

## CREATIVE COMMUNICATIONS (UK) LIMITED - IN COMPULSORY LIQUIDATION

Liquidator's Annual Progress Report to Creditors and Members for the period 25 November 2015 to 24 November 2016

### STATUTORY INFORMATION

Name of Company	CREATIVE COMMUNICATIONS (UK) LIMITED
Registered Office	284 Clifton Drive South, Lytham St. Annes, Lancashire, FY8 1LH
Former Registered Office	Unit 9B Office 6, Ellough Industrial Estate, Beccles, NR34 7TD
Registered Number	04834649
Court Name and Number	HIGH COURT OF JUSTICE NO. 003466 OF 2015
Liquidator's Name	Philip Stephen Wallace
Liquidator's Address	P S Wallace & Co, 284 Clifton Drive South, LYTHAM ST. ANNES, Lancashire FY8 1LH
Date of Winding-up Order	29th June 2015
Liquidator's Date of Appointment	25th November 2015

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### LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

The Official Receiver's report to creditors indicated that there were no assets available in the liquidation. The last accounts prepared for the Company were for the year ended 31 July 2013 which indicated that the Company had tangible assets of £39,595 and current assets totalling £794,687 at that time.

The initial strategy was to investigate the affairs of the Company, as detailed in the investigation section below, to establish how the assets of the Company had been disposed of and if there were any transactions that could be challenged by a liquidator.

In addition to the investigations, the outcome of which may generate a financial benefit to creditors, administration work is required which provides no direct financial benefit to creditors. Following appointment, statutory and non-statutory obligations have been undertaken, including

- Ongoing Due Diligence and consideration of threats to fundamental principles
- Notice of Appointment to the Registrar of Companies and the Official Receiver
- Notices of Appointment to H M Revenue & Customs to include a VAT 769
- Statutory advertising
- Pension enquiries
- Payment Protection Insurance (PPI) enquiries
- Interest Rate Hedging (IRH) enquiries
- Search Enquiries re H M Land Registry, Bankruptcy and Company

A number of the above tasks are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors they still have to be carried out.

Initial enquiries and investigations and general administration has been undertaken by an insolvency practitioner, a case administrator and supporting staff

## **RECEIPTS AND PAYMENTS ACCOUNT**

The Receipts & Payments Account for the period from 25 November 2015 to 24 November 2016 is attached. All amounts in the Receipts & Payments Account are shown net of VAT.

The balance of funds are held in the Insolvency Services Account operated by the Insolvency Service, for which banking fees of £88 have been incurred during the period of this report.

## **ASSETS**

There were no assets disclosed in this matter.

The Company's former solicitors had a balance of £9.81 in a client account, which was refunded.

### **Payment Protection Insurance ("PPI") and Interest Rate Hedging Claims ("IRH")**

Enquiries have been made to identify any PPI or IRH claims. Any redress may be an asset in the liquidation.

## **LIABILITIES**

### **Secured Creditors**

Legislation requires that if the Company has created a floating charge after 15 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.

As there are no charges registered over the assets of the Company, the prescribed part provisions will not apply.

### **Preferential Creditors**

The Official Receiver's report to creditors did not include any claims in respect of preferential creditors. No claims have been received from preferential creditors during the period covered by this report.

### **Unsecured Creditors**

The Official Receiver's Report to Creditors included Unsecured Creditors with an estimated total liability of £115,402.85. To date a claim has been received from one creditor in the total sum of £194,089.35. There do not appear to be any outstanding claims.

## **DIVIDEND PROSPECTS**

The amount of realisations total £9.81 during the period covered by this report. The payment of any dividend will depend upon the extent of realisations and the costs of realisation. It is not possible, at this stage, to comment any further on the prospects of a dividend as these are dependent on the outcome of ongoing investigations.

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

An initial investigation has been undertaken into the affairs of the Company

Various papers were handed over by the Official Receiver and have been reviewed which include -

Official Receiver's Report to Creditors  
Insolvency Practitioner's Report on handover  
Director's Preliminary Information Questionnaire ("PIQC")  
Supplemental PIQC  
Narrative Statement  
Creditor's Claim

There appears to have been three directors of this Company in recent years. The first director was appointed in 2003 and continued until 1 March 2012. The second director was appointed on 1 March 2012 and resigned on 10 September 2013. A third director was appointed on 10 September 2013.

There were no Company books and records handed over by the Official Receiver. The second director advised that all the Company's records had been handed over to the third director. The Official Receiver attempted to contact the third director following the winding-up of the Company. The Official Receiver was informed that the identity of this person had been used without his permission and he had been appointed director without his knowledge. Solicitors acting for this person confirmed that was the case. Consequently, the whereabouts of the Company's books and records is not known, nor to whom they were handed.

Enquiries were made of the Company's accountants, who advised that they only hold minimal accounting records for 2011 and 2012, at which time they ceased to act for the Company and hold no record of another firm of accountants being appointed.

The last accounts prepared on behalf of the Company and filed at Companies House were abbreviated accounts for the year ended 31 July 2013. It is not known who prepared the abbreviated accounts, or from where the information was obtained.

Following the initial investigation, it transpired that the Company operated bank accounts with two banks. Statements were obtained from both banks and were examined in detail. Significant transactions were shown on the statements held with one bank after the appointment of the third director. Further enquiries were made of various parties, who have not agreed to provide the information without a court order.

Solicitors have been instructed to make an application against two parties under Section 236 Insolvency Act 1986 for disclosure of the information requested.

## **LIQUIDATOR'S REMUNERATION**

A separate Notice will be sent to all known creditors of the intention to seek a written resolution to fix the basis of the Liquidator's remuneration and to authorise the drawing of certain disbursements.

A copy of 'A Creditor's Guide to Liquidator's Fees' published by the Association of Business Recovery Professionals, together with an explanatory note which shows the firm's fee policy are enclosed. A copy of 'A Creditor's Guide to Liquidator's Fees' can also be viewed online at <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>. There are different versions of these Guidance Notes and in this case please refer to the October 2015 version.

Time charged on all cases is in 5 minute units and hourly billing rates for the periods since the date of appointment are as follows (plus VAT) -

	From April 2011
	£
Insolvency Practitioners	255 00
Chartered Accountants/Solicitor	240 00
Associates	220 00
Managers	175 00
Senior Professionals	150 00
Administrator	120 00
Cashier	100 00
Assistants	90 00
Support Staff	85 00

The time expended in the administration of the winding-up for the period 25 November 2015 to 24 November 2016 totals 56 58 hours at a total value of £11,122 91, none of which have been billed in the period covered by this report. The average charge out rate is £197

A schedule of the time costs incurred in the period is attached

In addition to the work already detailed above, a description of the routine work undertaken is as follows

#### Administration

- Case planning – devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case
- Setting up physical/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 others required on appointment as office holder, including advertising the office holder's appointment in the London Gazette
- Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate)
- Dealing with all routine correspondence and e-mails relating to the case
- Cashiering – creating, maintaining and managing the office holder's cashbook
- Undertaking regular 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
- Filing Returns at Companies House
- Preparing and filing VAT Returns
- Preparing and filing Corporation Tax Returns
- Ongoing Due Diligence and consideration of threats to fundamental principles
- Pension Enquiries

#### Creditors

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims
- Maintaining up to date creditor information on the case management system

## LIQUIDATOR'S DISBURSEMENTS

### Category 1 Disbursements

No expenses have been drawn in the period covered by this report

The following expenses have been incurred -

Type of expense	Amount incurred in this period £	Amount incurred to date £	Amount unpaid £
Bordereau	40 00	40 00	40 00
Advertising	74 50	74 50	74 50
ISA banking fees	88 00	88 00	88 00

The following agents or professional advisors have been utilised in this matter -

Professional Advisor	Nature of work	Fee Arrangement
Clarke Mairs LLP	Legal advice	Time costs on informal/formal Conditional Fee Arrangement

The choice of professionals was based on the perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. Solicitors have estimated their time costs up to issuing proceedings would be in the region of £7,000 plus VAT and disbursements. If proceedings are required they have estimated that their time costs may be in the region of £15,000 plus VAT and disbursements. The costs incurred to date amount to £454 50. The costs have been reviewed appear reasonable in the circumstances of this case.

### Category 2 Disbursements

No category 2 disbursements have been incurred in the period covered by this report

## 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 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.

To comply with the Provision of Services Regulations, some general information about P S Wallace & Co can be found in the firm's Guide to Insolvency Practitioners' Fees which is enclosed with this report.

## SUMMARY

The liquidation will remain open until such time as all enquiries and investigations are concluded. The liquidation will then proceed to final administration and closure.

Should you have any queries regarding this report, or the liquidation in general, please contact Glynis McKnight at this office

Dated 21 December 2016

A handwritten signature in black ink, appearing to read 'P S Wallace', written in a cursive style.

P S WALLACE  
Liquidator

**Creative Communications (UK) Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs	From 25/11/2015 To 24/11/2016	From 29/06/2015 To 24/11/2016
ASSET REALISATIONS		
Sundry refunds	9 81	9 81
Deposit on Petition	NIL	1,250 00
	<u>9 81</u>	<u>1,259 81</u>
COST OF REALISATIONS		
Official Receivers Disbursements	NIL	2,544 34
ISA Banking Fees	88 00	88 00
Petitioners Costs	920 00	920 00
Bordereau	40 00	40 00
Advertising	74 50	74 50
	<u>(1,122 50)</u>	<u>(3,666 84)</u>
	<u><b>(1,112 69)</b></u>	<u><b>(2,407.03)</b></u>
REPRESENTED BY		
Vat Receivable		14 90
Liquidator's Expenses account		(129 40)
Insolvency Services Account		(1,372 53)
Petitioning Creditor's Costs		(920 00)
		<u><b>(2,407.03)</b></u>

**CREATIVE COMMUNICATIONS (UK) LIMITED (in liquidation)**

**COST ANALYSIS FOR PERIOD** 25 November 2015 to 24 November 2016

	Insolvency Practitioner Hours	Chartered Accountant Hours	Associate Hours	Other Snr Prof Hours	Admin Hours	Cashier Hours	Support Staff Hours	Total Hours	Total Costs £	Avg Hrlly Rate £
<b>Administration and planning</b>										
Open	0 00	0 00	0 00	0 00	0 58	0 00	3 08	3 67	347 50	
Planning	0 00	0 00	0 00	0 00	0 58	0 00	0 00	0 58	70 00	
Statutory	0 00	0 00	0 00	0 25	0 42	0 00	1 17	1 83	198 75	
Maintenance of Records	0 17	0 00	0 00	0 25	0 00	0 00	0 42	0 83	123 75	
General Admin	0 25	0 00	0 00	0 00	1 33	0 00	0 58	2 17	274 59	
VAT & TAX	0 08	0 00	0 00	0 58	1 83	0 00	0 00	2 50	328 75	
Review	1 33	2 50	0 00	0 00	3 75	0 00	0 00	7 58	1445 00	
Cashiering	0 00	0 00	0 00	0 00	0 00	0 58	0 00	0 58	58 32	
Closing	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
	1 83	2 50	0 00	1 08	8 50	0 58	5 25	19 75	2846 66	144
<b>Investigations</b>										
Initial Investigation	14 00	0 00	0 00	0 00	2 75	0 00	0 00	16 75	3900 00	
HMLR Enquiries/Searches	0 00	0 00	0 00	0 00	0 00	0 00	0 92	0 92	82 50	
Bank Enquires	0 17	0 00	0 00	0 00	1 42	0 00	0 00	1 58	212 50	
Books and Records	0 00	0 00	0 00	0 00	0 08	0 00	0 00	0 08	10 00	
Asset Realisations	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
Antecedent Transactions	6 33	0 00	0 00	0 00	0 25	0 00	0 00	6 58	1645 00	
Enquiry Financial Advisors	2 25	0 00	0 00	0 00	0 00	0 00	0 00	2 25	573 75	
Instructing Solicitors/Notes to assist	3 08	0 00	0 00	0 00	1 00	0 00	0 00	4 08	906 25	
	25 83	0 00	0 00	0 00	5 50	0 00	0 92	32 25	7330 00	227
<b>Realisation of assets</b>										
Directors Loan Accounts	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
Book Debts	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
Dispositions/Antecedent Trans	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
Vehicles	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
Property	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
PPI	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
Policies/Pensions/Shares	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
Cash at Bank	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
Other	0 00	0 00	0 00	0 00	0 67	0 00	0 00	0 67	80 00	
	0 00	0 00	0 00	0 00	0 67	0 00	0 00	0 67	80 00	120
<b>Creditors</b>										
Agreeing Creditors Claims	0 00	0 00	0 00	0 00	0 00	0 00	0 17	0 17	15 00	
General Correspondence	3 08	0 00	0 00	0 00	0 17	0 00	0 50	3 75	851 25	
	3 08	0 00	0 00	0 00	0 17	0 00	0 67	3 92	866 25	221
<b>Total hours</b>	<b>30 75</b>	<b>2 50</b>	<b>0 00</b>	<b>1 08</b>	<b>14 83</b>	<b>0 58</b>	<b>6 83</b>	<b>56 58</b>	<b>11122 91</b>	
<b>Total Costs (£)</b>	<b>7841 25</b>	<b>600 00</b>	<b>0 00</b>	<b>175 00</b>	<b>1835 00</b>	<b>58 32</b>	<b>613 34</b>		<b>11122 91</b>	<b>197</b>