

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 9 3 8 4 2 1 3

Company name in full Downings Recycling Ltd

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Craig

Surname Johns

### 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) Nick

Surname Brierley

#### 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

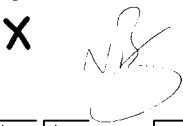
Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>																
From date	<sup>d</sup>	3	<sup>d</sup>	1	<sup>m</sup>	0	<sup>m</sup>	5	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	9	
To date	<sup>d</sup>	3	<sup>d</sup>	0	<sup>m</sup>	0	<sup>m</sup>	5	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0	

<b>7</b>	<b>Progress report</b>															
	<input checked="" type="checkbox"/> The progress report is attached															

<b>8</b>	<b>Sign and date</b>																
Liquidator's signature	<div>Signature</div> <div>  </div>																
Signature date	<sup>d</sup>	3	<sup>d</sup>	0	<sup>m</sup>	0	<sup>m</sup>	6	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0	

**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	Lucy Duckworth
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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

Downings Recycling Ltd  
(In Liquidation)  
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 31/05/2019 To 30/05/2020 £	From 31/05/2019 To 30/05/2020 £
FLOATING CHARGE RECEIPTS		
Book Debts	2,576.41	2,576.41
Funds Transferred from ADM	73,030.20	73,030.20
Insurance of Assets Refund	24.67	24.67
	<u>75,631.28</u>	<u>75,631.28</u>
FLOATING CHARGE PAYMENTS		
Joint Liquidators' Fees	24,350.00	24,350.00
Legal Fees	1,275.00	1,275.00
Statutory Advertising	87.48	87.48
	<u>(25,712.48)</u>	<u>(25,712.48)</u>
PREFERENTIAL CREDITORS		
Preferential Distribution	510.67	510.67
	<u>(510.67)</u>	<u>(510.67)</u>
	<u>49,408.13</u>	<u>49,408.13</u>
REPRESENTED BY		
HB Bank 1 - Non-Interest Bearing		46,833.13
VAT Receivable		2,575.00
		<u>49,408.13</u>

Note:

1. Distributions amounting to 100p/£ have been paid to the preferential creditors on 3 May 2019 and 17 March 2020.
2. A distribution has been paid to the unsecured creditors on 2 July 2020 in the sum of 5.14p/£.

**Liquidator's Annual  
Progress Report to  
Creditors & Members**

**Downings Recycling Ltd  
- In Liquidation**

**30 June 2020**

cowgills

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- B** Joint Liquidators' Time Analysis for the Period from 31 May 2019 to 30 May 2020
- C** Additional information in relation to Joint Liquidators' Fees, Expenses & the use of Subcontractors

## **1 Introduction and Statutory Information**

- 1.1 Jason Mark Elliott, Craig Johns and Nick Brierley of Cowgill Holloway Business Recovery LLP, Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR, were appointed as Joint Liquidator of Downings Recycling Ltd ("the **Company**") on 31 May 2019.
- 1.2 This progress report covers the period from 31 May 2019 to 30 May 2020 ("the **Period**") and should be read in conjunction with previous progress reports which have been issued during the Administration along with the Joint Administrators Proposals.
- 1.3 Information about the way that 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 St Albans Road, Astonfields Industrial Estate, Stafford, Staffordshire, ST16 3DR.
- 1.5 The registered office of the Company has been changed to Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR and its registered number is 09384213.

## **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 Liquidator and his staff.
- 2.2 At Appendix A is our Receipts and Payments Account covering the Period of this report.

### ***Administration (including statutory compliance & reporting)***

- 2.3 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.
- 2.4 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.
- 2.5 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***

- 2.6 Aldermore Bank PLC ("**Aldermore**") held a fixed charge over the Company's book debts. Following payment in full, Aldermore reassigned the remaining book debt ledger to the Joint Administrators and the ledger has subsequently been transferred to the Joint Liquidators.

- 2.7 As at 17 December 2018, the ledger stood at £109,650. The majority of the outstanding debts are understood to be aged and disputed. In the circumstances the former Joint Administrators applied a write down of 75% to the ledger for the sake of prudence.
- 2.8 The former Joint Administrators decided that all debtors with a balance of less than £1,000 were deemed uneconomical to pursue due to the historic nature of the debts and the lack of supporting evidence to assist with collection.
- 2.9 As a result, the collectable ledger amounted to £57,854 consisting of 13 debtors.
- 2.10 The Joint Liquidators instructed KBL Solicitors LLP to assist with the collection of the outstanding book debt ledger, where necessary.
- 2.11 Since the date of Liquidation, realisations amount to £2,576 and we will continue to collect the outstanding ledger. A Further update will be provided to creditors in our next report.

***Funds Transferred from Administration***

- 2.12 The sum of £73,030 was transferred from funds held in the Administration estate bank account.

***Insurance of Assets Refund***

- 2.13 The sum of £24.67 was received on 3 July 2019 from AUA Insolvency Risk Services Limited in respect to insurance refund.
- 2.14 It is anticipated that the work the Joint Liquidators and their staff have undertaken to date will bring a financial benefit to creditors as it has resulted in a distribution to preferential creditors and is anticipated to result in a distribution to unsecured creditors of the Company.

***Creditors (claims and distributions)***

- 2.15 Further information on the anticipated outcome for creditors in this case can be found at Section 4 of this report. 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.
- 2.16 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. The Liquidators received 24 claims in respect of former employees.
- 2.17 The above work will not necessarily bring any financial benefit to creditors generally, 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.
- 2.18 We consider the following matters worth noting in my report to creditors at this stage:
- As reported previously the sole secured creditor was Aldermore. A fixed charge distribution of 100 pence in the £ was paid to Aldermore by the former Joint Administrators on 1 August 2018.



- Claims from preferential creditors totalling £17,596.76 have been received and preferential creditors have been paid in full. A first dividend was paid to the preferential creditors on 3 May 2019 during the previous Administration and a second and final dividend, representing additional preferential claims as a result of the inclusion of unpaid pension contributions, was paid to preferential creditors on 17 March 2020.
- Unsecured creditor claims amounting to £693,944 have been received to date. Claims have yet to be received from 39 unsecured creditors.

### ***Investigations***

- 2.19 Some of the work the Joint Liquidator is 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 Liquidator can pursue for the benefit of creditors.
- 2.20 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.
- 2.21 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***

- 2.22 Attempts will continue to be made to recover all outstanding book debts.
- 2.23 Following the conclusion of asset realisations, it is anticipated that a distribution will be available to the unsecured creditors. However, I am unable to confirm the timing or quantum of the dividend at this time until all book debt recoveries have been concluded.

## **3 Creditors**

### ***Secured Creditors***

- 3.1 Aldermore hold the benefit of a debenture incorporating a fixed and floating charge over the Company's assets. Aldermore advised that the liability owed them was £45,781, including interest and charges at the point of termination.
- 3.2 A fixed charge distribution at a rate of 100 pence in the pound was declared and paid to Aldermore in the sum of £45,781 by the former Joint Administrators on 1 August 2018.

### ***Preferential Creditors***

3.3 A summary of preferential claims is detailed below.

<b>Preferential claim</b>	<b>Agreed Claim £</b>	<b>Statement of Affairs Claim £</b>	<b>Dividend paid p in the £1</b>
Employee claims (Total number of claims = 3)	£752.60	£16,000	100 p/£
Department for Business, Energy & Industrial Strategy (BEIS)	£16,844.16		

3.4 A first dividend was paid to the preferential creditors on 3 May 2019 during the previous Administration and a second and final dividend, representing additional preferential claims as a result of the inclusion of unpaid pension contributions, was paid to preferential creditors on 17 March 2020.

### ***Unsecured Creditors***

3.5 We have received claims totalling £693,944 from 28 unsecured creditors. We have yet to receive claims from 39 unsecured creditors whose debts total £107,320 as per the Company's statement of affairs.

3.6 The Company granted a floating charge to Aldermore on 16 March 2015. 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). However, as Aldermore do not have a liability under their floating charge security, there is no requirement to set aside the Prescribed Part.

3.7 As detailed above, it is anticipated that a distribution will be made to unsecured creditors; however, the quantum and timing of this is dependent on the amounts received in relation to the book debt collection which remains ongoing.

## **4 Liquidator's Remuneration**

4.1 Creditors approved that the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Liquidation by way of a decision by correspondence on 28 June 2019.

4.2 Our fees estimate/information was originally provided to creditors when the basis of our remuneration was approved and was based on information available to us at that time.

4.3 A copy of our approved fee estimate for the Liquidation is reproduced on the next page:

	Partner	Director	Manager	Senior Administrator	Administrator	Junior Administrator	Cashier	Total Hours	Total Cost £	Average Cost £
Administration (inc statutory compliance & reporting)	3.00	7.00	8.00	20.00	-	-	6.00	44.00	9,545.00	216.93
Realisation of Assets	2.50	3.50	4.50	10.50	-	-	3.50	24.50	5,422.50	221.33
Creditors (claims & distributions)	7.50	-	15.00	37.50	-	-	15.00	75.00	15,112.50	201.50
Investigations	-	-	-	-	-	-	-	-	-	-
Case Specific Matters (where applicable)	-	-	-	-	-	-	-	-	-	-
<b>Total Hours</b>	<b>13.00</b>	<b>10.50</b>	<b>27.50</b>	<b>68.00</b>	<b>-</b>	<b>-</b>	<b>24.50</b>	<b>143.50</b>	<b>30,080.00</b>	<b>209.62</b>
Current Chargeout Rates	375.00	300.00	250.00	180.00	150.00	100.00	120.00			

- 4.4 Our time costs for the Period are £26,437.50. This represents 108.30 hours at an average rate of £244.11 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 us in managing the liquidation. To date, £24,350 plus VAT as shown in the enclosed Receipts and Payments Account have been drawn on account.
- 4.5 At the date of this report, we would confirm that our fees estimate for the Liquidation remains unchanged.
- 4.6 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>.
- 4.7 Attached as Appendix C is additional information in relation to the Joint Liquidator's fees and expenses, 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 Joint Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidator, as set out in this progress report, are excessive.

**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 we will write to all creditors with our final account.
- 6.2 If you have any queries in relation to the contents of this report, we can be contacted by telephone on 0161 827 1204 or by email at [Lucy.Duckworth@cowgills.co.uk](mailto:Lucy.Duckworth@cowgills.co.uk).

Yours faithfully



**Nick Brierley**  
**Joint Liquidator**

## Appendix A

# Joint Liquidators' Receipts and Payments Account for the Period from 31 May 2019 to 30 May 2020

S of A £	£	£
FLOATING CHARGE RECEIPTS		
Book Debts	2,576.41	
Funds Transferred from ADM	73,030.20	
Insurance of Assets Refund	24.67	
		75,631.28
FLOATING CHARGE PAYMENTS		
Joint Liquidators' Fees	24,350.00	
Legal Fees	1,275.00	
Statutory Advertising	87.48	
		(25,712.48)
PREFERENTIAL CREDITORS		
Preferential Distribution	510.67	
		(510.67)
		<u>49,408.13</u>
REPRESENTED BY		
VAT Receivable		2,575.00
HB Bank 1 - Non-Interest Bearing		46,833.13
		<u>49,408.13</u>

Note:

1. Distributions amounting to 100p/£ have been paid to the preferential creditors on 3 May 2019 and 17 March 2020.
2. A distribution has been paid to the unsecured creditors on 2 July 2020 in the sum of 5.14p/£.

## Appendix B

### Joint Liquidators' Time Analysis for the Period from 31 May 2019 to 30 May 2020

	Partner	Director	Manager	Senior Administrator	Administrator	Junior Administrator	Cashier	Total hours	Total Cost £	Average Cost £
Administration (inc statutory compliance & reporting)	6.60	3.70	7.20	35.90	-	-	7.20	60.60	12,711.00	209.75
Realisation of assets	3.00	0.40	1.50	1.30	-	-	-	6.20	1,854.00	299.03
Creditors (claims & distributions)	13.50	9.50	9.00	9.50	-	-	-	41.50	11,872.50	286.08
Investigations	-	-	-	-	-	-	-	-	-	-
Trading (where applicable)	-	-	-	-	-	-	-	-	-	-
Case specific matters (where applicable)	-	-	-	-	-	-	-	-	-	-
<b>Total Hours</b>	<b>23.10</b>	<b>13.60</b>	<b>17.70</b>	<b>46.70</b>	<b>-</b>	<b>-</b>	<b>7.20</b>	<b>108.30</b>	<b>26,437.50</b>	<b>244.11</b>
Current Chargeout Rates	375.00	300.00	250.00	180.00	150.00	100.00	120.00			

### 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 We have not used the services of any sub-contractors in this case.

#### 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
KBL Solicitors LLP (Book debt recovery)	Fixed fee plus VAT and 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 & Disbursements

- 3.1 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 £
Legal Fees	3,000 plus VAT
Statutory Advertising	174.96 plus VAT
Joint Liquidators' Bond	312
Document Storage	100 plus VAT
Category 2 disbursements charged by the firm:	n/a

#### Current position of Liquidator's expenses

- 3.2 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:

## DOWNINGS RECYCLING LTD - IN LIQUIDATION

Expense	Paid in the Period Covered by this Report £	Total Anticipated Cost £
Legal Fees	1,275 plus VAT	1,275 plus VAT
Statutory Advertising	87.48 plus VAT	174.96 plus VAT
Joint Liquidators' Bond	-	312
Document Storage	-	100 plus VAT

- 3.3 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.

## 4 Charge-Out Rates

- 4.1 Cowgill Holloway Business Recovery LLP's charge-out rates effective from 1 January 2016 are detailed below.

Staff Grade	Rate per Hour
Partner	£375
Consultant	£300
Director	£300
Manager	£250
Senior Administrator	£180
Administrator	£150
Cashier/Support	£120
Junior Administrator	£100

- 4.2 Please note this firm records its time in minimum units of 6 minutes.