

WU07

Notice of progress report in a winding-up by the court



Companies House

SATURDAY



A08 *A81CFNHV* #191
16/03/2019
COMPANIES HOUSE

1 Company details

Company number 0 4 4 5 6 4 9 4

Company name in full Woodford Group Plc

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

2 Liquidator's name

Full forename(s) Daniel James Mark

Surname Smith

3 Liquidator's address

Building name/number PO Box 500

Street 2 Hardman Street

Post town Manchester

County/Region

Postcode M 6 0 2 A T

Country

4 Liquidator's name ①

Full forename(s) Daniel Francis

Surname Butters

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

5 Liquidator's address ②

Building name/number 1 City Square

Street Leeds

Post town West Yorkshire

County/Region

Postcode L S 1 2 A L

Country

② Other liquidator
Use this section to tell us about another liquidator.

WU07

Notice of progress report in a winding-up by the court

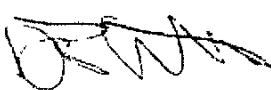
6 Period of progress report

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

7 Progress report

The progress report is attached

8 Sign and date

Liquidator's signature	Signature X  X
Signature date	^d 1 ^d 4 ^m 0 ^m 3 ^y 2 ^y 0 ^y 1 ^y 9

Deloitte.

Woodford Group Plc (in liquidation) ("the Company")

Court Case No. 2052 of 2016
High Court of Justice,
Manchester District Registry,
Chancery Division
Company Number:
04456494

Registered Office:
c/o Deloitte LLP
2 Hardman Street
Manchester
M60 2AT






Progress report to creditors for the 12 month period to 21 January 2019 pursuant to Rule 18.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

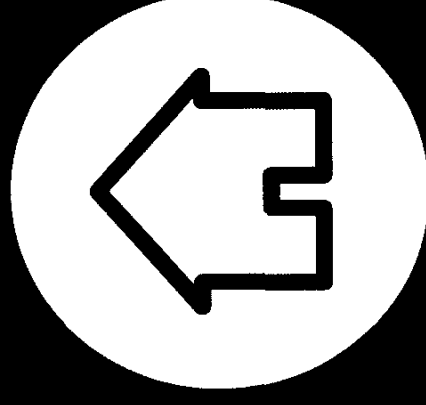
William Kenneth Dawson and Daniel Francis Butters ("the Joint Liquidators") were appointed Joint Liquidators of Woodford Group Plc by the Court following cessation of the administration on 22 January 2016. William Kenneth Dawson retired on 31 May 2017 and Daniel James Mark Smith was appointed as succeeding appointee by court order dated 9 May 2017. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales].

For the purposes of Section 231 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

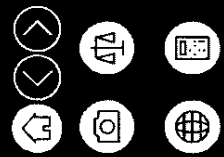
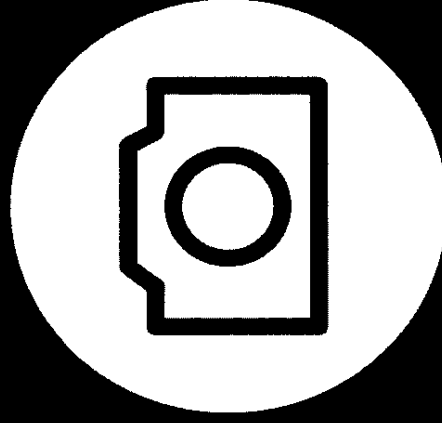
Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

14 March 2019

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	Remuneration and expenses	9



Key messages



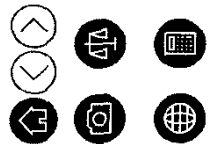
Key messages

Joint Liquidators of the Company

Daniel James Mark Smith
Daniel Francis Butters
Deloitte LLP
2 Hardman Street
Manchester
M60 2AT

Contact details

Email: aabanks@deloitte.co.uk
Website: <http://www.deloitte-insolvencies.co.uk/s-z/woodford-group-plc--in-compulsory-liquidation.aspx>
Tel: 0121 695 5827



Commentary

Progress of the liquidation during the report period

- The corporate simplification exercise of the Company's subsidiaries is ongoing. The work is being undertaken by Cowgill Holloway LLP ("Cowgills"). The process is managed by the Group's Directors who are updating HSBC Bank Plc ("HSBC" / "the Secured Creditor") directly.
- An insurance refund totalling £8,684 was received during the reporting period as shown in the receipts and payments account on page 6.

Costs

- As the estate was without funds HSBC agreed to make a contribution towards our costs of £3k per annum.
- As detailed on page 5 and 10 we have received funds into the estate of £8,684 which we propose to draw as fees. In order to do this we are required to seek a decision from creditors to fix the basis of our remuneration as set fee of £8,684. Please refer to page 11 for further details.
- For continuity with prior reports our time costs for the report period of the report are £10,774 bringing total time costs to date to £44,795, these costs up to £3,000 per year are being funded by HSBC. Please refer to page 12 for further details.
- There were no disbursements incurred during the period. Please refer to page 13 for further details.
- There were no third party costs incurred during the period. Please refer to page 5 for further details.

Outstanding matters

- The completion of the corporate simplification exercise of the subsidiary entities.
- The finalisation of matters in relation to the Company's share interests.
- Case closure matters.

Dividend prospects

- We do not anticipate any distributions in the liquidation.
- The Secured Creditor has suffered a significant shortfall and will not be paid in full.
- No preferential or unsecured claims have been received during the report period. In light of the shortfall suffered by the Secured Creditor, we do not anticipate any funds to be available to distribute to unsecured creditors.



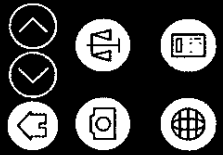
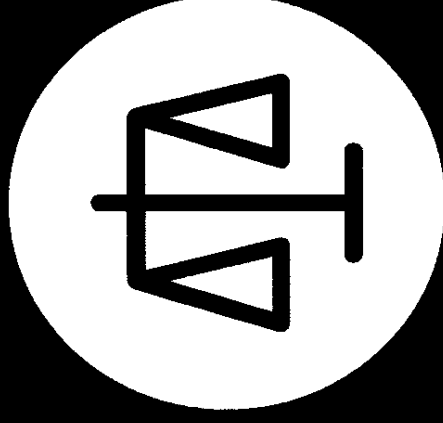
Progress of the liquidation

5

Summary

6

Receipts and payments



Progress of the liquidation

Summary

Progress of the liquidation

The purpose of the compulsory liquidation is to assist the orderly disposal of the subsidiary companies' assets and the ultimate closure of the subsidiaries in a managed wind down in order to maximise the recoveries for the Secured Creditor under its cross-guarantee over the group entities.

This corporate simplification exercise is ongoing and is being undertaken by Cowgills. The process is overseen by the Company's former Directors, who are also the Directors of all group entities.

It is anticipated that the Secured Creditor will still suffer a shortfall despite the outcome of the corporate simplification exercise.

Work done during the report period

We have continued to fulfil the statutory requirements, such as statutory reporting and corporation tax return filing, during the report period.

Asset Realisations

The shares in subsidiary entities are the only remaining assets of the Company. At present, no value is being attributed to these shares, primarily due to the significant shortfall suffered by the Secured Creditor, which has a cross-guarantee over the group entities.

Funds totalling £8,684 were received in respect of an insurance refund which we propose to draw as our fee. In this regard and as it is unlikely that any further realisations will be made, we are now holding a creditors decision procedure to seek a decision from creditors to fix the basis of remuneration from the estate as a set fee £8,684 as detailed on page 10.

Estimated future realisations

No future realisations are anticipated.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- case management;
- statutory reporting;
- corporation tax return filing; and
- case reviews.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Cost of the work done during the report period

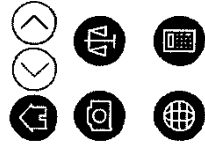
The following costs were incurred during the report period:

- Joint Liquidators' remuneration and expenses. Further information on these costs is provided on page 10.

The Joint Liquidators time costs for the report period have not yet been paid. The Secured Creditor has agreed to fund the Joint Liquidators' costs of £3,000 per annum by private treaty to the extent that costs cannot be paid from the administrative estate.

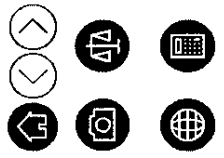
Any professional costs incurred in respect of the ongoing work carried out by Cowgills will also be covered by the Secured Creditor.

The costs for the prior year of the liquidation have been paid during the report period.



Progress of the liquidation

Receipts and payments



Joint Liquidators' receipts and payments account 22 January 2018 to 21 January 2019

	Notes		Period	To date
Receipts				
Insurance refund		8,684		8,684
Total receipts		8,684		8,684
Payments				
Total payments		-		-
Balance				8,684
Made up of:				
IB Current A/c	1			8,684
Balance in hand				8,684

A receipts and payments account is provided opposite, detailing the transactions in the period of the liquidation to 21 January 2019, and all transactions since the date of our appointment.

Notes to receipts and payments account

Note 1 - All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

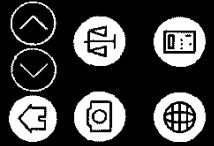
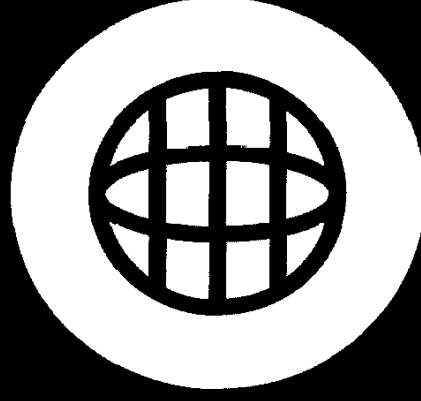
Note 2 - Please refer to our previous administration reports should you wish to view the preceding statement of affairs figures.

Information for creditors

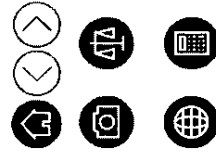


Outcome

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Information for creditors Outcome



Secured Creditor

The Secured Creditor submitted a claim of £24,768,319 in respect of the Company's borrowings as at the date of the Joint Administrators' appointment. Distributions totalling £5,087,073 were made during the course of the administration. No future distributions are anticipated.

The Statement of Affairs showed an amount owing to the Secured Creditor of £122,800,000, which was based on the Group's total indebtedness to HSBC by virtue of a cross-guarantee in place between the Company and its subsidiaries as at the date of the Joint Administrators' appointment.

Preferential creditors

No preferential claims have been received.

Prescribed Part

The Prescribed Part does not apply as the Company's floating charge pre-dates the timeframe set out in the Enterprise Act 2002.

Unsecured creditors

No claims have been received from unsecured creditors. In light of the shortfall to the Secured Creditor, there will be no funds available to distribute to unsecured creditors.

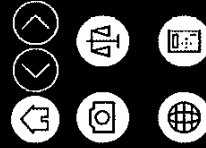
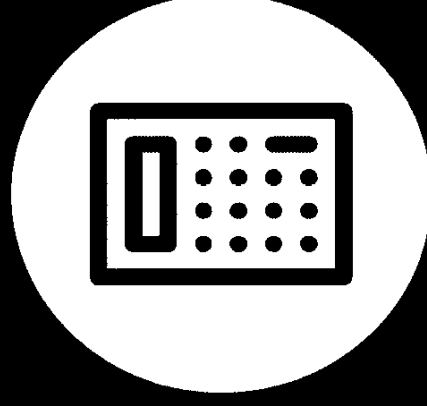
As there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims should any be received.



Remuneration and expenses

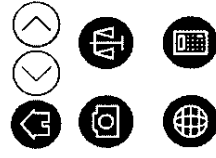
Joint Liquidators' remuneration

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Remuneration and expenses

Joint Liquidators' remuneration



Joint Liquidators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.deloitte-insolvencies.co.uk.

Should you require a paper copy, please send your request in writing to us at the address on the front of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration has not yet been fixed in the liquidation. Accordingly, we are holding a decision procedure to fix the basis of our remuneration as set fee of £8,684 plus VAT in relation to the performance of statutory duties and tasks of an administrative nature. Please see a page 11 for the Joint Liquidators' estimate of work proposed to be done.

The decision procedure will be conducted by correspondence. Please refer to the website to view the Notice of Decision Procedure and for further details and guidance including voting forms if required.

Third-party Contribution to costs.

Separately the Secured Creditor will continue to fund the Joint Liquidators' costs of £3,000 per annum as approved on 24 October 2009.

For continuity with prior reports we have also provided a summary table of our time costs which can be found on page 12.

Remuneration and expenses

Joint Liquidators' remuneration

Joint Liquidators' Estimate of Work to be undertaken – set fee basis

Details of work that we anticipate will be undertaken and for which a set fee of £8,694 will be charged are provided below:

Statutory Tasks and Administration

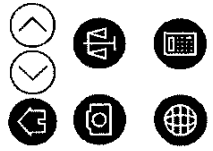
- Case Management;
- Cashiering – set up of a bank account with monthly bank reconciliations until the account closes;
- Statutory reporting – progress reports and a final report; and
- Any matters preventing case closure.

Assets

- Ensure that all assets are dealt with and realised.

Case specific matters

- Complete and file corporation tax returns as required.



Joint Liquidators' summary of time costs for the period 22 January 2016 to 21 January 2019

Grade	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		Total	
	Hours	Value (£)	Hours	Value (£)	Hours	Value (£)	Hours	Value (£)	Hours	Value (£)	Hours	Value (£)
Administration & Planning	8.2	£ 42,643.00	15.4	£ 350.00	39.5	£ 700.00	22.3	£ 507.50	4.4	£ 857.50	89.8	£ 44,795.00
Investigations	-	-	0.5	-	-	-	-	-	-	-	0.5	£ 700.00
Creditors	-	-	2.0	-	-	-	-	-	-	-	2.0	£ 1,015.00
Case Specific Matters	-	-	-	£ 1.0	0.6	£ 491.88	0.6	£ 491.88	-	-	1.6	£ 491.88
Total	8.2	£ 42,643.00	17.9	£ 700.00	40.5	£ 1,201.88	22.9	£ 999.38	4.4	£ 857.50	93.9	£ 44,795.00
Average rate/h per grade	£ 794.39	£ 514.94	£ 441.48	£ 437.23	£ 269.20							

Joint Liquidators' summary of time costs for the period 22 January 2018 to 21 January 2019

Grade	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		Total	
	Hours	Value (£)	Hours	Value (£)	Hours	Value (£)	Hours	Value (£)	Hours	Value (£)	Hours	Value (£)
Administration & Planning	1.7	£ 468.64	-	-	-	-	18.8	£ 445.00	2.3	£ 468.64	22.8	£ 10,685.00
Case Specific Matters	-	-	-	-	-	-	0.2	£ 89.00	-	-	0.2	£ 89.00
Total	1.7	£ 468.64	-	-	-	£ 19.0	£ 534.00	2.3	£ 468.64	23.0	£ 10,774.00	
Average rate/h per grade	£ 920.00	-	-	£ 445.53	£ 323.91							

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.



Remuneration and expenses

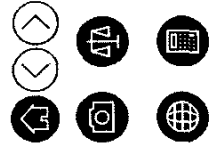
Detailed information

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.



Disbursements

Our disbursements to date are summarised below:

Category 2 Disbursements

Specific approval is required before these costs and expenses can be drawn from the liquidation estate. No category 2 disbursements have been incurred to date, however as we do not have approval to draw those that are incurred as part of the decision procedure we will seek such approval.

Category 1 disbursements

£ (net)	Incurred in report period	Total cost for the period of the appointment	Unpaid
Statutory advertising	-	86	-
Postage	-	12	-
Total disbursements	-	97	-

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

Deloitte.

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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 **Aaron Banks**

Company name **Deloitte LLP**

Address **PO Box 500**

2 Hardman Street

Post town **Manchester**

Country/Region

Postcode **M 6 0 2 A T**

Country

DX

Telephone **+44 121 632 6000**

 **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