

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



A8Y7H59N

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06/02/2020

#326

COMPANIES HOUSE

1 Company details

Company number 0 4 9 7 2 1 3 8

Company name in full FM Model Agency Ltd

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

2 Liquidator's name

Full forename(s) Rebecca Jane

Surname Dacre

3 Liquidator's address

Building name/number The Pinnacle

Street 160 Midsummer Boulevard

Post town Milton Keynes

County/Region

Postcode M K 9 1 F F

Country

4 Liquidator's name ①

Full forename(s) Simon David

Surname Chandler

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

5 Liquidator's address ②

Building name/number The Pinnacle

Street 160 Midsummer Boulevard

Post town Milton Keynes

County/Region

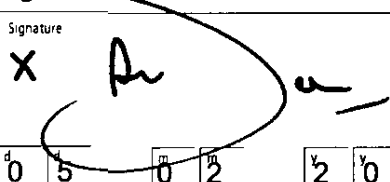
Postcode M K 9 1 F F

Country

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

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report											
From date	^d 0	^d 6	^m 0	^m 1	^y 2	^y 0	^y 1	^y 9				
To date	^d 0	^d 5	^m 0	^m 1	^y 2	^y 0	^y 2	^y 0				
7	Progress report											
<input type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	<div>Signature</div> <div>X  X</div>											
Signature date	^d 0	^d 5	^m 0	^m 2	^y 2	^y 0	^y 2	^y 0				

FM Model Agency Ltd t/a FM London Model Management - In Liquidation

Joint Liquidators' progress report covering the period from 6 January 2019 to 5
January 2020

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Joint Liquidators' progress report

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FM Model Agency Ltd t/a FM London Model Management - In Liquidation ("the Company")

Progress Report to Creditors & Members

1. Introduction

- 1.1. This report is prepared pursuant to Rules 18.3 and 18.7 of the Insolvency (England and Wales) Rules 2016, the purpose of which is to provide creditors with details of the progress of the Liquidation during the 12 months to 5 January 2020.
- 1.2. I was appointed Joint Liquidator of the Company, together with Mr Simon David Chandler, at a meeting of creditors held on 6 January 2016. I am authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales and Mr Simon Chandler is authorised in the UK by the Insolvency Practitioners Association.
- 1.3. Identification details relating to the Company and the Joint Liquidators are attached at Appendix A.

2. Joint Liquidators' Receipts and Payments

- 2.1. A summary of receipts and payments covering the period from 6 January 2019 to 5 January 2020 is attached at Appendix B. The receipts and payments account also covers the cumulative period from the date of appointment to 5 January 2020. A comparison of the figures provided in the directors' Statement of Affairs to actual realisations made to date is included to assist creditors in assessing progress to date.
- 2.2. The receipts and payments account confirms that there is currently a balance in hand of £29,515.20, with VAT Receivable of £16,672.20. A further £963.73 is held on trust for two models who have not yet claimed their trust monies (see paragraph 6.4).
- 2.3. An explanation of the assets realised and the expenses paid is provided below.

3. Asset Realisations and Details of Progress

Connected Party Transactions

- 3.1. In accordance with Statement of Insolvency Practice 13, I would advise you that there have been no transactions with connected parties during the period covered by this report.

Unconnected Party Transactions

3.2. Asset realisations made during the period covered by this report are detailed below.

3.3. Bank Interest

3.3.1. Bank interest in the sum of £239 on the liquidation bank account has been received in the reporting period.

3.3.2. Further bank interest of £59 has been received on the account used for debtor collections. All debtor collections have been completed and this account will be closed shortly.

3.4. Book Debts

3.4.1. As detailed in my last report to creditors, Mazars Receivables Management ("MRM"), an associate of Mazars LLP, were instructed on 8 January 2016 to assist with the collection of the Company's book debts.

3.4.2. The collection of the ledger was completed during the previous reporting period, and the remaining balance of £219,636 has now been transferred from the Company's pre-appointment bank account held at National Westminster Bank plc. Book debts totalling £45,803 have been written off (35% of the ledger) and no further realisations are anticipated in this regard.

3.5. Cash at Bank

3.5.1. Cash at bank of £47,714 has been received from the Company's pre-appointment bank accounts held at National Westminster Bank plc in respect of the balance held as at the date of liquidation. This account has now been closed and no further realisations will be achieved.

3.6. Deposits and Cash

3.6.1. At the date of appointment the Company held £111,721 in respect of deposits and cash takings. These funds have now been transferred to the liquidation bank account from the Company's pre-appointment bank account held at National Westminster Bank plc. No further realisations will be achieved in this regard.

4. Assets still to be realised

4.1. Assets still to be realised comprise of the following.

4.2. Overdrawn Directors' Loan Accounts

4.2.1. As previously detailed to creditors, Birketts LLP ("Birketts") have been instructed to review the validity of the loan waiver letters, which indicated that the Company would not demand repayment of the overdrawn directors' loan accounts of the former directors in the sum of £501,626 save in certain circumstances.

- 4.2.2. On the advice of Birketts, advice from Counsel has been sought and Birketts continue to pursue this matter. No realisation has been achieved in this regard to date, but it is anticipated that this matter will be resolved prior to the next report to creditors.

4.3. Tax Refund

- 4.3.1. In my last report to creditors, I confirmed that the last filed tax return showed the Company was due a refund in the sum of £9,848 from HM Revenue & Customs ("HMRC"). HMRC have subsequently lodged a claim in the liquidation in the sum of £26,185 and therefore any pre-appointment refund will be subject to set-off.
- 4.3.2. Therefore, no realisation will be achieved in this regard.

5. Estimated Outcome Statement

- 5.1. An estimate of the outcome of the Liquidation is attached at Appendix C.
- 5.2. Based on expected realisations and payments, it is expected that there will be sufficient funds to enable a small return to unsecured creditors of approximately 1 pence in the pound. However, due to complications arising from the Trust and ongoing asset realisations, I am presently unable to comment on the quantum nor timing of any such dividend.
- 5.3. Further details on the expected outcome for each class of creditor is provided in Section 6 of this report, below.

6. Liabilities

6.1. Secured Creditors

- 6.1.1. A fixed and floating charge debenture over the Company's assets was granted in favour of National Westminster Bank plc ("NatWest"). It was created on 4 August 2011 and was registered at Companies House on 11 August 2011.
- 6.1.2. As at the time of my appointment, I was not aware of any monies being owed to NatWest as the bank accounts were in credit nor has any claim been received.

6.2. Preferential Creditors

- 6.2.1. There are no preferential creditors in this case.

6.3. Unsecured Creditors

- 6.3.1. According to the directors' statement of affairs, the Company had 182 unsecured creditors with debts totalling £1,820,257.72. Claims received to date total £2,101,040.24 from 119 creditors, however these claims will be reduced by the sum of £268,258 which has been paid to models in respect of their trust entitlement

- 6.3.2. Creditors will note from the Estimated Outcome Statement included at Appendix C, that a small dividend is expected to be made of approximately 1 pence in the pound.

6.4. Monies owed to models under an Agency Agreement

- 6.4.1. Creditors will recall that as at my last report, a Court application to determine which monies are held on trust, where the costs of the liquidation and the costs of the administration of the trust should fall, and how the trust monies (the “Trust Monies”) should be distributed was made, and a final hearing took place on 1 May 2019. Judgment was handed down and Paragraph 3(i) of the Court Order stated,

“Any model wishing to assert a beneficial entitlement to the Trust Monies or part thereof must, to the extent that have not done so already, submit a claim in writing to the [Joint Liquidators] with such supporting information as they are able to provide by 4pm on 28 June 2019.”

- 6.4.2. Accordingly, model claims submitted by the relevant date were reviewed to establish whether they could trace into any of the Trust Monies. This was a lengthy process as each invoice had to be reviewed and checked for payment into any of the bank accounts (being those operated by the Company prior to Liquidation, and the bank accounts operated by the Joint Liquidators following their appointment), and led us to identify some models’ claims as being against the Trust Monies, and other claims being ordinary unsecured claims.
- 6.4.3. In accordance with the Court Order all models were written to, notifying them of the status of their trust claims and providing the timetable for distribution, and also notifying beneficiaries of the Trust Monies of the costs connected with the Trust Monies process (in accordance with the Order).
- 6.4.4. Funds in the sum of £267,324.72 have been distributed in the reporting period. A balance of £963.73 (less bank charges) will be distributed upon receipt of further information from two remaining models.
- 6.4.5. A copy of the Order and Judgment is available on request.

7. Prescribed Part

- 7.1. In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company’s net assets are to be set aside for the benefit of the Company’s unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors’ claims.
- 7.2. In this instance, the prescribed part does not apply as no funds were owed to the Company’s floating charge creditor.

8. Investigations

- 8.1. In accordance with the Company Directors Disqualification Act 1986, the Joint Liquidators are required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the Liquidation. The Joint Liquidators can confirm that this obligation has been complied with and a confidential report was submitted to the Insolvency Service on 2 July 2016 and 5 September 2016.
- 8.2. An initial investigation into the Company's affairs has also been undertaken by the Joint Liquidators in accordance with Statement of Insolvency Practice 2. The purpose of these investigations is to establish whether there are any potential asset recoveries or conduct which requires further investigation.
- 8.3. The Joint Liquidators investigated the former directors' overdrawn loan accounts, referred to previously in this report. It is hoped that some recovery may be made in respect of these loans, and Birketts continue to pursue this matter.
- 8.4. Should creditors have any information which they consider may assist the Joint Liquidators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Joint Liquidators, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the Company's affairs.

9. Joint Liquidators' Remuneration

- 9.1. A resolution was passed by the creditors by correspondence on 3 May 2016 enabling the Joint Liquidators to draw remuneration on the basis of a fixed fee in the sum of £55,607.60, plus VAT.
- 9.2. During the period from 6 January 2019 to 5 January 2020 the Joint Liquidators have drawn remuneration of £3,998.40, with a total remuneration since the date of appointment of £55,607.60 against the agreed fixed fee. Details of the work carried out during the current reporting period is attached in the narrative summary at Appendix E.
- 9.3. The fixed fee was originally determined on the basis of a 20% reduction in costs from the time cost estimate of £69,509.50. This basis assumed the following:
 - There were no significant issues or unforeseen delays in realising the Company's assets;
 - There were no adverse findings during the investigation into the Company's affairs; and
 - The Liquidation would remain open for up to two years.
- 9.4. As detailed within the report, and previous reports to creditors, significant additional work has been undertaken by the Joint Liquidators and their staff in realising assets and pursuing certain

parties as a result of the investigation. This work has resulted in a return to models of Trust Monies and a benefit for creditors, and as shown in the Estimated Outcome Statement, a small dividend to the unsecured creditors is now anticipated.

9.5. Since the appointment date, time costs of £166,349.70 have been incurred representing 662.20 hours of work at an average hourly rate of £251.21. Of this total, £60,239.63 of time costs were incurred in administering the Trust Monies, as detailed below in paragraphs 9.6, 9.7 and 9.8. The balance of £106,110.07 relates to the Liquidation.

9.6. Under the terms of the Court order on 1 May 2019, the Joint Liquidators were entitled to discharge out of the Trust Monies the costs and expenses pursuant to the Trust Monies distribution. The costs fell into two parts:

9.6.1. The Joint Liquidators' time costs and the legal fees and other disbursements incurred by the Joint Liquidators in making the Court application;

9.6.2. The Joint Liquidators' time costs and legal fees, collection agent costs and other disbursements incurred by the Joint Liquidators administering the trust property held by the Company as trustee.

9.7. In respect of the costs referred to in paragraph 9.6.1, the following costs were discharged out of the Trust Monies

Legal fees	£19,196.00 plus VAT
Legal disbursements	£7,982.30 plus VAT
Liquidators' fees	£19,482.00 plus VAT
Liquidators' disbursements	£62.32 plus VAT
Total	<u>£46,722.62 plus VAT</u>

9.8. In respect of the costs referred to in paragraph 9.6.2, the following costs were discharged out of the Trust Monies:

Legal fees	£10,200.00 plus VAT
Liquidators' fees	£40,757.63 plus VAT
Total	<u>£50,957.63 plus VAT</u>

9.9. The Liquidation fee estimate has been exceeded for the following reasons:

- Resolving the matter surrounding the Trust Monies due to models, as significant costs were incurred identifying Trust Monies claims, although only that which formally identified a specific model (and the extent of their Trust Monies claim) as a Trust Monies beneficiary, was chargeable against the Trust Monies as described above. Costs incurred in the process of review and identification which ultimately identified a model as not having a Trust Monies claim (or having only a partial claim), were not chargeable (or were partially chargeable) against the Trust Monies, however, had to be



carried out in order to identify those who did have full or partial claims to Trust Monies. The majority of this work was complex and therefore carried out by a senior member of the Joint Liquidators' staff or by one of the Joint Liquidators themselves, and therefore at a higher cost;

- The lengthy process involved in applying to Court and distributing Trust Monies meant that the initial fixed fee assumption of the Liquidation not exceeding two years, has been exceeded.
- Dealing with enquiries from a large number of individual persons who are unsecured creditors or Trust Monies beneficiaries, has been time-consuming but appropriate, and due to the complexities involved, the enquiries have often had to be dealt with directly by a senior member of the Joint Liquidators' staff or one of the Joint Liquidators themselves;
- Pursuing asset realisations such as the book debts and a future bad debt relief claim to ensure that the maximum return is available to the unsecured creditors; and,
- Conducting a detailed investigation into the conduct of the director and the former directors, and continuing to pursue matters resulting from this for the benefit of creditors.

9.10. As a result of this work, creditors will note that the basis for the fixed fee has been significantly exceeded. The Joint Liquidators propose that the fixed fee is increased to £93,600, representing a fee increase of £37,992.40. This is considered reasonable as Joint Liquidators' fees calculated on a time costs basis (excluding those costs paid separately out of the Trust Monies) are currently estimated to total £117,000, thereby indicating a 20% reduction against a time costs basis, and is reasonable in consideration of the duration of the Liquidation, the complexity, the volume of correspondence and investigation, and the nature of the work carried out.

9.11. Further information on the work carried out during the current reporting period in respect of the realisation of assets is provided in Section 3 and 4 of the report and also within the narrative summary attached at Appendix E.

10. Joint Liquidators' Disbursements

10.1. Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. There are two categories of disbursements, including Category 1 (payments directly to independent third parties) and Category 2 (costs incurred by the Liquidator or the firm that can be allocated to the case on a proper and reasonable basis).

10.2. Category 2 disbursements require approval in the same manner as remuneration and creditors will recall that a resolution was passed on 3 May 2016 by creditors in agreement of the anticipated Category 2 disbursements of the Joint Liquidators.

- 10.3. Further details of the rates agreed are provided within the Rates and Disbursements policy which was provided to creditors on 13 April 2016 and which is available upon request.
- 10.4. Details of the disbursements incurred in the period and whether they constitute Category 1 or Category 2 disbursements, are provided below. Details of the disbursements paid during the period is provided within the attached receipts and payments account. The amount of disbursements paid during the period may be more than the amount incurred due to balances carried over from previous periods.

Type of Disbursement	Description	Amount incurred in period (£)
<u>Category 1</u>		
Storage costs	Costs paid to Fyfield Equipment Ltd to store company records	297.00
Travel	Train and taxi fares in connection with the Court hearing on 1 May 2019, recharged to the Trust Monies and not covered by the Liquidation estate	62.32
Total Category 1		359.32
<u>Category 2</u>		
No Category 2 disbursements were incurred in this period		-
Total Category 2		-
Total		£359.32

11. Expenses

- 11.1. Details of all expenses incurred during the period of the report and likely future expenses are provided in the Expenses Statement attached at Appendix D. This also includes a comparison to the original Expense Estimate.
- 11.2. Further details of expenses paid during the period of the report are shown in the receipts and payments account at Appendix B.
- 11.3. Legal Fees**
- 11.3.1. Creditors will recall that in the initial report, legal expenses were estimated at £5,500.00. At the start of the liquidation, the complexity of the issues surrounding both the trust funds and the former directors' loan accounts were unknown.
- 11.3.2. Following the Joint Liquidators' appointment, Birketts LLP were instructed in respect of the matters detailed above. Creditors will note that legal fees in the sum of £29,396 have been paid in respect of work completed on resolving the Trust, of which £8,500 was incurred and paid during the period covered by this report. A further sum of £3,000 was incurred and paid to



Birketts in connection with their work pursuing the claim against the former directors. Disbursements incurred during this period include Counsel's fees and other Court costs.

12. Matters outstanding

12.1. The outstanding matters are detailed below:

- Finalising the returns to the beneficiaries of the trust, and determining the required action following this;
- Concluding the outstanding asset realisations of the liquidation with the assistance of Birketts; and
- Declaring a first and final dividend to the unsecured creditors.

13. Creditors' Rights

13.1. Further information

13.1.1. I would advise you that, pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the Court, may, within 21 days of receipt of this progress report, ask the Liquidator for further information about the remuneration and expenses set out in this progress report.

13.2. Apply to Court

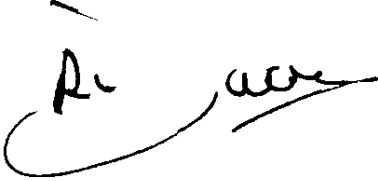
13.2.1. Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the Court may, within 8 weeks of the receipt of this progress report, apply to the Court on one or more of the following grounds:

- a. That the remuneration charged by the Liquidator, or
- b. That the basis fixed for the Liquidator's remuneration, or
That the expenses incurred by the Liquidator, is, in all of the circumstances, excessive or inappropriate.

13.3. Further guidance

13.3.1. In accordance with Statement of Insolvency Practice 9, creditors can find additional information on their rights relating to Liquidators' fees in a copy of the publication "A creditors guide to Liquidator's fees" which is available to download from the website <https://www.r3.org.uk/media/documents/publications/professional/Liquidations%20Creditor%20Fee%20Guide%20April%202017.pdf> or, alternatively, will be provided free of charge upon written request to this office.

- 13.3.2. For further general information regarding a creditor's role throughout an insolvency process, creditors are reminded that they can also visit <http://www.creditorinsolvencyguide.co.uk>.



Rebecca J Dacre
Joint Liquidator

Dated 5 February 2020

Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and bound by the Insolvency Code of Ethics. Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: www.mazars.co.uk/Legal-and-privacy.

APPENDIX A**FM Model Agency Ltd t/a FM London Model Management - In Liquidation
Identification Details****Details relating to the Company**

Company name	FM Model Agency Ltd t/a FM London Model Management
Previous names	
Trading name	t/a FM London Model Management
Company number	04972138
Registered office	The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, Buckinghamshire, MK9 1FF
Trading address	Unit 1, 60 Great Eastern Street, London, EC2A 3QR

Details relating to the Liquidator

Date of appointment	6 January 2016
Joint Liquidators	R J Dacre and S D Chandler IP No(s) 009572 and 008822
Joint Liquidators' address	Mazars LLP, 45 Church Street, Birmingham, B3 2RT
Joint Liquidators' contact telephone number	0121 232 9500

**FM Model Agency Ltd t/a FM London Model Management
(In Liquidation)**

Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 06/01/2019 To 05/01/2020 £	From 06/01/2016 To 05/01/2020 £
ASSET REALISATIONS		
	239.35	292.04
	59.03	174.40
360,977.77	NIL	333,439.50
46,004.96	47,713.59	47,713.59
NIL	NIL	NIL
	NIL	146.65
111,721.46	111,721.46	111,721.46
15,552.50	NIL	3,500.00
NIL	NIL	NIL
Uncertain	NIL	NIL
Uncertain	NIL	NIL
	NIL	653.48
26,250.00	NIL	51,290.00
9,847.70	NIL	NIL
	<u>159,733.43</u>	<u>548,931.12</u>
COST OF REALISATIONS		
	540.00	562.00
	711.36	796.21
	3,998.40	55,607.60
	(1,430.00)	1,429.00
	11,500.00	40,396.00
	NIL	1,480.00
	NIL	30,494.05
	NIL	8,000.00
	NIL	26,250.00
	297.00	1,156.15
	60,239.64	60,239.64
	7,982.30	7,982.30
	8,500.00	29,396.00
	62.32	62.32
	<u>(92,401.02)</u>	<u>(263,851.27)</u>
UNSECURED CREDITORS		
Uncertain	NIL	NIL
(31,716.99)	NIL	NIL
(8,082.54)	NIL	NIL
Uncertain	NIL	NIL
(1,780,458.19)	NIL	NIL
	267,324.72	267,324.72
	<u>(267,324.72)</u>	<u>(267,324.72)</u>
DISTRIBUTIONS		
(200.00)	NIL	NIL
	NIL	NIL
<u>(1,250,103.33)</u>	<u>(199,992.31)</u>	<u>17,755.13</u>
REPRESENTED BY		
		963.73
		119.20
		16,672.20
		<u>17,755.13</u>

APPENDIX C

FMI Model Agency Ltd t/a FMI London Model Management
Estimated Outcome Statement as at 5 January 2020

	To Date £	Best Case Future £	Total £	Worst Case Future £	Total £
Asset Realisations					
Bank Interest Gross	292	120	412	120	412
Bank Interest Gross (Debtor receipts)	174	-	174	-	174
Book Debts	333,440	-	333,440	-	333,440
Cash at Bank	47,714	-	47,714	-	47,714
Computers and office equipment	-	-	-	-	-
Credit Card Refunds	147	-	147	-	147
Deposits and Cash	111,721	-	111,721	-	111,721
Furniture and Fixtures	3,500	-	3,500	-	3,500
Leasehold Property (1)	-	-	-	-	-
Overdrawn Director's Loan: F Laughton	-	5,000	5,000	-	-
Overdrawn Director's Loan: L Kuhrt	-	5,000	5,000	-	-
Refund of bank charges	653	-	653	-	653
Rent Deposit	51,290	-	51,290	-	51,290
Tax Refund	-	-	-	-	-
VAT Bad Debt Relief	-	12,254	12,254	12,254	12,254
	548,931	22,374	571,305	12,374	561,305
Less Costs of Realisations					
Bank Charges	(562)	(30)	(592)	(30)	(592)
Corporation Tax	0	(1,000)	(1,000)	(1,000)	(1,000)
Joint Liquidators' Disbursements	(796)	(78)	(874)	(78)	(874)
Joint Liquidators' Fees (fixed fee)	(55,608)	(37,992)	(93,600)	(37,992)	(93,600)
Legal Disbursements	(1,429)	0	(1,429)	0	(1,429)
Legal fees	(11,000)	(5,000)	(16,000)	(5,000)	(16,000)
Legal Fees (Pre Appointment Work)	(1,480)	0	(1,480)	0	(1,480)
Mazars Receivables	(30,494)	0	(30,494)	0	(30,494)
Preparation of Statement of Affairs	(8,000)	0	(8,000)	0	(8,000)
Return of 50% rent deposit	(26,250)	0	(26,250)	0	(26,250)
Storage Costs	(1,156)	(891)	(2,047)	(891)	(2,047)
Trust Monies - Joint Liquidators' fees	(60,240)	0	(60,240)	0	(60,240)
Trust Monies - Legal Disbursements	(7,982)	0	(7,982)	0	(7,982)
Trust Monies - Legal Fees	(29,396)	0	(29,396)	0	(29,396)
Trust Monies - Liquidators' Disbursements	(62)	0	(62)	0	(62)
	(234,455)	(44,991)	(279,447)	(44,991)	(279,447)
Funds Available to Preferential Creditors			291,858		281,858
Trust Monies to Models			(268,258)		(268,258)
Less Preferential Creditors			0		0
Funds Available to Unsecured Creditors			23,600		13,600
Less Unsecured Creditors					
Employees	0			0	
HMRC re PAYE & NI	18,102			18,102	
HMRC re VAT	8,083			8,083	
Redundancy Payment Service	0			0	
Trade & Expense Creditors	1,525,815			1,525,815	
			1,551,999		1,551,999
Shortfall to Unsecured Creditors			(1,528,400)		(1,538,399)
Estimated Dividend to Unsecured Creditors - pence in the £			1.52		0.88

APPENDIX D

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in previous period (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
Professional advisors' costs The officeholder's choice of the professional advisors listed below was based on their perception of the advisors' 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.						
Legal fees – Pre-appointment	It was agreed at the creditors' meeting held on 6 January 2016 that Franklins Solicitors LLP is to be paid £1,280 plus VAT for assistance with employment law advice.	1,280.00	1,280.00	0.00	0.00	1,280.00
Legal fees – Post-appointment	Marriot Harrison LLP were instructed to liaise with the landlord of the leased premises and its solicitors to oversee the assignment of the lease and collect rent deposits. Marriot Harrison LLP were chosen based on their experience in providing such services in insolvency matters. Their fees are agreed on a time cost basis.	1,000.00	1,000.00	0.00	0.00	1,000.00
Legal fees – Post-appointment	Birketts LLP have been instructed to provide advice regarding the directors' loan accounts. Birketts LLP were chosen based on their experience in insolvency matters. Their fees are agreed on a time cost basis.	5,500.00	8,000.00	3,000.00	5,000.00	16,000.00
Legal fees – Post-appointment – Trust work	Birketts LLP have been instructed to provide advice regarding the trust claims. Birketts LLP were chosen based on their experience in insolvency matters. Their fees are agreed on a time cost basis.	0.00	20,896.00	8,500.00	0.00	29,396.00
Solicitors' Disbursements	Birketts LLP have incurred legal disbursements.	0.00	1,200.00	229.00	0.00	1,429.00

Type of Expenditure	Who expense incurred by and nature of expense	Original Expense Estimate (£)	Incurred in previous period (£)	Incurred in current period (£)	Likely future expenses (£)	Revised Expenses estimate (£)
Legal Disbursements – Trust work	Birketts LLP have incurred legal disbursements in respect of the Court fee, Counsel's fees, and travel to the Court hearing.	0.00	1,430.00	6,552.30	0.00	7,982.30
Payments to associated entities of Mazars LLP						
Debt collection fees	<p>Mazars Receivables Management (“MRM”) have been instructed to assist with the collection of remaining debtors in order to maximise realisations for creditors.</p> <p>MRM is an associate of Mazars LLP. MRM have been engaged as they are experienced in collecting and monitoring book debts in insolvency scenarios. Further information on the status of book debt collections is provided in Sections 3 and 4 of the report. Approval for the basis of MRM’s remuneration was obtained from unsecured creditors on 3 May 2016. The fee arrangement agreed with MRM is fixed by reference to time properly given for their assistance with collecting out the Company’s debtor ledger, subject to a fee estimate of £25,000.</p> <p>MRM later agreed to reduce their fee to 6% of collections for a period. The basis of their remuneration reverted to time costs in August 2016. The fee represents value to creditors as it is comparable with market rates.</p> <p>In the current period, no payments have been paid to MRM.</p>	25,000.00	30,494.05	0.00	0.00	30,494.05

MAZARS

Other expenses						
Corporation tax	Corporation tax will be payable in respect of the interest accrued whilst surplus funds are held on an interest-bearing deposit account.	1,000.00	0.00	0.00	1,000.00	1,000.00
Statutory Advertising	Future advertising is expected to include a notice for creditors' claims.	156.00	0.00	0.00	78.00	78.00
Statement of Affairs Fee	The amount was approved at the creditors' meeting held on 6 January 2016.	8,000.00	8,000.00	0.00	0.00	8,000.00
Pre-appointment Disbursements	The amount was approved at the creditors meeting held on 6 January 2016 and includes statutory advertising of the initial creditors' meetings and £77 in respect of mileage.	0.00	153.00	0.00	0.00	153.00
Joint Liquidators' Remuneration	To project manage the orderly winding up of the Company's affairs, and to perform those tasks required as dictated by statute, best practice and ethical requirements. The time costs and expenses shown include an element that is directly attributable to handling the purported trust claims by models.	55,607.60	51,609.20	3,998.40	37,992.40	93,600.00
Joint Liquidators' Remuneration – trust work	The Court ordered that any work undertaken by the Joint Liquidators in matters resolving funds held on trust should be billed separately.	0.00	0.00	60,239.64	0.00	60,239.64
Joint Liquidators' Disbursements	Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds. No disbursements were incurred in the period covered by this report but are covered in the first progress report.	965.85	22.53	773.68	0.00	796.21
Joint Liquidators' Disbursements – trust work	Disbursements are expenses paid by this firm in the first instance and subsequently re-charged to the estate when there are sufficient funds.	0.00	0.00	62.32	0.00	62.32

Storage Costs	<p>Prior to cessation of trade, the company rented a storage unit from Access Storage based in Islington. A sum of £167 was paid to Access Storage to hold onto the records whilst arrangements were made for the contents to be collected, to avoid destruction.</p> <p>Fyfield Equipment Limited was instructed to collect and provide an inventory of the records for a fee of £395.15 plus VAT. 33 boxes were collected in total. A further fee of £148.50 was paid for storage of the records for a year.</p>	<i>0.00</i>	859.15	297.00	891.00	<i>2,047.15</i>
Bank Charges	Bank charges totalling £22 and includes £15 for a CHAPS payment charge and £7 in respect of a fee for a bounced cheque.	<i>0.00</i>	22.00	540.00	30.00	<i>592.00</i>
Total		<i>123,509.45</i>	<i>124,965.93</i>	<i>84,192.34</i>	<i>44,991.40</i>	<i>254,149.67</i>

APPENDIX E

Introduction

The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been done during the period, why it was done and whether the work provides a financial benefit to creditors.

Work carried out in the current period

Administration and planning

The Liquidators have undertaken the following work:

- Ongoing strategy meetings.
- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.

Work still to be undertaken:

- Case Filing.
- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system.

The majority of this work derived no financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

Taxation

The following activities were undertaken in order to ensure the Company is compliant with tax requirements:

- Preparing post-Liquidation Corporation Tax and VAT returns, as required by statute.

Work still to be undertaken:

- Preparing post-Liquidation Corporation Tax and VAT returns, as required by statute.
- Requesting clearances from HM Revenue & Customs to conclude the liquidation.

The majority of this work derived no financial benefit for creditors, however, it is required in accordance with tax legislation.

Investigations

Further details of the investigation required to be carried out is provided within Section 8 of the report. A summary of the work undertaken during the period is as follows:

- Review and amendments to Witness Statement.
- Reviewing progress of the legal action.
- Liaising with solicitors re legal action.

Work still to be undertaken:

- Continuing to liaise with the solicitors re recoveries and potential legal action.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure compliance with statutory duties.

Realisation of Assets

The work undertaken in respect of the realisation of the Company's assets during the period is detailed in Section 3 of the report.

The main assets comprising book debts, rent deposit and furniture and fittings were realised in earlier periods. During the period of this report, a small amount of bank interest has been received which the cashiers were monitoring on a monthly

basis and a refund of bank charges was received in relation to the pre-appointment period of which the Company's former bankers had approached the joint liquidators to confirm was due.

Aside from the above, some work has been undertaken in the period in respect of the legal action surrounding the trust issues and the former directors' loan accounts, as follows:

- Liaising with solicitors for update on progress of former directors' loan accounts.
- Updating models on latest position.
- Attendance at Court for hearing re Trust Monies.
- Emails to shareholders with updates.

The work undertaken has added value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.

Creditors

There are approximately 180 unsecured creditor claims including claims by models under the terms of their agency agreements. In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Responding to any queries including dividend prospects which arose from former models, employees and trade creditors.
- Corresponding with director to obtain additional information.
- Logging creditor claims.
- Collating information from the Company records to assist with claim adjudication work.

Work still to be undertaken:

- Responding to any queries which arise.
- Logging creditor claims.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors however, as it is expected that a dividend will be paid to unsecured creditors, work undertaken in dealing with creditor claims does have a financial benefit in enabling the correct adjudication of claims (as detailed further below).

Distributions

Distributions are expected to be paid to the unsecured creditors and a distribution of Trust Monies has been paid to the model beneficiaries. Work already undertaken includes:

- Trust beneficiaries – adjudication of claims, requesting further information where necessary or dealing with rejected claims.
- Preparing payment calculations.
- Processing and payment of distributions.

Work to be undertaken in respect of distributions include:

- Unsecured creditors – adjudication of creditor claims, requesting further information where necessary or dealing with rejected claims.
- Preparing dividend calculations.
- Processing and payment of distributions.

The work involved in agreeing and paying creditor claims provides a financial benefit though ensuring that the level of claims admitted for dividend purposes is correct and in distributing funds to creditors.

Reporting

Reporting requirements during the period as prescribed by statute have included the following:

- Liquidation Annual progress reports.

Work still to be undertaken:



- Liquidation Annual progress reports.
- Closure Reporting.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

Cashiering

Cashiering work undertaken includes:

- Bank account maintenance, including periodic reconciliations.
- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.

Work still to be undertaken:

- Bank account maintenance, including periodic reconciliations.
- Issuing payments and banking receipts, and preparing the appropriate paperwork for such transactions.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by my regulatory body.

Statutory and Compliance

The work undertaken as required by statute and our internal procedures involves:

- Case monitoring and statutory compliance, including internal case reviews.

Work still to be undertaken:

- Case monitoring and statutory compliance, including internal case reviews.
- Arranging the future storage of the Company's books and records and the Liquidation files.
- Cancelling the case bordereau.

The majority of this work derived no financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.

LIQ03

Notice of progress report in voluntary winding up



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	Lottie Graham
Company name	Mazars LLP
Address	45 Church Street
	Birmingham
Post town	B3 2RT
County/Region	
Postcode	
Country	
DX	
Telephone	0121 232 9500



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