

WU07

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



Companies House

TUESDAY



A83JLZ6P

A16

16/04/2019

#109

COMPANIES HOUSE

1 Company details

Company number 4 6 9 8 4 6 9
Company name in full HAIDER KENNEDY LEGAL SERVICES LIMITED

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

2 Liquidator's name

Full forename(s) William Jeremy Jonathan
Surname Knight

3 Liquidator's address

Building name/number 68 Ship Street,
Street Brighton,
Post town East Sussex,
County/Region
Postcode B N 1 1 A E
Country

4 Liquidator's name ①

Full forename(s) Simon Peter Edward
Surname Knight

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

5 Liquidator's address ②

Building name/number 68 Ship Street,
Street Brighton,
Post town East Sussex,
County/Region
Postcode B N 1 1 A E
Country

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

WU07

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

6 Period of progress report

From date	^d 2	^d 6	^m 1	^m 0	^y 2	^y 0	^y 1	^y 7
To date	^d 2	^d 5	^m 1	^m 0	^y 2	^y 0	^y 1	^y 8

7 Progress report☒ The progress report is attached**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 0	^d 7	^m 1	^m 1	^y 2	^y 0	^y 1	^y 8
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

WU07

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

**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 **William Jeremy Jonathan Knight**

Company name **Jeremy Knight & Co.,**

Address **68 Ship Street,**

Brighton,

Post town **East Sussex,**

County/Region

Postcode **B N 1 1 A E**

Country

DX

Telephone **(01273) 203654**

**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

HAIDER KENNEDY LEGAL SERVICES LIMITED - IN LIQUIDATION

IN THE HIGH COURT OF JUSTICE

NO. 5239 OF 2017

LIQUIDATORS' REPORT TO CREDITORS

For the year ending 25th October 2018

STATUTORY INFORMATION

Company name:	HAIDER KENNEDY LEGAL SERVICES LIMITED
Company number:	4698469
Trading address:	25 Station Road, South Norwood, London SE25 5AH
Registered office:	68 Ship Street,, Brighton, East Sussex, BN1 1AE
Former registered office:	25 Station Road, South Norwood, London SE25 5AH
Principal trading activity:	Solicitors
Liquidators' names:	William Jeremy Jonathan Knight [IP No. 2236] Simon Peter Edward Knight [IP No. 11150]
Liquidators' address	68 Ship Street,, Brighton, East Sussex, BN1 1AE
Date of appointment	26 th October 2017
Court name and reference	HIGH COURT OF JUSTICE 5239 of 2017
Actions of Joint Liquidators'	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Liquidators acting jointly or alone.

LIQUIDATORS' ACTIONS SINCE APPOINTMENT

Immediately upon appointment we took possession of the company's premises at 25 Station Road, South Norwood, London SE25 5AH and secured it and its contents which were principally office furniture and equipment and files. We interviewed the director, Mr Shuja Haider, who informed us that there was work in progress realisable by the company of some £160,000 representing approximately 100, mainly legal aid, files which needed to have bills drafted and costs assessed by the court whereupon he believed the Legal Aid Agency ("LAA") would pay them. We consequently wrote to the LAA to establish the position with them whilst at the same time agreeing with the landlord that we would have until the end of December 2017 to vacate the premises in order to have time to arrange for the files to be moved to somewhere where they could be worked on by costs draughtsmen. We negotiated arrangements with the company's fee earners and costs draughtsmen to assist with turning the work in progress and completed files into billable invoices. In the meantime we were in

regular communication with the Solicitors Regulatory Authority ("SRA") to keep them informed of what we were proposing to do in order to minimise the risk of them intervening in the practice which would result in significant additional costs which would be a first call on the assets of the company meaning that there would be no prospect of any funds for creditors. This included checking the firm's clients account to ensure that there was no shortfall to any client and overseeing arrangements for files on on-going cases to be passed to replacement solicitors or returned to clients.

By the end of November 2017 it became apparent that whilst the value of unbilled legal aid work in progress might be in the region of £160,000 the LAA had paid interim payments on account to the company totalling approximately £701,000 over the previous ten years on cases where final bills had not been submitted. More than half of this related to files which we could not trace due to their age. This meant that even if we were able to obtain final assessed bills for submission to the LAA on all cases where we had files, disregarding the cost of achieving that result, we could only at best only reduce the LAA's unsecured claim against the company. For this reason we decided that there was no actual realisable value to the legal aid work in progress. In addition to the legal aid work there were some private clients. Most of these had been completed, billed and paid or were on-going with little or no outstanding work in progress and had in any event already been transferred by Mr Haider to other firms of solicitors. There remains one private client however for which the work had been completed and there is in excess of £30,000 owed. The client had entered into a consent order for the sale of a property in Jamiaca which would have provide the funds necessary to discharge this debt but he appears to be in breach of that order and we may need to take enforcement proceedings against him.

As part of our other work we have examined the company's own accounting system and its management accounts appear to differ significantly from those filed at Companies House. The most significant difference is that there appears to be a large balance due to the company from Mr Haider whose drawings from the company have not been fully explained. We are continuing to investigate this matter. This has been reported to the Official Receiver who is responsible for dealing with matters of conduct of directors.

We have also been required by the court to provide evidence in a case involving a former client of the company. We have been able to obtain payment for our services carrying out this work from the claimant in that case and our costs have not been charged to the liquidation.

There is certain work that we are required by the insolvency legislation to undertake in connection with the Liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since our appointment as Liquidators is attached.

RECEIPTS AND PAYMENTS ACCOUNT

Our receipts and payments account for the period from 26th October 2017 to 25th October 2018 is attached.

The balance of funds is held in the Insolvency Services Account operated by The Insolvency Service.

ASSETS

Office equipment

Our agents advised that the office furniture and equipment owned by the company was old and in poor condition and of no realisable value.

Cash in Hand

There was £72.38 in the petty cash tin.

Book Debts

I have recovered unused court fees and land registry fees totalling £1,250. Another form of solicitors has however claimed that part of this should have been paid to them but have yet to provide me with evidence. In addition to a private client debtor referred to above, there is the prospect of recovering a debt from the director for unexplained drawings from the company. He has denied owing anything and the matter remains under investigation.

Other assets

I have recovered the sum of £14,000 which had been paid by the company to HM Revenue & Customs after the presentation of the winding up petition and was therefore a void disposition.

LIABILITIES

Secured liabilities

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted charge in the form of a debenture in favour of National Westminster Bank dated 10th September 2003 registered on 17th September 2003. The legislation requires that if the Company has created a floating charge after 15th September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case the floating charge was created prior to 15th September 2003 such that the prescribed part provisions do not apply).

As at the date of liquidation the bank was owed £3,281.25. They have not yet submitted a claim.

Preferential creditors

The director did not submit a statement of affairs. A preferential claim from the Redundancy Payments Service has been received for £2,279.30 in respect of a claim by Mr Haider for arrears of pay and holiday pay. In view of the debt which appears to be due to the company by Mr

Haider we have not yet agreed this claim.

Crown creditors

The director did not submit a statement of affairs. HMRC's final claim of £124,462.53 for PAYE, VAT and penalties has been received.

Non-preferential unsecured creditors

The director did not submit a statement of affairs. The company records however indicated that there were some 33 trade and expense creditors totalling £149,867. We have however received claims from six trade and expense creditors totalling £87,571.93. There are a further 24 creditors unsecured creditors with an estimated total liability of £850,000. The principal reason for this is the likely substantial claim by the LAA for payments on account of unbilled work and outstanding counsels' fees.

DIVIDEND PROSPECTS

Depending upon the success of recovery of the outstanding book debt and monies owed by Mr Haider there may be the prospect of payment of secured and preferential creditors. In view of the substantial anticipated unsecured claims however the prospects of anything other than a nominal dividend to unsecured creditors would seem remote.

INVESTIGATION INTO THE COMPANY'S AFFAIRS

I undertook an initial 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. Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the period prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the company's accounting system and made enquiries about the reasons for the changes.

As stated it would appear that there were significant amounts drawn from the company by the director over and above his salary entitlement for which I have not received a full explanation. I propose taking step to recover any such sums. I have limited funds at present but am considering litigation funding to finance any proceedings.

LIQUIDATORS' REMUNERATION

The basis of our remuneration has not yet been fixed. We have prepared a fee estimate and have sent it separately to creditors with a request that they agree a fixed sum to cover the work done to date and future statutory compliance work. We cannot at this stage estimate the amount of work remaining to be carried out realising the debts due to the company and we will revert to you in due course when this is better known. The fees estimate acts as a cap and we cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of A Creditors Guide to Liquidators' Fees also published by R3, together with an explanatory note which shows the firm's fee policy are available at the link <http://www.jeremyknight.co.uk/ips-and-their-fees/>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the latest version.

LIQUIDATORS' EXPENSES

We have incurred expenses to 25th October 2018 of £1,171.52. This comprises Insolvency Services banking charges of £91.30, cat 1 disbursements (couriers & train fares £153.60, tax on post liquidation interest of £0.38, Agents' fees of £336.00, storage boxes £71.04, statutory advertising of £98.40, court fees of £200.00 and bond premium of £220.80, all of which have been paid from the estate. In addition, the Official Receiver has charged £9,400.00.

FURTHER INFORMATION

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 Joint Liquidators' remuneration and expenses within twenty one days of their 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 unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Liquidators as being excessive, and/or the basis of the Joint Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within eight weeks of their receipt of this report. Any secured creditor may make a similar application to Court within the same time limit.

To comply with the Provision of Services Regulations, some general information about can be found at <http://www.jeremyknight.co.uk/provision-of-services-regulations/>.

SUMMARY

The Liquidation will remain open until the debts due to the company have been realised. We estimate that this will take approximately one year and once resolved the Liquidation will be finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available online, they should contact William Jeremy Jonathan Knight on (01273) 203654, or by email at William.Jeremy.Jonathan.Knight.



William Jeremy Jonathan Knight
JOINT LIQUIDATOR

7th November 2018

Details of work required by the insolvency legislation without financial benefit

1. Administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical and electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Dealing with all routine correspondence and emails relating to the case.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House and Court.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns

1. Creditors

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Issuing a notice of intended dividend and placing an appropriate gazette notice.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Calculating and paying a dividend to creditors and issuing the notice of declaration of dividend.
- Paying tax deducted from the dividends paid to employees.

HAIDER KENNEDY LEGAL SERVICES LIMITED

IN COMPULSORY LIQUIDATION

SUMMARY OF THE LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

For the period from 26th October 2017 to 25th October 2018

RECEIPTS

	£
Book debts	1,250.00
Cash in hand	72.38
Recovered from HMRC	14,000.00
Bank interest	1.90
Total receipts	£ £ <u><u>15,324.28</u></u>


PAYMENTS

	£
Official Receiver's debit balance	9,400.00
DBIS cheque fees	3.30
Liquidators' disbursements	153.60
Agents' fees	336.00
Corporation tax	0.38
Storage costs	71.04
Statutory advertising	98.40
ISA fees	88.00
Court fees	200.00
Bond premium	220.80
Balance in hand	4,752.76
Total payments	£ £ <u><u>15,324.28</u></u>

Notes

1. The above figures include VAT where appropriate.
2. Book debts include a sum received from HM Land Registry claimed by another firm
3. The director did not provide a statement of affairs.
4. £14,000 was paid by the company to HMRC after the presentation of the petition and is therefore a void transaction and was recoverable.
5. The above account has been reconciled with the Insolvency Service Account, held by the Secretary of State.

Dated this 7th day of November 2018


(signed) W J J KNIGHT FCCA
JOINT LIQUIDATOR
JEREMY KNIGHT & C
Chartered Accountants
68 Ship Street
Brighton
East Sussex BN1 1AE