

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



A19 *A78QQR36* #85
23/06/2018
COMPANIES HOUSE

1 Company details

Company number 0 6 8 3 4 4 5 9

Company name in full East London Properties Ltd

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

2 Liquidator's name

Full forename(s) Ninos

Surname Koumettou

3 Liquidator's address

Building name/number 1 Kings Avenue

Street Winchmore Hill

Post town London N21 3NA

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s)

Surname

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

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

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

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6 Period of progress report

From date	^d 2	^d 2	^m 0	^m 4	^y 2	^y 0	^y 1	^y 7
To date	^d 2	^d 1	^m 0	^m 4	^y 2	^y 0	^y 1	^y 8

7 Progress report

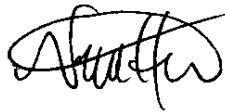
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date	^d 2	^d 1	^m 0	^m 6	^y 2	^y 0	^y 1	^y 8
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**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	Sam George
Company name	Alexander Lawson Jacobs
Address	1 Kings Avenue
	Winchmore Hill
Post town	London N21 3NA
County/Region	
Postcode	
Country	
DX	
Telephone	020 8370 7250

**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

East London Properties Ltd – In Creditors' Voluntary Liquidation

LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS
For the year ending 21 April 2018

STATUTORY INFORMATION

Company name:	East London Properties Ltd
Registered office:	1 King's Avenue, Winchmore Hill, London, N21 3NA
Former registered office:	537 Roman Road, London, E3 5EL
Former Trading Address	537 Roman Road, London, E3 5EL
Registered number:	06834459
Liquidators name:	Ninos Koumettou
Liquidators address:	1 Kings Avenue, Winchmore Hill, London, N21 3NA
Liquidators date of appointment:	22 April 2016

LIQUIDATORS' ACTIONS SINCE LAST REPORT

The Company previously entered Administration on 11 May 2015 and subsequently exited Administration via Creditors' Voluntary Liquidation on 22 April 2016, in order to realise the Company's remaining assets.

It was anticipated that, once sufficient realisations were realised, a dividend would be issued to the Company's unsecured creditors from the funds held in the estate.

In this respect, I can confirm that during the current year of the Liquidation, the Liquidator has continued with his investigations into the Company's affairs prior to its Administration, has liaised with HM Revenue & Customs with regard their own investigations and addressed correspondence relating to creditors' claims as reported.

All routine work carried out is shown in detail in the Remuneration section below.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 22 April 2017 to 21 April 2018 is attached.

The sum of £9,670.29 was transferred to the liquidation, representing the balance which was held in the administration account at the time the Company's Administration was concluded.

The balance of funds are held in an interest bearing estate bank account.

ASSETS

The Company's assets were all sold or disposed of during the course of the Company's Administration. As such, there were no tangible assets which the Liquidator was required to realise within the Liquidation.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

The 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. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

Preferential Creditors

The Company has no Preferential Creditors.

Crown Creditors

The Company's Statement of Affairs indicated that the sum of £48,567.70 was due to HM Revenue & Customs ("HMRC") which comprised a sum of £7,567.70 due in relation to PAYE/NIC and a further sum of £41,000 due in relation to Corporation Tax.

A revised claim has now been received from HMRC in the sum of £505,560.39. Of this amount, the sum of £8,416.18 relates to PAYE/NIC.

The remainder of the claim relates to estimated assessments raised by HMRC after an investigation into a purported overdrawn loan account in relation to the Company's director, Mr Mehmet. Further details regarding this are set out below in the "Investigation" section. As a result of HMRC's investigations, a claim in the sum of £23,137.68 has been received from HMRC in relation to Regulation 80 NIC and a further £305,644.24 in relation to CTPF. The balance of £168,372.42 relates to interest and penalties. All the assessments have been appealed by Mr Mehmet and his tax advisors.

No formal claim has, to date, been received in relation to Corporation Tax.

Non-preferential Unsecured Creditors

Non-preferential unsecured creditors' claims shown in the Statement of Affairs amounted £397,292.40 and included amounts totalling £48,567.70 which were due to HMRC in relation to PAYE/NIC & Corporation Tax as set out above. I can confirm that, to date, I have received formal claims totalling £883,143.35 from the Company's non-preferential unsecured creditors, which includes the claim from HMRC referred to above.

Creditors are advised that all claims will, of course, be fully reviewed prior to any non-preferential unsecured dividend being paid in due course.

DIVIDEND PROSPECTS

Non-preferential Unsecured Creditors

It is expected that a dividend will be paid to the Company's non-preferential unsecured creditors in due course.

The size of the dividend will be dependent upon the outcome of any potential recovery of the Director's Loan Account, as referred to further below.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

Investigations were undertaken by both this office and by HM Revenue & Customs, with regard to a potential director's overdrawn loan account and inter-company balances and transactions with connected parties.

Following a full review of the Company's sage records it was established that the Company's director had an overdrawn loan account of circa £600k, all of which would be repayable to the Company if, in fact, the figures were correct.

In order to protect their position, HMRC raised assessments against the Company and the director in relation to various tax, national insurance and penalty liabilities arising from this matter and have requested payment from the director in relation to his personal liability to HMRC arising from the loan account.

Various meetings have subsequently been held with the Company's director, who maintains that the assessments raised by HMRC are incorrect. The director initially appointed an accountant to deal with this matter on his behalf and they indicated that he will be able to substantiate that payments were debited to his loan account incorrectly and that there were also credits due to the account that had not been posted at the time the sage records had been delivered up to this office.

Appeals were subsequently raised and submitted to HMRC by the accountant, however, I have recently been advised that as the appeal is not progressing as quickly as had been hoped, the director has dis-instructed the accountant and has appointed new tax consultants to progress the matter. I am advised that there has been a delay in the files being passed over but that this is currently in the process of being resolved so that the appeals can be progressed.

In view of the dispute over the apparent loan account liability due from the Company's director, I am waiting for the HMRC enquiry to be finalised. Once completed, he will be able to determine the final sum which is due from Mr Mehmet in relation to his overdrawn loan account and, in turn, request repayment proposals in this respect.

In addition to the loan account, the Company's records were reviewed in relation to rental payments that were expended from the Company's funds in relation to a vehicle which was held on finance by the Company's director. It has been determined that the monthly sums paid could be considered excessive, in view of the Company's subsequent Administration, and a settlement by way of recompense was previously requested from the Company's director.

The director disputes that any repayment should be made, given that the car was used for business purposes and, in any event, has confirmed that he does not want to enter into any form of settlement until the position regarding the loan account and, in turn, any personal tax liability has been dealt with.

It is anticipated that this matter will therefore be dealt with in due course, once the HMRC enquiry has been finalised.

ADMINISTRATOR'S REMUNERATION

Creditors are reminded that my time costs for the period of the Administration amounted to £31,051.00 as summarised below.

Period	Dates covered	Time Cost	Hours	Average charge out rate	Administrator's remuneration drawn
1	11 May 2015 to 10 November 2015	£24,879.50	92.90	£267.81	£5,000.00
2	11 November 2015 to 22 April 2016	£6,171.50	24.60	£250.87	£13,000.00
	Total	£31,051.00	117.50	£264.26	£18,000.00

Creditors are advised that it is my intention to draw remuneration on this matter only once further funds are recovered from the outcome of my investigations as referred to further above.

LIQUIDATOR'S REMUNERATION

Creditors are aware that, in accordance with the resolution passed at the meeting of creditors held on 15 July 2015, as Administrator I was authorised to draw remuneration on a time cost basis.

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

I am obliged, pursuant to Statement of Insolvency Practice 9, to provide creditors with details relating to the time costs and the disbursements that have been incurred by myself and my staff to date and I would therefore summarise my time costs as follows:

Period	Dates covered	Time Cost	Hours	Average charge out rate	Liquidator's Remuneration drawn in period
1	22 April 2016 to 21 April 2017	£9,617.00	34.80	£276.35	£Nil
2	22 April 2017 to 21 April 2018	£6,434.00	21.60	£297.87	£Nil
	Total	£16,051.00	56.40	£284.59	£Nil

Time is charged in 6 minute units.

A schedule of the time costs incurred for the period of the Liquidation is attached herewith.

A description of the routine work undertaken in the Liquidation during the period covered by this report is also attached.

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 Alexander Lawson Jacobs's fee policy are available at the link www.aljuk.com. Please note that there are different versions of the Guidance Notes and in this case you should refer to the November 2011 version.

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

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

Staff Grade	Hourly rates 2015 & 2016	Hourly rates from 1 June 2017
Partner	£350- £400	£385 - 440
Manager	£250 - £300	£275- 330
Senior Case Administrator	£190 - £250	210 – 275
Administrator	£100 - £175	110 – 190
Support staff	£75 - £125	80 - 130

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

LIQUIDATOR'S EXPENSES

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

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

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

My expenses to date amount to £122.69 although these have not yet been drawn from the funds held in the estate. The following expenses have been incurred:-

Type of category 1 disbursement	Amount Incurred in reporting period £	
	22 April 2016 to 21 April 2018	22 April 2017 to 21 April 2018
Indemnity Bond	-	-
Company Search	-	-
Statutory Advertising	76.00	-
Postage	30.45	11.73
Room Hire (external)	-	-
Type of category 2 disbursement	Amount Incurred but not paid £	
Photocopying	16.24	4.80
Storage of Books and Records	-	-
Other	-	-
Total	£122.69	£16.53

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 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 Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 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 Alexander Lawson Jacobs can be found at www.aljuk.com and by accessing the "downloads" section.

SUMMARY

The Liquidation will remain open whilst the appeals submitted to HMRC have concluded, the matter regarding the potential Director's Loan Account has been resolved and any monies to be realised in this respect have been recovered.

It is not yet certain when these matters are likely to conclude and I therefore estimate that the Liquidation will remain ongoing for at least a further 12 months. Once these matters have been resolved, it is anticipated that a dividend will be declared and issued to the Company's unsecured creditors and the Liquidation will then 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 on-line, they should contact the case administrator, Samantha George, on 020 8370 7250, or by email at sam@aljuk.com.


Ninos Koumetto FCA, FCCA, FABRP
Liquidator

19 June 2018

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

1. Administration
 - Dealing with all routine correspondence and emails relating to the case.
 - Maintaining and managing the office holder's estate bank account.
 - 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.
 - Preparing and filing VAT returns.
 - Preparing and filing Corporation Tax returns.
2. Creditors
 - Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
 - Maintaining up to date creditor information on the case management system.
3. Investigations
 - Continuing with investigations and liaising with both HMRC and the Company's director in relation to various matters.

**East London Properties Ltd
(In Liquidation)**

Liquidator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 22/04/2016 To 21/04/2017 (£)	From 22/04/2017 To 21/04/2018 (£)	Total (£)
Bank Interest Gross		1.13	6.52	7.65
Funds transferred from ADM	9,670.29	9,670.29	0.00	9,670.29
		9,671.42	6.52	9,677.94
PAYMENTS		0.00	0.00	0.00
Net Receipts/(Payments)		9,671.42	6.52	9,677.94
MADE UP AS FOLLOWS				
Bank 1 Current		9,671.42	6.52	9,677.94
		9,671.42	6.52	9,677.94

Note:

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



Ninos Koumettou
Liquidator

Time Entry - SIP9 Time & Cost Summary

EA31730 - East London Properties Ltd
Project Code: POSTAPPT
From: 22/04/2017 To: 21/04/2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.80	2.40	9.30	0.80	12.30	3,426.50	278.58
Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	1.50	0.00	2.80	0.00	4.30	1,322.50	307.56
Investigations	2.10	0.80	2.10	0.00	5.00	1,685.00	337.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	4.40	3.20	13.20	0.80	21.60	6,434.00	297.87
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	