

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 9 3 0 1 2 1 8

Company name in full STEP2PROGRESS LIMITED

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

2 Liquidator's name

Full forename(s) Anthony

Surname Murphy

3 Liquidator's address

Building name/number 20 Midtown

Street 20 Procter Street

Post town London

County/Region

Postcode W C 1 V 6 N X

Country England

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.

Notice of progress report in voluntary winding up

6	Period of progress report
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From date	^d 1	^d 5	^m 1	^m 0	^y 2	^y 0	^y 1	^y 9
To date	^d 1	^d 4	^m 1	^m 0	^y 2	^y 0	^y 2	^y 0

7 Progress report

☒ The progress report is attached

8	Sign and date
---	---------------

Liquidator's signature

Signature

X

Frederick May Day

X

Signature date	^d 1	^d 4	^m 1	^m 2	^y 2	^y 0	^y 2	^y 0
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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



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

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

Step2Progress Limited

(in Liquidation)

- "Step / the Company"

14 December 2020

STEP2PROGRESS LIMITED - IN LIQUIDATION

CONTENTS

- 1** Introduction
- 2** Receipts and Payments
- 3** Work undertaken by the Liquidator
- 4** Outcome for Creditors
- 5** Liquidator's Remuneration & Expenses
- 6** Conclusion

APPENDICES

- A** Receipts and Payments Account from 15 October 2019 to 14 October 2020
- B** Time Analysis for the period 15 October 2019 to 14 October 2020
- C** Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements

STEP2PROGRESS LIMITED - IN LIQUIDATION

1 Introduction

- 1.1 I, Anthony Murphy, of Harrisons Business Recovery & Insolvency (London) Limited ("Harrisons"), 20 Midtown, 20 Procter Street, London, WC1V 6NX, was appointed as Liquidator of Step2Progress Limited ("the Company") on 15 October 2019. The affairs of the Company are now fully wound-up and this is my final account of the liquidation, which covers the period since my appointment ("the Period").
- 1.2 Information about the way that we will use, and store personal data on Insolvency appointments can be found at <http://harrisons.uk.com/privacy-policy/>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.3 The trading address of the Company was Ground Floor, Meridien House, 69-71 Clarendon Road, Watford, WD17 1DS. The business traded under the name STEP.
- 1.4 The registered office of the Company was changed to c/o Harrisons, 20 Midtown, 20 Procter Street, London, WC1V 6NX and its registered number is 09301218.
- 1.5 This report should be read in conjunction with our previous correspondence.

2 Receipts and Payments

- 2.1 At Appendix A, I have provided an account of the Liquidator's Receipts and Payments for the Period with a comparison to the directors' statement of affairs values, which provides details of the remuneration charged and expenses incurred and paid by the Liquidator.

3 Work undertaken by the Liquidator

- 3.1 This section of the report provides creditors with an overview of the work undertaken in the liquidation since the date of my appointment, together with information on the overall outcome of the liquidation.

Administration (including statutory compliance & reporting)

- 3.2 As you may be aware, the Liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated undertaking in this regard was outlined previously.
- 3.3 Where the costs of statutory compliance work or reporting to creditors exceeded 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 Liquidator.
- 3.4 As noted in my initial fees estimate/information, this work has not necessarily brought any financial benefit to creditors, but is work required on every case by statute. This work includes:
 - Notifying creditors of the Liquidator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House.
 - Lodging periodic returns with the Registrar of Companies for the liquidation.
 - Complying with statutory duties in respect of the Liquidator's specific penalty bond.
 - Creation and update of case files on Harrison's insolvency software.
 - Pension regulatory reporting and auto-enrolment cancellation.
 - Completion and filing of the notice of the Company's insolvency to HM Revenue & Customs.
 - Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter).

STEP2PROGRESS LIMITED - IN LIQUIDATION

- General cashiering functions including bank reconciliations, payments, journals, posting of receipts and maintenance of cash book.
- Dealing with all post-appointment VAT and corporation tax compliance.
- Extraction and filing of Company records and correspondence.
- Liaising with Company directors and support staff regarding Company information and subsidiary.
- Drafting of annual progress report.
- Preparation of fee forecast.
- Preparing the case for closure.

Realisation of Assets

Intellectual Property and Chattel Assets

- 3.5 Middleton Barton Asset Valuations Limited were Instructed to Identify, value and assist with the sale of Step's Intellectual Property, IT equipment, stock (which was subject to a lien relating to storage costs) and plant and machinery.
- 3.6 Having carried out a marketing campaign to include market competitors, the Company's Intellectual Property, IT equipment and stock were sold via contract for £5,917 plus VAT.
- 3.7 The sale of these assets proved costly and time consuming due to the following reasons:
- Difficulty identifying and extracting assets/Information held electronically.
 - Having to liaise with service providers to identify potential missing information.
 - Liaising with solicitors for the drafting of the sale contract.
 - Post sale completion assistance with the extraction and search for data. Given the confidential nature of certain information held on Step's system, and to ensure compliance with GDPR, the extraction of data for the purchaser proved very time consuming.
- 3.8 The Company's VNG machine was sold separately at auction for £958.

Cash at Bank and VAT reclaim

- 3.9 Cash at bank of some £149,921 has been recovered in the Period. This figure includes the VAT reclaim showing in the Directors' Statement of Affairs, which was paid into the Company's bank account prior to the Liquidator's appointment.
- 3.10 Bank interest of £207 has been received
- 3.11 It is considered that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors. This has resulted in a distribution to the preferential and unsecured creditors of the Company.

Creditors (claims and distributions)

- 3.12 Further information on the outcome for creditors in this case can be found at section 4 of this report. A liquidator is not only required to deal with correspondence and claims from unsecured creditors, but also those of any preferential creditors of the Company.

STEP2PROGRESS LIMITED - IN LIQUIDATION

- 3.13 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal. In this case I have dealt with 8 employee claims.
- 3.14 Employee's preferential and unsecured claims were partially paid by the Insolvency Service, however residual preferential and unsecured claims had to be calculated and considered for dividend by the Liquidator.
- 3.15 The above work will not necessarily bring any financial benefit to creditors generally and the more creditors there are on an assignment, the higher the resultant cost will usually be, however a liquidator is 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.
- 3.16 I consider the following matters worth noting in my report to creditors:
- There are approximately 90 creditors of which 45 unsecured creditor claims in this case with a value of some £122,494 have been admitted.
 - Dealing with the with employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company.
 - Submission of forms to the Redundancy Payments Service to enable the processing of employees' claims.
 - Liaising with legal advisors regarding employment contracts as necessary.
 - Calculating the employees' residual preferential and unsecured creditor claims.
 - Calculating and agreeing customer pro-rata claims for non completion of services due to be provided.

Investigations

- 3.17 Some of the work the Liquidator was required to undertake was 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 those Investigations revealed potential asset recoveries that could have been pursued for the benefit of creditors.
- 3.18 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted in accordance with statutory timescales and is confidential.
- 3.19 Since my appointment, no further asset realisations have come to light that may be pursued by me for the benefit of creditors.

4 Outcome for Creditors

Secured Creditors

- 4.1 The Company did not grant fixed or floating charges over the Company's assets to any secured creditors and no distributions have been made to such creditors as a result in the liquidation.

Preferential Creditors

- 4.2 Preferential creditors were paid a dividend of **£9,094** on 28 September 2020, being **100 pence in the pound** on preferential claims received.

STEP2PROGRESS LIMITED - IN LIQUIDATION

Unsecured Creditors

- 4.3 To date, I have received claims totalling **£122,494** from 45 creditors.
- 4.4 No floating charges were granted to secured creditors by the Company. Accordingly, there was no requirement under s176A of the Insolvency Act 1986 to create a fund out of the Company's net floating charge property for unsecured creditors, known as the Prescribed Part.
- 4.5 It is anticipated that there will be sufficient funds realised to pay a dividend to unsecured creditors, after defraying the expenses of the liquidation. The dividend to unsecured creditors is anticipated to be some 60 pence in the pound, and will be paid within two months from the last date for proving.

5 Liquidator's Remuneration & Expenses

- 5.1 Creditors initially approved that the basis of the Liquidator's remuneration be fixed partly as a set amount (£15,000 for administration, investigations and statutory compliance and reporting), and partly as time costs (£33,770). My fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at the time.
- 5.2 The agreed fee proved insufficient to complete my duties as Liquidator, and an additional £7,500 fixed fee was approved by creditors on 24 November 2020. An increase in my original fees estimate was needed mainly due to the following:
- Substantial more time was spent dealing with the marketing, sale, and after sale provision of information of the Company's assets than was originally anticipated. As a result, this led to additional time costs being incurred.
 - Far greater work has been done than was originally expected to assist with and agree former Company employees preferential and unsecured claims, and in liaising with the Redundancy Payments Service in relation to employee claims.
- 5.3 My time costs for the Period are £50,717. This represents 217 hours at an average rate of £234 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 me in managing the liquidation.
- 5.4 A narrative explanation of the work undertaken by the Liquidator during the Period can be found at section 3 of this report. I confirm that £31,000 has been drawn during the Period on account of my accrued time costs.
- 5.5 Attached as Appendix C is additional information in relation to the Liquidator's fees and the expenses and disbursements incurred in the liquidation.

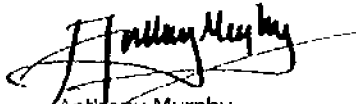
A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from https://www.icaew.com/technical/insolvency/understanding-business-restructuring-and-insolvency/creditors_guides.

STEP2PROGRESS LIMITED - IN LIQUIDATION

6 Conclusion

- 6.1 This final account will conclude my administration of this case. The Notice accompanying this account explains creditors rights on receipt of this information and also when I will vacate office and obtain my release as Liquidator.

Yours faithfully



Anthony Murphy
Liquidator

STEP2PROGRESS LIMITED - IN LIQUIDATION

Appendix A - Receipts and Payments Account for the Period from 15 October 2019 to 14 October 2020

Step2Progress Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs		From 15/10/2019
£		To 14/10/2020
		£
	ASSET REALISATIONS	
	Bank Interest Gross	206.10
127,178.00	Cash at Bank	149,921.26
17,000.00	VAT Reclaim	NIL
Uncertain	Intellectual Property	4,000.00
	IT Equipment	1,250.00
Uncertain	Plant & Machinery	958.00
Uncertain	Stock	667.00
		<hr/>
		157,002.36
	COST OF REALISATIONS	
	Advertising	261.18
	Agent's/Valuer's Disbursements	189.80
	Agent's/Valuer's Fees	6,640.00
	Bordereau Bonding	380.00
	Carriage/Courier Costs	77.83
	Corporation Tax	NIL
	Insurance of Assets	167.98
	Legal Fees	2,926.50
	Liquidator's Remuneration	31,000.00
	Printing, Postage and Stationery	59.82
		<hr/>
		(41,703.11)
	PREFERENTIAL CREDITORS	
	Employee Arrears/Hol Pay	1,264.12
(10,450.00)	PREFERENTIAL CREDITORS	7,829.74
		<hr/>
		(9,093.86)
	UNSECURED CREDITORS	
	Employees	NIL
	HM Revenue & Customs - PAYE/NI	NIL
	The Redundancy Service	NIL
(201,043.00)	Trade & Expense Creditors	NIL
		<hr/>
		NIL
		<hr/>
		106,205.39
		<hr/>
	REPRESENTED BY	
	Cash at Bank (Interest Bearing)	99,205.77
	VAT Receivable	6,999.62
		<hr/>
		106,205.39
		<hr/>

STEP2PROGRESS LIMITED - IN LIQUIDATION

Appendix B - Time Analysis for the Period 15 October 2019 to 14 October 2020

Time Entry - Detailed SIP9 Time & Cost Summary

STEP2001 - Step2Progress Limited
From: 15/10/2019 To: 14/10/2020
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
101 Case planning	0.00	0.00	0.50	0.00	0.50	135.00	225.00
102 Administrative set-up	0.00	0.00	1.50	0.00	1.50	360.00	225.00
103 Appointment notification	0.00	0.00	2.40	0.00	2.40	540.00	225.00
104 Maintenance of records	0.00	0.90	6.30	0.70	7.30	1,785.50	226.01
112 Dealing with Existing Advisors	0.00	0.00	2.50	0.00	2.50	585.00	225.00
113 Dealing with Directors	0.00	0.00	5.50	0.00	5.50	1,250.00	223.21
115 Insurance	0.00	0.40	1.30	0.00	1.70	402.50	236.76
120 General Correspondence	0.00	0.00	0.20	0.00	0.20	45.00	225.00
122 Pmt Review and Signing	0.00	0.00	0.00	0.00	0.00	756.50	445.00
180 Bonding - Initial Bond Calculation	0.00	0.00	0.30	0.00	0.30	67.50	225.00
184 Cashier - Client Account Reconciliations	0.00	0.00	0.70	0.60	1.30	561.50	153.84
186 Cashier - Payments	0.00	0.00	0.50	0.60	1.10	224.50	172.69
187 Cashier - Receipts	0.00	0.00	0.50	0.00	1.00	276.50	184.33
193 Pensions - s120 Forms & Submission	0.00	0.00	0.50	0.00	0.50	112.50	225.00
198 Preparation of Fee Forecast	1.90	0.00	11.00	0.00	12.90	3,320.50	257.40
Administration & Planning	3.60	1.30	34.50	5.70	45.10	10,522.50	233.31
500 Creditors	2.50	0.00	4.50	0.00	7.10	2,142.50	301.76
501 Communication with creditors	0.00	0.00	10.50	0.40	11.20	2,455.00	219.20
504 Claims Trade and Expense	0.00	0.00	3.50	0.90	4.70	945.00	201.06
516 Employee - Pref Claims (Wages/Ho)	0.00	0.20	22.70	0.00	22.90	4,825.50	210.72
517 Employee - Unsecured (Red/PILON)	0.20	0.50	15.50	0.00	16.20	3,711.50	229.10
518 Claims - RPO	0.00	0.00	14.00	0.00	14.00	3,150.00	225.00
522 Dividends Pref	0.00	0.00	7.10	0.00	7.10	1,597.50	225.00
525 Dividends Unsecured Creditors	0.00	0.00	1.40	0.00	1.40	315.00	225.00
Creditors	2.70	0.70	79.90	1.30	84.50	19,142.00	226.26
203 Antecedent transactions	0.00	0.00	0.30	0.00	0.30	67.50	225.00
205 General investigations	0.00	1.00	5.30	0.00	6.30	1,452.50	236.90
206 SIP 4/CDDA Review	0.00	0.00	1.40	0.00	1.40	315.00	225.00
207 CDDA Report	0.10	0.00	0.00	1.40	1.50	164.50	123.00
Investigations	0.10	1.00	7.00	1.40	9.50	2,059.50	216.79
300 Realisation of assets	5.00	0.00	32.90	0.00	37.90	9,617.50	253.75
301 Ident, securing and insuring assets	0.00	0.00	0.50	0.00	0.50	112.50	225.00
302 ROT	0.00	0.00	0.00	0.00	0.00	356.00	445.00
304 Sale of business and assets	1.20	0.30	29.00	1.00	31.50	7,274.00	230.92
311 Agents - Realisation of Assets	0.00	0.00	6.00	0.00	6.00	1,345.00	224.17
312 Legal - Realisation of Assets	0.00	0.00	0.50	0.00	0.50	107.50	215.00
317 Leases/Licences	0.00	0.00	0.20	0.00	0.20	45.00	225.00
323 Fixed Charge - iPR, Shares/Investments	0.00	0.00	0.50	0.00	0.50	135.00	225.00
Realisations of Assets	7.00	0.30	69.70	1.00	78.00	18,992.50	243.49
Total Hours	13.40	3.30	191.10	9.40	217.20	50,716.50	233.50
Total Fees Claimed						31,000.00	

STEP2PROGRESS LIMITED - IN LIQUIDATION

Appendix C

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

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Director, 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 utilised 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
Inwin Mitchell LLP (legal advice)	Hourly rate and disbursements
Middleton Barton Asset Valuations Limited (valuation and disposal advice)	Part hourly rate, part percentage of realisations, and disbursements

- 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 Liquidator's 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 £
Agents' costs	7,000
Solicitors' costs	2,927
Insurance	250
Statutory advertising	348
Specific penalty bond	380
External storage of company's books and records and destruction costs	100
Courier and postage costs	300

Summary of Liquidator's expenses

- 3.2 A summary of the expenses paid by the Liquidator during the Period can be found in the Receipts and Payments account at Appendix A.
- 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

STEP2PROGRESS LIMITED - IN LIQUIDATION

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.

- 3.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors.

4 Charge-Out Rates

- 4.1 Harrison's Business Recovery & Insolvency (London) Limited's current charge-out rates effective from 1 July each year are detailed below. Please note this firm records its time in minimum units of 6 minutes.

	2019/2020	2020/2021
	£	£
Directors/Appointment Takers	425 – 750	425 – 750
Managers/Associate Directors	250 – 425	250 – 425
Senior Case Supervisors/Assistant Managers	175 – 250	175 – 250
Case Supervisors	125 – 175	125 – 175
Assistants / Administration	100 – 125	100 – 125