

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



A9HBV7H4

A18

07/11/2020

#220

COMPANIES HOUSE

1 Company details

Company number 0 8 4 6 4 4 8 9

Company name in full Watts & Son Roofing Limited

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

2 Liquidator's name

Full forename(s) Lauren Rachel

Surname Cullen

3 Liquidator's address

Building name/number 52 Ravensfield Gardens

Street Epsom

Post town Surrey

County/Region

Postcode K T 1 9 0 S R

Country

4 Liquidator's name ⓐ

Full forename(s)

Surname

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

5 Liquidator's address ⓐ

Building name/number

Street

Post town

County/Region

Postcode

Country

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

LIQ03

Notice of progress report in voluntary winding up

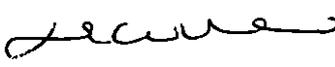
6 Period of progress report

From date	^d 1	^d 6	^m 0	^m 9	^y 2	^y 0	^y 1	^y 9	
To date	^d 1	^d 5	^m 0	^m 9	^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		X						
Signature date	^d 0	^d 4	^m 1	^m 1	^y 2	^y 0	^y 2	^y 0	

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 **Lauren Rachel Cullen**

Company name **Cullen & Co UK Limited**

Address **52 Ravensfield Gardens
Epsom**

Post town **Surrey**

County/Region

Postcode **K T 1 9 0 S R**

Country

DX

Telephone **0203 8877 200**

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 & Members

**Watts & Son Roofing Limited
- In Liquidation**

4 November 2020

CONTENTS

- 1** Introduction and Statutory Information
- 2** Receipts & Payments
- 3** Progress of the Liquidation
- 4** Creditors
- 5** Liquidator's Remuneration
- 6** Creditors' Rights
- 7** Next Report

APPENDICES

Receipts and Payments Account for the Period from 16 September 2019 to 15 September 2020

Additional information in relation to Liquidator's Fees, Expenses & Disbursements

WATTS & SON ROOFING LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Lauren Rachel Cullen of Cullen & Co UK Limited, 52 Ravensfield Gardens, Epsom, Surrey, KT19 0SR, was appointed as Liquidator of Watts & Son Roofing Limited (the **Company**) on 16 September 2019. This progress report covers the period from 16 September 2019 to 15 September 2020 (the **Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 Information about the way that we will use and store personal data on insolvency appointments can be found at <https://www.cullenco.co.uk/privacy-policy>. If you are unable to download this, please contact us and a hard copy will be provided.
- 1.3 The principal trading address of the Company was 52 Tilehouse Road, Guildford, Surrey, GU4 8AJ. The business traded under the Company's registered name.
- 1.4 The registered office of the Company has been changed to 52 Ravensfield Gardens, Epsom, Surrey, KT19 0SR and its registered number is 08464489.

2 Receipts and Payments

- 2.1 Attached is my Receipts and Payments Account covering the Period of this report.

3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and her staff.

Administration (including statutory compliance & reporting)

- 3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to creditors in my initial fees estimate/information.
- 3.3 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.
- 3.4 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Realisation of Assets

Motor Vehicles

- 3.5 As previously advised, the Company's vehicles were valued by Thomas Allman of Marriott & Co, who are regulated by the Royal Institution of Chartered Surveyors. An in-situ desktop valuation of £19,778 was provided in this regard. The only offer received in relation to these vehicles was by Watts & Sons Roofing Ltd (company number 12059410), a company with the same director, for the full amount. In the absence of any further offers, the offer was accepted. This amount has been paid in full.

WATTS & SON ROOFING LIMITED - IN LIQUIDATION

Book Debts

- 3.6 The statement of affairs showed outstanding debts due to the Company of £24,079.89 with an estimated to realise value of £10,618.48.
- 3.7 Neilcott Construction Limited had outstanding debts totalling £963.34 in relation to retentions. I confirm that the total of £963.74 has been received in relation to these debts and no further realisations are due.
- 3.8 Searchfield Homes Ltd has outstanding debts totalling £7,136.50. As previously advised, this company entered Creditors' Voluntary Liquidation on 27 March 2019. It is now apparent that there has been insufficient asset realisation to enable a dividend to be declared to the unsecured creditors in this case.
- 3.9 Indigo Projects London Ltd has outstanding debts totalling £15,980.05 in relation to invoices and retentions. As previously advised, this company entered a Company Voluntary Arrangement (**CVA**) on 28 February 2019. It was anticipated that creditors would receive dividends totalling 60.42p in the £ within 16 months of the CVA being approved. Should this have been the case, dividends totalling £9,655.14 would have been received. However, due to a variation in the CVA and a large counterclaim, it is now anticipated that the rate of dividends will be substantially lower. At present, it is uncertain as to the quantum of any such dividends and a six-month extension has been granted for the payment of the dividends from 27 June 2020 to 27 December 2020. Creditors will be updated in the next Progress report.

Fire Insurance Claim

- 3.10 The SIP6 report noted a large fire on one of the sites back in May 2018 left the Company in a very difficult position. The director reported it was unclear as to how the fire started; indeed, two forensic fire investigating companies had been appointed by two insurance companies, but no real conclusion had been made. The director had not been allowed to see the reports drafted by the insurance companies. The Company's insurance company suggested that the Company was at fault and after taking much legal advice, they decided to withdraw the Company's cover. This left the Company in a vulnerable position and it was advised that the claim against could be in excess of £300,000. This reason alone resulted in the Company entering into creditors' voluntary liquidation.
- 3.11 Following my appointment, I sought advice from Anthony Cowen of Cowen Disputes Resolution Ltd (**Cowen**), who have worked on Financial Ombudsman Insurance claims in the past. It was agreed that they would undertake work to pursue a claim, on a no-win, no-fee basis, agreed at 20% of realisations.
- 3.12 During the Period correspondence went back and forth with Kennedys Law LLP (**Kennedys**), acting on behalf of Argo Insurance Limited, in an attempt to review the insurance reports, understand the position and fight accordingly.
- 3.13 In January 2020 I attended Farnham Fire Station with Cowen to interview the firefighters and examine fire service documents. Cowen was paid a separate fee for his time, being £800 plus VAT.
- 3.14 In May 2020 Cowen and I discussed seeking an opinion from a solicitor on the success of legal proceedings. Cowen recommended Teacher Stern LLP, this firm having experience in insurance litigation. Cowen was paid a fee of £650 plus VAT to collate his documents and information, prepare and finalise instructions to Teacher Stern LLP.
- 3.15 Since this time correspondence has continued and at the time of writing this report a letter has been issued to Kennedys from Teacher Stern LLP noting that the Company is entitled to indemnity under the Policy and seeking mediation to take place before Christmas 2020. During the Period the sum of £3,075 plus VAT has been paid to Teacher Stern LLP for their time.

WATTS & SON ROOFING LIMITED - IN LIQUIDATION

- 3.16 It is considered that the work the Liquidator and her staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the preferential and unsecured creditors of the Company.

Creditors (claims and distributions)

- 3.17 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.18 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 3.19 The above work will not necessarily bring any financial benefit to creditors generally, 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. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.
- 3.20 I consider the following matters worth noting in my report to creditors at this stage:
- There are approximately five unsecured creditor claims in this case with a value per the director's estimated statement of affairs of £329,666.24
 - I have received claims totalling £13,703.76 from four creditors.
 - I deal with creditors' claims in more detail in section 4 below.

Investigations

- 3.21 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 — Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.
- 3.22 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 3.23 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

Matters still to be dealt with

- 3.24 As stated above, the fire insurance claim is still proceeding, and I await the declaration of a dividend in relation to the outstanding debt due by Indigo Projects London Ltd.

WATTS & SON ROOFING LIMITED - IN LIQUIDATION

Connected Party Transactions

- 3.25 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a director of the Company during the period covered by this report:

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to	Relationship
17 September 2019	Motor vehicles	£19,778.00 on 17/09/19	Watts & Sons Roofing Ltd	Same director

- 3.26 As noted at 3.5 the above assets were professionally valued and Marriott & Co advised me to accept the offer, this being the equivalent to the valuation.

4 Creditors

Secured Creditors

- 4.1 There are no secured creditors.

Preferential Creditors

- 4.2 There are no preferential creditors.

Unsecured Creditors

- 4.3 I have received claims totalling £13,703.76 from four creditors. I have yet to receive a claim from three creditors with total debts of £318,720.39 as per the Company's statement of affairs.
- 4.4 I would confirm that it is anticipated there will be sufficient funds realised, after defraying the expenses of the liquidation, to pay a dividend to unsecured creditors. However, the quantum and timing of any such future dividend is currently unknown.

5 Liquidator's Remuneration

- 5.1 On appointment the Company's creditors approved Cullen & Co UK Limited's fee of £3,500 plus VAT for assisting in the preparation of the statement of affairs and seeking a decision on the nomination of a liquidator. I confirm that fee has been paid in full from liquidation funds during the period.
- 5.2 On 16 September 2019 creditors, by way of a decision procedure, approved that the Liquidator's remuneration was fixed on the following bases (all subject to applicable VAT and disbursements):
- 1. In respect of administration and planning and statutory investigation work, the Liquidator be paid a fixed fee of £10,000 plus VAT and disbursements*
 - 2. In respect of asset realisation work, the Liquidator be paid a fee equating to 20% of the total book debt realisations plus VAT and disbursements.*
- 5.3 The Liquidator has made the following realisations upon which the creditors have approved a percentage be taken as remuneration. Details of the realisations to date and associated remuneration drawn on account of those realisations is set out overleaf:

WATTS & SON ROOFING LIMITED - IN LIQUIDATION

Asset category	Value of assets realised in period	Total value of assets realised since appointment	Remuneration % agreed	Total fees invoiced to date	Fee to draw in due course from realisations to date
Book debts	£963.74	£963.74	20%	Nil	£192.75

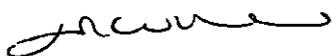
- 5.4 The Liquidator has not drawn any fees against the total set fee agreed of £10,000 approved by creditors.
- 5.5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <https://www.cullenco.co.uk/liqsfees2017>
- 5.6 Attached is additional information in relation to the Liquidator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

6 Creditors' Rights

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

7 Next Report

- 7.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 7.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 0203 8877 200 or by email at info@cullenco.co.uk



Lauren Rachel Cullen
Liquidator

Watts & Son Roofing Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments
To 15/09/2020

S of A £		£	£
	ASSET REALISATIONS		
19,778.00	Motor Vehicles	19,778.00	
10,618.48	Book Debts	963.74	
		<u> </u>	20,741.74
	COST OF REALISATIONS		
	Specific Bond	400.00	
	Preparation of S. of A.	3,500.00	
	Legal Fees (1)	4,525.00	
	Statutory Advertising	144.50	
		<u> </u>	(8,569.50)
	UNSECURED CREDITORS		
(5,882.40)	Trade & Expense Creditors	NIL	
(300,000.00)	Insurance Claim	NIL	
(9,923.45)	Barclays Bank	NIL	
(13,860.39)	HM Revenue & Customs - VAT	NIL	
		<u> </u>	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	
		<u> </u>	NIL
<u>(299,369.76)</u>			<u><u>12,172.24</u></u>
	REPRESENTED BY		
	Vat Receivable		1,633.90
	Bank 1 Current		10,538.34
			<u><u>12,172.24</u></u>

WATTS & SON ROOFING LIMITED - IN LIQUIDATION

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

Staff Allocation and the Use of Sub-Contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

We are not proposing to utilise the services of any sub-contractors in this case.

Professional Advisors

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
Cowen Disputes Resolution Ltd (legal advice)	Commission at 20% plus agreed fees for time attending fire station and passing over information to Teacher Stern LLP, £800 and £650 respectively
Teacher Stern LLP (legal advice)	Hourly rate and disbursements

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.

Liquidator's Expenses & Disbursements

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 £
Statutory advertising	289.00
Specific penalty bond	400.00
Postage	50.00

Current position of Liquidator's expenses

An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Legal fees	4,525.00	Nil	Uncertain
Statutory advertising	144.50	Nil	302.30
Specific penalty bond	400.00	Nil	1,120.00

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.

WATTS & SON ROOFING LIMITED - IN LIQUIDATION

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.

I confirm this firm does not charge any category 2 disbursements.