.60
Specific penalty bond	£320.00	£320.00
Statutory advertising	£83.02	£83.02
Insurance	£280.00	£280.00
Pension agent	£1,340.00	£350.00
Books and record collection/storage agent	£2,000.00	£1,047.55
DVLA Search	£5.00	£5.00
Provisional Liquidators' remuneration	£14,966.50	£14,966.50
Provisional Liquidators' expenses	£9,313.51	£9,313.51
Solicitors' fees	£3,500.00	-
Total	£59,625.63	£54,051.18

I am seeking approval from the Court that the Joint Provisional Liquidators' remuneration on a time cost basis and expenses of the Provisional Liquidation, be paid as expenses of the Liquidation, in the prescribed order of priority.

Petitioning creditors' costs

I have received costs from the petitioning creditor's solicitors. I understand that the petitioning creditor incurred costs in the sum of £13,800 plus VAT in respect of the preparing of the winding up petition. They also paid legal costs during the Provisional Liquidation in the sum of £1,855 plus VAT. The petitioning creditor further paid a deposit in the sum of £1,600 to the Secretary of State. The costs of the petitioning creditor rank as an expense of the estate and will be paid in the prescribed order of priority as and when funds permit.

Disbursements

In relation to disbursements, where my firm has incurred a cost that is directly referable to this matter and the payment was made to a third party, these costs have been or will be reimbursed, subject to sufficient funds being available in the estate.

I have incurred and paid the following disbursements during this period (included in the expenses table above), which have been paid by my firm. These are shown in my receipts and payments at Appendix 2.

Type of disbursement	Incurred in the period (£)	Paid by my firm in period (£)	Recharged to the Liquidation estate in the period (£)
Statutory advertising	£83.02	£83.02	-
Insurance	£280.00	£280.00	-
Specific penalty bond	£320.00	£320.00	-
Pension agent	£350.00	£350.00	-
Books and record collection agent	£1,047.55	£946.15	-
DVLA Search	£5.00	£5.00	-
Total	£2,085.57	£1,984.17	-

No disbursements have or will be claimed which, while directly referable to this matter, did not involve a payment to a third party. Neither will any cost be reimbursed which included an element of shared or allocated cost (e.g. photocopying).

6. CREDITORS' CLAIMS AND OUTCOME FOR CREDITORS

Secured creditor

The Company granted a fixed and floating charge to National Westminster Bank Plc ("NatWest"). However, I am not aware of any sum due to NatWest from the Company.

The legislation requires that if the Company has created a floating charge on or after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, I am not aware of any sum due to NatWest under their floating charge such that the prescribed part provisions do not apply.

Preferential creditors

I am not aware of any preferential creditors in this matter. However, my enquiries are ongoing in respect of whether there are any outstanding contributions due to the Company's pension scheme with NEST pension, which if there are any, may rank as preferential claims in the estate.

There are currently insufficient funds to enable a dividend to be paid to the preferential creditors.

Unsecured (ie non-preferential) creditors

The Company's records detailed unsecured creditors with an estimated total liability of £455,018.41. This includes a sum of £151,024 owing to connected companies, Holland Shellfish International UK Ltd and LA Parsons Limited, and a sum of £67,195.52 owing to former employees in respect of redundancy pay and payment in lieu of notice. There is also an estimated total liability of £236,798.89 owing to trade and expense creditors.

I have received claims from 11 trade and expense creditors at a total of £58,913.73. I have not yet received any claims from the connected companies or from the Redundancy Payments Service ("RPS") in respect of payments made to former employees for redundancy pay and payments in lieu of notice.

There are currently insufficient funds to enable a dividend to be paid to the unsecured creditors.

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

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, is available at the link <http://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>. Please refer to the version for appointments after September 2015.

Creditors' right to request information

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

Creditors' right to challenge remuneration and/or expenses

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

8. DATA PROTECTION NOTICE

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

9. CONCLUDING REMARKS

The Liquidation will remain open until my investigations have been fully resolved. At this time, I am uncertain how long this will take as this will depend on the outcome of my investigations. I will report again on the progress of the Liquidation after the next anniversary of the Liquidation or in the final account, whichever is earlier.

Should you require further information, or if you want hard copies of any of the documents made available on-line, please contact my colleague Penelope Elvin by email at PElvin@menzies.co.uk, or by phone on +44 (0) 29 2067 4996



John Dean Cullen
Joint Liquidator

Appendix 1
Statutory information

Company name:	Penclawdd Shellfish Processing Co. Limited
Company number:	02750549
Registered office:	2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF
Former registered office:	68 Argyle Street, Birkenhead, Merseyside, CH41 6AF
Former trading address:	Unit 28 Crofty Industrial Estate, Penclawdd, Swansea, SA4 3YA
Principal trading activity:	Processing and preserving of fish, crustaceans and molluscs
Joint Liquidators' names:	John Dean Cullen and Rachel Helen Lai
Joint Liquidators' address:	2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF
Date of appointment:	2 December 2019

Court name and reference:	High Court of Justice 006733 of 2019
---------------------------	---

Contact details of Joint Liquidators:	Penelope Elvin by email at PELvin@menzies.co.uk, or by phone on +44 (0) 29 2067 4996
---------------------------------------	--

Details of any changes of Liquidator:	There have been no changes of Liquidator during the winding up.
---------------------------------------	---

Appendix 2
Receipts and payments account

Appendix 2
 Penclawdd Shellfish Processing Co. Limited
 (In Liquidation)
 Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 02/12/2019 To 01/12/2020	From 02/12/2019 To 01/12/2020
	ASSET REALISATIONS		
NIL	Leasehold Property	NIL	NIL
51,000.00	Factory Equipment	41,000.00	41,000.00
10,700.00	Plant & Vehicles	8,000.00	8,000.00
1,400.00	Office Furniture & Equipment	1,000.00	1,000.00
Uncertain	Directors' Loan Account	NIL	NIL
	Intellectual Property	750.00	750.00
	Insurance Refund	1,400.32	1,400.32
831.75	Cash at Bank	831.75	831.75
	Business Rates Refund	1,033.96	1,033.96
	Petitioner's Deposit	1,600.00	1,600.00
		<u>55,616.03</u>	<u>55,616.03</u>
	COST OF REALISATIONS		
	O.R. Remuneration	11,000.00	11,000.00
	Agents/Valuers Fees	8,500.00	8,500.00
	Agents Disbursements	17,048.09	17,048.09
	Bank Charges	88.00	88.00
		<u>(36,636.09)</u>	<u>(36,636.09)</u>
	UNSECURED CREDITORS		
(236,798.89)	Trade & Expense Creditors	NIL	NIL
(67,195.52)	Employees	NIL	NIL
(151,024.00)	Inter-Company Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(4,425,000.00)	Preference Shareholders	NIL	NIL
(218,397.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(5,034,483.66)</u>		<u>18,979.94</u>	<u>18,979.94</u>
	REPRESENTED BY		
	VAT Receivable		5,109.62
	ISA main account IB		24,020.32
	VAT Payable		(10,150.00)
			<u>18,979.94</u>

John Dean Cullen
Joint Liquidator

Appendix 3 Analysis of Time costs

Penclawdd Shellfish Processing Co. Limited - In Liquidation

Appendix 3

TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 2 DECEMBER 2019 to 1 DECEMBER 2020

HOOURS Classification of work function	Partner/ Director	Manager	Senior	Administrator	Support	Total Hours	Time Costs	Average Hourly Rate
							£	£
Administration and planning	9.80	2.30	20.60	5.50	4.60	42.80	11,268.50	263.28
Realisation of assets	5.10	0.50	10.70	0.00	1.50	17.80	4,961.00	278.71
Creditors (claims and distributions)	2.10	1.10	12.70	0.10	3.30	19.30	4,498.50	233.08
Investigations	5.10	0.20	35.50	0.00	11.80	52.60	11,690.00	222.24
Total Hours	22.10	4.10	79.50	5.60	21.20	132.50		
Total Costs	9,862.50	1,124.50	18,285.00	1,026.00	2,120.00		32,418.00	

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS

	<u>From 1 October 2020</u>	<u>1 Oct 2019 to 30 Sept 2020</u>
	£ per hour	£ per hour
Partner/Director	425-525	400-525
Manager	260-360	260-350
Senior	230-250	230-250
Administrator	100-200	100-205
Support Staff	100	100-135

Note 1 There may have been a number of promotions through the various grades during the period of the administration.

Note 2 Overhead costs are reflected in the charge out rates detailed.

Note 3 The charge-out rate of the Insolvency Practitioner for this assignment is currently £475 and £425 per hour, and the administrator is £230 per hour.

Note 4 Time is recorded in minimum units of 6 minutes.

Appendix 3a

Narrative of work undertaken in the period from 2 December 2019 to 1 December 2020

A description of the work undertaken since my appointment as Joint Liquidator is as follows:

Administration and planning

There are certain aspects of the case that are required by statute and for the efficient running of the case. They are not expected to provide a direct quantifiable benefit to creditors; however, without them, other aspects of the case which do provide a quantifiable benefit to creditors would be less efficient. As you can see, the time spent dealing with the administration and planning of this case within the period to which the report relates has been considerable.

Specifically, time has been incurred in the first year of the Liquidation on the following:

Formalities and statutory compliance

Time has been incurred in the maintenance of the electronic case management information, completing periodic review of files, strategic case planning and in the routine administration of the case. Case strategy reviews have been undertaken on a periodic basis where I liaise with my staff with regards to the progression of the case. This work is necessary in order to ensure timely progression of the administration of the Liquidation and formal reviews of the case are undertaken on a six-monthly basis by the case administrator and reported to me as Joint Liquidator

Reporting

Following my appointment as Joint Liquidator in this matter, time was spent undertaking the formalities of my appointment, including statutory notifications to the Registrar of Companies, HM Revenue & Customs, qualifying floating charge holders, banks and credit institutions, creditors, shareholders, employees and the director.

Cashiering

In this period, time was setting up an estate Insolvency Services bank account bank account, lodging receipts, preparing and processing invoices for payments and reconciling the bank account.

I have further spent time arranging the specific penalty bonding and reviewing its adequacy on a periodic basis.

General

Time has also been incurred undertaking a general review of the case including the extensive correspondence with and information provided by the petitioning creditors' solicitor and undertaking strategic case planning. Time was spent liaising with the Secretary of State in respect of my appointment and the handover papers.

Asset realisations

Net asset realisations provide the financial benefit to creditors and their quantum directly contributes to any dividend ultimately available to creditors.

Sale of tangible assets

Following my appointment as Joint Liquidator in this matter, time was spent liaising with my agent at LSH in respect of the 24/7 security of the trading premises. Time was also spent liaising with LSH with regards to the Company's tangible assets, being factory equipment, plant & vehicles and office furniture & equipment, their values and determining a strategy for maximisation of realisations from these assets for the benefit of the Liquidation estate.

Prior to the tangible assets being sold, insurance cover was set up and time was incurred liaising with our insurance broker in respect of the high-risk nature of the Company's trading premises and supplying information in this regard as necessary, particularly surrounding the health and safety risks posed by the site.

LSH marketed the tangible assets for sale and time was spent liaising with them in this regard, discussing the offers received and taking their advice as appropriate. Time was also spent liaising with the landlord in respect of the trading site and the offer received, and a notice of disclaimer was prepared and issued as necessary. Time was spent in this matter arranging for the sale proceeds to be remitted to the Liquidation estate.

Cash at bank

Following my appointment, I notified the Company's bankers, NatWest, of my appointment and time was spent in this period allocating the cash at bank balance that was remitted to the Liquidation estate.

Refunds

Time has also been spent liaising with the Swansea Council non-domestic business rates department and also the Company's former insurance broker in respect of refunds due to the Company.

Intellectual Property

Time has been spent in respect of the sale of intellectual property liaising with the purchaser and locating the requested files on the Company's computer which was recovered from the trading site on my appointment.

Other assets

My enquiries in respect of the outstanding directors' loan account, along with any other potential asset recoveries, remain ongoing and time has been spent reviewing the Company's accounting records during this period in this regard. Time has been incurred reviewing the Company's financial records to establish the position with regards to book debts and time was spent liaising with the Company's former bookkeeper in this regard.

Time was also spent reviewing the Company's books and records in order to gather information in respect of the Company's assets, such as the insurance schedules to locate an asset register and understand the whereabouts of both immoveable and moveable assets. I have made some enquiries in this regard with the DVLA. My enquiries remain ongoing.

Information was also gathered from the bookkeeper in respect of the stock of the Company, of which there was none remaining on my appointment. Time has also been incurred conducting the appropriate searches on the land registry.

Creditors (claims and distribution)

Time spent in this category includes the time spent dealing with routine correspondence and queries, taking telephone calls from creditors and maintaining creditor information on the electronic case management files as well as the physical case files.

Specifically, time has been incurred in the first year of the Liquidation on the following matters:

Employees

In this period, I have spent a considerable amount of time reviewing the employee records of the Company in respect of monies due to the former employees of the Company. I have liaised with the former employees and submitted the relevant employment information to the RPS. It is understood that there are monies due to these employees in respect of redundancy pay and payments made in lieu of notice.

I have responded to employee queries as appropriate and I have supplied information to them in respect of how they can submit their claims with the RPS.

Pension

Time has been spent in this matter submitting the relevant notices to the Pensions Regulator and the Pension Protection Fund. I instructed agents, Clumber Consultancy Limited ("Clumber") to assist in this regard and Clumber have reported to me in respect of the NEST pension scheme operated by the Company. My enquiries are ongoing in this matter in respect of whether there any outstanding contributions due to the pension scheme.

Investigations

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

It is a statutory obligation of the officeholder to ensure that the books and records of the Company are secured. Time spent during the period includes the time spent recovering and listing the records and arranging appropriate storage as well as reviewing the relevant records to ensure that they were complete, and all material assets identified. The office computer was secured, and time was spent reviewing and copying the files from the hard drive, including a back-up of the accounting package QuickBooks Pro and the Company's Sage payroll. This work was necessary for the Liquidators to understand what financial information was available to assist with their enquiries into the affairs of the Company and to ensure that all records had been secured.

In this period, time has been spent conducting a bank analysis on receipt of the statements from NatWest. I have made enquiries with the director of the Company and the former bookkeeper, as well as the Company's accountants and its parent company.

As discussed above, time has further been spent reviewing the Company's books and records in order to gather information in respect of the Company's assets, such as the insurance schedules to locate an asset register and understand the whereabouts of both immoveable and moveable assets. I have made some enquiries in this regard with the DVLA.

My investigations in this matter are ongoing.

Appendix 4
Fee estimate

Penclawdd Shellfish Processing Co. Limited - In Liquidation

Appendix 4 - Fee estimate

Classification of work function	Total Hours	Blended Hourly Rate	Total Time Costs
		£	£
Administration	75.10	263.08	19,757.00
Realisation of assets	25.40	281.89	7,160.00
Creditors (claims and distribution)	24.50	241.63	5,920.00
Investigations	83.30	242.08	20,165.00
Estimated total hours	208.30		
Estimated average blended rate		254.45	
Estimated total cost			53,002.00

CURRENT CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS

From 1 October 2020

	£ per hour
Partner/Director	425-525
Manager	260-360
Senior	230-250
Administrator	100-200
Support Staff	100

Note 1 There may be a number of promotions through the various grades during the period of the administration.

Note 2 Overhead costs are reflected in the charge out rates detailed.

Note 3 The charge-out rate of the Insolvency Practitioners for this assignment is currently £475 and £425 per hour, and the administrator is £230 per hour.

Note 4 Time is recorded in minimum units of 6 minutes.

Appendix 4a

Narrative of future work to be undertaken in respect of the fee estimate

A description of the work yet to be undertaken in the administration of the estate is as follows:

Administration

This includes the maintenance of physical case files, electronic case management information, the review of files, strategic case planning and the routine administration of the case. It includes the preparation of documentation and reports, dealing with correspondence and cashiering.

Specifically, further time is anticipated to be incurred as follows:

Formalities and statutory compliance

Time will continue to be incurred maintaining the case management information, completing periodic review of files, strategic case planning and in the routine administration of the case. Case strategy reviews will be undertaken on a periodic basis where I liaise with my staff with regards to the progression of the case. This work is necessary in order to ensure timely progression of the administration of the Liquidation and formal reviews of the case are undertaken on a six-monthly basis by the case administrator and reported to me as Joint Liquidator

Reporting

Time has been spent preparing this annual progress report to the members and creditors which is not included in the time cost analysis to 1 December 2020. I have also spent further time preparing this fee estimate for circulation to creditors, including justification of the time incurred in the Liquidation to date and I have convened a decision by correspondence. A review of this fee estimate will also be undertaken at the end of the period and a further fee estimate may be circulated to creditors should it be required.

Cashiering

Time has been allocated to the ongoing maintenance and management of the estate's cashbook and bank account, together with ensuring that statutory lodgements and tax lodgement obligations are met. It also includes periodic reviews of the specific penalty bonding.

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

Asset realisations

Net asset realisations provide the financial benefit to creditors and their quantum directly contributes to any dividend ultimately available to creditors.

At present, any further assets realisation are dependent on the outcome on my investigations, specifically my investigations into the outstanding directors' loan account and assets listed in the Company's records that are currently unaccounted for.

Once my investigations are complete, further time costs may be incurred realising assets and making recoveries as identified in my investigations and accordingly, this is a milestone fee estimate. If necessary, a further revised fee estimate may be circulated at a later stage if required.

Creditors (claims and distribution of funds to creditors)

The time attributed to creditors is the continued time spent in dealing with creditor correspondence and queries and taking telephone calls from creditors. It also includes maintaining creditor information on the electronic case management files as well as the physical case files.

Pension

My enquiries in respect of the NEST pension scheme are ongoing and further time has been allocated to my fee estimate in respect of reviewing the employee records, liaising with my pension agent, Clumber, and liaising with the RPS in respect of any outstanding contributions due to the scheme.

Fee estimate

Time will also be spent responding to creditor queries in respect of this fee estimate and reporting to creditors in respect of the outcome of the decision by correspondence.

Dividend

At this stage, it is currently unlikely that a dividend will become payable to any class of creditor based on current asset realisations and the costs of the Liquidation. However, the outcome for creditors in this matter will ultimately depend on the outcome of my investigations and any further realisations identified. A further revised fee estimate may be circulated at a later stage should a dividend become payable to any class of creditor.

Investigations

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

Further time costs are expected to be incurred making further enquiries in respect of the Company's affairs, discussing findings and next steps with my investigations team once completed and determining the best strategy for progression.

It is anticipated that further time costs could be incurred liaising with and receiving professional advice from agents in relation to my investigations. The level of work yet to be completed will be dependent on the outcome of my investigations and accordingly, this is a milestone fee estimate. If necessary, a further revised fee estimate may be circulated at a later stage if required.

Where appropriate work will be done at case administrator level with oversight and more complex matters dealt with at manager, director or partner level as appropriate. Attached at Appendix []A is a breakdown of the different grades of staff allocated to this case together with their respective charge-out rates. Specific tasks such as specific penalty bonding and cashiering are allocated to specialist team members.

Should creditors require further information about an insolvency process such as this, R3 has produced a useful website providing information for creditors which is available at:

<http://www.creditorinsolvencyguide.co.uk/>

Appendix 5
Comparison of time costs incurred with the fee estimate

Penclawdd Shellfish Processing Co. Limited - In Liquidation

Appendix 5 - Comparison of time costs incurred with fee estimate

Classification of work function	Actual - 2.12.19 to 1.12.20			Estimated future costs			Fee Estimate		
	Total Hours	Blended Hourly Rate	Total Time Costs	Total Hours	Blended Hourly Rate	Total Time Costs	Total Hours	Blended Hourly Rate	Total Time Costs
	£	£	£	£	£	£	£	£	£
Administration	42.80	263.28	11,268.50	32.30	262.80	8,488.50	75.10	263.08	19,757.00
Asset realisation	17.80	278.71	4,961.00	7.60	289.34	2,199.00	25.40	281.89	7,160.00
Creditors (claims and distribution)	19.30	233.08	4,498.50	5.20	273.37	1,421.50	24.50	241.63	5,920.00
Investigations	52.60	222.24	11,690.00	30.70	276.06	8,475.00	83.30	242.08	20,165.00
Estimated total hours	132.50			75.80			208.30		
Estimated average blended rate		244.66			271.56			254.45	
Estimated total cost			32,418.00			20,584.00			53,002.00

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS

From 1 October 2020

£ per hour

Partner/Director

425-525

Manager

260-360

Senior

230-250

Administrator

100-200

Support Staff

100

Note 1 There may have been a number of promotions through the various grades during the period of the administration.

Note 2 Overhead costs are reflected in the charge out rates detailed.

Note 3 The charge-out rate of the Insolvency Practitioner for this assignment is currently £475 and £425 per hour, and the administrator is £230 per hour

Note 4 Time is recorded in minimum units of 6 minutes.