

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 3 4 9 4 1 4 1
Company name in full Hencan Country Homes Limited

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

2 Liquidator's name

Full forename(s) Stephen
Surname Penn

3 Liquidator's address

Building name/number Unit 2
Street Railway Court
Post town Ten Pound Walk
County/Region Doncaster
Postcode D N 4 5 F B
Country

4 Liquidator's name ①

Full forename(s)
Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number
Street
Post town
County/Region
Postcode
Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 1	^d 9	^m 0	^m 8	^y 2	^y 0	^y 2	^y 0
To date	^d 1	^d 8	^m 0	^m 8	^y 2	^y 0	^y 2	^y 1

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 2	^m 1	^m 0	^y 2	^y 0	^y 2	^y 1
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**Presenter information**

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

Contact name **Danielle Jones**

Company name **Absolute Recovery Limited**

Address
Unit 2
Railway Court

Post town **Ten Pound Walk**

County/Region **Doncaster**

Postcode **D N 4 5 F B**

Country

DX **info@absrecovery.co.uk**

Telephone **01302 572701**

**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

Liquidator's Annual Progress Report to Creditors & Members

**Hencan Country Homes Limited T/A Westthorpe House
- In Liquidation**

7 October 2021

HENCAN COUNTRY HOMES LIMITED T/A WESTHORPE HOUSE - IN LIQUIDATION

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HENCAN COUNTRY HOMES LIMITED T/A WESTHORPE HOUSE - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Stephen Penn of Absolute Recovery Limited, Unit 2, Railway Court, Ten Pound Walk, Doncaster, DN4 5FB, was appointed as Liquidator of Hencan Country Homes Limited T/A Westhorpe House (the **Company**) on 19 August 2020. This progress report covers the period from 19 August 2020 to 18 August 2021 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 Information about the way that we will use, and store personal data on insolvency appointments can be found at <http://www.absolute-recovery.co.uk/privacypolicy.html>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.3 The principal trading address of the Company was University House, 5-7 Oxford Street, Newbury, Berkshire, RG14 1JG.
- 1.4 The registered office of the Company has been changed to Unit 2 Railway Court, Ten Pound Walk, Doncaster, DN4 5FB and its registered number is 03494141.

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.
- 3.2 Upon my appointment, I notified all creditors known to me of my appointment and provided my fee estimate to creditors asking them to consider my fee request, a response was to be received by 14 September 2020 for votes to count. Two creditors responded to this and voted in favour of the fee estimate, the decision was therefore approved.
- 3.3 I have carried out an initial review of the case and considered what steps would be required which included the likelihood of a dividend distribution to creditors. Upon my review my thoughts of a dividend prospect were unlikely at this stage as the Statement of affairs stated that the assets available to be realised were of a minimal value. The other potential recovery was from the embezzlement of funds mentioned in the trading history.
- 3.4 Advertisements were placed in the London Gazette of my appointment, and I filed the statutory notices at Companies House.
- 3.5 My colleagues have responded to any queries raised by creditors and/or third parties as necessary updated our internal software with information provided by creditors.
- 3.6 Upon my appointment I issued a redirection of mail to the Post Office and during the period I have received a substantial amount of post for the directors other Company, upon receiving this I have forwarded it to the director at his personal address.
- 3.7 For ease I have titled each other matter below that has been actioned during the period and or is currently ongoing in the Liquidation.

Claim by Oury Clark Chartered Accountants and Counterclaim by Hencan

- 3.8 Prior to my appointment Oury Clark Chartered Accountants pursued a claim against the Company in which the Company issued a counterclaim which Oury Clark was defending. A hearing was held in June 2020 and it was ordered that the previous order of district judge Worthington dated 20 March 2020 be set aside along with the CCMC which was listed for 23 October 2020 be vacated. It was decided that the claim was to be allocated to the multi-track and was to be managed and tried in the County Court at Central London. In the order it also gave dates in which each party were to provide evidence, witness statements and disclose documents which each party intended to rely on in the hearing.
- 3.9 However, with the Company being placed into Liquidation in August 2020 I received correspondence from Oury Clark advising me that both parties had agreed to an extension of 3 weeks to the disclosure and inspection deadlines set out in the above-mentioned order. With the Company being placed into Liquidation Oury Clark deemed it would be prudent to seek from the court a stay of proceedings for one year but made it clear that it did not prejudice their clients right to claim for the full claim in the liquidation. The stay of proceedings was agreed, it was also noted that if no party applied to lift the stay within one year the claims and counterclaims would be dismissed automatically with each party bearing its own costs.

Cavendish IP – Assignment of Claim

- 3.10 Prior to the Company entering Liquidation along with the following Companies Westhorpe House 1 & 2 were pursuing Together Money & Mrs Lynn Hunt in respect of the monies that had been embezzled prior to the Company being purchased by BDZ Holdings. The main claims were for subrogated claims & knowing receipt and unjust enrichment in December 2020. The claim was mainly being dealt with by Hencan.
- 3.11 Given that the Liquidation had no funds to continue this action on behalf of the companies it was decided that a funder would be the best option to pursue this claim. As Cavendish IP had substantial knowledge of the claims being pursued, I determined that I would assign the claims to them to pursue in the hope that a recovery would be made into the Liquidation. This assignment was completed in December 2020, for the avoidance of doubt the assigned claims included claims for breaches of duty, knowing receipt, unjust enrichment, damages, restitution and rights of subrogation. The terms of the assignment are confidential. At the time of issuing this report I do not have an update regarding any recoveries being made in respect of this assignment. I will update creditors in my next report.

Bankruptcy of Deceased director Robert Frank Cornelis Cantle

- 3.12 On 28th October 2020 it was ordered that the estate of Robert Frank Cornelis Cantle who died insolvent, be administered in bankruptcy. On 25th January 2021 Louise Brittan from Aztecs was appointed Trustee of the bankruptcy.
- 3.13 Shortly after her appointment as trustee she issued a letter to me as the company was claiming a charge or interested in the deceased's property. A questionnaire was attached to the letter and a request for copies of any loan documentation to be forwarded to her at the earliest. As this matter was part of the assigned claims issued to Cavendish IP the letter was forwarded to them to respond.
- 3.14 From the report issued by the trustee the deceased's property was estimated at 3,200,000 which was jointly owned with his wife. The property has three charges registered against it of which the Company is one of the charge holders. Together commercial Finance commenced possession proceedings and I am yet to receive an update on what has happened with the property.

Recovery of Laptop/Assets from Savills

- 3.15 Upon my appointment I was made aware that Savills was holding on to a laptop that belonged to the Company. My colleague received a phone call from a colleague at Savills who advised

HENCAN COUNTRY HOMES LIMITED T/A WESTHORPE HOUSE - IN LIQUIDATION

that the invoice that had been supplied to my office was a bill for costs associated with work completed by Savills and is mostly un-recoverable. The colleague informed my office that Savills only received £15,000 of the £100,000 due to them. I was informed that the laptop in question was Savills laptop owned by Savills and was in any case unusable by anyone else.

- 3.16 I also queried the two printers which was listed on the invoice and was informed that these had been collected by an agent of the director and one of the printers was in fact broken.
- 3.17 I raised the above with the director's agent and was informed that the printers had been collected but the laptop was an asset of the Company.
- 3.18 After several exchanges of emails with Savills, I received the laptop.
- 3.19 There was also a dispute over the furniture that was removed from the Hallway of the building which mainly consisted mirrors, lamps and general hallway furniture.

LPA Receivership

- 3.20 On 15th July 2020 Richard Keith roe and Abdullahi Jambo of Eddisons Commercial Ltd were appointed joint Law of Property Act (Fixed charge) receivers over the property Westhorpe House pursuant to legal charges in favour of Amicus Finance plc (in Administration).

A third party legal mortgage made between Hencan Country Homes Limited and the Lender Amicus Finance plc which was dated 29 March 2018 the property was charged in favour of the Lender as security for payment to the Lender of the liabilities and all other sums referred to in the Mortgage, including but not limited to certain liabilities of Westhorpe House Two Limited.

Through the Administrators of Amicus (who were appointed on 20 December 2018) appointed Eddisons Commercial Ltd over the property after a demand was made for the repayment of the monies due to the lender.

- 3.21 I have not received an update from the LPA Receivers to say what has happened with the property and I will in due course write to them for an update.

Administration (including statutory compliance & reporting)

- 3.22 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.
- 3.23 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 Liquidator.
- 3.24 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

Asset Purchase

- 3.25 You will note on the attached Receipts and Payments account that I have received £800. This is in respect of the assets mentioned in the Statement of Affairs which consists of Fixtures & fittings and office furniture & equipment.

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You may recall that Lahar Consultants carried out a valuation of the assets and the valuation was detailed in the SIP6 report issued to creditors prior to the Company being placed into Liquidation. For ease the valuation was:

Fixtures & Fittings – Open Market Value - £1,050 plus VAT

Forced Sale Value - £400 plus VAT

Office Furniture & Equipment – Open Market Value - £950 plus VAT

Forced Sale Value – £450 plus VAT

I received an offer of £800 of which Lahar confirmed was acceptable due to the purchaser offering to settle the outstanding storage fees also considering the force sale value and considering the costs of removal for disposal elsewhere at either auction or other relevant methods they recommended accepting the offer.

- 3.26 It is not anticipated that the work the Liquidator has carried out to deal with the Company's assets will provide a financial benefit to creditors. This is because the value of the assets was insufficient to produce a financial benefit after the associated costs of realisation were taken into consideration.

Creditors (claims and distributions)

- 3.27 A Liquidator is 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.
- 3.28 Work undertaken by a Liquidator 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 a Liquidator is 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 Liquidator in dealing with those claims.
- 3.29 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.
- 3.30 At this stage, I consider the following matters worth bringing to the attention of creditors:
- There are 2 secured creditors who are owed approximately £1,892,000. I have not received a claim from Amicus Finance Plc in Administration as they have taken possession of the building that was being developed.
 - There are approximately 13 unsecured creditor claims in this case with a value of £2,085,529, these being the ones that have submitted a claim to date in the liquidation.
 - Two unsecured creditors claim to be owed £13,496,305 and they are connected companies and this was from inter company loans, the two companies in question are in liquidation with me appointed Liquidator, these are Westhorpe One & Westhorpe two Limited

Investigations

- 3.31 Some of the work Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency

HENCAN COUNTRY HOMES LIMITED T/A WESTHORPE HOUSE - IN LIQUIDATION

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 Liquidator can pursue for the benefit of creditors.

3.32 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents. I can confirm that I have received confirmation that no further action will be taken against the directors and it is not intended that the directors will receive a disqualification order.

3.33 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 took into account any information provided by creditors, along with information and queries I raised and requested from the Company Bankers and the Company Accountants. I have also received information from creditors which has assisted with my investigations.

3.34 My investigations revealed the following issues:

The last set of accounts filed at Companies House are for the period 31 December 2018. Several queries were raised with the directors regarding the assets of the company stated in the accounts, below you will see the responses received on behalf of the directors:

Fixed assets - Plant and Machinery £21,600

I was informed that the company purchased some plant to do some excavations on the site, this was sold in 2019 to Grant Plant hire who the company were renting plant from and getting the machinery repaired from. The plant was sold to Grant Plant as this plant was no longer required and the company owed Grant Plant nearly £20,000. An agreement was reached as the company was in financial difficulty to sell the excavator at fair market price against the debt the company owed.

Stock £7,813,761

I am informed that the stock was for the build of the site, the costs were capitalised and released on the sale of a property.

Other debtors £2,676,649

I am informed that this relates to the embezzlement of funds by Robert Candle.

Trade debtors £18,201

This is a re-charge of services to ARC Property Group t/a Homematch for access to the right move account held by Hencan Country Homes.

The directors have delivered some of the company books and records to me.

I have conducted a full review of the information provided to me by Natwest and carried out an analysis of the accounts. Many questions with regards to the transactions that have left the account totalling and to whom they have been made too has been raised with the directors and I am currently reviewing the responses received from the directors.

The review of the Company's affairs and assets remains ongoing, should any creditor hold any vital information which may assist with my ongoing investigations or have any information they wish to bring to my attention they should write to me at Absolute Recovery, Unit 2 Railway Court, Ten Pound Walk, Doncaster, DN4 5FB quoting reference HEN0894.

Matters still to be dealt with

- 3.35 As can be seen from the information provided above I still have quite a lot of outstanding matters to be dealt with and until satisfactory responses and or outcomes have been reached the case will remain open.

4 Creditors

Secured Creditors

Amicus Finance Plc & BDZ Holdings Limited 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 £1,900,000, I have not received a claim from Amicus Finance plc.

Unsecured Creditors

- 4.2 The Company's statement of affairs indicated there were 10 creditors whose debts totalled £16,013,691.09. To date, I have received claims totalling £2,085,529.75 from 10 creditors. 5 further creditors have come to light since my appointment.
- 4.3 The Company granted a floating charge to Amicus Finance plc and BDZ holdings Limited. Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**).
- 4.4 At this moment in time I would confirm that it is anticipated there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors, unless realisations are made from the points raised in the investigation.

5 Liquidator's Remuneration

- 5.1 The Liquidator's remuneration basis was agreed as a set amount by creditors. To date an amount of £nil has been drawn against the total set fee agreed of £14,500 plus VAT. It is anticipated the balance will be drawn prior to the closure of the liquidation, however the final amount paid to my firm against the agreed set fee will be confirmed in my final progress report in due course.
- 5.2 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>
- 5.3 Attached as Appendix B is additional information in relation to the Liquidator's 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 Liquidator provide further information about his 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

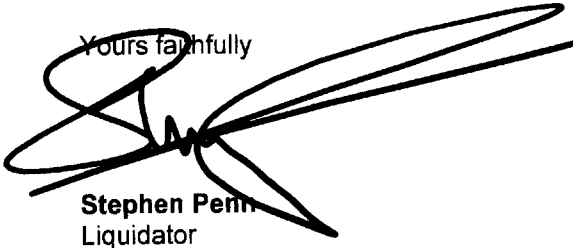
HENCAN COUNTRY HOMES LIMITED T/A WESTHORPE HOUSE - IN LIQUIDATION

Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, 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 01302 572701 or by email at d.jones@absrecovery.co.uk.

Yours faithfully

A large, stylized handwritten signature in black ink, appearing to be 'Stephen Penn', written over the 'Yours faithfully' text.

Stephen Penn
Liquidator

Hencan Country Homes Limited T/A Westhorpe House
(In Liquidation)
Liquidator's Summary of Receipts and Payments
To 18 August 2021

RECEIPTS	Statement of Affairs (£)	Total (£)
Fixtures & Fittings	400.00	0.00
Office Furniture & Equipment	450.00	0.00
Asset purchase		800.00
Bank Interest Gross		0.05
Vat Payable		160.00
		<hr/>
		960.05
		<hr/>
PAYMENTS		
Floating Charge Creditor	(1,892,000.00)	0.00
Trade & Expense Creditors	(575,386.09)	0.00
Banks/Institutions	(50,000.00)	0.00
HM Revenue & Customs	(6,000.00)	0.00
Intercompany Loans	(13,496,305.00)	0.00
Ordinary Shareholders	(100.00)	0.00
		<hr/>
		0.00
Net Receipts/(Payments)		960.05
		<hr/>
 MADE UP AS FOLLOWS		
Bank 1 Current		960.05
		<hr/>
		960.05
		<hr/>

Appendix B

Additional Information in Relation to the Liquidator's 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 on this case.

Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Cavendish IP (litigation funders)	50% of realisations
Lahar Consultants (valuation and disposal advice)	Fixed Fee of £100 plus VAT for desktop valuation

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

Liquidator's 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 Prior Period £	Paid in the period covered by this report £	Incurred but not paid to date £
Agent's fees & expenses	120.00	Nil	Nil	120.00
Litigation Funders	Dependant on recoveries made	Nil	Nil	No realisations have been made to date therefore nothing has been incurred
Statutory advertising	240.00	Nil	Nil	240.00
Specific Penalty Bond	64.00	Nil	Nil	64.00

HENCAN COUNTRY HOMES LIMITED T/A WESTHORPE HOUSE - IN LIQUIDATION

Re-direction of mail	216.00	Nil	Nil	216.00
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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 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors.

Expense	Estimated overall cost £	Paid in Prior Period £	Paid in the period covered by this report £	Incurred but not paid to date £
None				