

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

05551460

Name of Company

Diamond Recruitment Limited

I / ~~We~~

Nicholas Andrew Hancock, St James Building, 79 Oxford Street, Manchester, M1 6HT

the liquidator(s) of the company attach a copy of my/~~our~~ Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 28/03/2015 to 27/03/2016

Signed

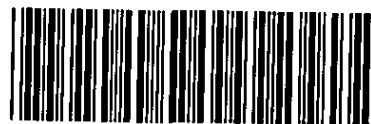


Date 28 4 16

UHY Hacker Young turnaround and recovery  
St James Building  
79 Oxford Street  
Manchester  
M1 6HT

Ref PD54/NAH/DMR/IB/DBR

SATURDAY



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A16

30/04/2016

#324

COMPANIES HOUSE

**Diamond Recruitment Limited**  
**(In Liquidation)**  
**Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 28/03/2015 To 27/03/2016	From 28/03/2011 To 27/03/2016
	<b>ASSET REALISATIONS</b>		
89,158 00	Book Debts	NIL	86,754 00
15,000 00	Customer List	NIL	15,000 00
500 00	Computer Equipment & Software	NIL	500 00
1,500 00	Fixtures & Fittings	NIL	1,500 00
4,500 00	Goodwill	NIL	4,500 00
	Bank Interest Gross	4 64	238 52
		4 64	108,492 52
	<b>COST OF REALISATIONS</b>		
	Petitioners Costs	NIL	800 00
	Specific Bond	NIL	312 00
	Preparation of S of A	NIL	9,750 00
	Office Holders Fees	NIL	79,000 00
	Company Search	NIL	4 00
	Agents/Valuers Fees (1)	NIL	3,000 00
	Legal Fees (1)	NIL	6,117 20
	Corporation Tax	1 22	50 50
	Stationery & Postage	15 15	79 68
	Fee for collection of records	NIL	220 00
	Storage Costs	50 40	227 68
	Statutory Advertising	NIL	125 00
	Accountancy fees	NIL	7,000 00
		(66 77)	(106,686 06)
	<b>UNSECURED CREDITORS</b>		
(717 00)	Trade & Expense Creditors	NIL	NIL
(7,211 00)	Directors Loan Account	NIL	NIL
(171,794 00)	H M Revenue & Customs (VAT)	NIL	NIL
(166,584 00)	H M Revenue & Customs (PAYE and	NIL	NIL
(29,252 00)	HM Revenue & Customs (Corporation	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(52 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(264,952 00)</b>		<b>(62 13)</b>	<b>1,806 46</b>

**REPRESENTED BY**

Vat Receivable	20 16
Yorkshire Bank - Interest bearing	1,786 30
	<b>1,806.46</b>



Nicholas Andrew Hancock  
Liquidator

25 April 2016

**PRIVATE AND CONFIDENTIAL**

**TO ALL KNOWN CREDITORS OF THE COMPANY**

St James Building  
79 Oxford Street  
Manchester M1 6HT

Phone +44 161 236 6936  
Fax +44 161 228 0117  
Email [i.buckley@uhy-uk.com](mailto:i.buckley@uhy-uk.com)  
DDI +44 161 234 8954  
Web [www.uhy-uk.com](http://www.uhy-uk.com)

Our ref PD54/IB/NAH/6/AGM  
Your ref  
Doc id 151283

Dear Sirs

**DIAMOND RECRUITMENT LIMITED  
IN CREDITORS VOLUNTARY LIQUIDATION  
COMPANY NUMBER 05551460**

**REGISTERED OFFICE & TRADING ADDRESS THE LODGE, CRANK ROAD, ST  
HELENS, MERSEYSIDE, WA11 7RN**

I N A Hancock of this office was appointed liquidator to the above company on 28 March 2011 and enclose my fifth annual progress report on the administration of the case

This report should be read in conjunction with my previous progress reports issued on 8 May 2012, 24 May 2013, 19 May 2014 and 12 May 2015

#### **RECEIPTS AND PAYMENTS**

My receipts and payments account for the twelve month period 28 March 2015 to 27 March 2016 is attached

#### **ASSET REALISATIONS DURING THE TWELVE MONTH PERIOD 28 MARCH 2015 TO 27 MARCH 2016**

#### **Interest**

The sum of £4 64 has been received during the period of this report Therefore interest of £238 52 has been received to date

M D Wasinski FCA S J Berry C Gawthorpe FCA CTA P Daly FCA N A Hancock FIPA FABRP M J Hodgson CTA D Kendrick CF  
S J Lawson FCA B J Leyland D M Richardson MIPA MABRP M D C Robertson CA D Symonds FCA

N A Hancock and D M Richardson are licensed as Insolvency Practitioners by the Insolvency Practitioners Association

UHY Hacker Young turnaround and recovery Chartered Accountants is the trading name of UHY Hacker Young Manchester LLP a limited liability partnership registered in England and Wales with Registered Number OC332437

Registered to carry out audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales

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## ASSET REALISATIONS DURING PREVIOUS REPORTING PERIODS

Asset realisations achieved prior to the period covered by this report have been detailed in the annual progress reports dated 8 May 2012, 24 May 2013, 19 May 2014 and 12 May 2015. A summary of these assets is provided below.

### Sale of Business and Assets

Prior to my appointment as liquidator, the company conducted a sale of the business and assets to Diamond Rec Limited. Whilst the director of Diamond Recruitment Limited, Mr G May, was not a director of Diamond Rec Limited, he was involved in the management of Diamond Rec Limited.

The transaction completed on 11 March 2011, with consideration of £89,159 being paid on this date. There was additional deferred consideration of £21,500, which was received in full on 6 June 2011. A summary of the assets involved is detailed below.

Book Debts	£89,159
Customer List	£15,000
Fixtures & Fittings	£1,500
Computer Equipment & Software	£500
Goodwill	<u>£4,500</u>
	<u>£110,659</u>

The company had received independent advice on the valuation of the assets prior to the completion of the sale, from Landwood Group. The sale agreement was prepared by Freeth Cartwright LLP on behalf of the company. The purchaser, received independent legal advice from Bermans LLP. The liquidator reviewed the sale following appointment, and has no concerns over the value obtained.

### Book Debts

The company operated a factoring agreement with RBS Invoice Finance Limited for the collection of the company's book debts. Prior to the sale of the business and assets, the ledger was transferred to Aldermore Invoice Finance, no funds were outstanding to RBS Invoice Finance Limited under their charge following the transfer.

The consideration of £89,159 amounted to 75% of the equity level on the ledger at the date of completion. However, the full amount was not received by the liquidator, as there was an outstanding amount of fees owing to Freeth Cartwright LLP in respect of the preparation of

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the sale agreement The sum of £86,754 was received by the liquidator

#### **Customer List, Goodwill, Equipment & Computer Software**

As mentioned earlier, Landwood Group had provided advice in respect of these assets, and this made up deferred consideration of £21,500

#### **Lease at The Lodge, Rainford Hall, Crank Road, St Helens, Merseyside**

Diamond Recruitment Limited occupied the above premises under a six year lease agreement with Rainford Hall Estate Limited, which commenced on 26 June 2009 Following confirmation from our agent that the lease contained no value, the liquidator agreed to an assignment of the lease to Diamond Rec Limited, which was executed on 19 August 2011

#### **INVESTIGATION**

Following my review into the company's affairs, I identified several transactions which required further investigation Unfortunately progress was restricted from the outset, as the individual responsible for these transactions could not be traced Having appointed Freeths LLP and numerous tracing agents, the individual's whereabouts was eventually obtained and enquires were raised

However, despite numerous requests, the individual failed to provide the information requested, therefore a Witness Statement dated 30 August 2013 was issued Following service of the Application, the Defendant wrote to the Court to request that the first hearing be adjourned to allow time for compliance An adjournment was granted by the Court until 14 October 2013 Despite the adjournment, the Defendant failed to provide the requested information and documentation, or attend the hearing on 14 October 2013 Therefore, an order for the Defendant's examination under oath was made, but unfortunately the Defendant failed to attend the examination hearing on 3 December 2013

As the defendant failed to comply with the terms of the Order dated 14 October 2013, a warrant for the arrest of the Defendant was issued on 7 February 2014 Contact was eventually made with the individual in January 2015, where it was recommended that a meeting was held to discuss the Defendant's failure to comply with the Court Orders, and confirm the existence of the outstanding arrest warrant Despite our attempts, the individual failed to agree to a meeting within a reasonable timeframe and no further contact was made

On 8 April 2015, the individual was apprehended and had to attend a hearing at the Leeds District Registry on 9 April 2015 Whilst various explanations were provided in respect of the transactions identified by the liquidator during his investigations, there are various

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documents which have not been provided, which has prevented Freeths LLP from finalising the liquidator's position

On 3 September 2015, Freeths submitted an application for the liquidator's costs in relation to the Application to be paid by the Defendant. A hearing was held on 20 October 2015 where it was ordered that the costs of the Application dated 30 August 2013 and the Interim Application dated 3 September 2015 be paid by the Defendant. Unfortunately payment was not received, therefore enforcement proceedings were issued.

Having attended the Defendant's address, it was acknowledged that the individual had vacated the property, but had failed to provide details of his new address, and was therefore uncontactable. I have therefore appointed numerous tracing agents to trace the whereabouts of the individual.

All relevant matters have been reported to the appropriate authorities who are conducting their own enquires.

## **COSTS OF THE LIQUIDATION**

### **Petitioning Creditor's Costs**

H M Revenue & Customs had presented a winding-up petition prior to my appointment as liquidator. It was agreed that the petitioning costs, which amounted to £800, would be paid as an expense of the liquidation. The petition was subsequently dismissed.

### **Legal Fees**

Legal costs of £6,117 have been incurred in dealing with the sale of the company's business and assets and completing the assignment of the lease. Freeths LLP were retained due to their involvement prior to my appointment.

### **Agent's Fees**

Agent's fees in the sum of £3,000 have been incurred in obtaining a valuation of the Company's assets. Landwood Group were appointed due to their knowledge of the industry.

### **Accountancy Fees**

The sum of £7,000 plus VAT has been paid to Bridgeman Accountants for their assistance with the investigation into the company's affairs.

### **Collection Fee**

The sum of £220 plus VAT has been paid to Quay Security Company Limited for the collection of the company's books and records

### **Corporation Tax**

During the period covered by this report, the sum of £1 22 has been paid to H M Revenue & Customs Total payments to H M Revenue & Customs amount to £50 50

### **LIQUIDATORS COSTS**

#### **Statement of Affairs fee**

The sum of £9,750 has been paid to UHY Hacker Young turnaround and recovery for their work in respect of the preparation of the statement of affairs and convening the meeting of creditors, as agreed at the meeting of creditors held on 28 March 2011

#### **Liquidator's fees**

My total time costs in dealing with the administration of this case during the period from 28 March 2011 to 27 March 2016 are £104,499 in respect of 423 hours, a breakdown of which is attached at Appendix II

Details of my time costs during the twelve month period covered by this report 28 March 2015 to 27 March 2016 are £6,365 in respect of 32 hours, a breakdown of which is attached at Appendix III

My total remuneration to date is £79,000 drawn on account, in accordance with time properly spent by myself and my staff in attending to matters arising in the liquidation as agreed at the meeting of creditors held on 28 March 2011

A schedule detailing the current charge out rates is attached

A copy of the extract from the Statement of Insolvency Practice 9, A Creditors' Guide to Liquidators' Fees, will be supplied to you on request or alternatively may be viewed at <http://turnaround-recovery.uhy-uk.com/home/creditors-guide-to-fees>

#### **Liquidator's disbursements**

Liquidator's disbursements are shown below,

Disbursement	Period 28/03/2011 to 27/03/2015	Current Period 28/03/2015 to 27/03/2016	Total
<b>Category 1</b>			
Statutory advertising – London Gazette	125 00	-	125 00
Bonding	312 00	-	312 00
post	64 53	15 15	79 68
Storage	177 58	75 60	253 18
Company Search	4 00	-	4 00
<b>Category 2</b>	-	-	-
<b>Total disbursement incurred</b>	<b>683.11</b>	<b>90 75</b>	<b>773 86</b>
<b>Disbursement drawn</b>	<b>(682 81)</b>	<b>(65 55)</b>	<b>748.36</b>
<b>Disbursement outstanding</b>	<b>-</b>	<b>25.20</b>	<b>25 20</b>

Category 2 disbursements were agreed by creditors at the meeting of creditors held on 28 March 2011, however, no Category 2 disbursements have accrued throughout the administration of the case

## CREDITORS RIGHTS TO REQUEST FURTHER INFORMATION

Creditors are reminded of their rights under Rule 4.49E of the Insolvency Rules 1986. Within 21 days of receipt of a progress report a secured creditor or an unsecured creditor with concurrence of 5% in value of the company's unsecured creditors or permission of the court may request further information about remuneration and expenses set out in the report. Such a request must be made in writing.

The Liquidator must provide the information requested within 14 days of receipt of the request or alternatively his reasons for non-provision of the information.

Should a creditor believe that the Liquidators remuneration or expenses are excessive, any secured creditor or any unsecured creditor with the concurrence of 10% in value of the company's creditors or permission of the court, may apply to court to challenge the Liquidators remuneration under Rule 4.131 of the Insolvency Rules 1986. Any such application must be made within a period of 8 weeks following the receipt of the progress report in which the remuneration is first reported.



I trust this report is sufficient for your purposes, should you require any further information, please do not hesitate to contact Ian Buckley of this office

Yours faithfully



N A Hancock  
Liquidator

**DIAMOND RECRUITMENTS LIMITED**  
**RECEIPTS AND PAYMENTS ACCOUNT**  
**FOR THE PERIOD 28 MARCH 2011 TO 27 MARCH 2016**

Per Statement of affairs	For 12 month period 28 March 2011 to 27 March 2012	For 12 month period 28 March 2012 to 27 March 2013	For 12 month period 28 March 2013 to 27 March 2014	For 12 month period 28 March 2014 to 27 March 2015	For 12 month period 28 March 2015 to 27 March 2016	Total period 28 March 2011 to 27 March 2016
£	£	£	£	£	£	£
<b>ASSETS NOT SPECIFICALLY PLEDGED</b>						
<b>Receipts</b>						
Book debts	86 754 00	-	-	-	-	86 754 00
Customer list	15 000 00	-	-	-	-	15 000 00
Computer Equipment & Software	500 00	-	-	-	-	500 00
Furniture & fittings	1 500 00	-	-	-	-	1 500 00
Goodwill	4 500 00	-	-	-	-	4 500 00
Bank Interest Gross	123 45	78 85	25 75	5 83	4 64	238 52
	<u>108 377 45</u>	<u>78 85</u>	<u>25 75</u>	<u>5 83</u>	<u>4 64</u>	<u>108 392 52</u>
<b>Payments</b>						
Liquidator's fees	41 000 00	24 000 00	10 000 00	4 000 00	-	79 000 00
Statement of affairs fee	9 750 00	-	-	-	-	9 750 00
Accountancy fee	7 000 00	-	-	-	-	7 000 00
Legal fees	6 117 20	-	-	-	-	6 117 20
Agent's fee	3 000 00	-	-	-	-	3 000 00
Petitioning Creditor Costs	800 00	-	-	-	-	800 00
Agent's Costs	220 00	-	-	-	-	220 00
Statutory Advertising	125 00	-	-	-	-	125 00
Specific Bond	260 00	-	52 00	-	-	312 00
Liquidator's disbursements	79 05	65 06	37 95	63 75	65 55	311 36
Corporation Tax	-	24 61	18 74	5 93	1 22	50 50
	<u>68 351 25</u>	<u>24 089 67</u>	<u>10 108 69</u>	<u>4 069 68</u>	<u>66 77</u>	<u>106 686 06</u>
	<u>40 026 20</u>	<u>(24 010 82)</u>	<u>(10 082 94)</u>	<u>(4 063 85)</u>	<u>(62 13)</u>	<u>1 806 46</u>
	<u>108 377 45</u>	<u>78 85</u>	<u>25 75</u>	<u>-</u>	<u>4 64</u>	<u>108 492 52</u>
Balance in hand						
Funds held	78 020 98	(23 010 64)	(9 077 90)	(4 073 93)	(72 21)	1 786 30
Current account	2,005 22	(1 000 18)	(1 005 04)	10 08	10 08	20 16
VAT Receivable	40 026 20	(24 010 82)	(10 082 94)	(4 063 85)	(62 13)	1 806 46
	<u>118 052 40</u>	<u>(47 021 64)</u>	<u>(20 160 88)</u>	<u>(8 137 70)</u>	<u>(64 26)</u>	<u>41 728 92</u>
Liquidator's disbursements charged on following basis						
Category 1						
Postage (actual - dependant on weight)	25 57	12 86	12 75	13 35	15 15	79 68
Storage Costs (actual)	40 48	52 20	25 20	50 40	50 40	227 68
Company Search (actual)	4 00	-	-	-	-	4 00
Category 2						
Photocopying (10pp/Sheet)	-	-	-	-	-	-
	<u>70 05</u>	<u>65 06</u>	<u>37 95</u>	<u>63 75</u>	<u>65 55</u>	<u>311 36</u>

The receipts and payments account is shown net of VAT

**DIAMOND RECRUITMENT LIMITED  
IN CREDITORS VOLUNTARY LIQUIDATION**

**ANALYSIS OF TIME COSTS INCURRED**

**FOR THE TWELVE MONTH PERIOD 28 MARCH 2015 TO 27 MARCH 2016**

Category	Partner		Senior Manager		Manager		Administrator		Total hours	Time cost £
	Hours	Cost £	Hours	Cost £	Hours	Cost £	Hours	Cost £		
Administration, planning & reviews	1 00	370 00					8 40	1,596 00	9 40	1,966 00
Statutory notices & annual reports							5 60	1,064 00	5 60	1,064 00
Investigation							14 40	2,736 00	14 40	2,736 00
Realisation of assets							1 30	223 00	1 30	223 00
Post-app tax/vat returns & correspondence							1 10	209 00	1 10	209 00
Legal Advice	0 40	148 00					-	-	0 40	148 00
Closure							0 10	19 00	0 10	19 00
	1 40	518 00	-	-	-	-	30 90	5,847 00	32 30	6,365 00
<b>Average hourly cost (£)</b>		370 00						189 22		197 06

DIAMOND RECRUITMENT LIMITED  
IN CREDITORS VOLUNTARY LIQUIDATION

ANALYSIS OF TIME COSTS INCURRED

FOR THE TWELVE MONTH PERIOD 28 MARCH 2011 TO 27 MARCH 2016

Category	Partner		Senior Manager		Manager		Administrator		Total hours	Time cost £
	Hours	Cost £	Hours	Cost £	Hours	Cost £	Hours	Cost £		
Administration, planning & reviews	14 10	4,412 00	2 90	864 50	3 90	1,014 00	35 20	5,675 00	56 10	11,965 50
Statutory notices & annual reports	4 00	1,240 00	3 10	942 00	1 00	260 00	26 20	4,251 00	34 30	6,693 00
Investigation	94 50	31,015 00	5 30	1,667 50	9 00	2,340 00	95 10	15,282 00	203 90	50,304 50
Realisation of assets	67 50	22,242 50			4 60	1,196 00	15 70	2,566 00	87 80	26,004 50
Debt collection	11 00	4,345 00			0 50	130 00	2 30	357 50	13 80	4,832 50
Property & leases					3 00	780 00	3 40	484 00	6 40	1,264 00
Creditors claims & correspondence							7 30	990 50	7 30	990 50
Employee claims & correspondence					0 50	130 00	0 10	17 50	0 60	147 50
Post-app tax/vat returns & correspondence			0 50	130 00			11 60	1,621 00	12 10	1,751 00
Legal Advice	0 40	148 00	1 10	379 50					1 50	527 50
Case Closure							0 10	19 00	0 10	19 00
	191 50	63,402 50	12 90	3,983 50	22 50	5,850 00	197 00	31,263 50	423 90	104,499 50
Average hourly cost (£)		331 08		308 80		260 00		158 70		246 52