

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 1 0 8 4 7 8 0 4

Company name in full Herringate U.K. Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Thomas

Surname Grummitt

3 Liquidator's address

Building name/number c/o Bridgewood Financial Solutions Limited

Street Cumberland House, 35 Park Row

Post town Nottingham

County/Region

Postcode N G 1 6 E E

Country

4 Liquidator's name ①

Full forename(s) Andrew

Surname Smith

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number c/o Bridgewood Financial Solutions Limited

Street Cumberland House, 35 Park Row

Post town Nottingham

County/Region

Postcode N G 1 6 E E

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 4	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2	
To date	^d 0	^d 3	^m 0	^m 8	^y 2	^y 0	^y 2	^y 3	

7 Progress report

	<input type="checkbox"/> The progress report is attached	
--	--	--

8 Sign and date

Liquidator's signature	<div>Signature</div> <div>  </div>	
Signature date	^d 0 ^d 2 ^m 1 ^m 0 ^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	Catherine Neville
Company name	Bridgewood Financial Solutions Ltd
Address	Cumberland House 35 Park Row
Post town	Nottingham
County/Region	
Postcode	N G 1 6 E E
Country	
DX	
Telephone	0115 871 2940

**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



In the matter of

Herringate U.K. Limited ("**the Company**")

In Creditors' Voluntary Liquidation

Joint Liquidators' Progress Report

Date 2 October 2023

Thomas Grummitt **and** Andrew Smith

Joint Liquidators

Bridgewood Financial Solutions Limited

Cumberland House

35 Park Row

Nottingham

NG1 6EE

Telephone: 0115 871 2926

Email: catherine.neville@bridgewood.co.uk

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The following abbreviations may be used in this report:

Bridgewood	Bridgewood Financial Solutions Limited
The Company	Herringgate U.K. Limited
The Liquidators	Thomas Grummitt and Andrew Smith
The Period	The reporting period 4 August 2022 to 3 August 2023
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying Floating Charge Holder
HMRC	HM Revenue and Customs

1. Purpose of Report

This report has been prepared in accordance with insolvency legislation to provide creditors, members and the registrar of companies, with information relating to the progress of the Liquidation in the period from 4 August 2022 to 3 August 2023, known as "the Period".

This report has been prepared solely to comply with the requirements of the relevant legislation. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

Neither the Joint Liquidators nor Bridgewood, accept any liability whatsoever arising as a result of any decision or action, taken or refrained from, as a result of information contained in this report.

2. Progress of the Liquidation in the Previous Twelve Months

In the Period, we have realised the Company's assets where possible and have investigated the reasons for the failure of the Company and conduct of the Company's directors as set out below. In addition, there is certain routine administrative work that we are required to undertake in accordance with insolvency legislation, which provides no financial benefit to creditors. A description of this work has been previously provided.

Realisation of Assets

Stocks

The Director has advised that this previously consisted of a property portfolio with a book value of £1,912,209 within the July 2020 accounts and may have included some other work in progress.

It is understood that the figure in the accounts consisted of at least 4 properties which were subsequently transferred to the lender.

During the period we have attempted to liaise with the secured lender to understand the extent of the Company's property portfolio and the circumstances in which each property was transferred to them together with a timeline which remains ongoing.

We have identified 3 properties where the Company remains the registered proprietor and have taken steps with HM Land Registry to protect our interest whilst we continue to review the matter, although it is believed these properties were transferred to the lender in lieu of amounts owed and that the titles may not be up to date.

Other Debtors

The Director advised that other debtors in the accounts to 31 July 2020 of £41,656 have either been collected or written off so that no funds are owed. The liquidators will shortly be writing to the Director to understand who the debtors were, which debts were written off and which were paid as the descriptions on the bank statements are not clear.

Plant & Machinery

The Director has advised that plant and machinery with a book value of £59,427 in the Company's accounts to 31 July 2020 has either been disposed of or transferred.

The Director has advised that the motor vehicle subject to finance (£59,135) was taken against his Director's Loan Account in April 2021, office equipment had no value and was abandoned, and that computer equipment was taken by agency staff.

The liquidators are continuing to investigate the transfer of the vehicle and will provide an update to creditors in the next report.

Trade Debtors

The Director has advised that the trade debts with a book value of £100,000 according to the accounts to 31 July 2020 have been collected in full. The liquidators will shortly be writing to the Director to provide a breakdown of the debtors to ensure all were collected.

SSE Refund

The liquidators received a refund of £1,170.40 from SSE in relation to a credit balance on the Company's former account. No further realisations are expected.

Cash at Bank and in Hand

The Director has advised that cash at bank and in hand with a book value of £24,798 according to the accounts to 31 July 2020 was utilised by the company in the ordinary course of business. The liquidators have had sight of the bank's closing statement to confirm no balance remained at the time the Company entered liquidation.

Contribution to Costs

£4,400 plus VAT was received from Pink Rock Limited prior to our appointment as a contribution to the costs of the Liquidation. The funds were largely used to settle Bridgewood's pre-appointment costs prior to our appointment and are therefore not showing on the Receipts and Payments account, aside from £400 which was not drawn by Bridgewood pre-appointment.

Bank Interest

Interest totalling £0.69 has been earned during the period and will continue to accrue.

No further assets have been realised since the end of the Period.

Investigations

In accordance with my statutory obligations, I have filed the appropriate documentation with the Department for Business, Energy and Industrial Strategy in relation to the conduct of the Directors.

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 24 months prior to the Company ceasing to trade from the Company's bankers and compared the information in the Company's last set of accounts with that contained in the statement of affairs, lodged in the Liquidation and made enquiries about the reasons for the changes.

I can advise you that, following my initial assessment, further investigations were undertaken to understand how the Company's Bounce Back Loan was novated from an associated Company, and payments made from the Company bank account to various parties.

I am also investigating the what became of the Company's trade and other debtors as explained above, the transfer of the Company's motor vehicle to the director, certain other director's loan account movements and the disposal of the Company's properties/stocks.

I would confirm that these investigations are currently ongoing and so as to not prejudice my investigation, I am unable to provide further details at this stage.

3. Details of what Remains to be Done and Matters Preventing Closure

A wide ranging and complex investigation into matters in the period prior to Liquidation is ongoing.

4. Liabilities and Dividends

Dividend prospects and projected returns to creditors, where known, are attached at Appendix A, including any amount under the prescribed part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.

The agreement of creditors' claims by the Joint Liquidators is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charges:

- Fixed and Floating charge in favour of Jdi Development Limited, created 14 May 2019
- Fixed charge in favour of Jdi Development Limited, created 14 May 2019
- Fixed and Floating charge in favour of Jdi Development Limited, created 27 March 2019
- Fixed charge in favour of Jdi Development Limited, created 27 November 2020

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, the amount of the prescribed part of the assets, under Section 176A of the Insolvency Act 1986 (as amended), is currently estimated at nil.

Whilst there are creditors secured by fixed and qualifying floating charges over the assets and undertaking of the Company, those creditors will receive no recovery under their floating charges based on current information, as there are no assets to realise which would be caught by a floating charge. The prescribed part is therefore also estimated at nil.

Preferential Creditors

There are no preferential creditors in this matter.

Secondary Preferential Creditors

The statement of affairs anticipated £904.65 in secondary preferential creditors. No claims have been received in the Period.

Due to insufficient realisations, a dividend is unlikely to be paid to secondary preferential creditors.

Non-Preferential Unsecured Creditors

The statement of affairs included 31 non-preferential, unsecured creditors with an estimated total liability of £632,350.84. I have received claims from 9 creditors, totalling £585,987.88. I have not received claims from 23 creditors with original estimated claims in the statement of affairs of £63,507.80.

A dividend is unlikely to be declared to non-preferential unsecured creditors, as the funds realised have been used to make payments to meet the expenses of the Liquidation. This will only change if investigations lead to significant recoveries.

5. Receipts and Payments Summary

My receipts & payments account for the period from 4 August 2022 to 3 August 2023 is attached at Appendix B.

VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HMRC shown separately.

The balance of funds is held in an interest bearing, estate bank account.

6. Pre Appointment Remuneration

The creditors previously authorised the payment of a fee of £4,000.00 for my assistance with preparing the Statement of Affairs and arranging the decision procedure, for creditors to appoint a Liquidator.

The fee for preparing the Statement of Affairs and arranging the decision procedure for creditors to appoint Liquidators was paid by the Company prior to Liquidation.

The pre appointment expenses of £86 in respect of advertising and £49.92 in respect of postage were paid from first realisations on appointment and are shown in the enclosed receipts and payments account.

7. Joint Liquidators' Remuneration

My remuneration was approved on a time cost basis based on fees estimate of £12,769.00. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate, without first seeking approval from the creditors.

My time costs for the Period amount to £10,185.25, representing 44.5 of hours work, at an average charge out rate of £228.88 per hour. The actual average charge out rate incurred compares with the estimated average charge out rate of £212.82 in my fees estimate. A detailed schedule of my time costs incurred in the Period, compared with my summarised original fees estimate, is attached as Appendix D.

I have drawn £532.92 in the Period. This is in line with the maximum fee cap that I can take of £12,769.00.

As, you can see from the information provided in this report, the total time costs I have incurred in this matter (£10,185.25), in respect of the categories of work for which I am being remunerated on a time cost basis, are likely to exceed the total estimated remuneration I set out in my fees estimate, when my remuneration was authorised by the creditors. However, I have not drawn remuneration in excess of my fees estimate. The reasons my time costs are likely to exceed the fees estimate is the additional time spent liaising with the secured charge holder and their solicitors in relation to the Company's former property portfolio and conducting other aspects of ongoing investigations.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

8. Joint Liquidators' Expenses

Expenses Recharged to the Case as Showing on the Receipts and Payments Account

Category 1 Expenses	Original estimate £	Amount incurred in the Period £	Amount paid in the Period £
Bond	20.00	90.00	90.00
Statutory Advertising	172.00	172.00	172.00
HM Land Registry Fees	NIL	41.00	23.00
Total	192.00	303.00	285.00

Category 2 Expenses			
Postage	30.00	24.96	24.96
Storage	20.00	NIL	NIL
Total	50.00	24.96	24.96

Please see Appendix C for our charge out rates and charging policy.

No agents or professional advisors have been instructed during the Liquidation.

As you can see from the information provided in this report, the expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was authorised by the creditors. I have exceeded the expenses estimate as no provision was made for HM Land Registry fees.

9. Creditors' Right to Information and Ability to Challenge Remuneration and Expenses

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Liquidators' remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Liquidators as being excessive, and/or the basis of the Joint Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

10. Further Information

To comply with the Provision of Services Regulations, some general information about the Company can be found at Appendix A.

The Liquidation will remain open until my investigations have been fully resolved. I estimate that this will take approximately 12 months and once resolved the Liquidation will be finalised and our files will be closed.

Data Protection

In order to comply with data protection legislation, please be advised that, our privacy notice in accordance with the General Data Protection Regulation ('GDPR') can be found at <https://www.bridgewood.co.uk/insolvency-practitioner-privacy-policy.html>

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Catherine Neville on 0115 871 2926, or by email at catherine.neville@bridgewood.co.uk.



Thomas Grummitt
Joint Liquidator

Appendix A

Statutory, Dividend and Other Information

Company Name	Herringgate U.K. Limited
Trading Name	-
Company Number	10847804
Trading Address	16-18 Barnes Wallis Road, Segensworth, Fareham, PO15 5TT
Registered Office	Cumberland House, 35 Park Row, Nottingham, NG1 6EE
Former Registered Office	63 Castle Road, Southsea, Hants, PO5 3AY
Principal Trading Activities	Development of Building Projects
Joint Liquidators	Thomas Grummitt and Andrew Smith
IP Numbers	25976 and 19210
Date of Appointment	4 August 2022
Correspondence Contact Details	Catherine Neville, Tel: 0115 871 2926 catherine.neville@bridgewood.co.uk Bridgewood Financial Solutions Limited, Cumberland House, 35 Park Row, Nottingham, NG1 6EE

The Joint Liquidators act jointly and severally.

Dividends	Owed (per Statement of Affairs)	Paid	Date Paid
Secured creditor	£2,027,729.18	NIL	N/A
Preferential creditors	NIL	N/A	N/A
Second Preferential creditors	£904.65	NIL	N/A
Unsecured creditors	£632,350.84	NIL	N/A
Estimated net property	NIL	N/A	N/A
Prescribed part for unsecured creditors	NIL	N/A	N/A

Appendix B

Receipts and Payments Account

Herringgate U.K. Limited (In Liquidation) Joint Liquidators' Summary of Receipts and Payments

	Statement of affairs £	From 04/08/2022 To 03/08/2023 £
RECEIPTS		
Stocks	NIL	0.00
Other Debtors	NIL	0.00
Plant and Machinery	Uncertain	0.00
Trade Debtors	NIL	0.00
SSE Refund		1,174.40
Cash at Bank and in Hand	NIL	0.00
Contribution to Costs	5,280.00	0.00
Bank Interest Gross		0.69
		1,175.09
PAYMENTS		
Specific Bond		90.00
Office Holders' Fees		532.92
Land Registry Searches		23.00
Pre Appointment Advertising		86.00
Pre Appointment Postage		49.92
Post Appointment Advertising		172.00
Post Appointment Postage		24.96
HMRC	(£904.65)	0.00
JDI Development Finance Limited	(£2,027,729.18)	0.00
Trade & Expense Creditors	(£72,372.99)	0.00
Directors	(£506,723.28)	0.00
Associated Creditor	(£2,640.00)	0.00
HMRC - PAYE & NIC	(£614.57)	0.00
Banks/Institutions	(£50,000.00)	0.00
Ordinary Shareholders	(£100.00)	0.00
		978.80
BALANCE - 03 August 2023		196.29
MADE UP AS FOLLOWS		
Bank 1 Current		196.29
		196.29

Appendix C

Bridgewood Financial Solutions Limited Charge Out Rates and Expenses Policy

In accordance with the Statement of Insolvency Practice regulating the payment of fees and expenses to insolvency office holders and their associates, we are required to disclose to you our policy in relation to certain expenses paid from insolvent estates during our administration of those estates, and the charge out rates for the various grades of staff who may be involved in our administration of those estates where our fees have been agreed on a time-cost basis.

Hourly Charge Out Rates

Staff Grade	Rate (£) From 1 February 2022	Rate (£) From 1 February 2023
Partner/ Insolvency Practitioner	350	395
Manager	250	275
Senior Administrator	195	225
Administrator	145	175
Secretarial/Cashier	125	140

All staff are allocated an hourly charge out rate which is reviewed from time to time. The rates are applied consistently across all insolvency appointments and presented for approval of creditors or the creditors' committee as appropriate.

Time spent on a case is recorded directly using a time recording system. This is allocated in units of no more than 6 minutes. Time billed is subject to Value Added Tax ("VAT") at the applicable rate, where appropriate.

Work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience required to perform it.

Expenses (Including Disbursements)

Statement of Insolvency Practice 9 defines 'expenses' as all payments from an insolvent estate which are not office holder's fees or distributions to creditors and/or members.

Expenses do not include overheads of the officeholder's firm, as they are covered by office holder's fees. Expenses must be directly attributable to the estate from which they are paid.

Expenses are subject to VAT at the applicable rate, where appropriate.

'Expenses' include disbursements, which are payments made by an office holder or their firm and then reimbursed to the office holder or their firm from estate funds. Payments are typically made by an office holder or their firm, rather than directly from an estate, because there are insufficient funds in an estate at the time the payment becomes due, or for reasons of practicality or convenience.

Statement of Insolvency Practice 9 divides expenses into two categories.

Category 1 expenses: These are payments to persons providing a service to which an expense relates, who are not an associate of the office holder. Category 1 expenses can be paid without prior approval from those responsible for approving office holder's fees.

Category 2 expenses: These are payments made from an estate to the office holder or an associate (including their firm), or payments made related to costs which are shared with other estates and which can be allocated on a reasonable and proper basis to a specific estate. Category 2 expenses require approval from those responsible for approving office holder's remuneration whether or not they are paid directly from the estate or as a disbursement.

When seeking approval of category 2 expenses, an office holder should explain for each expense the basis on which the expense is being charged to the estate.

Our policy in relation to category 2 expenses and the basis on which we will charge these expenses to an estate, with the approval of the relevant body, is as follows. If you are a party responsible for approving office holder's fees and category two expenses, by agreeing that we can pay category two expenses, you are agreeing with the basis of charge set out below.

Storage: Each month, or sometimes less frequently, our external storage provider, who is not an associate of the officeholder or of this firm, provides an invoice for all boxes of records stored by them pertaining to all Bridgewood matters. The total cost is divided by the total number of boxes in storage to get a price per box and a charge is then applied to a specific insolvent estate according to the number of boxes in storage which relate to that particular estate

Postage: All post is sent via Royal Mail. We use a pre-paid franking machine to frank-mark each item of mail with the class of post being used, the price of the item and the date of postage. When we frank-mark each item of mail, we record the expense incurred per item and allocate that expense to the estate to which the item of mail relates

Mileage: 45 pence per mile travelled by car

Appendix D

Time Cost Analysis and Summarised Original Fees Estimate

Joint Liquidators' time cost analysis for the Period from 4 August 2022 to 3 August 2023

Time Entry - SIP9 Time & Cost Summary + Cumulative

HERR01C - Herringate U.K. Limited

Project Code: POST

From: 04/08/2022 To: 03/08/2023

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Administration & Planning	2.80	0.00	9.65	4.05	16.50	3,527.75	213.80	16.50	3,527.75
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.20	0.00	2.20	0.00	2.40	529.00	220.42	2.40	529.00
Investigations	5.70	0.00	13.10	0.00	18.80	4,648.50	247.26	18.80	4,648.50
Realisation of Assets	0.20	0.00	6.60	0.00	6.80	1,480.00	217.65	6.80	1,480.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours / Costs	8.90	0.00	31.55	4.05	44.50	10,185.25	228.88	44.50	10,185.25

FEES ESTIMATE SUMMARY

Herringgate U.K. Limited

The hourly charge out rates that will be used on this case are:	£
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Partner/Appointment Taker	350.00
Manager	250.00
Assistant Manager	220.00
Senior Administrator	195.00
Case Administrator	145.00
Cashier	125.00

The expenses that will be incurred on this case are:	£
--	---

Statutory Advertising	172.00
Bond	20.00
Postage	30.00
Storage	20.00
Total:	242.00

ADMINISTRATION AND PLANNING

These tasks are of no financial benefit to creditors but are required to be completed by statute.

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Total:	34.40	£7,596.00
Average Hourly Charge Out Rate:		£220.81

INVESTIGATIONS

These tasks are of financial benefit to creditors, subject to costs.

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Total:	17.10	£3,500.50
Average Hourly Charge Out Rate:		£204.71

REALISATION OF ASSETS

These tasks are of financial benefit to creditors but are subject to costs.

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Total:	0.50	£72.50
Average Hourly Charge Out Rate:		£145.00

CREDITORS

These tasks are of no financial benefit to creditors but are required to be completed by statute.

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work
		£
Total:	8.00	£1,600.00
Average Hourly Charge Out Rate:		£200.00

Please note the following:

A blended charge out rate has been used.

Based on the asset information received to date, there is no prospect of a dividend being payable to unsecured creditors in this instance.

GRAND TOTAL FOR ALL CATEGORIES OF WORK	60.00	£12,769.00
Average Hourly Charge Out Rate:		£212.82