

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 1 6 1 1 6 1 6

Company name in full Fanhear Limited

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

2 Liquidator's name

Full forename(s) Matthew Douglas

Surname Hardy

3 Liquidator's address

Building name/number 30 St. Paul's Square

Street Birmingham

Post town West Midlands

County/Region

Postcode B 3 1 Q Z

Country

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.

LIQ03

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6 Period of progress report

From date	^d 3	^d 0	^m 0	^m 8	^y 2	^y 0	^y 2	^y 0
To date	^d 2	^d 9	^m 0	^m 8	^y 2	^y 0	^y 2	^y 1

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X *M. D. Hardy*

X

Signature date

^d 2	^d 6	^m 1	^m 0	^y 2	^y 0	^y 2	^y 1
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LIQ03

Notice of progress report in voluntary winding up

**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 **Mark Monaghan**

Company name **Poppleton & Appleby**

Address **Poppleton & Appleby**

30 St. Paul's Square

Post town **Birmingham**

County/Region **West Midlands**

Postcode **B 3 1 Q Z**

Country

DX

Telephone **0121 200 2962**

**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

Fanhear Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 30/08/2020 To 29/08/2021 £	From 30/08/2016 To 29/08/2021 £
	ASSETS NOT PLEDGED		
2,327.48	Cash at Bank	NIL	1,967.78
6,000.00	Cash in Hand	NIL	6,000.00
NIL	Corporation Tax Refund	NIL	NIL
	Insurance Settlement	NIL	4,101.80
NIL	Plant & Machinery	NIL	NIL
NIL	Stock in Trade	NIL	NIL
		<u>NIL</u>	<u>12,069.58</u>
	COST OF REALISATIONS		
	Accountancy Fees	NIL	500.00
	Liquidators Fees (Fixed Basis)	NIL	7,500.00
	Liquidator's Fees (Percentage Basis)	NIL	1,025.45
	Specific Bond	NIL	35.00
	Statement of Affairs Fee	NIL	2,500.00
	Stationery, Printing & Carriage	7.88	24.01
	Statutory Advertising	NIL	237.00
	Storage Costs	52.50	115.00
		<u>(60.38)</u>	<u>(11,936.46)</u>
	UNSECURED CREDITORS		
(135,274.00)	HM Revenue & Customs - APN	NIL	NIL
(3,946.81)	HM Revenue & Customs - VAT	NIL	NIL
(407.00)	Loan Accounts	NIL	NIL
(2,520.00)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(133,920.33)		<u>(60.38)</u>	<u>133.12</u>
	REPRESENTED BY		
	Estate Bank A/c Non Interest Bearing		107.01
	VAT Input		26.11
			<u>133.12</u>

M. D. Hardy

Matthew Douglas Hardy
Liquidator



poppleton & appleby

30 St. Paul's Square, Birmingham, B3 1QZ T: 0121 200 2962 F: 0121 236 8340

E: info@poppletonandappleby.co.uk www.poppletonandappleby.co.uk

LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS

Our Ref: MDH/MTC/GJB/MGM/F4I/CVLIR161500

26 October 2021

Dear Sir

Fanhear Limited – In Creditors' Voluntary Liquidation For the year ending 29 August 2021

I am pleased to provide my Annual Progress Report in the above matter.

Creditors will recall that M T Coyne was appointed as Liquidator of the Company on 30 August 2016. However, Mr Coyne was replaced by myself, M D Hardy, by an Order of the Court dated 29 November 2016 and now report following the end of the fourth year of my appointment.

I attach at **Appendix A** statutory information that I am obliged to provide.

Executive Summary

The Company undertook contracts for maintenance works in various locations around the UK. It held few assets, mainly aged items and its main asset at cessation was cash held in its current bank account. Accordingly, due to the limited nature of the Company's assets, a dividend to Creditors was unlikely, despite there being a large Corporation Tax ("CT") refund due to the Company.

Following my appointment, I was advised that the CT refund was being withheld by HM Revenue & Customs ("HMRC") in lieu of the conclusion of their investigation into an Employee Benefit Trust and an outstanding Accelerated Payment Notice ("APN"), that had been issued in respect of it.

Based on the current projected realisations, there is no prospect of a distribution to the Unsecured Creditors.

Liquidator's Actions Since Last Report

As Creditors will recall from previous correspondence, I had been liaising with HMRC and the Company's former accountants in respect of the CT refund due to the Company and the outstanding APN. I had previously been advised by HMRC that the APN, which had been issued to the Company and its Director, had been settled.



In view of this position, I wrote to HMRC and requested that the CT refund be released. However, HMRC subsequently advised that the APN remains in place.

I have been advised by the Company's former accountants that a contribution had been made in respect of the APN and I am, therefore, waiting to hear from the Trustees in respect of the EBT regarding the current position before reverting to HMRC.

I am still awaiting the information requested and any ongoing enquiries with HMRC have been delayed as a result of the COVID-19 pandemic with employees being redeployed to other HMRC Departments.

I have also, during the course of this reporting period, discharged my statutory and regulatory obligations, to include periodic reviews of the case, bonding and insurance requirements, as well as circulating my annual progress report to Creditors.

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the Creditors. A description of the routine work undertaken since the last progress report is contained in **Appendix B**.

Receipts and Payments

My Receipts and Payments Account for the period from 30 August 2020 to 29 August 2021 is attached at **Appendix E**. The account also represents the cumulative position for the entire period of the Liquidation from 30 August 2016 to 29 August 2021.

I have reconciled the account against the financial records that I am required to maintain.

The balance of funds are held in a non-interest bearing estate bank account.

Assets

No further assets have been realised during this reporting period and as detailed above, the position with regards to the refund of CT remains uncertain.

Costs of Liquidation

Professional Fees

No professional advisors have been engaged to provide assistance during this reporting period. However, in a previous reporting period, I instructed Jerroms, the Company's former Accountants and a firm regulated by the Institute of Chartered Accountants in England and Wales, to assist with the recovery of the CT refund. They were deemed to be the most suitable choice as they had a full knowledge of the Company and had completed all previous CT returns for the Company. They have confirmed that they hold adequate professional indemnity insurance.

It had been agreed that a payment will be made to Jerroms if the CT refund is secured. To date, as reported above, no such refund has been made by HMRC. A summary setting out further details including the scope of their engagement, fees paid and future costs anticipated is attached at **Appendix C**.



The choice of professionals used is based on their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they have been reasonable in the circumstances of the case.

Pre-Appointment Remuneration

At a meeting held on 30 August 2016, the Creditors authorised the payment of a fee of £2,500 for my assistance with preparing the Statement of Affairs and arranging the meeting of Creditors to appoint a Liquidator.

The fee for preparing the Statement of Affairs and arranging a meeting of Creditors to appoint a Liquidator was paid from first realisations in a previous reporting period and is shown in the enclosed Receipts and Payments Account.

Creditors also resolved to approve the costs of the Company Accountants, Jerroms, for their assistance in the preparation of the Statement of Affairs. I would confirm that their fee, in the approved amount of £500 was settled in full in a previous reporting period.

Liquidator's Expenses

Expenses are any payments from the estate which are neither an Office Holder's remuneration nor a distribution to a Creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the Office Holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the Office Holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an Office Holder's remuneration.

I have incurred total expenses of £420, of which I incurred £22 in the period since 29 August 2020. I have drawn £411 to 29 August 2021, of which £60 was drawn in the period since 29 August 2020.

I have attached at **Appendices D**, further details of the expenses incurred and to be incurred in this matter.

I am required to seek approval before I can pay any expenses to associates, or pay expenses where there is an element of shared costs, which are known as category 2 expenses. I have obtained approval to pay category 2 expenses.

Under new guidance that came into force on 1 April 2021, storage can no longer be charged as a Category 2 expense. From 1 April 2021, only storage that can be classified as a Category 1 expense, will be charged to the insolvent Estate

Details of the category 2 expenses that I have paid to date and in the reporting period are included in the Receipts and Payments Account at **Appendix C**, as well as **Appendix D**.



As you can see above, the total expenses I incurred were in line with the total expenses I estimated I would incur when my remuneration was approved.

Liquidator's Remuneration

On 8 September 2016, by way of written resolutions, the Liquidator's remuneration was approved on a fixed fee of £7,500 for all of the standard work performed in respect of the Liquidation.

This amount was drawn in full, being £7,500, during a previous reporting period, in respect of work done for which fees were approved as a fixed fee. No further fees will be drawn in respect of the fixed fee.

The Liquidator was also authorised to draw 25% in respect of all realisations in the Liquidation, but excluding the cash held by this Firm prior to the appointment and also the cash at bank. Based on the realisations that have been achieved to 29 August 2020, the Liquidator was entitled to remuneration of £1,025. This amount was drawn in full in a previous reporting period.

Creditors should note that if realisations are made in respect of the CT refund, then further fees may be drawn.

Please note that with effect from 1 June 2021, following a periodic review and appraisal within this Firm, Poppleton & Appleby's charge out rates have increased. The increase in charge out rates will only affect cases where fees have been approved on a time costs basis but will not affect any cap on fees (where one is in place). For further information in relation to the increase in charge out rates, Creditors can visit Poppleton & Appleby's website on Cand by clicking on Creditor's login, scrolling down to Guidance Notes and selecting Practice Fee Recovery Policy for Poppleton & Appleby and Statutory Disclosure for Liquidations and selecting "Fee Policy".

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/>. Details about how an Office Holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at www.poppletonandappleby.co.uk/Creditors-area/. There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that we have also provided further information about an Office Holder's remuneration and expenses in our practice fee recovery sheet, which can be accessed at www.poppletonandappleby.co.uk/creditors-area.

Outcome for Creditors

Secured and Preferential Creditors

There were no Secured or Preferential Creditors anticipated in this matter and no claims have been received.



Unsecured Creditors

The position as regards Unsecured Creditors can be summarised as follows:

Creditor	Estimated Statement of Affairs Value of Unsecured Claims (£)	Number of Claims Received to Date	Value of Unsecured Creditor Claims To Date (£)
Trade Creditors	2,520	1	2,520
Crown Departments – APN	135,274	1	179,765
Crown Departments – VAT	3,947	None	Nil
Associated Parties / Loan Accounts	4,070	None	Nil
Totals	145,811	2	182,285

I confirm that there will be no dividend declared for the Unsecured Creditors as funds realised have been allocated to pay the costs and fees of the procedure. There have been no returns to Shareholders.

Please note that a formal notice setting out the final dividend position in respect of the Liquidation is available on the website.


Summary

The Liquidation will remain open until the position with the Corporation Tax refund has been fully resolved. I estimate that this will take approximately 12-18 months and once resolved the Liquidation will be finalised and our files will be closed.

I have attached at **Appendix F**, a Statement of Creditors rights in relation to these proceedings.

If Creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available online, they should contact Mark Monaghan on 0121 200 2962, or by email at markm@poppletonandappleby.co.uk.

Yours faithfully


Matthew Douglas Hardy
Liquidator

Encs

APPENDIX A

STATUTORY INFORMATION

Company Name:	Fanhear Limited
Registered Office:	30 St. Paul's Square Birmingham West Midlands B3 1QZ
Former Registered Office:	2115-2117 Ground Floor Oak Tree Court Coventry Road Sheldon Birmingham B26 3EA
Registered Number:	01611616
Liquidator's Name:	Matthew Douglas Hardy
Liquidator's Address:	Poppleton & Appleby 30 St. Paul's Square Birmingham West Midlands B3 1QZ
Liquidator's Date of Appointment:	30 August 2016

ROUTINE WORK UNDERTAKEN IN CREDITORS' VOLUNTARY LIQUIDATIONS

1. Administration & Planning

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the Creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Preparing documentation required.
 - Preparation and continued review of case checklist to ensure compliance on all statutory and best practice matters.
 - Preparation, completion and review of independence and ethics checklists.
 - Completion of relevant post Liquidation VAT forms for HM Revenue & Customs.
 - Completion of relevant post Liquidation Corporation Tax Forms for HM Revenue & Customs.
- Dealing with all routine correspondence, e mails and telephone calls.
 - Includes correspondence with Creditors, Shareholders and other Stakeholders.
 - Internal correspondence between Insolvency Practitioner, managers and case administrators.
 - Deal with correspondence from Companies House.
 - Dealing with correspondence from HM Revenue & Customs.
 - Ensuring that a member of staff is generally available to deal with telephone queries.
 - Ensuring that email correspondence is dealt with within the Firm's response policy.
- Maintaining physical case files and electronic case details in our computerised systems.
 - Data input of details pertaining to assets and liabilities onto bespoke software system.
 - Input and management of case diary onto bespoke software system.
 - Filing and scanning of electronic and written correspondence to relevant files.
- Review and storage.
 - Prepare and complete periodic case reviews, to include review on progression, ethics and independence checks.
 - Liaise with storage Agents in relation to books and records recovered from the Company.
 - Case bordereau reviews and maintenance.
- Case planning and administration.
 - Hold internal meetings to discuss case strategy and progression
 - Drafting case notes to ensure strategy remains appropriate.
 - Overseeing and managing work conducted by case administrators.

- Preparing reports to interested parties.
 - Annual progress reports to Creditors, Members and Stakeholders where appropriate.
- Cashiering
 - Maintaining and managing the Liquidator's cashbook and bank account(s).
 - Preparation and maintenance of cashier file.
 - Review level of turnover on bank account.
 - Input of transactional data during the Liquidation.
 - Completion of journals where appropriate.
 - Review bank statements and complete bank reconciliations.
 - Physical banking of cheques to account.
 - Paying costs and expenses from the case account.
 - Ensuring statutory lodgements and taxation affair obligations are met.
 - Preparation of relevant VAT forms for HM Revenue & Customs.
 - Preparation of relevant Corporation Tax Forms to HM Revenue & Customs.
 - Preparation of statutory forms to Companies House, to include progress and final reports.

Claims of Creditors - the office holder needs to maintain up to date records of the names and addresses of Creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the Creditors. The office holder also needs to deal with correspondence and queries received from Creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

3. Asset Realisations

APPENDIX C

SUMMARY OF PROFESSIONAL COSTS

Firm Name	Scope of Work	Agreed Fee Structure	Budgeted Costs (£)	Amount Incurred in Previous Reporting Period (£)	Amount Paid in Previous Reporting Period (£)	Amount Incurred in Current Reporting Period (£)	Amount Paid in Current Reporting Period (£)	Estimated Future Costs (£)	Current Budgeted Costs (£)
Jerroms	Review position in respect of the CT	Fixed fee	500	500	500	Nil	Nil	Unknown	500
Totals			500	500	500	Nil	Nil	Unknown	500

Notes:

The choice of professional engaged is based on their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they have been reasonable in the circumstances of the case.

APPENDIX D

LIQUIDATOR'S COSTS AND EXPENSES

Category 1 Disbursement	Budget b/f (£)	Amount incurred in Previous Periods (£)	Amount paid in Previous Periods (£)	Amount incurred in current period (£)	Amount paid in current period (£)	Disbursements Expected (£)	Further Disbursements Expected (£)	Budget c/f (£)
Statutory Advertising	237.00	237.00	237.00	Nil	Nil	Nil	Nil	237.00
Postage and Stationery	21.00	24.01	16.13	Nil	7.88	Nil	Nil	60.00
Bond	35.00	35.00	35.00	Nil	Nil	Nil	Nil	24.01
Storage/Destruction Records*	Nil	Nil	Nil	1.56	Nil	10.14	10.14	11.70
Total	293.00	293.00	288.13	1.56	7.88	10.14	10.14	332.71

Category 2 Disbursement	Budget b/f (£)	Amount incurred in Previous Periods (£)	Amount paid in Previous Periods (£)	Amount incurred in current period (£)	Amount paid in current period (£)	Disbursements Expected (£)	Further Disbursements Expected (£)	Budget c/f (£)
Storage/Destruction Records*	200.00	105.00	62.50	20.00	52.50	Nil	Nil	125.00
Total	200.00	105.00	62.50	20.00	52.50	Nil	Nil	125.00

Category 1 and 2 Disbursements	Budget b/f (£)	Amount incurred in Previous Periods (£)	Amount paid in Previous Periods (£)	Amount incurred in current period (£)	Amount paid in current period (£)	Disbursements Expected (£)	Further Disbursements Expected (£)	Budget c/f (£)
Grand Total	493.00	398.00	350.63	21.56	60.38	10.14	10.14	457.71

* Under new guidance that came into force on 1 April 2021, storage can no longer be charged as a Category 2 expense. From 1 April 2021, only storage that can be classified as a category 1 expense, will be charged to the insolvent Estate

Fanhear Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

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6,000.00	Cash in Hand	NIL	6,000.00
NIL	Corporation Tax Refund	NIL	NIL
	Insurance Settlement	NIL	4,101.80
NIL	Plant & Machinery	NIL	NIL
NIL	Stock in Trade	NIL	NIL
		<u>NIL</u>	<u>12,069.58</u>
	COST OF REALISATIONS		
	Accountancy Fees	NIL	500.00
	Liquidators Fees (Fixed Basis)	NIL	7,500.00
	Liquidator's Fees (Percentage Basis)	NIL	1,025.45
	Specific Bond	NIL	35.00
	Statement of Affairs Fee	NIL	2,500.00
	Stationery, Printing & Carriage	7.88	24.01
	Statutory Advertising	NIL	237.00
	Storage Costs	52.50	115.00
		<u>(60.38)</u>	<u>(11,936.46)</u>
	UNSECURED CREDITORS		
(135,274.00)	HM Revenue & Customs - APN	NIL	NIL
(3,946.81)	HM Revenue & Customs - VAT	NIL	NIL
(407.00)	Loan Accounts	NIL	NIL
(2,520.00)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(133,920.33)</u>		<u>(60.38)</u>	<u>133.12</u>
	REPRESENTED BY		
	Estate Bank A/c Non Interest Bearing		107.01
	VAT Input		26.11
			<u>133.12</u>

STATUTORY DISCLOSURE REQUIREMENTS

Legislative requirements state that when an Insolvency Practitioner reports to Members and Creditors, there are certain statutory statements he must make. In order to fully comply with these conditions, we have set out below the statements which apply in these proceedings in this Appendix, rather than in the report itself, with the intention of keeping the report informative for Members and Creditors who are more likely to be interested in the practical points arising in the insolvency.

The statement which forms part of this statutory report which also need to be considered along with it is as follows:-

- Please note that no funds have been held with the Insolvency Services Account at any time during the Liquidation, therefore, it has been neither possible nor necessary to reconcile this account with the Secretary of State.

Comments as Regards Liquidator's Remuneration:-

- For further information with regards to this firm's policy on fees and disbursements as well as general guidance regarding a Liquidator's fees in a Creditors' Voluntary Liquidation, you may download a Creditors' Guide to Fees on our website at www.poppletonandappleby.co.uk and choose the following options: Creditors Login, Creditors' Guidance Notes, then choose, A Creditors' Guide to a Liquidator's Fees Effective from.
- 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 Liquidator's 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 Liquidator as being excessive, and/or the basis of the Liquidator's 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.
- A hard copy of these documents can be provided on request.

Provision of Services Regulations Summary for Poppleton & Appleby

- To comply with the Provision of Services Regulations, some general information about this Firm can be found on our website at www.poppletonandappleby.co.uk. To access, choose the following options: Creditors Login, Creditors' Guidance Notes, Provision of Services Regulations Summary for Poppleton & Appleby, Provision of Services.