

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



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04/10/2019

#204

COMPANIES HOUSE

1 Company details

Company number 0 7 3 2 9 0 9 5

Company name in full Epayroll Services Limited

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

2 Liquidator's name

Full forename(s) Gordon

Surname Johnston

3 Liquidator's address

Building name/number 10B Fleet Business Park

Street Sandy Lane

Church Crookham

Post town Fleet

County/Region Hampshire

Postcode G U 5 2 8 B F

Country United Kingdom

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.

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6 Period of progress report

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

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d	3	d	0	m	0	m	9	y	2	y	0	y	1	y	9
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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 William Buxton

Company name HJS Recovery (UK) Ltd

Address 10B Fleet Business Park

Sandy Lane

Church Crookham

Post town Fleet

County/Region Hampshire

Postcode

G	U	5	2		8	B	F
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Country United Kingdom

DX

Telephone 01252 816636

**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

Liquidators' Annual Progress Report to Creditors & Members

Epayroll Services Limited - In Liquidation

30 September 2019

EPAYROLL SERVICES LIMITED - IN LIQUIDATION

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- D** Tasks undertaken by the Liquidators

EPAYROLL SERVICES LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Gordon Johnston of HJS Recovery (UK) Ltd, was appointed as Liquidator of Epayroll Services Limited (the **Company**) on 17 April 2019. My appointment replaced the previous liquidator, Mr. Robert James Thompson of Rendell Thompson who passed away on 25 March 2019. Mr. Thompson had originally been appointed on 2 August 2018.
- 1.2 This progress report covers the period from 2 August 2018 to 1 August 2019 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.

GDPR Policy

- 1.3 Information about the way that we will use, and store personal data on insolvency appointments can be found in the attached Privacy Notice.

Company Information

- 1.4 The principal trading address of the Company was: Alba House, Mulberry Business Park, Fishponds Road, Wokingham, Berkshire, RG41 2GY.
- 1.5 The business traded under the name: 'Epayme'.
- 1.6 The registered office of the Company has been changed to: 10b Fleet Business Park, Sandy Lane, Church Crookham, Fleet, Hampshire, GU52 8BF.
- 1.7 The Company's registered number is 07329095.

2 Progress of the Liquidation

- 2.1 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 Liquidators and their staff.
- 2.2 At Appendix A is a Receipts and Payments Account for the Period.

Liquidation Matters

- 2.3 As per the Company's Statement of Affairs, the main points of investigation in respect to this case are detailed below;
- a. To ascertain title/ownership of the Company's Chattel Assets, as detailed in section 2.3 of the Company's SIP6 Report dated 27 July 2018.
 - b. To review HM Revenue & customs Claim once their respective investigation had been concluded.
 - c. To investigate and ascertain whether the Company's transfer of its former lease to the director's new company constituted a preference, and if applicable commence recovery action in respect to the Company's Rent Deposit if applicable.
 - d. To review the Company's bank statements in respect to possible antecedent transactions.
 - e. To review the Company's transfer of business in order to ascertain whether any monies should be payable in respect to Goodwill

EPAYROLL SERVICES LIMITED - IN LIQUIDATION

Please refer to the Realisation of Assets and Investigation sections of this report for further information in respect to these matters.

Administration (including statutory compliance & reporting)

- 2.4 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 to creditors in our initial fees estimate/information.
- 2.5 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.
- 2.6 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

Leasehold Improvements

- 2.7 As anticipated in the Company's SIP6 Report; no realisation has proved possible in respect to the Company's Leasehold Improvements as the same related to the interior structure and fabric of the Company's former trading premises.

Plant & Machinery

- 2.8 As per the Company's SIP6 Report; it was reported that the Plant and Machinery had been sold to a connected party prior to the liquidation for the sum of £10,000. This matter is currently ongoing.

Fixtures & Fittings

- 2.9 As anticipated in the Company's SIP6 Report; no realisation has proved possible in respect to the Company's Fixtures and Fittings as they related to the interior structure and fabric of the Company's former trading premises.

Motor Vehicles

- 2.10 No realisation has proved possible with regards to the Company's Motor Vehicles, as the same were subject to lease agreements and were returned to the lease provider prior to my predecessor's instruction.

Computer Equipment

- 2.11 The Company's Computer Equipment was included in its sale of assets, as detailed in sub section 2.8 of this report.

Rent Deposit

- 2.11 I can confirm that work in respect to the Company's Rent Deposit is still ongoing at this time.

It is considered that the work the Liquidators and their staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.

EPAYROLL SERVICES LIMITED - IN LIQUIDATION

Creditors (claims and distributions)

- 2.12 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. 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.
- 2.13 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.14 The above work will not necessarily bring any financial benefit to creditors generally, however 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.

Investigations

- 2.15 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.
- 2.16 I can confirm that my predecessor 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.
- 2.17 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors.

HM Revenue & Customs Investigation

- 2.18 Prior to the Company's liquidation it was disclosed by the director and the shareholders that the Company was subject to a HM Revenue & Customs investigation in respect to its employees and respective expense costs.

On the 30 August 2018 my predecessor received confirmation from HM Revenue & Customs that their investigation had been concluded and that they had found significant disparities within the Company's records in relation to the provision of expenses costs – subsistence.

As a result of their findings the Company was found to be negligent in respect to its record keeping, as required by law and the Company was subsequently issued with Regulation 80 Tax determinations for the tax years 2014/15, 2015/16, 2016/17 and 2017/18. These determinations total £755,463.20.

Initially the director, along with the Company's former financial advisor requested that my predecessor challenge HM Revenue & Customs decision, however after review this suggested course of action was deemed not to be appropriate.

I would further confirm that full details of this matter were included in my predecessor's report on the director's conduct to the Secretary of State.

EPAYROLL SERVICES LIMITED - IN LIQUIDATION

3 Creditors

Secured Creditors

- 3.1 There were no secured creditors in respect to this liquidation.

Preferential Creditors

- 3.2 There are no preferential creditors in respect to this liquidation.

Unsecured Creditors

- 3.3 We have received claims totalling £762,663.20 from two creditors. I have yet to receive claims from two creditors whose debts total £9,500.00, as per the Company's statement of affairs.
- 3.4 We 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.

4 Liquidators' Remuneration

- 4.1 The Creditors' approved that the basis of the Liquidators' remuneration be fixed [either by reference to the time properly spent by him and his staff in managing the Liquidation.
- 4.2 The liquidators' time costs for the Period are £12,099. This represents 58.5 hours at an average rate of £206.82 per hour. Attached as Appendix B; is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by this firm in managing the liquidation. To date, no fees have been drawn on account.
- 4.3 I would further confirm that HJS Recovery (UK) Limited has drawn costs of £150.25, in relation to the block transfer costs that resulted from the former liquidator's death, and that no additional fees have been drawn at this time.
- 4.4 In considering the remaining work to be done in this liquidation, I currently anticipate that the time costs to complete the liquidation will be approximately £5,000. I will update creditors on this in our next progress report.
- 4.5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.hjsrecovery.co.uk/publications/>
- 4.6 Attached as Appendix C; is additional information in relation to the Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

5 Creditors' Rights

- 5.1 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.
- 5.2 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.

EPAYROLL SERVICES LIMITED - IN LIQUIDATION

6 Next Report

- 6.1 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 I will write to all creditors with my final account.
- 6.2 If you have any queries in relation to the contents of this report, either Ben or William of my office can be contacted by telephone on 01252 816636, or by email at help@hisrecovery.co.uk

Yours faithfully



Gordon Johnston ACA FABRP
Liquidator

Epayroll Services Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Appendix A

Statement of Affairs		From 02/08/2018 To 27/09/2019
	ASSET REALISATIONS	
NIL	Motor Vehicles	NIL
NIL	Leasehold Improvements	NIL
NIL	Fixtures & Fittings	NIL
Uncertain	Rent Deposit	NIL
Uncertain	Plant & Machinery	NIL
Uncertain	Computer Equipment	NIL
	Cash at Bank	91.80
	DVLA Refunds	87.27
	Bank Interest Net of Tax	1.06
		<u>180.13</u>
	COST OF REALISATIONS	
	Fleet Block Transfer Costs	150.25
		<u>(150.25)</u>
	UNSECURED CREDITORS	
(9,500.00)	Shareholders' Combined Claim	NIL
(2,500.00)	Director	NIL
		<u>NIL</u>
	DISTRIBUTIONS	
(100.00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<u>(12,100.00)</u>		<u>29.88</u>
	REPRESENTED BY	
	Vat Receivable	28.86
	Bank 2 Current	1.02
		<u>29.88</u>

TIME AND CHARGE OUT SUMMARIES DATED 2 AUGUST 2018 TO 1 AUGUST 2019

Hours							
Classification of work function	Insolvency Practitioner / Partner	Office Manager	Senior Administrator	Junior Administrator	Total Hours	Time Cost	Average hourly rate

Administration, Planning & Statutory Duties	2.00	11.00	9.80	0.70	23.50	£4,729.00	£201.23
Investigations	3.40	26.30	0.00	0.00	29.70	£6,280.00	£211.45
Realisations of assets	0.50	4.20	0.00	0.00	4.70	£990.00	£210.64
Creditors	0.00	0.20	0.40	0.00	0.60	£100.00	£166.67
Total Hours	5.90	41.70	5.60	0.70	58.50	-	-
Total Costs	£1,900.00	£8,380.00	£1,735.00	£84.00	-	£12,099.00	£206.82
Renden Thompson's Current Chargeout rates	£300	£200	£150	£100			
HJS Recovery's Current Chargeout rates	£400	£240 - £300	£150 - £200	£120 - £150			

EPAYROLL SERVICES LIMITED - IN LIQUIDATION

Appendix C

Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements

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 We are not proposing to utilise the services of any sub-contractors in this case.
- 1.4 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.

2 Liquidator's Expenses & Disbursements

- 2.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees were approved, a copy of which is set out below:

Expense	Estimated cost £
Statutory advertising	300.00
Specific penalty bond	138.00
External storage of company's books and records	660.00

Current position of Liquidators' expenses

- 2.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in prior period	Paid in the period covered by this report	Incurred but not paid to date	Total anticipated cost £
Statutory advertising	0.00	171.00	0.00	171.00
Specific penalty bond	0.00	84.00	0.00	84.00
External storage of books & records	0.00	50.00	0.00	150.00

- 2.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 2.4 Category 2 disbursements 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 include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by

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creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

3 Charge-Out Rates

- 3.1 Rendell Thompson's charge-out rates for the period of Mr. Thompson's appointment are detailed below;

	Effective from 2 August 2018 (Per hour) £
Insolvency Practitioner/Partner	300
Manager	200
Senior	150
Junior	100

- 3.2 HJS Recovery (UK) Ltd's current charge-out rates effective from 19 March 2018 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

	Effective between 31 May 2011 – 18 March 2018 (Per hour) £	Effective from 19 March 2018 (Per hour) £
Insolvency Practitioners	350	400
Senior Managers & Managers	200-275	240-300
Supervisors	150-175	150-200
Administrators and Support Staff	50-125	120-150
Specialist departments within HJS Solutions, such as Tax, VAT and Pensions, do sometimes charge a small number of hours to an assignment, should the Insolvency Directors require their expert advice. Their rates do vary however, the figures given below provide an indication of the rates charged per hour.		
Directors	110-175	110-220
Senior Managers & Managers	82-120	82-140
Supervisors	42-70	42-70
Administrators and Support Staff	20-40	20-40

Please note that we reserve the right to amend these rates from time to time during the course of the assignment, however any material amendments to these rates will be advised to creditors in the next statutory report.

Appendix D

An indication of the tasks undertaken by the Joint Liquidators and their staff are detailed below:

1.1 Administration and Planning

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of appointment to creditors, members;
- Reviewing available information to determine appropriate strategy;
- Setting up case files;
- Setting up and maintaining bank accounts;
- Progress reviews of the case;
- Statutory reporting to creditors;

Realisation of Assets

Please refer to section 2 of the report, but in summary the time spent includes

- Liaising with agents & solicitors;
- Correspondence and meetings with interested parties;
- Monitoring and chasing of deposits and deferred sale consideration;
- Identifying, securing & insuring of assets;
- Debt collection;
- Agreement of contracts;

Creditors

- Recording and maintaining the list of creditors;
- Meetings with creditors;
- Recording creditor claims;
- Dealing with creditor queries;
- Reviewing and evaluating creditor claims and providing responses;

EPAYROLL SERVICES LIMITED - IN LIQUIDATION

Investigations

- Corresponding with the former directors & management;
- Recovery and schedule of the company's books and statutory records;
- Conduct an analytical review of company records;
- Review of questionnaires and comments provide by interested parties;
- Questioning of directors and other key personnel;
- Completion of statutory report to the Department for Business, Innovation and Skills;

Tax Reviews

- Completion of post-appointment VAT returns and Corporation Tax returns;
- Review of post appointment tax matters;