

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 6 8 4 5 6 9 7

Company name in full Drain Surgeons (New Malden) Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Constantinos

Surname Pedhiou

3 Liquidator's address

Building name/number 1 Kings Avenue

Street

Post town London

County/Region

Postcode N 2 1 3 N A

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 9	^m 1	^m 0	^y 2	^y 0	^y 1	^y 9	
To date	^d 2	^d 8	^m 1	^m 0	^y 2	^y 0	^y 2	^y 0	

7 Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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8 Sign and date

Liquidator's signature	Signature X 	X							
Signature date	^d 2	^d 8	^m 1	^m 2	^y 2	^y 0	^y 2	^y 0	

**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 **Mustafiz Rezbi**

Company name **Begbies Traynor (Central) LLP**

Address **1 Kings Avenue**

Post town **London**

County/Region

Postcode **N 2 1 3 N A**

Country

DX **DX 36953 Winchmore Hill**

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

Drain Surgeons (New Malden) Limited **(In Creditors' Voluntary Liquidation)**

Progress report

Period: 29 October 2019 to 28 October 2020

Important Notice

This progress report has been produced solely to comply with my statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Drain Surgeons (New Malden) Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of a liquidator on 29 October 2018.
"the liquidator", "I", "my" and "myself"	Constantinos Pedhiou of Begbies Traynor (Central) LLP, 1 Kings Avenue, London, N21 3NA
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	N/A
Company registered number:	06845697
Company registered office:	1 Kings Avenue, Winchmore Hill, N21 3NA
Former trading address:	229 South Lane, New Malden, Surrey, KT3 5EW

3. DETAILS OF APPOINTMENT OF LIQUIDATOR

Date winding up commenced:	29 October 2018
Date of liquidators' appointment:	29 October 2018
Changes in liquidator (if any):	None

Please note that ARC Insolvency (being the insolvency practice from which Constantinos Pedhiou and members of his team provide his services as a licensed insolvency practitioner), became part of Begbies Traynor's corporate recovery and insolvency practice.

ARC Insolvency now trades as 'Begbies Traynor' and operates from one of Begbies Traynor Group's existing offices at 1 Kings Avenue, Winchmore Hill, London, N21 3NA

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is my abstract of receipts and payments for the period from 29 October 2019 to 28 October 2020.

Bank Interest Gross

Bank interest of 77p has accrued on funds held in the Liquidator's estate account during the reporting period.

Directors' Loans

According to the accounts for year ended 31 March 2017, the Directors have an overdrawn loan account totalling £43,567, which is due to the Company. A review of the Company's records indicated that there were further transactions that increased the amount due under the loan account to c. £99,000. These transactions were queried with the Director, who disputed that the transactions were related to personal expenditure, stating that there had been significant company expenses for which he had paid for from personal funds.

As such a reconciliation of the director's loan account until the cessation of trade has now been provided by the director showing that there was c £14,000 due to the company at the time it entered into liquidation. The director has provided a settlement offer and negotiations in this regard are ongoing. It is currently uncertain what sums will be realised in respect of the Directors' Loans.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on my firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings I have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but I have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

General case administration and planning

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.

Dealing with all routine correspondence and emails relating to the case.

Maintaining and managing the office holder's estate bank account.

Undertaking periodic reviews of the progress of the case.

Compliance with the Insolvency Act, Rules and best practice

I am required to comply with statutory reporting requirements. This has included preparing the post-appointment statutory notifications to Companies House, HM Revenue & Customs, the members and creditors, and statutory advertising. Whilst there is no direct financial benefit to creditors, this work has been undertaken in furtherance of our statutory and regulatory duties and creditors do benefit from the information they receive.

I also have a duty to ensure that the case is adequately bonded, with regular bond reviews being carried out to ensure that the bond level remains sufficient.

Realisation of assets

Corresponding with Bank regarding claim for mis-sold PPI.

Corresponding with the director / his accountant regarding the quantum and repayment of the Directors Loans.

Dealing with all creditors' claims (including employees), correspondence and distributions

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the case management system.

Reviewing proofs of debt received from creditors.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the director's statement of affairs) are as follows:

Secured creditor

There are no secured Creditors in this matter

Preferential creditors

There are no preferential Creditors in this matter.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

Unsecured creditors

Unsecured creditors were estimated at £262,000.85.

Currently, it is uncertain whether a dividend will be declared to unsecured creditors. This is dependant upon the amount that is realised in respect of Directors' Loans. A further update will be provided to creditors in the next report.

6. REMUNERATION & DISBURSEMENTS

Remuneration

My remuneration has been fixed by a resolution of creditors at a meeting held on 29 October 2018 that the basis of the Liquidator's fees be a set amount of £15,000 in attending to matters set in the fee report relating to Administration, Investigation and Creditors and 15% of the value of asset realisations, and I am authorised to draw disbursements for services provided by my firm in accordance with my firm's policy as circulated at the time of fixing my fees.

To 28 October 2020, I have drawn £1,076.73 in respect of my fees approved as a set amount.

It was estimated that the Book Debts had a realisable value of £2,278 and that the anticipated fee on a percentage of realisations basis would be £342. The Fixed Assets and Director's Loan Account had an Uncertain realisable value, hence no estimate could be placed on the anticipated fee in respect of their realisations. No fees have been drawn in this regard.

Work undertaken prior to appointment

The creditors authorised the fee of £4,000 plus VAT for assisting the directors in calling the relevant meetings and with preparing the Statement of Affairs on 29 October 2018.

A payment of £1,000 plus VAT from this fee was paid to Brian Lonis & Co for their assistance with preparing accounts in connection with the Statement of Affairs.

The fee for assisting with the Statement of Affairs and meetings was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

Disbursements

No category 1 or category 2 disbursements have been drawn during the reporting period.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

7. LIQUIDATOR'S EXPENSES

A cumulative statement showing the total expenses incurred since the date of our appointment appears at Appendix 2.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the liquidation would total £442.23. Unfortunately, the expenses that we have incurred so far have exceeded that estimate. The reasons why the estimate has been exceeded are as follows:

- Costs incurred by petitioner were thought to have been paid at the time when estimate was issued.
- It was not anticipated that agents would be used to collect book debts as the Director's assistance was considered to be sufficient.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

There is ongoing correspondence with the Director and the Company's Accountant in respect of a Director's Loan Account, and a potential settlement agreement.

There has also been an ongoing correspondence with Lloyds Bank in relation to a mis-sold claim. This enquiry will continue to be chased.

General case administration and planning

Although there will be no direct financial benefit to the liquidation, we will continue to maintain sufficient records to demonstrate how the case is being administered until we proceed to the closure of the case.

Compliance with the Insolvency Act, Rules and best practice

The Act, Rules and best practice require us to undertake various activities during the course of the liquidation, which will include the following:

- Providing members and creditors with annual progress reports, including filing at Companies House;
- Producing a final report at the end of the liquidation and filing a final account at Companies House; and
- Performing regular statutory bond reviews to ensure the case is adequately bonded.

Whilst there is no direct financial benefit to creditors, all of the above is required to ensure we comply with our statutory duties.

Realisation of assets

There is anticipated to be potential realisation relating to the Directors Loan. The director disputes the amount that has been identified as being due and has provided a reconciliation of the loan account together with a settlement offer. The information and offer provided is to be reviewed and any amounts due in respect of the loan account are to be collected.

Although there may be no direct financial benefit to creditors, the potential claim against Lloyds Bank in respect of mis-sold PPI will continue to be progressed.

How much will this further work cost?

Any costs in undertaking the work as listed above is not anticipated to exceed the level already agreed by creditors.

Expenses

It is anticipated that we will remain within the expected level of expenses detailed above.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Energy and Industrial Strategy. I can confirm that I have discharged my duties in these respects.

Investigations carried out to date

I have undertaken an initial assessment of the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect. This initial assessment revealed matters relating to the Directors' Loans that I considered merited further investigation. These matters are detailed above.

Connected party transactions

I have not been made aware of any sales of the Company's assets to connected parties.

Use of personal information

Please note that in the course of discharging my statutory duties as liquidators, I may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, I am required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to my use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact myself.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that I provide further information about my remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than

10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for my remuneration is inappropriate.

11. CONCLUSION

I will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'Pedhiou', with a large, stylized initial 'P'.

Constantinos Pedhiou
Liquidator

Dated: 28 December 2020

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 29 October 2019 to 28 October 2020

Statement of Affairs £		From 29/10/2019 To 29/10/2020 £	From 29/10/2018 To 29/10/2020 £
	ASSET REALISATIONS		
	Bank Interest Gross	0.77	4.52
2,278.20	Book Debts	NIL	1,260.00
5,000.00	Cash held in client account	NIL	5,907.60
		0.77	7,172.12
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	NIL	750.00
	Office Holders Fees	1,076.73	1,076.73
	Petitioners Costs	NIL	902.40
	Software Costs	NIL	185.00
	Specific Bond	NIL	60.00
	Statement of Affairs Fee	NIL	4,000.00
	Statutory Advertising	NIL	197.85
		(1,076.73)	(7,171.98)
7,278.20		(1,075.96)	0.14
	REPRESENTED BY		
	Bank 2 Current		0.14
			0.14

CUMULATIVE STATEMENT OF EXPENSES

There were no expenses incurred in the Reporting Period. All other Category 1 expenses that have been incurred as detailed below, have been discharged in full.

Type of expense	Name of party with whom expense incurred	Amount incurred £
Statutory Advertising	TSO	197.85
Specific Bond	Marsh	60.00
Software costs	VisionBlue	185.00
Petitioners Costs	HMRC	902.40
Agents / Valuers Fee	Moreland & Co Solicitors	750.00

Category 2 expenses of £60 were incurred during the reporting period in relation to Document Storage which remain unpaid, and £180 has been incurred and not paid from the outset of the liquidation to date.