

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 7 8 3 1 4 1 2

Company name in full Creative Arc Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Alan

Surname Fallows

3 Liquidator's address

Building name/number 1 City Road East

Street Manchester

Post town

County/Region

Postcode M 1 5 4 P N

Country

4 Liquidator's name ①

Full forename(s) Peter

Surname Anderson

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 1 City Road East

Street Manchester

Post town

County/Region

Postcode M 1 5 4 P N



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

**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 **Karen Croston**

Company name **Kay Johnson Gee Corporate
Recovery Limited**

Address **1 City Road East
Manchester**

Post town

County/Region

Postcode **M 1 5 4 P N**

Country

DX

Telephone **0161 832 6221**

**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

Creative Arc Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 09/11/2018 To 08/11/2019 £	From 09/11/2017 To 08/11/2019 £
	ASSET REALISATIONS		
	Antecedent Transactions	13,988.00	13,988.00
23,000.00	Cash at Bank	NIL	23,121.20
100.00	Computer Equipment	NIL	NIL
Uncertain	Directors Loan Account	14,012.00	14,012.00
		28,000.00	51,121.20
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	90.00	90.00
	Bank Charges	10.00	10.00
	Bordereau	117.60	117.60
	Legal Fees (1)	5,350.00	5,350.00
	London Gazette Advertising	137.40	137.40
	Office Holders Expenses *	6.24	6.24
	Office Holders Fees	20,000.00	20,000.00
	Statement of Affairs Fee	5,000.00	5,000.00
		(30,711.24)	(30,711.24)
	UNSECURED CREDITORS		
(20,000.00)	HM Revenue & Customs (Corporation	NIL	NIL
(49,156.23)	HM Revenue & Customs (VAT)	NIL	NIL
(120.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(46,178.23)		(2,711.24)	20,409.96
	REPRESENTED BY		
	Current A/c		20,409.96
			20,409.96



Alan Fallows
Joint Liquidator

`Joint Liquidators' Annual Progress Report to Creditors & Members

**Creative Arc Limited
- In Liquidation**

8 November 2019

CREATIVE ARC LIMITED - IN LIQUIDATION

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- 2** Progress of the Liquidation
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- 5** Creditors' Rights
- 6** Next Report

APPENDICES

- A** Receipts and Payments Account for the Period from 9 November 2018 to 8 November 2019.
- B** Receipts and Payments Account for the Period from 8 November 2018 to 9 November 2019 together with a Cumulative Receipts and Payments Account for the Period since the Joint Liquidators' Appointment.
- C** Time Analysis for the Period from 8 November 2018 to 9 November 2019
- D** Cumulative Time Analysis for the Period since the Joint Liquidators' Appointment [
- E** Additional information in relation to Joint Liquidators' Fees, Expenses & Disbursements
- F** Joint Liquidators' fees estimate originally provided to creditors

CREATIVE ARC LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Alan Fallows, together with Peter James Anderson of Kay Johnson Gee Corporate Recovery Limited, 1 City Road East, Manchester, M15 4PN, was appointed as Joint Liquidator of Creative Arc Limited ("the Company") on 9 November 2017. This progress report covers the period from 9 November 2018 to 8 November 2019 ("the Period") and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 Information about the way that we will use, and store personal data on insolvency appointments can be found at www.kjgcr.com/privacy-policy. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.3 The principal trading address of the Company was The Old Barn, 1815 Melton Road, Rearsby, Leicester, LE7 4YS.
- 1.4 The registered office of the Company has been changed to 1, City Road East, Manchester, M15 4PN and its registered number is 07831412.

2 Progress of the Liquidation

- 2.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Joint Liquidators and their staff.
- 2.2 Attached at Appendix A is my receipts and payments account for the Period together with a cumulative Receipts and Payments Account for the period from the date of my appointment as Joint Liquidator to the end of the Period.

Administration (including statutory compliance & reporting)

- 2.3 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to creditors in my initial fees estimate/information.
- 2.4 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidators.
- 2.5 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

Cash at Bank

- 2.6 The director's estimated statement of affairs shows Cash at Bank with an estimated to realise value of £23,000.00. The sum of £23,121.20 has been realised in respect of the Company's Cash at Bank.

Antecedent Transactions

- 2.7 The Directors bank statement review revealed various payments made to the Director. As the Company did not keep sufficient books and records the Liquidators were unable to establish the purpose of these transactions. A letter was sent to the Directors requesting him to provide supporting documentation to evidence that the Director's was entitled to take these funds.

CREATIVE ARC LIMITED - IN LIQUIDATION

- 2.8 The Director was unable to evidence that he was entitled to take all of the funds highlighted and the Liquidators instructed solicitors Freeths LLP to pursue the Director for repayment. The Director accepted that he was not entitled to all of the funds and submitted a settlement offer of £13,988.00 was submitted along with a statement of means form. The Directors offer was subsequently accepted and no further action will be taken in this matter.

Directors Loan Account

- 2.9 The Company's accounts for the period ended 30 November 2016 contained an overdrawn Directors loan account in the sum of £14,012. The Liquidator undertook an analysis to establish the balance of the loan account at the date the Company was placed into Liquidation and pursued the Director for repayment. The Director agreed to settle his loan account in full and I can confirm that the balance of £14,012 has been paid to date.

Creditors (claims and distributions)

- 2.10 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. The Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 2.11 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.12 The above work will not necessarily bring any financial benefit to creditors generally, however the Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidators in dealing with those claims.
- 2.13 I consider the following matters worth noting in my report to creditors at this stage:
- There are approximately 4 unsecured creditor claims in this case with a value per the director(s) statement of affairs of £69,276.23
- 2.14 There are no new matters arising in respect of creditor claims in the period.

Investigations

- 2.15 Some of the work the Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.
- 2.16 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 2.17 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors.
- 2.18 My investigations revealed the following issues:
- 2.19 As detailed in Section 2.7 and 2.9 of this report. My initial investigations revealed antecedent transactions and an overdrawn Directors' loan account. The Liquidators pursued the Director for repayment and instructed solicitors from Freeth's LLP to assist. The Director disputed some

CREATIVE ARC LIMITED - IN LIQUIDATION

of the transactions highlighted, however due to a lack accounting information he was unable to provide evidence to dispute. Due to this, the Director offered to pay his outstanding loan account in full, along with a settlement of £13,988.00 for antecedent transactions. The Director also provided evidence of his means which were fully reviewed to ensure his offer was sufficient. The offer was subsequently accepted and I can confirm that payment has been received in full and no further action is required.

- 2.20 You may recall from my first progress report to creditors that some of the work the Liquidators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidators can pursue for the benefit of creditors.

Matters still to be dealt with

- 2.21 The Liquidation remains open to enable the Liquidators to pay their final expenses and to allow a distribution to be made to the Creditors of the Company.

3 Creditors

Secured Creditors

- 3.1 The Company did not grant fixed or floating charges over the Company's assets to any secured creditors.

Preferential Creditors

- 3.2 The Company has no preferential creditors.

Unsecured Creditors

- 3.3 I have received claims totalling £62,840.00 from 3 creditors. I have yet to receive claims from 1 creditor whose debts total £120.00 as per the Company's statement of affairs.
- 3.4 No floating charges were granted to secured creditors by the Company. Accordingly, there is no requirement under s176A of the Insolvency Act 1986 to create a fund out of the Company's net floating charge property for unsecured creditors, known as the Prescribed Part.

4 Joint Liquidators' Remuneration

- 4.1 The Joint Liquidators have made attempts to have the basis of their remuneration agreed by the Company's creditors. No creditors have participated in this process and consequently, the Joint Liquidators made an application to court to approve the basis of their remuneration.
- 4.2 The Creditors approved that the basis of the Liquidators' remuneration be by reference to the time properly spent by them and their staff in managing the Liquidation. My fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.
- 4.3 A copy of my original fees estimate is attached at Appendix E.
- 4.4 My time costs for the Period are £23,621.71. This represents 102.90 hours at an average rate of £229.56 per hour. Attached as Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation. To date, £20,000 plus disbursements of £5,711.24 has been drawn on account.

CREATIVE ARC LIMITED - IN LIQUIDATION

- 4.5 At the date of this report, I would confirm that my fees estimate for the liquidation remains unchanged. This is because I intend restricting the Liquidators' time costs to be drawn from the estate to the level of my estimate and as a result, any time incurred in excess of this will not be borne by creditors.
- 4.6 The Joint Liquidators' revised fee estimate is attached at Appendix F.
- 4.7 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <https://www.r3.org.uk/what-we-do/publications/professional/fees>.
- 4.8 Attached as Appendix D is additional information in relation to the Liquidators' fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

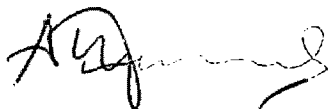
5 Creditors' Rights

- 5.1 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) may request in writing that the Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.
- 5.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidators, as set out in this progress report, are excessive.

6 Next Report

- 6.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 6.2 If you have any queries in relation to the contents of this report, Troy Tull of my office can be contacted by telephone on 0161 212 8406 or by email at troytull@kjgr.com.

Yours faithfully



Alan Fallows
Joint Liquidator

Appendix D

Additional Information in Relation to the Joint Liquidators' Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Freeths Solicitor (legal advice)	Hourly rate and disbursements

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Joint Liquidators' Expenses & Disbursements

- 3.1 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees was approved, a copy of which is attached.
- 3.2 The estimate of expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees was approved, a copy of which is set out below:

Expense	Estimated cost £ (plus VAT)
Solicitors' costs	5,350.00
Statutory advertising	137.40
Specific penalty bond	117.60
Agents / valuers fees	90.00
London gazette advertising	137.40
Bank charges	10.00

Current position of Joint Liquidators' expenses

- 3.3 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £

CREATIVE ARC LIMITED - IN LIQUIDATION

Agents' costs	0.00	90.00	0.00	90.00
Solicitors' costs	0.00	5,350.00	0.00	5,350.00
Statutory advertising	0.00	137.40	0.00	137.40
Specific penalty bond	0.00	30.00	0.00	30.00

- 3.4 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3.5 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidators' fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

4 Charge-Out Rates

- 4.1 Kay Johnson Gee Corporate Recovery Limited's current charge-out rates effective from 1 October 2018 are detailed below:

Staff Grade	£ (Per hour)
Appointment Takers	450
Managers	300 to 360
Administrator / Senior Administrator	220 to 250
Cashier / Support Staff	110 to 180

- 4.2 Please note this firm records its time in minimum units of 6 minutes.

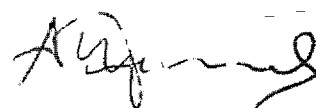
CREATIVE ARC LIMITED - IN LIQUIDATION

- 4.3 Kay Johnson Gee Corporate Recovery Limited's charge-out rates effective from 1 November 2016 to 30 September 2018 are detailed below:

Staff Grade	£ (Per hour)
Partner	395
Senior Manager	330
Manager	300
Assistant Manager	275
Senior Administrator	250
Administrator	220
Cashier/ Support Staff	130

Creative Arc Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 09/11/2018 To 08/11/2019 £	From 09/11/2017 To 08/11/2019 £
	ASSET REALISATIONS		
	Antecedent Transactions	13,988.00	13,988.00
23,000.00	Cash at Bank	NIL	23,121.20
100.00	Computer Equipment	NIL	NIL
Uncertain	Directors Loan Account	14,012.00	14,012.00
		28,000.00	51,121.20
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	90.00	90.00
	Bank Charges	10.00	10.00
	Bordereau	117.60	117.60
	Legal Fees (1)	5,350.00	5,350.00
	London Gazette Advertising	137.40	137.40
	Office Holders Expenses *	6.24	6.24
	Office Holders Fees	20,000.00	20,000.00
	Statement of Affairs Fee	5,000.00	5,000.00
		(30,711.24)	(30,711.24)
	UNSECURED CREDITORS		
(20,000.00)	HM Revenue & Customs (Corporation	NIL	NIL
(49,156.23)	HM Revenue & Customs (VAT)	NIL	NIL
(120.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(46,178.23)		(2,711.24)	20,409.96
	REPRESENTED BY		
	Current A/c		20,409.96
			20,409.96



Alan Fallows
Joint Liquidator

Time Entry - SIP9 Time & Cost Summary

CREA01 - Creative Arc Limited
All Post Appointment Project Codes
From: 09/11/2018 To: 08/11/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Senior Administrator	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.80	0.00	0.00	13.90	0.00	1.00	15.70	3,668.00	233.63
Case Specific	0.00	0.00	0.00	8.20	0.00	0.00	8.20	1,804.00	220.00
Cashiering	0.00	0.00	1.00	2.25	0.00	0.00	3.25	427.50	131.54
Creditors	0.00	0.00	0.00	2.10	0.00	0.00	2.10	462.00	220.00
Investigation	3.40	0.00	0.00	8.30	0.00	0.00	11.70	3,356.00	286.84
Realisation of Assets	0.00	0.00	3.25	6.80	0.00	0.00	10.05	1,850.00	184.08
Statutory Compliance	0.90	0.00	0.00	0.00	0.00	0.00	0.90	405.00	450.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	5.10	0.00	4.25	41.55	0.00	1.00	51.90	11,972.50	230.68
Total Fees Claimed									20,000.00
Total Disbursements Claimed									591.24

Time Entry - SIP9 Time & Cost Summary

CREA01 - Creative Arc Limited
All Post Appointment Project Codes
From: 09/11/2017 To: 08/11/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Senior Administrator	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2.30	0.00	0.00	22.30	0.00	1.00	25.60	6,108.50	238.61
Case Specific	0.00	0.00	0.00	8.20	0.00	0.00	8.20	1,804.00	220.00
Cashiering	0.00	0.00	1.00	2.25	0.00	0.00	3.25	427.50	131.54
Creditors	0.00	0.00	0.00	3.70	0.00	0.00	3.70	814.00	220.00
Investigation	5.30	0.00	0.00	36.93	0.00	1.50	43.73	10,797.26	246.89
Realisation of Assets	0.00	0.00	3.25	12.86	0.00	0.00	16.11	2,877.45	178.56
Statutory Compliance	0.90	1.00	0.00	0.00	0.00	0.00	1.90	705.00	371.05
Trading	0.00	0.00	0.00	0.40	0.00	0.00	0.40	88.00	220.00
Total Hours	8.50	1.00	4.25	86.65	0.00	2.50	102.90	23,621.71	229.56
Total Fees Claimed									20,000.00
Total Disbursements Claimed									591.24