

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



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21/04/2018

#63

COMPANIES HOUSE

1 Company details

Company number 0 2 0 1 0 7 5 3
Company name in full DOUGLAS STAFF CENTRE LIMITED

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

2 Liquidator's name

Full forename(s) Joylan
Surname Sunnassee

3 Liquidator's address

Building name/number 1 Beauchamp Court
Street Victors Way
Post town Barnet
County/Region Herts
Postcode E N 5 5 T 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.

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6 Period of progress report

From date	^d 1	^d 8	^m 0	^m 2	^y 2	^y 0	^y 1	^y 7
To date	^d 1	^d 7	^m 0	^m 2	^y 2	^y 0	^y 1	^y 8

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature	Signature	
		

Signature date	^d 1	^d 6	^m 0	^m 4	^y 2	^y 0	^y 1	^y 8
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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	Ingyin Myint
Company name	BBK Partnership
Address	1 Beauchamp Court
	Victors Way
Post town	Barnet
County/Region	Herts
Postcode	E N 5 5 T Z
Country	
DX	
Telephone	020 8216 2520



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

DOUGLAS STAFF CENTRE LIMITED
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 18/02/2017 To 17/02/2018 £	From 18/02/2014 To 17/02/2018 £
	SECURED ASSETS		
250.00	Office Furniture and Computers	NIL	90.00
		NIL	90.00
	COSTS OF REALISATION		
	Legal Fees	1,840.00	1,990.00
	Agents/Valuers Fees	NIL	11,628.18
	Corporation Tax	3.00	4.20
		(1,843.00)	(13,622.38)
	ASSET REALISATIONS		
9,500.00	Book Debts	NIL	49,785.85
NIL	Intercompany Balance	NIL	NIL
	Cash at Bank	NIL	3,355.10
	Bank Interest Gross	6.81	28.33
	Bank Interest Net of Tax	NIL	24.63
		6.81	53,193.91
	COST OF REALISATIONS		
	Specific Bond	NIL	180.00
	Statutory Advertising	NIL	239.70
		NIL	(419.70)
9,750.00		(1,836.19)	39,241.83
	REPRESENTED BY		
	Irrecoverable VAT		395.44
	Bank Current A/c		38,846.39
			39,241.83

Note:

LIQUIDATOR'S ANNUAL REPORT TO CREDITORS AND MEMBERS

DOUGLAS STAFF CENTRE LIMITED (IN CREDITORS' VOLUNTARY LIQUIDATION)

REPORTING PERIOD: 18TH FEBRUARY 2017 TO 17TH FEBRUARY 2018

Content

- Executive Summary
- *Administration and Planning*
- Enquiries and Investigations
- Realisation of Assets
- Creditors
- Fees and Expenses
- Creditors' Rights
- EC Regulations
- Conclusion

Enclosures

- Receipts and Payments account
- Detailed list of work undertaken
- Time cost information

EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

Assets

Asset	Estimated to realise per Statement of Affairs	Realisations to date	Anticipated future realisations	Total anticipated realisations
Office Furniture and Computers	250.00	90.00	Nil	90.00
Book Debts	9,500.00	49,785.85	Nil	49,785.85
Intercompany Balance	Nil	Uncertain	Uncertain	Uncertain
Cash at Bank		3,355.10	Nil	3,355.10
Bank Interest Gross		28.33	Nominal	28.33
Bank Interest Net		24.63	Nominal	24.63

Expenses

Expense	Amount per fees and expenses estimates	Expense incurred to date	Anticipated further expense to closure	Total anticipated expense
Legal Fees		1,990.00	Uncertain	1,990.00
Agents/Valuers Fees		11,628.18	Nil	11,628.18
Corporation Tax		4.20		4.20
All other expenses		419.70	Uncertain	419.70

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Secured creditors	Nil	Nil
Preferential creditors	Nil	Nil
Unsecured creditors	Nil	Nil

Summary of key issues outstanding

- Recovery of the intercompany balance

Closure

The liquidation cannot be brought to a conclusion until the intercompany balance and the claim against the director for excessive remuneration and unexplained withdrawals have been recovered. There were some items of office furniture and equipment, with negligible value, which became unrealisable and which we have had to discard.

ADMINISTRATION AND PLANNING

Statutory information

Company Name	Douglas Staff Centre Limited
Former Company Name	N/A
Trading Name	N/A
Company Number	02010753
Registered Office	1 Beauchamp Court, Victors Way, Barnet, Hertfordshire EN5 5TZ
Former Registered Office	The Lodge, 243 High Street, Bromley, Kent BR1 1NZ
Officeholder	Joylan Sunnassee
Officeholder's address	BBK Partnership, 1 Beauchamp Court, Victors Way, Barnet, Hertfordshire EN5 5TZ
Date of Liquidation	18th February 2014

The Liquidator is required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks is attached to this report.

ENQUIRIES AND INVESTIGATIONS

The Liquidator had previously carried out an initial review of the Company's affairs in respect of the period prior to appointment. This included seeking information and explanations from the director by means of questionnaires; making enquiries of the Company's accountants; reviewing information received from creditors; and collecting and examining the Company's bank statements, accounts and other records.

The director provided the books and records and completed the questionnaires. The information gleaned from this process enabled the Liquidator to meet his statutory duty to submit a confidential report on the conduct of the director to the Insolvency Service.

This work was also carried out with the objective of making an initial assessment of whether there were any matters that may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

The Liquidator has reviewed the Company's affairs and also considered any points raised by creditors in discharging his duties under the Company Directors' Disqualification Act 1986.

The review has led to a potential claim against the director for excessive remuneration and unexplained withdrawals for which the Liquidator has been pursuing. Proceedings have been issued against the director in this regard and further details are provided below.

Creditors are reminded that the Liquidator has a statutory obligation to consider the director's conduct and to submit a return/report to the Insolvency Service. The Liquidator can confirm that he has complied with this requirement.

REALISATION OF ASSETS

Detailed below is key information about asset realisation and strategy, however, more details about the work undertaken may be found in an attached list. The Liquidator formulated and worked through a realisation strategy that sought to maximise realisations net of costs. The financial benefit of those efforts is described further below.

Office Furniture and Computers

Office furniture and computers were expected to realise £250. The Liquidator's appointed agents reported that an attempt was made to dispose of the office furniture and computers at auction but it was not successful. There does not appear to be any prospect of realisation of these assets.

Book Debts

Book Debts were estimated to realise £9,500. We are pleased to advise that book debts were recovered in the total amount of £49,785.85 by the Liquidator's appointed agents for the benefit of the liquidation estate.

Intercompany Balance

An intercompany balance of £30,000 which was owed by Douglas Care and Domestic Services Limited, a company connected to the Company by virtue of common directorship i.e., Mrs S A Freeman is also the director of both companies, was not estimated to realise anything as the debtor company is also in Creditors Voluntary Liquidation. However, there may be a small dividend payable from the prescribed part if significant realisation is made in that liquidation to enable the distribution. Proceedings have been issued in that liquidation and an Order was made by the Court on 28th September 2017 in which the director, Mrs S A Freeman was ordered to pay £83,058.27 plus costs into that liquidation estate.

Cash at Bank

An amount of £3,355.10 was recovered from the Company's bankers in respect of post liquidation credits. These credits represented book debts which were paid into the Company's bank account after the liquidation's commencement.

The above assets were subject to a fixed and floating debenture charge in favour of Barclays Bank Plc, under which the Company's borrowings were secured in the amount of £31,412 as per the Statement of Affairs as at 18th February 2014. However, the Company's director, Mrs Sylvia Freeman personally guaranteed the Company's borrowings from the bank and her guarantee is limited to £75,000. We understand that this liability has been paid.

Bank Interest

The above realisations were deposited in a designated liquidation estate account and gross bank interest was received in the sum of £28.33 and an amount of £24.63 was received in respect of interest net of tax for the period of the liquidation to 17th February 2018.

Claim against director

Investigations into Company's affairs resulted in the discovery of excessive remuneration and unexplained withdrawals by the director. A claim was subsequently lodged by the Liquidator against the director. This claim was considered simultaneously with the application lodged in the liquidation of the connected company, Douglas Care and Domestic Services Limited against her for the recovery of the overdrawn director's loan account. After several adjournments of the hearing, continuous dispute by the director and further evidence being filed, an Order was made by the Court against the director on 28th September 2017. It was ordered that the director must pay £73,500.06 plus costs to the liquidation estate. As Mrs Freeman failed to make the payment by the due date set out in the Judgement, the Liquidator's appointed solicitors proceeded with the application for a Charging Order on the director's property and a Final Charging Order was granted by the Court on 15th March 2018. The director has since indicated her intention to place the property on the market for sale and this is currently being monitored. The Liquidator will report further in due course.

CREDITORS

The Liquidator has met his statutory and regulatory duties to report to creditors, as listed in the attached list. Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Liquidator has had to carry out key tasks which are detailed in the attached list. The following sections explain the anticipated outcomes to creditors.

Secured Creditors

The Company had granted the following securities: -

Type of charge	Date created	Beneficiary
Miscellaneous	13 th December 2013	Barclays Bank plc
Debenture	24 th August 1989	Barclays Bank plc

The debt due to Barclays Bank plc at the date of appointment was made up of monies advanced under the fixed and floating charge over the undertaking and all property and assets. A demand was received from Barclays Bank plc dated 31st January 2014 for the amount of £31,412.58. However, the Company's director, Mrs Sylvia Freeman personally guaranteed the Company's borrowings from the bank and her guarantee is limited to £75,000. We understand that this liability has been paid but we have not received confirmation from the bank in this regard.

Preferential creditors

We have not received any preferential claim in the liquidation.

Unsecured creditors

HMRC was shown to be owed £28,673. However, a claim of £87,708.58 has been received but remains to be adjudicated and agreed on.

The remaining trade and expense creditors as per the statement of affairs amount to a total of £14,433.30. As per our records, we have received three claims out of the four unsecured creditors totalling £102,307.69, which includes the claim from HM Revenue and Customs in the sum of £87,708.58. Please be advised that proofs of debt are still being accepted and therefore the total value of unsecured claims is not known at present.

Prescribed Part

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000;
- Plus, 20% of net property in excess of £10,000.
- Subject of a maximum of £600,000.

In the case, the unsecured creditors may receive a dividend under the Prescribed Part, this being subject to the future realisations the costs of the liquidation and only if the liability to Barclays Bank Plc remains payable.

Dividend prospects

We are unable to ascertain the timing and likelihood of any dividend to unsecured creditors, this being dependent on future realisations and the costs of the liquidation.

FEES AND EXPENSES

Pre-Appointment Costs

Fixed fee agreed with the Director and ratified by members and creditors

The creditors authorised the fee of £5,000 plus VAT for assisting the director in calling the relevant meetings and with preparing the Statement of Affairs.

The fee for assisting with the Statement of Affairs and meetings falls as a charge on the realisations and has been partly paid.

Liquidator's fees

It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day to day administration on cases and a manager and partner then oversees the work undertaken. Where the issues are complex and litigious, the work has been closely supervised or undertaken by a manager or partner.

The Liquidator's fees was approved to be drawn on a time cost basis by the creditors at a meeting held on 18th February 2014.

The time costs for the period 18th February 2017 to 17th February 2018 total £8,961.50, representing 22.10 hours at an average hourly rate of £405.50.

The total time costs during the period of appointment amount to £46,413.20 representing 140.42 hours at an average hourly rate of £330.53. £Nil has been drawn on account of time costs incurred so far. The time costs for the period are detailed in the attached schedule.

Having regard to the costs of the proceedings issued against the director and the costs that are likely to be incurred in bringing this Liquidation to a close, the Liquidator considers that:

- the time costs incurred have exceeded the fees originally estimated; and
- the original expenses estimate has also been exceeded.

Disbursements

Legal Fees

Charles Russell Speechlys LLP were instructed as legal advisers in relation to the proceedings against the shareholders/directors for the recovery of the illegal distribution and overdrawn director's loan account. Their costs have been agreed on the basis of their standard hourly charge out rates, plus disbursements and VAT. The fees were amounted to £1,990 plus VAT only have been paid so far. As the matter is ongoing, we have not yet received full details of their costs.

Agent Fees

Thorntons Collection Services were instructed as agents in relation the valuation and sale of the Company's assets and the recovery of the book debts. Their costs have been agreed on the basis of their standard sales commission rate of 20 per cent of the recovery from book debts and a fixed valuation fee of £750. The agents' fees amounted to £11,378.18 plus VAT and they have been paid in full. A further amount of £250 was paid to the Liquidator's appointed agents in respect of costs they incurred in removing and discarding the items of furniture and computers that could not be sold.

Corporation tax

Corporation tax for the period of the Liquidation was paid in the sum of £4.20.

Other disbursements

The other "category 1" disbursements include statutory bonding premium which was paid in the amount of £180 and costs of advertisements in the amount of £239.70 plus VAT. They represent the actual out of pocket payments made in relation to the assignment.

Information about this insolvency process may be found on the R3 website at: <http://www.creditorinsolvencyguide.co.uk/>.

A copy of 'A Creditors' Guide to Fees' may be found at: <https://www.r3.org.uk/media/documents/publications/professional/Liquidations%20Credit%20Fee%20Guide%20April%202017.pdf>.

A hard copy of both the Creditors' Guide may be obtained on request.

CREDITORS' RIGHTS

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 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 creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

EC REGULATIONS (WHETHER PROCEEDINGS ARE MAIN PROCEEDINGS OR TERRITORIAL)

The Company's centre of main interest was at The Lodge, 243 High Street, Bromley, Kent BR1 1NZ and therefore it is considered that the EC Regulations will apply. These proceedings are main proceedings as defined in Article 3 of the EC Regulation.

CONCLUSION

The liquidation cannot be brought to a conclusion until the intercompany balance and the claim for excessive remuneration and unexplained withdrawals have been recovered and all other matters dealt with to the Liquidator's satisfaction. There were some items of office furniture and equipment, with negligible value, which became unrealisable and which we have had to discard.

If you require any further information, please contact this office.



JOYLAN SUNNASSEE
LIQUIDATOR

Dated this 16th day of April 2018.

Detailed list of work undertaken for Douglas Staff Centre Limited - in Creditors' Voluntary Liquidation for the review period 18th February 2017 to 17th February 2018
Below is detailed information about the tasks undertaken by the Liquidator.

Category	Task
Initial work	Filing of documents to meet statutory requirements including annual receipts and payments accounts Annual corporation tax returns Advertising in accordance with statutory requirements Bonding the case for the value of the assets
Periodic file reviews	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Banking and accountancy	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Meetings and discussions	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Investigations	Investigations into the Company's affairs regarding the director's excessive remuneration and other withdrawals Liaising with the accountants and the bookkeeper regarding requesting the Company's accounting information and reviewing the same for the purpose of filing further evidence in Court
Dividend recovery	Monitor recovery of a dividend from the liquidation of the connected company, Douglas Care and Domestic Services Limited
Liaising with solicitors	Liaising with solicitors in reviewing application, witness statement etc Reviewing of file and provision of additional evidence in support of applications Liaising with agents in establishing director's property value Assisting in filing application for charging order
Creditor enquiries	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Receipt and filing POD when not related to a dividend
Preparation of correspondence	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Request further information from claimants regarding POD
Reporting	Circulating initial report to creditors upon appointment Preparing annual progress report, investigation, meeting and general reports to creditors Disclosure of sale to connected party

Current Charge-out Rates for the firm

Time charging policy

It is the policy of this firm to account for secretarial staff as an overhead cost. Overhead costs are reflected in the charge-out rates detailed above. Time costs are charged in units of 6 minutes each.

Staff	Charge-out rate
Insolvency Practitioner/Partners	550
Manager	410
Administrators	200
Junior Staff	150

DOUGLAS STAFF CENTRE LIMITED
(In Liquidation)

Liquidator's Summary of Receipts and Payments

	Statement of affairs £	From 18/02/2017 To 17/02/2018 £	From 18/02/2014 To 17/02/2018 £
RECEIPTS			
Office Furniture and Computers	250.00	0.00	90.00
Book Debts	9,500.00	0.00	49,785.85
Intercompany Balance	NIL	0.00	0.00
Cash at Bank		0.00	3,355.10
Bank Interest Gross		6.81	28.33
Bank Interest Net of Tax		0.00	24.63
		<u>6.81</u>	<u>53,283.91</u>
PAYMENTS			
Legal Fees		1,840.00	1,990.00
Agents/Valuers Fees		0.00	11,628.18
Corporation Tax		3.00	4.20
Specific Bond		0.00	180.00
Statutory Advertising		0.00	239.70
Irrecoverable VAT		347.50	395.44
		<u>2,190.50</u>	<u>14,437.52</u>
BALANCE - 17 February 2018		<u>(2,183.69)</u>	<u>38,846.39</u>
MADE UP AS FOLLOWS			
Bank Current A/c		(2,183.69)	38,846.39
		<u>(2,183.69)</u>	<u>38,846.39</u>

Note:

Time Entry - SIP9 Time & Cost Summary + Cumulative

DOUG01 - DOUGLAS STAFF CENTRE LIMITED
Project Code POST
From 18/02/2017 To: 17/02/2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Administration & planning	0.00	0.10	1.65	1.50	3.25	596.00	183.38	18.41	3,985.60
B/F from Manual system	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.01	824.10
Creditors	1.80	0.00	1.20	0.00	3.00	1,230.00	410.00	27.75	7,682.50
Investigations	0.00	10.55	0.00	0.00	10.55	4,325.50	410.00	46.40	17,843.50
Realisations of assets	4.70	0.50	0.10	0.00	5.30	2,810.00	530.19	28.75	12,655.50
Statutory Compliance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.10	3,420.00
Total Hours / Costs	6.50	11.15	2.95	1.50	22.10	8,961.50	405.50	140.42	46,413.20
Total Fees Claimed						0.00			
Total Disbursements Claimed						0.00			