

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 6 1 2 6 2 3 9

Company name in full Upstart Breakthrough Strategy Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Charles

Surname Brook

3 Liquidator's address

Building name/number 100 Barbirolli Square

Street Manchester

Post town

County/Region

Postcode M 2 3 B D

Country

4 Liquidator's name ①

Full forename(s) Allan

Surname Cadman

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 100 Barbirolli Square

Street Manchester

Post town

County/Region

Postcode M 2 3 B D

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6

Period of progress report

From date

^d2^d5^m0^m1^y2^y0^y2^y3

To date

^d2^d4^m0^m1^y2^y0^y2^y4

7

Progress report

☒ The progress report is attached


8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d0^d8^m0^m3^y2^y0^y2^y4

**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 **Carl Dawson**

Company name **Xeinadin Corporate Recovery
Limited**

Address **100 Barbirolli Square
Manchester**

Post town

County/Region

Postcode

M 2 3 B D

Country

DX

Telephone

0161 832 6221

**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

Joint Liquidators' Annual Progress Report to Creditors & Members

**Upstart Breakthrough Strategy Limited
- In Creditors' Voluntary Liquidation**

For the Period from 25 January 2023 to 24 January 2024

UPSTART BREAKTHROUGH STRATEGY LIMITED - IN LIQUIDATION

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APPENDICES

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- C** Additional information in relation to Joint Liquidators' Fees, Expenses & the use of Subcontractors

UPSTART BREAKTHROUGH STRATEGY LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Charles Brook, together with Allan Cadman of Xeinaadin Corporate Recovery Limited, 100 Barbirolli Square, Manchester, M2 3BD, was appointed as Joint Liquidator of Upstart Breakthrough Strategy Limited ("the Company") on 25 January 2023.
- 1.2 This progress report provides an update on the conduct of the Liquidation for the period from 25 January 2023 to 24 January 2024 ("the Period").
- 1.3 Information about the way that this firm will use, and store personal data on insolvency appointments can be found at www.xeinadin.com/privacy-policy. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 The principal trading address of the Company was Fifth Floor, 11 Leadenhall Street, London, EC3V 1LP .
- 1.5 The registered office of the Company has been changed to c/o Xeinaadin Corporate Recovery, 100 Barbirolli Square, Manchester, M2 3BD and its registered number is 06126239.
- 1.6 On 1 April 2023, Kay Johnson Gee Corporate Recovery Limited rebranded to Xeinaadin Corporate Recovery Limited.

2 Receipts and Payments

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

3 Progress of the Liquidation

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

Administration (including statutory compliance & reporting)

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

UPSTART BREAKTHROUGH STRATEGY LIMITED - IN LIQUIDATION

Realisation of Assets

Furniture and Equipment

- 3.5 The director's estimated statement of affairs shows Furniture and Equipment with a book value of £3,798 and an estimated to realise value of Uncertain. Since our appointment we have realised £2,000 through a sale by Griffin James Ltd, who are asset consultants.

Funds Held by Griffin James

- 3.6 On 22 December 2022, the Director agreed a sale of the Company's goodwill and intellectual property to a third party. The director was acting on advice of Griffin Limited who undertook the valuation of the assets. The director's estimated statement of affairs shows this with a book value and an estimated to realise value of £8,200. Since our appointment the sum of £10,200 has been realised from Griffin James Limited.

VAT and Tax Refund

- 3.7 The director's estimated statement of affairs shows VAT refunds with an estimated to realise value of £2,000 and Tax refunds with an estimated to realise value of £343.
- 3.8 The director was asked to complete the final pre appointment VAT return which shows a payment due to HMRC, therefore no funds are expected to be realised for this.
- 3.9 It is not anticipated that the work the Liquidators have carried out to deal with the Company's assets will provide a financial benefit to creditors. This is because either the value of the assets was insufficient to produce a financial benefit after the associated costs of realisation were taken into consideration, or because there were no assets owned by the Company in accordance with the Company's statement of affairs that could be realised for the benefit of creditors.

Creditors (claims and distributions)

- 3.10 The Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.11 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.
- 3.12 Work undertaken by the Liquidators in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however the Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims.

UPSTART BREAKTHROUGH STRATEGY LIMITED - IN LIQUIDATION

- 3.13 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.

Investigations

- 3.14 Some of the work the Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.
- 3.15 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.
- 3.16 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.
- 3.17 My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

Matters still to be dealt with

- 3.18 On review of the company's books and records, we identified there could be a valid claim for terminal loss relief. On 2 October 2023, our Tax and Audit department were instructed to review and a letter was sent to HMRC requesting investigation and repayment. To date no updated have been received.

Connected Party Transactions

- 3.19 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to the directors of the Company during the period covered by this report:

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to	Relationship
06/02/2023	Tangible assets (IT equipment)	06/02/2023	Dominic Pride	Connected by directorship

- 3.20 The sale to a connected party represented a better outcome to creditors as the costs involved in marketing and selling the items at auction would have realised lower net proceeds into the liquidation

4 Creditors

Secured Creditors

- 4.1 HSBC Bank Plc 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 £92,020.54 which has yet to be agreed.

Preferential Creditors

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

UPSTART BREAKTHROUGH STRATEGY LIMITED - IN LIQUIDATION

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)	4,142.71	22,846.12	N/A	N/A
Peoples Pension	N/A	256.83	N/A	N/A

- 4.3 No dividend to any class of preferential creditor is anticipated.

Unsecured Creditors

- 4.4 The Company's statement of affairs indicated there were 28 creditors whose debts totalled £376,034.55. To date, I have received claims totalling £162,134.77 from 12 creditors.
- 4.5 The Company granted a floating charge to HSBC Bank Plc on 9 September 2021. 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**).
- 4.6 I believe the costs of making a distribution to unsecured creditors from this fund would be disproportionate to the benefit. Therefore, as the net floating charge property is less than £10,000, I intend to dispense with this requirement.
- 4.7 Attached at Appendix B is an updated Estimated Outcome Statement for the liquidation. This represents my estimate of the outcome of the liquidation as at the end of the Period covered by this report. 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 my unpaid pre-liquidation fees totalling £7,000 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 Creditors approved that the basis of the Liquidators' remuneration be fixed as a set amount. My fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.
- 5.3 The Liquidators' remuneration basis was agreed as a set amount by creditors. To date an amount of £2,000 has been drawn against the total set fee agreed of £10,000. 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.
- 5.4 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <https://www.r3.org.uk/what-we-do/publications/professional/fees>.
- 5.5 Attached as Appendix C is additional information in relation to the Liquidators' fees and expenses, including where relevant, information on the use of subcontractors and professional advisers.

6 Creditors' Rights

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.

UPSTART BREAKTHROUGH STRATEGY LIMITED - IN LIQUIDATION

- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive.

7 Next Report

- 7.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 7.2 If you have any queries in relation to the contents of this report, Carl Dawson of my office can be contacted by telephone on 0161 212 8396 or by email at carl.dawson@xeinadin.com.

Yours faithfully



Charles Michael Brook
Joint Liquidator

Appendix C

Additional Information in Relation to the Joint Liquidators' Fees, Expenses & the use of Sub-Contractors

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	Emprove Ltd	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	200	200

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
Griffin James Limited (valuation and disposal advice)	Fixed Fee £750

- 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.

UPSTART BREAKTHROUGH STRATEGY LIMITED - IN LIQUIDATION

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.

Expense	Estimated overall cost £	Paid in the period covered by this report £	Incurred but not paid to date £
Agent's fees & expenses	750.00	750.00	0.00
ERA Fees	200.00	200.00	0.00
Statutory advertising	218.16	218.16	0.00
Specific Penalty Bond	112.40	112.40	0.00
External storage costs	50.00	0.00	0.00
Professional Fees - TLR	750.00	0.00	750.00
Pension advice	250.00	250.00	0.00
Stationary and Postage	95.12	95.12	0.00
Bank charges	54.50	52.50	0.00

Category 2 expenses

- 3.3 These expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Details of Category 2 expenses charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors.
- 3.4 No Category 2 expenses have been incurred.