

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



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22/11/2019

#79

COMPANIES HOUSE

1 Company details

Company number **0 7 0 4 5 2 2 7**

Company name in full **Ark Homes Solutions Limited**

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

2 Liquidator's name

Full forename(s) **Alan**

Surname **Simon**

3 Liquidator's address

Building name/number **Langley House**

Street **Park Road**

Post town **London**

County/Region

Postcode **N 2 8 E Y**

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 2	^d 5	^m 0	^m 9	^y 2	^y 0	^y 1	^y 8
To date	^d 2	^d 4	^m 0	^m 9	^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 2	^d 0	^m 1	^m 1	^y 2	^y 0	^y 1	^y 9
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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 **Alan Simon**

Company name **AABRS Limited**

Address **Langley House**

Park Road

Post town **London**

County/Region

Postcode **N 2 8 E Y**

Country

DX **~~DX 52062~~**

Telephone **020 8444 2000**



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

**Ark Homes Solutions Limited
- In Liquidation**

20 November 2019

ARK HOMES SOLUTIONS LIMITED - IN LIQUIDATION

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

ARK HOMES SOLUTIONS LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Alan Simon of AABRS Limited, Langley House, Park Road, London, N2 8EY, was appointed as Liquidator of Ark Homes Solutions Limited (the **Company**) on 25 September 2015.
- 1.2 This progress report covers the period from 25 September 2018 to 24 September 2019 (**the Period**) and is to be read in conjunction with my previous progress reports which have been issued.
- 1.3 The principal trading address of the Company was 15 Woodland Gardens, London, E17 3PS. The Company provided accommodation, support and life skills training to young people aged 16 to 21 who have been in the care of the local authority but were no longer eligible due to age or change in circumstances.
- 1.4 The registered office of the Company has been changed to Langley House, Park Road, East Finchley, London, N2 8EY and its registered number is 07045227.
- 1.5 Information about the way that we will use and store personal data on insolvency appointments can be found at <https://www.aabrs.com/privacy-policy>. If you are unable to download this, please contact us and a hard copy will be provided to you.

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 together with a cumulative Receipts and Payments Account for the period from the date of my appointment as Liquidator to the end of the Period.
- 2.3 Attached at Appendix B is a time analysis outlining the time spent by the Liquidator and his staff during the period of this report together with a cumulative time analysis covering the period since my appointment as Liquidator.
- 2.4 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)

- 2.5 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation.
- 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: -

ARK HOMES SOLUTIONS LIMITED - IN LIQUIDATION

- (i) Preparing and issuing an annual progress report to members and creditors;
- (ii) Lodging a periodic return with the Registrar of Companies for the liquidation;
- (iii) Complying with statutory duties in respect of the Liquidator's specific penalty bond;
- (iv) Updating case files on my firm's insolvency software;
- (v) Storing the Company's books and records;
- (vi) Periodic case progression reviews;
- (vii) Maintaining the liquidation estate cashbook and bank account;
- (viii) Dealing with all post-appointment corporation tax compliance;
- (ix) Continuing to correspond with the Company's accountant in relation to the director's loan account balance, deferred annuity and numerous payments that were drawn after 31 March 2014;
- (x) Liaising with my agents, Grace and Good Ltd, regarding payments being made by Mr P Brown, a former director, in accordance with the settlement agreement in relation to his director's loan account balance;
- (xi) Liaising with Grace and Good Ltd, in relation to negotiations entered into with Mr P A Dorant, the director, concerning recovery of his director's loan account balance;
- (xii) Instructing solicitors, The Wilkes Partnership, to finalise the settlement agreement drafted by Grace and Good Ltd as agreed between Mr Dorant and the Liquidator in relation to Mr Dorant's 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) Monitoring payments being made by Mr Dorant in relation to a settlement agreement regarding his director's loan account balance' as detailed in section 2.12 below;
- (ii) Monitoring payments being made by Mr Brown in relation to a settlement agreement regarding his director's loan account balance, as detailed in section 2.12 below.

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.

ARK HOMES SOLUTIONS LIMITED - IN LIQUIDATION

2.10 Realisations totalling £13,390.77 were achieved during the Period.

2.11 Cash at Bank

- (i) During the Period, misapplied bank charges totalling £199.77 have been refunded to the Company by National Westminster Bank plc, bringing total realisations in respect of cash at bank to £19,909.88.

2.12 Director's Loan Account/Deferred Annuity/Contribution to Legal Fees

- (i) Creditors may recall that the Company's accounts for the year ended 31 March 2014 disclose that the director's loan account was repaid within nine months of the Companies year end. Mr Dorant exchanged his director's loan account in return for a deferred annuity, under which Mr Dorant guaranteed to pay the Company an agreed sum. The amount due from Mr Dorant, as shown in the balance sheet dated 31 March 2014, is £129,896.
- (ii) My investigations into the Company's affairs revealed that in the period 01 April 2014 to September 2015, further funds were drawn down by Mr Dorant and Mr Brown. In addition, there were numerous cash withdrawals and other payments that required explanation.
- (iii) Accordingly, I wrote separately to both Mr Dorant and Mr Brown to request an explanation for the withdrawal of these monies from the Company. An adequate response was not received from either consequent to I instructed Grace and Good Ltd, an independent firm of insolvency consultants, to assist me in my investigations and aid recovery of the funds owed.
- (iv) Grace and Good Ltd has engaged with Mr Dorant with a view to settling the claim. After negotiations and considering the cost of legal action in addition to the associated risks, a full and final settlement of £60,000 payable over three years was agreed with Mr Dorant in respect of the monies due.
- (v) As agreed, Mr Dorant made an immediate payment of £1,601 towards the legal costs of placing a charge on his property, which will be invoked should Mr Dorant fail to make the agreed payments.
- (vi) In the post reporting period, Mr Dorant has commenced monthly contribution payments of £1,666 per month. I will advise on any further realisations made, in my next report to creditors.
- (vii) As creditors may recall, Mr Brown previously proffered a settlement of £25,020 payable over two years in respect of his overdrawn director's loan account. This was deemed acceptable by the Liquidator. Accordingly, Mr Brown commenced payments to Grace and Good Ltd in this regard.
- (viii) In the reporting period, a sum of £11,590 has been realised. I will advise on any further realisations made, in my next report to creditors.

Unrealised Assets

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

ARK HOMES SOLUTIONS LIMITED - IN LIQUIDATION

- (i) The settlement sum agreed to by Mr Dorant regarding the director's loan account balance attributed to him as detailed in section 2.12 above;
- (ii) The settlement sum agreed to by Mr Brown regarding the director's loan account balance attributed to him as detailed in section 2.12 above.

Creditors (claims and distributions)

- 2.14 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.
- 2.15 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.16 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.
- 2.17 I consider the following matters worth noting in my report to creditors at this stage:
- There is no secured creditor;
 - There are no preferential claims;
 - There are 10 unsecured creditor claims anticipated in this case with a value per the director's statement of affairs of £190,995.21;
 - I have received unsecured claims totalling £241,049.31 from 4 creditors; I have yet to receive unsecured claims from 6 creditors whose debts are estimated to total £26,178.30 as per director's statement of affairs;
 - No claims have been agreed at this stage.

Investigations

- 2.18 You may recall from my first progress report to creditors that 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.
- 2.19 My report on the conduct of the director of the Company to the Department for Business Innovation & Skills under the CDDA 1986 was submitted during the first year of the liquidation and is confidential.

ARK HOMES SOLUTIONS LIMITED - IN LIQUIDATION

- 2.20 However, I can confirm that Mr Paul Anderson Dorant has been disqualified from acting as a director for three years commencing 19 September 2017, due to his conduct while acting for the Company.
- 2.21 Since my last progress report, I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors.

3 Creditors**Secured Creditors**

- 3.2 There is no secured creditor registered at Companies House.

Qualifying Floating Charge Holder (QFC)

- 3.3 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of a company's net floating charge property for unsecured creditors (known as the Prescribed Part).

Preferential Creditors

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

Unsecured Creditors

- 3.5 I have received claims totalling £241,049.31 from 4 creditors. I have yet to receive claims from 6 creditors whose debts are estimated to total £26,178.30 as per director's statement of affairs.
- 3.6 No claims have been agreed and will only be adjudicated should a dividend become payable.
- 3.7 I would confirm that a dividend to creditors is dependent on the level of realisations that may be achieved, if any, in respect of settlement agreements. Should a dividend become payable, this office will issue notice of the same.

4 Liquidator's Remuneration

- 4.1 Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation. In addition, the Liquidator's disbursements are payable on the basis of his firm's published tariff.
- 4.2 My time costs for the Period are £8,517.50. This represents 31.50 hours at an average rate of £270.40 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.
- 4.3 During the Period, £8,390 has been drawn on account.
- 4.4 Also attached as Appendix B is a cumulative Time Analysis for the period from 25 September 2015 to 24 September 2019 which provides details of my time costs since my appointment. The cumulative time costs incurred to date are

ARK HOMES SOLUTIONS LIMITED - IN LIQUIDATION

£45,635.50. This represents 199.00 hours at an average rate of £229.31 per hour.

- 4.5 During the term of the liquidation, £36,350 has been drawn on account.
- 4.6 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.aabrs.com/resources/creditors-guides.
- 4.7 Attached as Appendix C 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.

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 account.
- 6.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 020 8444 2000 or by email at info@aabrs.com.

Yours faithfully,



Alan Simon
Liquidator

Ark Homes Solutions Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 25/09/2018 To 24/09/2019 £	From 25/09/2015 To 24/09/2019 £
	ASSET REALISATIONS		
	Bank Interest Gross	0.46	95.03
Uncertain	Cash at Bank	199.77	19,909.88
Uncertain	Directors Loan Account/Deferred Annu	NIL	NIL
	Mr Brown ODLA settlement	11,590.00	11,590.00
	Mr Doran - Contribution re legal fees	1,601.00	1,601.00
2,500.00	Plant & Machinery etc	NIL	2,500.00
	Refund from OR	NIL	1,250.00
15,000.00	Sale Proceeds	NIL	15,000.00
		<u>13,391.23</u>	<u>51,945.91</u>
	COST OF REALISATIONS		
	Agents/Valuers Fees	3,840.04	3,840.04
	Corporation Tax	NIL	16.60
	Irrecoverable VAT	546.30	546.30
	Legal Fees	NIL	2,610.54
	Liquidators Fees	8,390.00	36,350.00
	R4.62 - Expenses of Creditors Meeting	NIL	90.00
	Specific Bond	NIL	204.00
	Statement of Affairs Fee	NIL	7,200.00
	Statutory Advertising	NIL	180.00
	Storage Costs	NIL	120.00
		<u>(12,776.34)</u>	<u>(51,157.48)</u>
	UNSECURED CREDITORS		
(56,031.19)	HM Revenue & Customs (Corporation	NIL	NIL
(108,185.72)	HM Revenue & Customs (PAYE)	NIL	NIL
(26,778.30)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(2.00)	Ordinary Shares	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(173,497.21)		614.89	788.43
	REPRESENTED BY		
	Bank 1 Deposit		788.43
			<u>788.43</u>

Note:

The Company is not VAT registered.

Time Entry - SIP9 Time & Cost Summary + Cumulative

A0845 - Ark Homes Solutions Limited
 Project Code: POST
 From: 25/09/2018 To: 24/09/2019

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	0.60	1.80	5.60	0.40	8.40	1,858.00	221.19	38.00	8,291.50
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.40	1.60	3.90	0.00	5.90	1,459.00	247.29	60.60	10,878.50
Investigations	0.50	2.30	1.00	0.00	3.80	979.50	257.76	59.50	11,827.50
Realisations of Assets	4.60	2.80	3.50	2.50	13.40	4,221.00	315.00	40.90	14,638.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours / Costs	6.10	8.50	14.00	2.90	31.50	8,517.50	270.40	199.00	45,635.50
Total Fees Claimed	30,850.00								
Total Disbursements Claimed	495.00								

Time Entry - SIP9 Time & Cost Summary

Category 2 Disbursements

A0845 - Ark Homes Solutions Limited
Project Code: POST
From: 25/09/2018 To: 24/09/2019

Other amounts paid or payable to the office holders firm or to party in which the office holder or his firm or any associate has an interest.

Transaction Date	Type and Purpose	Amount
28/09/2018	Storage Costs: Liquidator's Disbursements/Storage Costs 1 box @ £50 per box for the period 28.09.18 – 27.09.19 = £50	50.00
Total		50.00

ARK HOMES SOLUTIONS 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 On this case we are proposing to use the services of the following sub-contractors

Service	Provider	Basis of fee arrangement	Cost to date
Debt collection	Grace and Good Ltd	Percentage of realisations	£3,840.04

- 1.4 Grace and Good Ltd, an independent firm of recovery agents, has been instructed to realise the overdrawn directors loan accounts. The directors failed to respond to correspondence from this office in relation to their liabilities in a timely manner which necessitated the use of a company specialising in debt recovery. As Grace and Good Ltd is willing to be remunerated on the basis of a percentage of realisations, it is cost effective to utilise their service.

Professional Advisors

- 1.5 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 – adjournment of a winding up petition)	Hourly rate and disbursements
The Wilkes Partnership (legal advice)	Hourly rate and disbursements

- 1.6 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.

2 Liquidator's Expenses & Disbursements

- 2.1 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:

ARK HOMES SOLUTIONS LIMITED - IN LIQUIDATION

Expenses including category 1 disbursements	Paid in prior period £	Paid in the Period £	Incurred but not paid to date £	Total anticipated cost £
Agents' costs – Grace and Good Ltd	0.00	3,804.04	0.00	8,340.00
Legal fees – Memery Crystal LLP	2,610.54	0.00	0.00	2,610.54
Legal fees – The Wilkes Partnership	0.00	0.00	600.00	600.00
R4.62 – expenses of creditors' meeting	90.00	0.00	0.00	90.00
Specific penalty bond	204.00	0.00	0.00	204.00
R4.38 – statement of affairs fee	7,200.00	0.00	0.00	7,200.00
Statutory advertising	180.00	0.00	0.00	253.55
Category 2 disbursements				
Storage costs	120.00	0.00	120.00	420.00

- 2.2 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.
- 2.3 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.

3 Charge-Out Rates

- 3.1 AABRS Limited's current charge-out rates effective from 01 September 2019 are detailed below. Please note this firm records its time in minimum units of 6 minutes.
- 3.2 Our rates were reviewed on 01 September 2019. Details of our previous rates are available at www.aabrs.com/resources/charge-out-rate/
- 3.3 A schedule of charge out rates as at 01 September 2019 are shown below: -

	(Per hour)
Director	£750.00
Manager	£315.00 - £550.00
Other Senior Professional	£275.00 - £310.00
Assistants & Support Staff	£175.00 - £260.00