

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 4 6 4 0 6 0 5

Company name in full CFS Engineering North West Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Jason Mark

Surname Elliott

3 Liquidator's address

Building name/number Regency House

Street

Post town 45-53 Chorley New Road

County/Region Bolton

Postcode B L 1 4 Q R

Country

4 Liquidator's name ①

Full forename(s) Craig

Surname Johns

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Regency House

Street

Post town 45-53 Chorley New Road

County/Region Bolton

Postcode B L 1 4 Q R


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	2	^d	9	^m	0	^m	3	^y	2	^y	0	^y	2	^y	2
To date	^d	2	^d	8	^m	0	^m	3	^y	2	^y	0	^y	2	^y	3
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	^d	1	^d	9	^m	0	^m	4	^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	Claire Murphy
Company name	Cowgill Holloway Business Recovery LLP
Address	Regency House 45-53 Chorley New Road
Post town	Bolton
County/Region	
Postcode	B L 1 4 Q R
Country	
DX	
Telephone	0161 827 1200

**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

CFS Engineering North West Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 29/03/2022 To 28/03/2023 £	From 29/03/2022 To 28/03/2023 £
17,232.00	FIXED CHARGE RECEIPTS Book Debts	18,854.00 18,854.00	18,854.00 18,854.00
(12,374.00)	SECURED CREDITORS Bibby Financial Services Limited	12,374.00 (12,374.00)	12,374.00 (12,374.00)
Uncertain	FLOATING CHARGE RECEIPTS Contribution to Costs Intangible Assets & Goodwill Plant & Machinery Post App Bank Receipts	9,000.00 NIL 1,112.00 4,156.22 14,268.22	9,000.00 NIL 1,112.00 4,156.22 14,268.22
	FLOATING CHARGE PAYMENTS Agent's Disbursements Agent's Fees Bank Charges ERA Solutions Joint Liquidators' Fees Joint Liquidators' Pre-Appointment Fees Specific Bond Stationery & Postage Storage Costs	394.48 111.20 15.00 300.00 8,000.00 7,500.00 30.00 221.85 234.00 (16,806.53)	394.48 111.20 15.00 300.00 8,000.00 7,500.00 30.00 221.85 234.00 (16,806.53)
(7,494.24)	PREFERENTIAL CREDITORS Employees - Wage Arrears & Hol Pay (4)	NIL NIL	NIL NIL
(23,538.00) (14,999.00)	SECONDARY PREFERENTIAL CREDITORS HM Revenue & Customs - PAYE/NIC HM Revenue & Customs - VAT	NIL NIL NIL	NIL NIL NIL
(31,339.07) (1,309.24) (79.20) (50,000.00) (157,165.02)	UNSECURED CREDITORS Employees - Redundancy & PILON (4) Flexspace No 1 LLP - Landlords Haines Watts - Accountants Starling Bank - Bounce Back Loan Trade & Expense Creditors	NIL NIL NIL NIL NIL NIL	NIL NIL NIL NIL NIL NIL
(50,000.00)	DISTRIBUTIONS Ordinary Shareholders	NIL NIL	NIL NIL
(331,065.77)		3,941.69	3,941.69
	REPRESENTED BY HB Bank 1 Current - Non-Interest Bearing VAT Payable VAT Receivable		802.78 (222.40) 3,361.31 3,941.69



Craig Johns
Joint Liquidator

**Joint Liquidators' Annual
Progress Report to
Creditors & Members**

**CFS Engineering North West Limited - In Creditors Voluntary
Liquidation**

Reporting period from 29 March 2022 to 28 March 2023

19 April 2023

cowgills

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1 Introduction and Statutory Information

- 1.1 I, Craig Johns, together with my partner Jason Mark Elliott, of Cowgill Holloway Business Recovery LLP, Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR was appointed as Joint Liquidator of CFS Engineering North West Limited (the Company) on 29 March 2022. I am authorised to act as an insolvency practitioner in the UK by the IPA. Jason Mark Elliott 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 827 1200 or by email via creditorresponses@cowgills.co.uk.
- 1.2 This progress report provides an update on the conduct of the Liquidation for the period from 29 March 2022 to 28 March 2023 (the Period) and should be read in conjunction with the directors' SIP6 report which was issued to creditors.
- 1.3 Information about the way this firm we will use, and store personal data in relation to insolvency appointments can be found at <https://www.cowgills.co.uk/services/business-recovery/privacy-notice/>. If you are unable to download this, please contact our office and a hard copy will be provided to you.
- 1.4 The principal trading address of the Company was Military House, 24 Castle Street, Chester, CH1 2DS. The business traded under the name.
- 1.5 The registered office of the Company has been changed to C/O Cowgill Holloway Business Recovery LLP, Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR and its registered number is 04640605.

2 Receipts and Payments

- 2.1 At Appendix A is our 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 Joint Liquidators and their 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 we anticipated would need to be done in this area was outlined in our 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 Joint Liquidators.

- 3.4 As noted in our 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

Book Debts

- 3.5 As per the Director's SIP6 Report, the company had an outstanding book debt ledger in the total sum of £34,464.
- 3.6 The ledger was subject to a factoring agreement with Bibby Financial Services ("Bibby") and the sum of £12,374 was understood to be due to Bibby.
- 3.7 During the period of this report, the sum of £18,854 has been realised in respect to the book debts. The sum of £12,374 has been retained by Bibby under the terms of their agreement and the sum of £6,480 has been received into the Liquidation.
- 3.8 Bibby have advised that the remaining book debt ledger is disputed and that no further sums are considered recoverable.
- 3.9 In addition to the above, we have also received the sum of £4,156.22 from the Company's former bank account in respect to receipts paid into the account after the date of Liquidation.
- 3.10 It is understood that these payments may relate to book debt receipts, we are currently liaising with Barclays in order to obtain copy bank statements in order to allocate the payments.
- 3.11 A further update will be provided in our next report to creditors.

Plant and Machinery

- 3.12 Following the date of Liquidation, the Joint Liquidators were made aware of a small amount of plant and machinery owned by the Company, that was remaining at the trading premises.
- 3.13 This was brought to our attention by the new tenant, and these assets were therefore not included within the Director's SIP6 Report and Statement of Affairs.
- 3.14 These items were collected by our agent and sold at auction for the sum of £1,112.
- 3.15 No further sums will be realised in this respect.

Post App Bank Receipts

- 3.16 As detailed above, the sum of £4,156.22 has been received from Barclays in respect to credits received into the Company's account, after the date of Liquidation.
- 3.17 It is understood that these payments relate to book debt payments due to the Company, however, we are yet to receive the relevant bank statements from Barclays in order to correctly allocate these.
- 3.18 We will continue to liaise with Barclays regarding this matter and an update will be provided in our next report to creditors.

Contribution to Costs

- 3.19 The sum of £9,000 has been paid by the Director as a contribution towards the costs of Liquidation.
- 3.20 No further sums will be received in this respect.
- 3.21 It is anticipated that the work the Joint Liquidators and their staff have undertaken to date will bring a financial benefit to creditors because the recovery of the book debts has allowed the liability due to Bibby to be repaid in full (as per the terms of their fixed charge, held specifically over the Company's book debts).

Creditors (claims and distributions)

- 3.22 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.
- 3.23 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.
- 3.24 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 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 Joint Liquidators in dealing with those claims.
- 3.25 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.
- 3.26 At this stage, we consider the following matters worth bringing to the attention of creditors:
- There are two secured creditors who were understood to be owed the sum of £12,374 as at the date of Liquidation.
 - We anticipate claims from both the ordinary and secondary preferential creditors totalling £46,031.24.
 - We will be required to deal with the claims of four employees (if significant)
 - There are approximately 45 unsecured creditor claims in this case with a value per the director(s) statement of affairs of £248,986.34.

Investigations

- 3.27 Some of the work the Joint 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 Joint Liquidators can pursue for the benefit of creditors.
- 3.28 We can confirm that we 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, we are unable to disclose the contents.
- 3.29 Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. Our 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

- 3.30 The following matters remain outstanding in the Liquidation:
- Obtain the VAT Deregistration date from HM revenue & Customs.
 - Obtain clearance to close the Liquidation from the Company's pension provider.
 - Obtain copy bank statements from Barclays in order to correctly allocate payments received into the Company's former bank account most appointment.

4 Creditors

Secured Creditors

- 4.1 Bibby holds a fixed and floating charge over the Company's assets which was created on 14 February 2017 and delivered on 15 February 2017. At the date of the liquidation the indebtedness to the secured creditor was estimated at £12,374 and we understand that this sum has been paid in full via fixed charge book debt realisations.
- 4.2 The Company also granted a fixed and floating charge over its assets in favour of Lloyds TSB Bank PLC which was created and registered on 29 June 2011 and 1 July 2011 respectively and a fixed and floating charge over its assets in favour of Lloyds TSB Commercial Finance Limited which was created and registered on 26 February 2010 and 5 March 2010 respectively.
- 4.3 It is understood that these are historic charges still appearing on Companies House; however, there are no funds due to Lloyds TSB Bank PLC nor Lloyds TSB Commercial Finance Limited.

Preferential Creditors

- 4.4 A summary of the ordinary and secondary preferential claims in the liquidation and details of any distributions paid to date can be found below:

Ordinary preferential claims	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1	Date dividend paid
Employee claims (Total number of claims = [4])	N/A	7,494.24	Nil	Nil
Department for Business, Energy & Industrial Strategy (BEIS)	3,686.90	N/A	Nil	Nil
Secondary preferential claims	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1	Date dividend paid
VAT (HMRC)	Not yet received	14,999	Nil	Nil
PAYE, Employee NIC & CIS deductions (HMRC)	Not yet received	23,538	Nil	Nil

4.5 No dividend to any class of preferential creditor is anticipated.

Unsecured Creditors

4.6 The Company's statement of affairs indicated there were 45. unsecured creditors whose debts totalled £248,986.34. To date, we have received claims totalling £216,438.95 from 18 unsecured creditors.

4.7 The Company granted a floating charge to Bibby on 14 February 2017. Accordingly, we are required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**).

4.8 As detailed above, the liability due to Bibby has been paid in full out of Fixed Charge Book Debt realisations, as such, there will be no requirement to create a prescribed part fund.

4.9 Further updates on the anticipated outcome to creditors will be provided in subsequent reports, however you will note that it is currently anticipated there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

5 Joint Liquidators' Remuneration

5.1 Creditors approved that our unpaid pre-liquidation fees totalling £7,500 plus VAT and expenses be paid from the estate. During the Period, these fees have been paid in full and are shown on the enclosed Receipts and Payments Account at Appendix A.

5.2 The Joint Liquidators' remuneration basis was agreed as a set amount by creditors. To date an amount of £8,000 plus VAT has been drawn against the total set fee agreed of £15,000 approved by creditors. It is anticipated the balance will be drawn prior to the closure of the Liquidation, however the final amount paid to our firm against the agreed set fee will be confirmed in our final progress report in due course.

5.3 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.cowgills.co.uk/wp-content/uploads/2016/01/Creditors-Guide-to-Liquidators-Fees.pdf>.

- 5.4 Attached as Appendix B is additional information in relation to the Joint 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 Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in this progress report, are excessive.

7 Next Report

- 7.1 We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless we have concluded matters prior to this, in which case we will write to all creditors with our final account.
- 7.2 If you have any queries in relation to the contents of this report, we can be contacted by telephone on 0161 672 5762 or by email at creditorresponses@cowgills.co.uk.

Yours faithfully



Craig Johns
Joint Liquidator

Joint Liquidators' Receipts and Payments Account for the Period from 29 March 2022 to 28 March 2023

S of A £		£	£
17,232.00	FIXED CHARGE RECEIPTS Book Debts	18,854.00	18,854.00
(12,374.00)	SECURED CREDITORS Bibby Financial Services Limited	12,374.00	(12,374.00)
Uncertain	FLOATING CHARGE RECEIPTS Plant & Machinery Intangible Assets & Goodwill Post App Bank Receipts Contribution to Costs	1,112.00 NIL 4,156.22 9,000.00	14,268.22
	FLOATING CHARGE PAYMENTS Specific Bond Joint Liquidators' Pre-Appointment Fees Joint Liquidators' Fees Agent's Fees Agent's Disbursements Stationery & Postage Storage Costs ERA Solutions Bank Charges	30.00 7,500.00 8,000.00 111.20 394.48 221.85 234.00 300.00 15.00	(16,806.53)
(7,494.24)	PREFERENTIAL CREDITORS Employees - Wage Arrears & Hol Pay (4)	NIL	NIL
(14,999.00) (23,538.00)	SECONDARY PREFERENTIAL CREDITORS HM Revenue & Customs - VAT HM Revenue & Customs - PAYE/NIC	NIL NIL	NIL
(157,165.02) (31,339.07) (1,309.24) (50,000.00) (79.20)	UNSECURED CREDITORS Trade & Expense Creditors Employees - Redundancy & PILON (4) Flexspace No 1 LLP - Landlords Starling Bank - Bounce Back Loan Haines Watts - Accountants	NIL NIL NIL NIL NIL	NIL
(50,000.00)	DISTRIBUTIONS Ordinary Shareholders	NIL	NIL
(331,065.77)			3,941.69
	REPRESENTED BY VAT Receivable HB Bank 1 Current - Non-Interest Bearing VAT Payable		3,361.31 802.78 (222.40)
			3,941.69

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

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 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.
- 1.3 On this case we have utilised the services of the following subcontractors. It is considered that the cost of subcontracting this work to specialist contractors will be less than, or equivalent to, the cost of these services being undertaken by the office holder(s) or their staff and the outsourcing of this work will bring greater efficiency to this element of the work necessary in the liquidation.

Service (s)	Provider	Work to be done	Basis of fee arrangement	Cost to date £	Anticipated total cost £
Employee claims processing	ERA Solutions	Employee claims support, assisting with the submission of ERA claims to the Redundancy Payments Service and agreement of employee claims with the office holder. This may also include the production of P45s for former employees where appropriate	Fixed Fee	300 plus VAT	300 plus VAT

2 Professional Advisors

- 2.1 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
JPS Chartered Surveyors (valuation and disposal advice)	10% of realisations plus expenses

- 2.2 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.

3 Joint Liquidators' Expenses

- 3.1 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

- 3.2 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:

<i>Expense</i>	<i>Estimated overall cost £</i>	<i>Paid in Prior Period £</i>	<i>Paid in the period covered by this report £</i>	<i>Incurred but not paid to date £</i>
Agent's fees & expenses	-	-	505.68 plus VAT	Nil
Statutory advertising	-	-	-	177.50 plus VAT
Specific Penalty Bond	30	-	30	Nil
External storage costs	-	-	234 plus VAT	Nil
External Mail Services	351 plus VAT	-	221.85 plus VAT	Nil
Bank charges	15 plus VAT	-	15 plus VAT	Nil

- 3.3 We have incurred agent's fees and expenses in the total sum of £505.68. These were not included in our initial estimate to creditors as they relate to the collection and sale of assets that we were not made aware of at the outset of the Liquidation. These fees have been paid from the proceeds of the asset sales.
- 3.4 Our initial fees estimate did not include the cost of advertising. This was an error, the sum of £177.50 has been incurred and will shortly be paid from the case, this is a statutory cost and is required on every Liquidation.
- 3.5 Our initial fees estimate did not include details of any storage costs. We were not made aware of the existence of any physical records, and as such, did not know that storage costs would be incurred.

Category 2 Expenses

- 3.6 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.
- 3.7 No Category 2 Expenses have been incurred or charged by this firm during the Liquidation.