

## Section 106

Return of Final Meeting in a  
Creditors' Voluntary Winding UpPursuant to Section 106 of the  
Insolvency Act 1986

To the Registrar of Companies

**S.106**

Company Number

04543038

Name of Company

Double Check Security Ltd

I / We

Ninos Koumettou, 1 Kings Avenue, Winchmore Hill, London N21 3NA

Note The copy account must be  
authenticated by the written  
signature(s) of the Liquidator(s)

1 give notice that a general meeting of the company was duly ~~held on~~/summoned for 11 October 2016 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been conducted, and the property of the company has been disposed of, and that the same was done accordingly / no quorum was present at the meeting.

2 give notice that a meeting of the creditors of the company was duly ~~held on~~/summoned for 11 October 2016 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up the company has been conducted and the property of the company has been disposed of and that the same was done accordingly/no quorum was present at the meeting

The meeting was held at 1 King's Avenue, Winchmore Hill, London, N21 3NA

The winding up covers the period from 12 February 2014 (opening of winding up) to the final meeting (close of winding up)

The outcome of any meeting (including any resolutions passed) was as follows

EITHER

- 1 No quorum was present
- 2 No resolution against the Liquidator being given his release was passed

Signed

Ninos Koumettou

Date 12 October 2016

AlexanderLawsonJacobs  
1 Kings Avenue  
Winchmore Hill  
London N21 3NA

Ref DO31168/NK/AG/SG/LI



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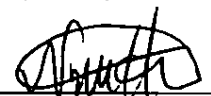
COMPANIES HOUSE

**Double Check Security Ltd**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**  
**From 12 February 2014 To 11 October 2016**

S of A £		£	£
	<b>SECURED ASSETS</b>		
	Factored Book Debts	586 11	586 11
	<b>ASSET REALISATIONS</b>		
4,700 25	Contracts / WIP	NIL	
Uncertain	Misappropriated Funds	NIL	
4,112 25	Goodwill / IP / Name	NIL	
	Bank Interest Gross	26 30	
31,148 59	Transfer of Funds from Administration	31,148 59	31,174 89
	<b>COST OF REALISATIONS</b>		
	Professional Fees	2,040 00	
	Office Holder's Remuneration	22,101 07	
	Corporation Tax	4 93	
	Bank Charges	15 00	(24,161 00)
	<b>UNSECURED CREDITORS</b>		
(6,972 32)	Trade & Expense Creditors	282 57	
	Rates	95 05	
(6,249 57)	HM Revenue & Customs - Corp Tax	165 59	
(202,672 72)	HM Revenue & Customs - PAYE/NIC	5,106 04	
(42,500 00)	Landlord	NIL	
(50,527 84)	HM Revenue & Customs - VAT	1,950 75	(7,600 00)
	<b>DISTRIBUTIONS</b>		
(2 00)	Ordinary Shareholders	NIL	NIL
(268,963 36)			NIL
	<b>REPRESENTED BY</b>		
			NIL

**Note**

All sums shown are net of any VAT Any VAT payable, recoverable or suffered is disclosed separately



Ninos Koumettou  
Liquidator

## **LIQUIDATOR'S ACTIONS SINCE APPOINTMENT**

The Company previously entered Administration on 10 September 2013 and subsequently exited Administration via Creditors' Voluntary Liquidation on 12 February 2014, in order to realise the remaining balance which was due, in relation to the sale of the Company's business, goodwill and assets, under the terms of the Sale Agreement ("SPA") as well as to realise any remaining debts due to the Company and to continue with investigation matters into the affairs of the Company

In this respect, I can confirm that the Liquidator has continued carrying out work with a view to realising the Company's remaining assets as detailed below and has also carried out investigations into the company's records and addressed correspondence relating to creditors' claims as reported. All routine work carried out is shown in detail in the Remuneration section below

## **RECEIPTS AND PAYMENTS ACCOUNT**

My Receipts & Payments Account for the period from 12 February 2014 to date is attached

Estate funds were banked in a designated clients' account at a UK bank and accordingly there is no account held by the Secretary of State to reconcile the attached report to

## **ASSETS**

Creditors are reminded that the majority of the Company's assets were sold or disposed of during the course of the Company's Administration. Details of past realisation can be found in the previous reports which were issued during the period of the Company's Administration

The remaining assets which the Liquidator made attempts to realise, during the period of the Liquidation, are as set out below

### ***Factored Book Debts***

The majority of the Company's factored book debts were collected during the Administration. A small debt, in the sum of £586.11, was subsequently received following the Company's Liquidation and it was considered that no further debtor realisations would be recovered

### ***Sale of Company's Business, Goodwill & Assets***

The Company's business, goodwill and assets were sold for the sum of £26,500 to Double Check Security Group Limited ("DCSG"). A Personal Guarantee was also provided, in relation to the deferred consideration, by Mr Ashfaq Ahmad Khalish

At the time the Company entered Liquidation, there was a remaining balance which was due from DCSG in the sum of £7,312.50. Creditors will recall from my previous reports that, following the completion of the sale, DCSG lost two of its major clients which had represented more than 80% of its turnover and which had resulted in its turnover reducing considerably. It was initially agreed that DCSG be given time to recover before the balance of the monies due under the SPA was discharged fully. These monies remain unpaid at the time the Company entered Liquidation and I subsequently requested for the balance to be paid by DCSG. However, as a result of the loss of these contracts, DCSG was unable to recover and was forced to cease trading. As such, it was no longer possible to recover the outstanding balance from this company.

I subsequently wrote to Mr Khalish to request payment of the sum which he had personally guaranteed. However, various discussions with Mr Khalish followed and it transpired that he was also suffering personal financial difficulties and was in no position to repay this outstanding liability.

Accordingly, following further consideration, it was determined that the only way possible for these monies to have been recovered was by way of legal action. However, any successful recovery was by no means certain and, given the value of this debt, such action may not have proved cost effective since any recovery may have been used to utilise against any legal fees which may have been incurred in dealing with the recovery process.

Accordingly, I decided to preserve the balance of funds which were being held in the estate in order to ensure payment of a dividend to the Company's unsecured creditors.

### ***Misappropriated Funds***

It was previously reported that during 2011, prior to the Company's Administration, the Company's director identified substantial payments as having been made from the Company's account which appeared prima-facie to have been paid to HMRC but which, the director maintains, were diverted to the Company's former internal accountant / bookkeeper. A comprehensive schedule of all the payments which appear to have been misappropriated and, in anticipation of commencing action against the relevant party, Messrs Summers Nigh Law also verbally agreed to act on a Confidential Fee Agreement basis, once the requisite information had been collated from the records of the Company.

However, a significant delay in the progression of these investigations was suffered due to the failure of the Company's bankers to provide me with the requisite PDQ statements which were required. These statements were essential as they provided a full breakdown of the individual payments that had been part of larger transactions shown within the Company's ordinary bank statements. However, I can confirm that these statements have all now been received and that a full analysis has been carried out into each individual payment which has been made from the Company's funds.

HMRC also provided details of the payments that they previously received from the Company, against the PAYE/NIC & VAT liabilities and these were compared to the information contained within the Company's own statements and records in order to establish which of the payments made from the Company's funds were valid.

Discussions subsequently took place with Summers Nigh solicitors regarding the analysis which had been undertaken as well as the merits of any legal claims being made against the Company's former accountant / bookkeeper and other parties. However, Summers Nigh confirmed that any claims would be extremely difficult to prove and, in view of the fact that the whereabouts of the Company's former internal accountant / bookkeeper was not known, did not think that this was a matter which could be dealt with on a Conditional Fee Agreement basis. In view of the uncertainty in bringing successful claims against the parties involved, it was decided not to pursue these claims and to preserve the funds in the estate to ensure payment of a dividend to the Company's unsecured creditors.

### **LIABILITIES**

Details of the creditors included in the Statement of Affairs and the amount of their claim in the liquidation, that was subsequently agreed for dividend purposes, are listed below.

Name	Amount	Claim
Barclays Bank Plc (Business Insolvency)	£0 00	£0 00
Bibby Factors Manchester Ltd	£86,890 61	£0 00
Biffa Waste Services Ltd	£0 00	£150 00
British Gas Business	£0 00	£0 00
Close Premium Finance Limited	£0 00	£7,919 48
Denwa Communications Ltd	£289 78	£289 82
Mr N Defreitas	£0 00	£0 00
De Lage Landen Leasing Ltd	£0 00	£1,062 82
HMRC - National Insolvency Unit - [VAT]	£50,527 84	£79,941 84
HMRC - CT	£6,249 57	£6,786 02
HMRC - Insolvency (ICHU) (PAYE/NIC)	£202,672 72	£209,245 21
London Borough of Waltham Forest	£0 00	£3,894 95
Peninsular Business Services Ltd	£0 00	£2,157 78
Red Rose Employment Agency Ltd - Landlord	£42,500 00	£0 00
Threads and Needles Ltd	£6,580 54	£0 00
Telecom Alarms Ltd	£102 00	£0 00
<b>16</b>	<b>£395,813 06</b>	<b>£311,447 92</b>

### **Secured Liabilities**

The Company's mortgage register held by the Registrar of Companies, indicated that there were two outstanding Charges registered against the Company

The first, which was a fixed and floating charge, was created on 29 May 2012 in favour of Barclays Bank Plc. At the time the Company entered Administration, there was an outstanding liability due to Barclays, in relation to the Company's credit card, of £3,688 68 which was fully discharged by the Company's director, from personal funds, at the time the Company entered Administration

The Company's former factoring company, Bibby Financial Services Ltd ("BFS") also held a Debenture over the Company at the time of its Administration, incorporating a fixed and floating charge, which was created on 23 July 2013. This liability was secured, by way of a fixed charge over the Company's book debts and by way of a floating charge over the Company's other assets. Creditors will recall from previous reports issued, that the liability due to BFS was discharged in full from the factored book debts which were realised during the period the Company was in Administration

As such, there is no outstanding liability due to either of the Company's secured creditors

Under the provisions of Section 176A of the Insolvency Act 1986, a Liquidator must state the amount of funds available to unsecured creditors in respect of the prescribed part. This relates to a percentage of the Company's assets being set aside for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property". A Company's net property is that left after paying the expenses of the liquidation and any preferential creditors, but before paying the lender who holds a floating charge. A Liquidator has to set aside

*a) where the Company's property does not exceed £10,000 – 50% of that property,*

*b) where it exceeds £10,000*

*i) 50% of the first £10,000 of the net property and*

*ii) 20% of the remaining net property up to a maximum of £600,000*

In this instance, the Company granted Fixed and Floating Charges to both Barclays and BFS. In normal circumstances the prescribed part element would apply and funds would have been retained, from monies due under the floating charge, in order to enable a distribution to be made to unsecured creditors. However, as there was no outstanding liability due to Barclays and the liability that was previously due to BFS was settled by way of debtor monies caught under its fixed charge, the prescribed part did not apply in this instance.

#### ***Preferential Creditors***

Creditors will recall that at the time the Company entered Administration, the Company's employees were all transferred to DCSG under the TUPE provisions and, as such, no preferential claims were anticipated, in relation to outstanding wages and / or holiday pay.

I can confirm that no preferential claims were subsequently received in this respect.

#### ***Crown Creditors***

Creditors are reminded that the Company's Statement of Affairs indicated that the sum of £202,672.72 was due to HMRC in relation to PAYE & NIC and a further sum of £50,527.84 was due in relation to VAT. A further sum of £6,249.57 was also estimated as being due in relation to Corporation Tax.

Claims have subsequently been received from HMRC in relation to PAYE/NIC & VAT in the respective sums of £209,245.21 and £79,941.84 and a further claim in the sum of £6,786.02 has also been received in relation to Corporation Tax.

#### ***Non-preferential unsecured Creditors***

In addition to the Crown Creditors mentioned above, the Company's Statement of Affairs indicated it to also have additional unsecured creditors with estimated claims amounting to £49,472.32. As can be seen in the schedule above, claims totalling £15,474.85 have now been received from the Company's unsecured creditors and agreed for dividend purposes.

### **DIVIDEND PROSPECTS**

#### ***i) Secured & Preferential Creditors***

There were no liabilities due to any of the Company's secured creditors at the time it entered Liquidation and, therefore, no payment was made from Liquidation funds in this respect. The Company has no Preferential Creditors.

#### ***ii) Non-preferential Unsecured Creditors***

I can confirm that a first and final dividend in the sum of 2.44p in the £ was paid to the Company's non-preferential unsecured creditors on 31 May 2016.

### **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

As stated above, I undertook an investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. As a result of these investigations it appeared that there was a prima-facie misappropriation of the Company's funds which appeared to have taken place prior to it entering Administration. However, due to the uncertainties set out above, our solicitors have confirmed that they would not be willing to act on a Conditional Fee Agreement and, in the circumstances, I have also decided not to pursue these claims.

Within six months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make him unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

## LIQUIDATOR'S REMUNERATION

Creditors are aware that, in accordance with the resolution passed at the meeting of creditors held on 18 November 2013, as Administrator I was authorised to draw remuneration on a time cost basis.

In accordance with Rule 4.127(5A) of the Insolvency Act 1986 (as amended), where a liquidation is immediately preceded by an administration and the Liquidator was previously the Administrator, the basis of remuneration fixed in the administration continues to apply in the liquidation.

I would summarise my time costs to date as follows:

Period	Dates covered	Time Cost	Hours	Average charge out rate	Liquidator's remuneration drawn in Period
1	12 February 2014 – 11 February 2015	£6,087.00	33.90	£179.56	£3,350.00
2	12 February 2015 – 11 February 2016	£12,757.50	52.37	£243.60	£15,269.50
3	12 February 2016 – 11 October 2016	£4,311.00	17.90	£240.84	£3,481.57
	<b>Total</b>	<b>£23,155.50</b>	<b>104.17</b>	<b>£222.29</b>	<b>£22,101.07</b>

Time is charged in 6 minute units.

A schedule of my time costs incurred to date is attached.

A description of the routine work undertaken in the Liquidation to date is as follows:

- 1 Administration and Planning
  - Preparing the documentation and dealing with the formalities of appointment
  - Statutory notifications and advertising
  - Preparing documentation required
  - Dealing with all routine correspondence
  - Maintaining physical case files and electronic case details on IPS case management software
  - Case bordereau
  - Case planning and administration
  - Preparing reports to members and creditors
  - Convening meeting of creditors
- 2 Cashiering
  - Maintaining and managing the Administrator's cashbook and bank account
  - Ensuring statutory lodgements and tax lodgement obligations are met
- 3 Creditors
  - Dealing with creditor correspondence and telephone conversations
  - Maintaining creditor information on IPS case management software
  - Reviewing proofs of debt received from creditors
  - Preparing reports to creditors
- 4 Investigations
  - Review and storage of books and records
  - Review of Company's accounts / financial information & various discussions with the Company's current bookkeeper in relation to specific transactions

- Liaising with the Company's bankers in relation to the provision of bank statement and PDQ statements
- Liaising with HMRC in relation to the payments made by the Company
- Discussions with Summers Nigh on the merits of bringing successful claims against various parties
- Prepare a return pursuant to the Company Directors Disqualification Act

#### 5 Realisation of Assets

- Liaising with both the purchaser and the guarantor in relation to the balance due from the sale of the Company's business, goodwill and assets in accordance with the SPA

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals together with an explanatory note which shows Alexander Lawson Jacobs' fee policy are available from our website [www.aljuk.com](http://www.aljuk.com) by accessing the downloads section. A hard copy can be obtained upon request.

As with all professional firms, charge out rates increase from time to time over the period of the liquidation. As a consequence, there have been minor changes in the rates charged since appointment. The following table shows the rates used since the date of liquidation.

The charge out rates of this firm's staff grades, exclusive of VAT are as follows:-

Staff Grade	Hourly rates 2013 & 2014	Hourly rates 2015 & 2016
Partner	£350	£350 - £400
Manager	£250	£250 - £300
Senior Case Administrator	£200 - 225	£190 - £250
Administrator		£100 - £175
Support staff	£50-125	£75 - £125

These rates are reviewed in January each year and are adjusted to take into account inflation and the firm's overheads.

#### LIQUIDATOR'S EXPENSES

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2. These were detailed in the Liquidator's guide to fees. However, I would summarise these as follows,-

Category 1 expenses are attributed to the estate and are recoverable in full from the estate without the prior approval of creditors. This will include the cost of statutory advertising, external meeting room hire, external storage, specific bond insurance, company search fees and postage.

Category 2 expenses are incurred by the firm and recharged to the estate. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, and internal storage.

My expenses to date amount to £149 50 of which the sum of £121 50, representing my Category 1 expenses, have been drawn from the funds held in the estate. The following expenses have, to date, been incurred -



Type of category 1 disbursement	Amount incurred in reporting period £	
	12 February 2016 – 11 October 2016	12 February 2014 – 11 February 2016
Indemnity Bond	0 00	0 00
Company Search	0 00	0 00
Statutory Advertising	0 00	74 50
Postage	11 75	35 25
Room Hire (external)	0 00	0 00
Type of category 2 disbursement	Amount incurred but not paid £	
Photocopying	2 00	26 00
Storage of Books and Records	0 00	0 00
Other	0 00	0 00
<b>Total</b>	<b>13 75</b>	<b>135.75</b>

#### FURTHER INFORMATION

Both secured and unsecured creditors were previously advised of their rights in relation to requesting further details of my remuneration and expenses, within 21 days of their receipt of my draft final report. Similarly they were advised of their rights in relation to their ability to apply to court to challenge the amount and/or basis of my fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of their receipt of my draft final report.

I can confirm that any requests for further information have been satisfactorily dealt with and that no creditor has exercised their right to challenge my remuneration or expenses.

#### SUMMARY

The winding up of the company is now complete and I have held final meetings of the company's members and creditors where they received my final report. I can confirm that no resolution was passed preventing me from obtaining my release as liquidator.

My case files have now been placed in storage and will be held in accordance with statutory requirements.



**Ninos Koumettou FCA, FCCA, FABRP**  
Liquidator

(Licensed to act as an Insolvency Practitioner in the UK by  
The Institute of Chartered Accountants in England and Wales)

11 October 2016

# Time Entry - SIP9 Time & Cost Summary

DO31168 - Double Check Security Ltd  
Project Code POSTAPPT  
From 12/02/2014 To 11/10/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2.00	0.90	24.50	5.40	32.80	7,333.00	223.57
Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	6.10	0.50	6.60	1,480.00	224.24
Investigations	0.00	5.20	44.47	14.00	63.67	14,067.50	220.94
Realisation of Assets	0.00	0.20	0.90	0.00	1.10	275.00	250.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hours</b>	<b>2.00</b>	<b>6.30</b>	<b>75.97</b>	<b>19.90</b>	<b>104.17</b>	<b>23,155.50</b>	<b>222.29</b>
<b>Total Fees Claimed</b>						<b>22,101.07</b>	
<b>Total Disbursements Claimed</b>						<b>0.00</b>	