

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

WEDNESDAY



A9WK3L3U

A08

20/01/2021

#300

COMPANIES HOUSE

1 Company details

Company number O C 3 1 4 7 2 4

Company name in full COBBETTS LLP

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

2 Liquidator's name

Full forename(s) Toby Scott

Surname Underwood

3 Liquidator's address

Building name/number Central Square

Street 29 Wellington Street

Post town Leeds

County/Region

Postcode L S 1 4 D L

Country UK

4 Liquidator's name ①

Full forename(s) Peter David

Surname Dickens

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ①

Building name/number 1 Hardman Square

Street

Post town Manchester

County/Region

Postcode M 3 3 E B

Country UK

① Other liquidator
Use this section to tell us about
another liquidator.

LIQ14

Notice of final account prior to dissolution in CVL

6 Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

7 Final account

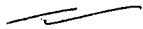
☒ I attach a copy of the final account.

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d

1

d

5

m

0

m

1

y

2

y

0

y

2

y

0

LIQ14

Notice of final account prior to dissolution in CVL



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
Syed Shah

Company name
PwC LLP

Address
8th Floor, Central Square

29 Wellington Street

Post town
Leeds

County/Region
West Yorkshire

Postcode
L S 1 4 D L

Country

DX

Telephone
0113 289 4314



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' final account for 31 July 2020 to 18 December 2020

Cobbetts LLP - (in liquidation)

31 December 2020



Table of contents

Abbreviations and definitions	2
Key messages	4
What we've done during the liquidation	5
Outcome for creditors	6
Progress since we last reported	7
Appendix A: Receipts and payments	10
Appendix B: Expenses	11
Appendix C: Remuneration update	12
Appendix D: Other information	17

Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Company	Cobbetts LLP – in creditors voluntary liquidation
Joint Liquidators/ Liquidators	Toby Scott Underwood and Peter David Dickens
CVL	Creditors' voluntary liquidation
Firm	PricewaterhouseCoopers LLP
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
HMRC	HM Revenue and Customs
period	31 July 2020 to 18 December 2020
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Secured Creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
Preferential Creditors	Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
we/us/our	Toby Scott Underwood and Peter David Dickens
DWF	DWF LLP
RPS	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy and Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Unsecured Creditors	Creditors who are neither secured nor preferential

This report has been prepared by Toby Scott Underwood and Peter David Dickens as Joint Liquidators of the Company, solely to comply with the Joint Liquidators' statutory duty to report to creditors under IR16 on the progress of the Liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for individual creditors. However, all dividends have now been paid to agreed creditors, and therefore no further dividends will be paid.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Liquidators' previous reports issued to the Company's creditors, which can be found at www.pwc.co.uk/cobbettsllp. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Toby Scott Underwood and Peter David Dickens have been appointed as Joint Liquidators of the Company. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Liquidators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Liquidators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Liquidators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Key messages

Why we've sent you this report

We're writing to tell you that the Company's affairs are now fully wound up and to provide our final account of the liquidation for the period since 31 July 2020. This report provides an update since our last progress report dated 30 September 2020 and sets out how the Company's assets have been realised and distributed.

You can still view our earlier reports on our website at www.pwc.co.uk/cobbettsllp.

How much creditors have received

All the Company's assets have now been realised and the final distributions made to its agreed creditors. The following table summarises the outcome for creditors.

Class of creditor	Distributed (p in £)	Previous estimate (p in £)
Preferential Creditors	n/a	n/a
Unsecured Creditors	2.39	2.32

All employees transferred to DWF and no preferential claims were received.

What you need to do

This report is for your information and you don't need to do anything.

More information in relation to creditors' rights can also be found in the guide below:
<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-credit-or-fee-guide-6-april-2017.ashx?la=en>

You can also get a copy free of charge by telephoning David Cheverton on 07801 766362.

What we've done during the liquidation

In the administration which occurred prior to this liquidation, Brian Green, Howard Smith and Mark Granville Firmin of KPMG concluded a pre package sale of the business, secured an insurance refund and made distributions worth £2,000,000 to the secured creditor. The administration ended on 31 July 2014, when the Company went into CVL and Lyn Vardy and I were appointed as Joint Liquidators. On 10 May 2019, Lyn Vardy, one of the original Joint Liquidators left the Firm. To make sure that outstanding issues in the liquidation continue to be pursued, an application was made to the Court to remove him and appoint Peter Dickens as Joint Liquidator. The application was granted and so Peter Dickens replaced Lyn Vardy as Joint Liquidator with effect from 10 May 2019.

At the start of the liquidation the key outstanding matters were as follows:

- VAT bad debt relief claim
- Business rates claim
- Legal actions
- Monies due under the Sales and Purchase Agreement ("SPA")
- Agreement of creditor claims and payment of a dividend

The following is a brief summary of how we've dealt with each of these matters in the liquidation. Later in this report we focus specifically on what has been done since we previously reported to creditors.

VAT Bad Debt Relief claim

A claim was submitted for VAT bad debt relief in respect of those Company book debts that are deemed uncollectible and have been written off. We received £121,402 into the liquidation estate in respect of this claim from HMRC.

Business rates claim

Various claims were pursued for recovery of business rates in respect of the Company's former premises. We have received £326,048.23 in business rates refunds during the liquidation.

Legal actions

We reviewed the Company's books and records and investigated a number of possible legal claims in the liquidation, including seeking legal advice. We ultimately concluded that the potential returns from successful litigation were low in comparison to the likely costs and possible risks of litigation. After consultation with the liquidation committee, the claims were discontinued.

Monies due under the Sale and Purchase Agreement ("SPA")

Immediately following the administration of the Company on 6 February 2013, the administrators concluded an SPA with DWF. A reconciliation of the amounts owing between DWF and the Company in accordance with the SPA was concluded during the liquidation by means of a letter dated 28 April 2017. The settlement was calculated as £125,000 in respect of debtor receivables calculated under the SPA, after adjustment for prepayments made by DWF, plus a further £15,000 in settlement of the Company's Practising Certificate claim, an issue not specifically dealt with under the SPA.

Surplus from the administration

Surplus funds of £1,479,502.62 held at the end of the previous administration were brought into the liquidation estate. It should be noted that part of this balance was subsequently paid to the Wesleyan Bank Limited as it was accepted that a prior realisation achieved by the administrator included a refund of a cancelled insurance policy. It was agreed that this balance (£83,430.09) should be paid to Wesleyan Bank Limited as it had paid the premium on behalf of the Company, and had a valid claim to the refund.

Outcome for creditors

Secured Creditors

The Secured Creditor's claim has been settled. A final distribution to the Secured Creditor was made in the liquidation.

Preferential Creditors (mainly employees)

All employees were transferred to DWF in the administration, mitigating preferential claims from employees. No preferential claims have been identified or received.

Unsecured Creditors

Dividends become available for Unsecured Creditors when there are sufficient funds (after costs of the liquidation) to pay the Secured and Preferential Creditors in full, with an amount left over. In certain circumstances, part of the amount available for Secured Creditors may be ring-fenced for the benefit of Unsecured Creditors. This Prescribed part is paid out of 'net property', which is floating charge realisations after costs, and after paying – or setting aside enough to pay – Preferential Creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003. In this case the Prescribed part applies.

We paid a first-unsecured dividend of 0.38p in £, which totalled £82,173.90 on 14 December 2017. We paid a second and final dividend of 2.01p in £, which totalled £430,766.99 on 16 December 2019.

A summary of the position regarding the unsecured claims is as follows:

Class of creditor	Number of claims	Value of claims (£)
Admitted claims	143	21,429,748.07
Claims not submitted	244	716,962.95

Progress since we last reported

Dividend to Unsecured Creditors

Please see the previous section for details on the dividend paid in the liquidation. During the final period we paid over funds relating to unclaimed dividends into the Insolvency Service Account.

Statutory and compliance

Annual report

We prepared our annual progress report for the period 31 July 2019 to 30 July 2020, dated 30 September 2020, and circulated it to the Company's members and creditors.

Investigations and actions

Nothing has come to our attention during the periods under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the liquidation for the period covered by this report.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred in the periods since our last report.

Our fees

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

What we still need to do

The winding up of the Company is now complete. We will vacate office on sending the copy report and statement.

If you've got any questions, please get in touch with David Cheverton on 07801 766362.

Yours faithfully



Toby Underwood
Joint Liquidator

Appendices

Appendix A: Receipts and payments

Please note the second unsecured dividend, includes catch up and replacement dividends in respect of the first dividend

	31 July 2014 - 30 July 2020	31 July 2020 - 18 Dec 2020 (£)	Total as at 18 Dec 2020 (£)
Floating charge receipts			
Rates refunds	326,048.23		326,048.23
Book debts	12,171.41		12,171.41
SPA settlement	140,000.00		140,000.00
Sundry receipts	8,349.00		8,349.00
Bank interest	16,363.37		16,363.37
Surplus from Administration	1,396,072.53		1,396,072.53
Third party funds from administration	83,430.09		83,430.09
VAT bad debt relief claim	121,402.06		121,402.06
Pre appointment VAT refund	39,605.55		39,605.55
Sundry debt and refunds	1,750.00		1,750.00
Unclaimed Dividend cheques cancelled	0.00	36,035.14	36,035.14
	<u>2,145,192.24</u>	<u>36,035.14</u>	<u>2,181,227.38</u>
Floating charge payments			
Agents' fees and disbursements	(89,524.90)		(89,524.90)
Settlement of insurance claim	(83,430.09)		(83,430.09)
Office holders' fees	(905,000.00)		(905,000.00)
Office holders' expenses	(2,023.65)	(1,161.92)	(3,185.57)
Legal fees and expenses	(200,065.03)	(850.00)	(200,915.03)
Legal expenses relating to the Administration	(7,980.00)		(7,980.00)
Statutory advertising	(518.27)		(518.27)
Corporation tax	(1,396.75)		(1,396.75)
Bank charges	(30.01)	(36.41)	(66.42)
Irrecoverable VAT		(4,150.61)	(4,150.61)
Storage costs	(142.85)	(35.36)	(178.21)
Unclaimed dividend transfer to ISA		(36,035.14)	(36,035.14)
	<u>(1,290,111.55)</u>	<u>(42,263.44)</u>	<u>(1,332,380.99)</u>
Payment to Lloyds Banking Group	(335,914.52)		(335,914.52)
First unsecured dividend paid at 0.38p in the £	(68,968.01)		(68,968.01)
Second unsecured dividend paid at 2.01p in the £	(443,963.86)		(443,963.86)
Net floating receipts/payments	6,234.30	(6,234.30)	0.00
VAT balance (receivable)	(3,741.16)	0.00	0.00
Balance on interest bearing current account	2,493.14	(6,234.30)	0.00

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as Liquidators from the estate and includes our fees, but excludes distributions to creditors.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the periods and the total paid to date.

	Brought forward from preceding period	Incurred in the current period	Cumulative
	£	£	£
Agent's fees and disbursements	89,524.90		89,524.90
Office holders' fees	1,074,385.92	5,617.75	1,080,003.67
Office holders' expenses	3,185.30	1,161.92	4,347.22
Legal Fees and expenses	200,065.03	850.00	200,915.03
Irrecoverable VAT		4,150.61	4,150.61
Statutory advertising	591.27		591.27
Storage costs	142.85	35.36	178.21
Bank charges	30.01	36.41	66.42
Total	1,367,925	11,852	1,379,777

Please note that we will not bill for the entirety of Office holders' time costs incurred in the liquidation.

Appendix C: Remuneration update

At the first meeting of the Liquidation Committee held on 7 November 2014, a resolution was passed to enable us to draw remuneration by reference to the time properly given in attending to the matters arising in the winding up. Each subsequent request to draw fees has been approved by the Committee.

As shown on the enclosed receipts and payments account, the total fees drawn in line with the Committee's approval is £905,000.00.

The time cost charges incurred in the period covered by this report are £5,617.75, bringing the total time costs for the whole liquidation to £1,080,003.67. As noted above, our fees are restricted to the amount approved by the Committee.

I set out later in this Appendix, details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Our hours and average rates

Analysis of Liquidators' time costs for the period from 31 July 2020 to 13 September 2020 is shown below:

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
Closure procedures	-	-	-	-	0.80	-	-	0.80	312.00	390.00
Creditors	-	-	0.25	-	0.35	-	-	0.60	282.75	471.25
Statutory and compliance	2.00	-	-	0.40	1.80	6.50	-	10.70	4,184.50	391.07
Strategy and planning	-	-	0.05	-	0.25	-	-	0.30	126.75	422.50
Tax & VAT	-	-	-	0.05	0.40	1.60	-	2.05	711.75	347.20
VAT	-	-	-	-	-	-	-	-	-	-
Total for the period	2.00	-	0.30	0.45	3.60	8.10	-	14.45	5,617.75	388.77
Brought forward at										
Total								14.45	5,617.75	

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the liquidation. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or the Joint Liquidators.

All of our staff who work on the liquidation (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. The minimum time chargeable is three minutes (i.e. 0.05 hours). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the liquidation.

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Maximum rate per hour to 30 June 2020	Maximum rate per hour from 1 July 2020	Specialist maximum rate per hour
	(£)	(£)	
Partner	690	850	1,600
Director	595	720	1,465
Senior Manager	515	585	1,355
Manager	405	475	815
Senior Associate	310	390	605
Associate	210	245	325
Support staff	120	125	230

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

Payments to associates

No payments were made to associates during the period of this report.

Our work in the period since our last report

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
Strategy & planning	<ul style="list-style-type: none"> • Conducting regular reviews of the file to assess case strategy and progress • Maintaining fee budgets & monitoring costs • Considering timings for key milestones and key strategic decisions • Reviewing the future work to be undertaken 	<ul style="list-style-type: none"> • To ensure proper management of the liquidation 	<ul style="list-style-type: none"> • Required for the proper management of the liquidation
Statutory and compliance	<ul style="list-style-type: none"> • Drafting and issue of annual and final progress report to creditors • Risk and quality compliance • Maintaining internal case databases and information • Reviewing and maintaining internal case management system • Filing case documentation with Companies House, and review of filing at Companies House 	<ul style="list-style-type: none"> • To meet the statutory duties of the Joint Liquidators 	<ul style="list-style-type: none"> • Statutory duties of the Joint Liquidators
Creditors	<ul style="list-style-type: none"> • Responding to creditor enquiries • Internal meetings to discuss contentious claims, seeking legal advice on claims where appropriate • Claim adjudication • Issue and reissue of dividend cheques • Issued the statutory notice of intended dividend 	<ul style="list-style-type: none"> • To ensure dividend calculated and paid properly • To ensure all creditors receive the information they are entitled to during the liquidation 	<ul style="list-style-type: none"> • Allows distribution of funds to creditor
Closure procedures	<ul style="list-style-type: none"> • Preparation of final account • Obtaining clearances • Dealing with Company books and records • Undertaking closure process for Company bank accounts 	<ul style="list-style-type: none"> • For the proper management of the liquidation • To comply with statutory and other obligations placed on the Joint Liquidators 	<ul style="list-style-type: none"> • Required by statute and legislation
Tax & VAT	<ul style="list-style-type: none"> • Preparing and submitting corporation tax computations • Liaising with the tax team regarding tax matters • Obtaining corporation tax clearance 	<ul style="list-style-type: none"> • For the proper management of the liquidation • To comply with statutory and other 	<ul style="list-style-type: none"> • Required by statute or other legal requirements

- Recovering the final balance due under VAT 426 submission
- obligations place on the Joint Liquidators

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own Firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called 'Category 2' disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the liquidation and has been approved where required.

The following disbursements arose in the period of this report.

Category	Policy	Costs incurred (£)
2	Photocopying – at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	0.00
2	Mileage – At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	0.00
Total		0.00

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the liquidation where the relationship could give rise to a conflict of interest.

Details of subcontracted work

No work was subcontracted during the period of this report.

Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm/organisation	Reason selected	Basis of fees
• Legal Advice on claims agreement.	• Pinsent Masons LLP	• Industry knowledge	• Time costs and disbursements
• Legal Advice on claims agreement	• Bond Dickinson LLP	• Industry knowledge	• Time costs and disbursements
• Legal advice on claims against former employees of the Company	• David Mohyuddin QC	• Insolvency Expertise	• Fixed fee

We require all third party professionals to submit time costs analyses and narrative in support of invoices rendered. We undertake the following steps to review professional firms' costs:

- review amounts charged against the description of work undertaken and the circumstances of the case;
- seek further breakdown of costs and detail of work undertaken where necessary
- comparisons with upfront budgets
- review of disbursements claimed
- ongoing dialogues with regards to the work being performed

We are satisfied that the amounts incurred to date are reasonable in the circumstances of the case

Appendix D: Other information

Company's registered name:	Cobbetts LLP
Trading name:	Cobbetts
Registered number:	OC314724
Registered address:	8th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL
Liquidators' names, addresses and contact details:	Toby Scott Underwood Peter David Dickens (From 10 May 2019) Lyn Vardy (31 July 2014 to 10 May 2019) of PricewaterhouseCoopers LLP, 8th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL Contact david.j.cheverton@pwc.com or 0701 766362