

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03609721

Name of Company

Outline Design Limited

I / We

Simon Renshaw ACA MIPA MABRP, Langley House, Park Road, London, N2 8EY

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986.

The Progress Report covers the period from 08/02/2016 to 07/02/2017

Signed



Date

4/4/17

AABRS Limited
Langley House
Park Road
London
N2 8EY

Ref: O0233/SR/JAL/MG/MA/NS

SATURDAY



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COMPANIES HOUSE

Liquidator's Annual Progress Report to Creditors & Members

**Outline Design Limited
- In Liquidation**

04 April 2017

OUTLINE DESIGN LIMITED - IN LIQUIDATION

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OUTLINE DESIGN LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Simon Renshaw ACA MIPA MABRP of AABRS Limited, Langley House, Park Road, London, N2 8EY, was appointed as Liquidator of Outline Design Limited (the **Company**) on 8 February 2016. This progress report covers the period from 8 February 2016 to 07 February 2017 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 The principal trading address of the Company was Neuhaus Studio, 60a Yorkshire Place, Warfield, Bracknell, Berks, RG42 3XF.
- 1.3 The registered office of the Company has been changed to Langley House, Park Road, East Finchley, London, N2 8EY and its registered number is 03609721.

2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.
- 2.2 At Appendix A is my Receipts and Payments Account for the Period.
- 2.3 Further information about the basis of remuneration agreed in this case and the Liquidator's fees estimate can be found in section 4 of this report, together with any relevant information about revisions to this estimate, where applicable.

Administration (including statutory compliance & reporting)

- 2.4 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.
- 2.5 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.
- 2.6 Some of the work undertaken by an insolvency practitioner is required by statute and may not necessarily provide a financial benefit to creditors, but is required on every case by statute. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of the former employees via the National Insurance Fund.
- 2.7 Below are details of the work I have undertaken during the reporting period:-
 - (i) Notifying creditors of the Liquidator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House;
 - (ii) Preparing and issuing annual progress reports to members and creditors;
 - (iii) Lodging periodic returns with the Registrar of Companies for the liquidation;

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- (iv) Complying with statutory duties in respect of the liquidator's specific penalty bond;
- (v) Creating, maintaining and updating case files on my firm's insolvency software;
- (vi) Securing and storing the Company's books and records;
- (vii) Completion and filing of the notice of the Company's insolvency to HMRC;
- (viii) *Initial assessment required by the Statement of Insolvency Practice 2 and the Company Directors Disqualification 1986 (CDDA) including review of the company's books and records and the identification of potential asset realisations which may be pursued in the liquidation;*
- (ix) Periodic case progression reviews;
- (x) Opening, maintaining the liquidation estate cashbook and bank account;
- (xi) Dealing with all post-appointment VAT and Corporation Tax compliance;
- (xii) Instructing valuation agents to review the connected party offer received in respect of the Company's assets, accepting the same on the basis of his recommendation and collection of the consideration;
- (xiii) Receiving and banking refund from Chubb Fire & Security Ltd;
- (xiv) *Meeting and corresponding with the Directors in order to assess their ability to repay the overdrawn Director's Loan Account balance;*

2.8 Based on the current position of the case, the current work which remains to be completed is the following:-

- (i) Continued recovery action in respect of the overdrawn Directors' Loan Account balances.

Realisation of Assets

2.9 It is considered that the work the Liquidator and his 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.

2.10 Plant & Machinery

- (i) The Director's Statement of Affairs indicated that plant and machinery was estimated to realise £2,560. This amount was received in full.
- (ii) The assets were purchased by a new partnership vehicle formed by the Directors following the insolvency. I would refer you to section 2.23 below for further information in this regard.

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2.11 Goodwill

- (i) The Director's Statement of Affairs indicated that goodwill was estimated to realise £7,440. This amount was received in full.
- (ii) The assets were purchased by a new partnership vehicle formed by the Directors following the insolvency. I would refer you to section 2.23 below for further information in this regard.

2.12 Directors' Loan Accounts

- (i) The Director's Statement of Affairs indicated that there were overdrawn Directors' Loan Account balances of £106,596, made up of £53,298 due from Mr Bartlett and £53,298 due from Mrs Bartlett. Realisations in respect of these loan accounts were uncertain.
- (ii) Following my appointment, I wrote to Mr and Mrs Bartlett to request that they complete an Income and Expenditure/Asset and Liability statement in order that I could assess their ability to repay the loan account.
- (iii) In August 2016, I met with Mr and Mrs Bartlett to discuss the completed Statement, from which it emerged that there was significant equity in their property. As such, Mr and Mrs Bartlett are currently exploring the options available to release funds and creditors will be provided with an update in my next progress report.
- (iv) It should be noted that the overdrawn Directors' Loan Account balances in the Statement of Affairs were as at 31 August 2014. A review of the bank statements for the period 01 September 2014 to 08 February 2016 indicates that those balances may have subsequently increased. Determination of the total amounts will be a matter of further investigation.

2.13 Sundry Refunds

- (i) The Director's Statement of Affairs did not make a provision for refunds due to the Company. However in January 2017, £256.36 was received from Chubb Fire & Security Ltd.
- (ii) No further refunds are anticipated.

Unrealised Assets

2.14 Based on the current position of the case, the remaining unrealised assets include the following:-

- (i) The overdrawn Directors' Loan Account balances referred to in section 2.12 above;
- (ii) A potential right of action identified during the course of my investigations under Statement of Insolvency Practice 2; please see section 2.23 below in this regard.

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Creditors (claims and distributions)

- 2.15 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.
- 2.16 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.17 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.
- 2.18 I consider the following matters worth noting in my report to creditors at this stage:
- There 3 unsecured creditor claims in this case with a value per the Director's Statement of Affairs of £166,897.48. Claims have been received from 2 creditors totalling £87,408.85.
 - There are no known secured or preferential claims.

Investigations

- 2.19 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. This work 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.
- 2.20 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents. [
- 2.21 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 information provided by creditors either at the s98 meeting or as a response to my request to complete an investigation questionnaire.
- 2.22 As set out in section 2.12 above, my investigations have revealed that the overdrawn Directors' Loan Account balances may be in excess of the figures stated on the Director's Statement of Affairs.
- 2.23 In addition, I have identified a potential right of action that I am continuing to review. It would not be appropriate to comment further at this stage as to do so

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Preferential Creditors

- 3.3 No claims were anticipated and none have been received.

Unsecured Creditors

- 3.4 I have received claims totalling £87,408.85 from 2 creditors. I have yet to receive claims from 1 creditor whose debts are estimated to total £9,866.82 as per the Director's Statement of Affairs. No claims have been agreed and will only be adjudicated in the event that funds become available for distribution to the unsecured creditors.
- 3.5 Based on current figures, I estimate that the dividend prospects for unsecured creditors will depend on the realisations achieved in respect of the potential overdrawn Directors' Loan Account balances. In the event that a dividend does become payable, creditors will be notified accordingly.

4 Liquidator's Remuneration

- 4.1 The basis of my remuneration as Liquidator has not yet been agreed. However, I am intending to propose that this will be fixed on a mixed basis of a set amount and a percentage value of the Company's assets realised.
- 4.2 Accordingly, I written to creditors with a letter of 04 April 2017 which encloses a document that sets out the work that I consider will be necessary to deal with the Company's affairs, together with details of the proposed resolutions in order that these may be considered by correspondence.
- 4.3 The deadline for submission of creditor votes, which must be accompanied by a written statement of their claim where not already provided to my office, is 12pm on Friday, 12 May 2017.
- 4.4 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.aabrs.com/resources/creditors-guides.
- 4.5 Attached as Appendix B 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.

5 Creditors' Rights

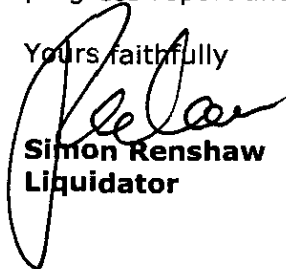
- 5.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 5.2 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.

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6 Next Report

- 6.1 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 progress report ahead of convening the final meeting of creditors.

Yours faithfully



Simon Renshaw
Liquidator

**Outline Design Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £		From 08/02/2016 To 07/02/2017 £	From 08/02/2016 To 07/02/2017 £
	ASSET REALISATIONS		
2,560.00	Plant & Machinery	2,560.00	2,560.00
7,440.00	Goodwill	7,440.00	7,440.00
Uncertain	Directors' Loan Accounts	NIL	NIL
	Bank Interest Gross	3.55	3.55
	Sundry Refunds	256.36	256.36
		<u>10,259.91</u>	<u>10,259.91</u>
	COST OF REALISATIONS		
	Specific Bond	70.00	70.00
	R4.62 - Expenses of Creditors Meeting	75.00	75.00
	Statement of Affairs Fee	6,000.00	6,000.00
	Agents/Valuers Fees	2,000.00	2,000.00
	Legal Fees	670.00	670.00
	Statutory Advertising	154.00	154.00
		<u>(8,969.00)</u>	<u>(8,969.00)</u>
	UNSECURED CREDITORS		
(3,000.00)	Trade & Expense Creditors	NIL	NIL
(9,866.82)	Banks/Institutions	NIL	NIL
(81,636.63)	HM Revenue & Customs (VAT)	NIL	NIL
(72,394.03)	HM Revenue & Customs (Corporation	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(2.00)	Ordinary Shares	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(156,899.48)</u>		<u><u>1,290.91</u></u>	<u><u>1,290.91</u></u>
	REPRESENTED BY		
	VAT Receivable		(20.00)
	Bank 1 Deposit		1,310.91
			<u><u>1,290.91</u></u>

Simon Renshaw ACA MIPA MABRP
Liquidator

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Appendix B

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

7 Staff Allocation and the Use of Sub-Contractors

- 7.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 7.2 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.
- 7.3 We are not proposing to utilise the services of any sub-contractors in this case.

8 Professional Advisors

- 8.1 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
Memery Crystal LLP (legal advice)	Hourly rate and disbursements
Robson Kay & Co Ltd (valuation and disposal advice)	Hourly rate and disbursements

- 8.2 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.

9 Liquidator's Expenses & Disbursements

- 9.1 The estimate of expenses (including disbursements) is provided to creditors within the fees information and reproduced as below:

Category 1 Disbursements	Estimated Cost £
Agents' costs – Robson Kay & Co Ltd	£2,000 plus VAT
Solicitors' costs – Memery Crystal LLP – Representation at the hearing of the winding up petition	£670 plus VAT
Statutory Advertising (1)	£308.50 plus VAT
Specific penalty bond (2)	£510 plus VAT
Category 2 Disbursements	Estimated Cost £
Postage – 1 st Class (3)	£20 plus VAT
Postage – 2 nd Class (3)	£20 plus VAT
Photocopying (3)	£20 plus VAT
Storage Costs (4)	£200 plus VAT

(1) This includes £75 plus VAT for the pre-appointment advert, two post-appointment adverts (i) Notice of the Liquidator's appointment and (ii) Notice of

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the winding up resolution at £77 plus VAT each, plus a further provision of £79.50 plus VAT in the event that a Notice of Intended Dividend is required.

(2) Calculated based on 100% realisations in respect of the overdrawn Directors' Loan Account balances as stated on the Director's Statement of Affairs.

(3) Photocopying and both postage types provide for four creditor circulars – (i) the initial notification of the Liquidator's appointment; (ii) two annual progress reports and (iii) the Liquidator's final account. A general provision has also been made for unforeseen creditor communications.

(4) 2 boxes are currently held and storage costs are charged at £50 per box per year. It has been assumed that the case will remain open for 2 years.

Current position of Liquidator's expenses

- 9.2 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:

Category 1 Disbursements	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Agents' costs	£2,000 plus VAT	Nil	£2,000 plus VAT
Solicitors' costs	£670 plus VAT	Nil	£670 plus VAT
Statutory Advertising	£229 plus VAT	Nil	£308.50 plus VAT
Specific Penalty Bond	£70 plus VAT	Nil	£510 plus VAT
Category 2 Disbursements	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Postage – 1 st Class	£Nil	£5 plus VAT	£20 plus VAT
Postage – 2 nd Class	£Nil	£3.60 plus VAT	£20 plus VAT
Photocopying	£Nil	£4.20 plus VAT	£20 plus VAT
Storage Costs	£Nil	£100 plus VAT	£200 plus VAT

- 9.3 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 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.

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- 9.4 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. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.