

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



A06 *A7ZUPP1L* #202
22/02/2019
COMPANIES HOUSE

1 Company details

Company number 08374397
Company name in full Passing Clouds Trading Ltd

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

2 Liquidator's name

Full forename(s) Stephen
Surname Penn

3 Liquidator's address

Building name/number Unit 2
Street Railway Court
Post town Ten Pound Walk
County/Region Doncaster
Postcode DN4 5FB
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.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 0	^d 3	^m 0	^m 2	^y 2	^y 0	^y 1	^y 8
To date	^d 0	^d 2	^m 0	^m 2	^y 2	^y 0	^y 1	^y 9

7 Progress report

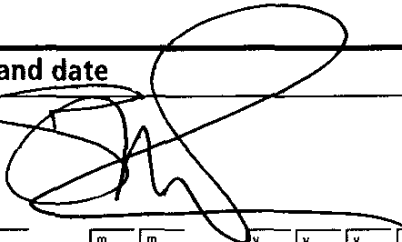
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 2	^d 0	^m 0	^m 2	^y 2	^y 0	^y 1	^y 9
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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 **Danielle Jones**

Company name **Absolute Recovery Limited**

Address **Unit 2**

Railway Court

Post town **Ten Pound Walk**

County/Region **Doncaster**

Postcode **D N 4 5 F B**

Country

DX

Telephone **01302 572701**



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

Passing Clouds Trading Ltd
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 03/02/2018 To 02/02/2019 £	From 03/02/2015 To 02/02/2019 £
	ASSET REALISATIONS		
14,890.00	Furniture & Equipment	NIL	10,290.00
250.00	Stock	NIL	1,200.00
3,130.00	Goodwill	NIL	NIL
406.00	Cash at Bank	NIL	158.81
	Bank Interest Gross	0.41	16.63
		0.41	11,665.44
	COST OF REALISATIONS		
	Preparation of S. of A.	NIL	333.33
	Office Holders Fees	NIL	9,000.00
	Corporation Tax	NIL	2.02
		NIL	(9,335.35)
	DISTRIBUTIONS		
	Irrecoverable VAT	1,866.67	1,866.67
		(1,866.67)	(1,866.67)
18,676.00		(1,866.26)	463.42
	REPRESENTED BY		
	Bank 1 Current		463.42
			463.42

Note:

Liquidator's Annual Progress Report to Creditors & Members

Passing Clouds Trading Ltd - In Liquidation

20 February 2019

PASSING CLOUDS TRADING LTD - IN LIQUIDATION

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- 2** Progress of the Liquidation
- 3** Creditors
- 4** Liquidator's Remuneration
- 5** Creditors' Rights
- 6** Next Report

APPENDICES

- A** Receipts and Payments Account for the Period from 3 February 2018 to 2 February 2019
Cumulative Receipts and Payments Account for the Period since the Liquidator's Appointment
- B** Time Analysis for the Period from the 3 February 2018 to 2 February 2019
Cumulative Time Analysis for the Period since the Liquidator's Appointment
- C** Additional information in relation to Liquidator's Fees, Expenses & Disbursements

PASSING CLOUDS TRADING LTD - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Stephen Penn of Absolute Recovery Limited, Unit 2, Railway Court, Ten Pound Walk, Doncaster, DN4 5FB, was appointed as Liquidator of Passing Clouds Trading Ltd (the **Company**) on 3 February 2015. This progress report covers the period from 3 February 2018 to 2 February 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 in the attached Privacy Notice.
- 1.3 The principal trading address of the Company was 440 Kingsland Road, London, E8 4AA.
- 1.4 The registered office of the Company has been changed to Unit 2, Railway Court, Ten Pound Walk, Doncaster, DN4 5FB and its registered number is 08374397.

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 Liquidator and his staff.
- 2.2 At Appendix A is my Receipts and Payments Account for the period of this report. Also attached at Appendix A is a cumulative Receipts and Payments Account for the period from the date of my appointment as Liquidator to 2 February 2019.
- 2.3 Creditors will recall from my last report that having undertaken an initial investigation into the company's affairs I had identified several transactions that required additional investigations.
- 2.4 In the absence of any satisfactory response from the director of the company, I had engaged the services of Walker Morris LLP (solicitors) to extract information from the director or in the alternative pursue a recovery for the benefit of the creditors.
- 2.5 In the absence of funding, I consulted insolvency litigation experts, Manolete Partners plc who agreed to assess the merits of the case with a view to offering a funding solution. I must advise however that after an initial consultation, no offer of funding was made.
- 2.6 Nevertheless, I made contact with an additional insolvency litigation funder who have agreed to take the case on as part of a 'multi case' allocation. This funder, Henderson and Jones, are currently in negotiations with the director of the company with a view to hopefully, recovering monies for creditors.

Administration

- 2.7 A liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work includes dealing with the Company's creditors and employees together with administrative tasks associated the appointment, such as agreeing the strategy for the liquidation, filing notices of appointment, statutory advertising, opening and maintaining the estate cash book and bank accounts and reporting periodically to creditors, HMRC and the Registrar of Companies.
- 2.8 During the Period I have issued my last progress report, corresponded with my solicitor and funding agents, maintained the liquidation bank account and correctly allocated VAT transactions following confirmation that the company did not register for VAT prior to liquidation.
- 2.9 Creditors should note that this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

PASSING CLOUDS TRADING LTD - IN LIQUIDATION

Realisation of Assets

- 2.10 Realisations had been made in respect of Furniture & Equipment, Stock, Goodwill, Cash at Bank and Bank Interest Gross as set out in my previous reports.
- 2.11 During the Period further Bank Interest Gross of £0.41 has accrued in the liquidation bank account.
- 2.12 I am not aware of any unrealised tangible assets.
- 2.13 It is not anticipated that the work the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors unless Henderson & Jones are able to agree a financial return from the director of the company.
- 2.14 Based on the above, I currently anticipate the total expenses that may be incurred in dealing with the remainder of the Company's asset realisations will be de minimis.

Creditors (claims and distributions)

- 2.15 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is 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.
- 2.16 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 2.17 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is 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 Liquidator in dealing with those claims.

Investigations

- 2.18 You may recall from my first progress report to creditors that some of the work the Liquidator is 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 Liquidator can pursue for the benefit of creditors.
- 2.19 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first year of the liquidation and is confidential.
- 2.20 Since my last progress report I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors.

Matters still to be dealt with

- 2.21 The administration of the liquidation is ongoing to provide Henderson and Jones with the time they require to (hopefully) reach settlement with the director of the company.

PASSING CLOUDS TRADING LTD - IN LIQUIDATION

Connected Party Transactions

- 2.22 In accordance with Statement of Insolvency Practice 13, I would advise you during the Period there has been no transactions with connected parties.

3 Creditors

Secured Creditors

- 3.1 The company has no secured creditors.

Preferential Creditors

- 3.2 The company has no preferential creditors.

Unsecured Creditors

- 3.3 I have received claims totalling £20,887.80 from 5 creditors. I have become aware of 7 potential additional creditors since the liquidation commenced and currently 12 creditors have yet to lodge a claim.
- 3.4 I would confirm that unless further realisations are made (and this is reliant upon the success of Henderson and Jones) it is not anticipated that there will be sufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

4 Liquidator's Remuneration

- 4.1 Creditors approved that the basis of the Liquidator's remuneration by reference to the time properly spent by him and his staff in managing the Liquidation.
- 4.2 My time costs for the Period are £1,432.50. This represents 6.30 hours at an average rate of £227.38 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. During the Period no monies have been paid in respect of liquidator's remuneration.
- 4.3 Also attached as Appendix B is a cumulative Time Analysis for the period from 3 February 2015 to 2 February 2019 which provides details of my time costs since my appointment. The cumulative time costs incurred to date are £15,005.00. This represents 79.50 hours at an average rate of £188.74 per hour. During the course of the liquidation the sum of £9,000 plus VAT has been drawn in partial reduction of my overall time costs.
- 4.4 In considering the remaining work to be done in this liquidation, I currently anticipate that my time costs to complete the liquidation will be approximately £2,000 per annum but this is subject to the actual level of work I am required to undertake and largely the level of involvement I may be required to assist Henderson & Jones.
- 4.5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from the following website:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/liquidations-creditor-fee-guide-6-april-2017.ashx?la=en>

- 4.6 Attached as Appendix C is additional information in relation to the Liquidator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

PASSING CLOUDS TRADING LTD - IN LIQUIDATION

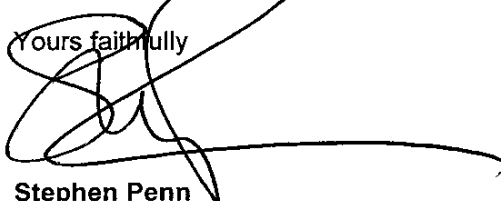
5 Creditors' Rights

- 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 Liquidator provide further information about his 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 Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, 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, I can be contacted by telephone on 01302 572701 or by email at info@absrecovery.co.uk.

Yours faithfully



Stephen Penn
Liquidator

**Passing Clouds Trading Ltd
(In Liquidation)**

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 03/02/2018 To 02/02/2019 £	From 03/02/2015 To 02/02/2019 £
RECEIPTS			
Furniture & Equipment	14,890.00	0.00	10,290.00
Stock	250.00	0.00	1,200.00
Goodwill	3,130.00	0.00	0.00
Cash at Bank	406.00	0.00	158.81
Bank Interest Gross		0.41	16.63
		<u>0.41</u>	<u>11,665.44</u>
PAYMENTS			
Preparation of S. of A.		0.00	333.33
Office Holders Fees		0.00	9,000.00
Corporation Tax		0.00	2.02
Irrecoverable VAT		1,866.67	1,866.67
		<u>1,866.67</u>	<u>11,202.02</u>
Net Receipts/(Payments)		<u>(1,866.26)</u>	<u>463.42</u>
MADE UP AS FOLLOWS			
Bank 1 Current		0.41	463.42
VAT Receivable / (Payable)		(1,866.67)	0.00
		<u>(1,866.26)</u>	<u>463.42</u>

Note:

Time Entry - SIP9 Time & Cost Summary

PAS0277 - Passing Clouds Trading Ltd
 Project Code: POST
 From: 03/02/2018 To: 02/02/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	1.20	2.40	0.20	2.00	5.80	1,315.00	226.72
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.10	0.40	0.00	0.50	117.50	235.00
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	1.20	2.50	0.60	2.00	6.30	1,432.50	227.38
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

PAS0277 - Passing Clouds Trading Ltd
 Project Code: POST
 From: 03/02/2015 To: 02/02/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	8.00	14.90	9.10	9.60	41.60	9,260.00	222.60
Case Specific Matters	1.70	0.00	1.90	0.00	3.60	880.00	244.44
Creditors	0.30	0.00	4.50	0.00	4.80	862.50	179.69
Investigations	1.10	0.50	8.60	18.10	28.30	3,797.50	134.19
Realisation of Assets	0.00	0.20	1.00	0.00	1.20	205.00	170.83
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	11.10	15.60	25.10	27.70	79.50	15,005.00	188.74
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

PASSING CLOUDS TRADING LTD - IN LIQUIDATION

Appendix C

Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements

7 Staff Allocation and the Use of Sub-Contractors

- 7.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 7.2 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.
- 7.3 We are not proposing to utilise the services of any sub-contractors in this case.

8 Professional Advisors

- 8.1 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
Walker Morris LLP (legal advice and pursuing investigation matters)	Hourly rate and disbursements up to 50% of net realisations after recovery costs.
Manolete Partners plc	Initial assessment on a cost-free basis
Henderson and Jones	As below

- 8.2 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.
- 8.3 With regard to Henderson and Jones, the agreement I have with them is that in the event of a successful recovery, they will receive full recovery of their expenses and thereafter 65% of any realisations with the other 35% being paid to me. In the event that no recovery is made, no payment will be due.

9 Liquidator's Expenses & Disbursements

- 9.1 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 £
Category 1 disbursements				
Statutory advertising	Nil	Nil	176.00	264.00
Specific penalty bond	Nil	Nil	60.00	36.00
Redirection of the company mail	Nil	Nil	120.00	120.00
Computer Services – Insolv	Nil	Nil	110.00	110.00
Meeting room cost	Nil	Nil	75.00	75.00
Case related travel & subsistence	Nil	Nil	150.00	150.00
Category 2 disbursements				
None				

PASSING CLOUDS TRADING LTD - IN LIQUIDATION

- 9.2 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.
- 9.3 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 Liquidator's fees were approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

10 Charge-Out Rates

- 10.1 Absolute Recovery Limited's current charge-out rates effective from 8 October 2014 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

Description	(Per hour) £
Partner	350
Manager	225 - 275
Other Senior Professional	150 - 175
Assistants & Support Staff	100

New rates from 3 November 2016.

Description	(Per hour) £
Partner	350
Manager/Senior Manger	225 - 275
Other Senior Professional	175 - 225
Administrator/Cashier	150 - 175
Junior Administrator	100
Assistants & Support Staff	100

Privacy Notice – Insolvency Practitioners

Use of personal information

We process personal information to enable us to carry out our work as insolvency practitioners which includes processing data that was held by companies/individuals before our appointment together with data collected during an insolvency procedure or a fixed charge receivership. Our legal obligation to process personal data arises from work we are required to carry out under insolvency and other related legislation.

Insolvency practitioners are Data Controllers of personal data in so far as defined by data protection legislation. Absolute Recovery Limited will act as Data Processor on their instructions about personal data in relation to an insolvency procedure or fixed charge receivership.

Personal data will be kept secure and processed only for matters relating to the insolvency procedure being dealt with.

The data we may process

The personal data insolvency practitioners may process in most cases will be basic details that may identify an individual and will typically be sufficient to allow us to carry out our work as insolvency practitioners, for example, dealing with the claims of individuals who are owed monies by the companies/individuals over whom we have been appointed.

However, insolvency practitioners may be appointed over entities that process personal data that is considered more sensitive, for example health records and this sensitive data will usually have been created before our appointment. Although we will take appropriate steps to safeguard sensitive data (or to destroy it where it is appropriate to do so), subject to limited exceptions, for example, where we identify previous conduct and/or action that requires further investigation, we will not be processing sensitive data.

Sharing information

We may share personal data with third parties where we are under a legal or regulatory duty to do so, or it is necessary for the purposes of undertaking our work as insolvency practitioners. We may also share personal data to lawfully assist the police or other law enforcement agencies with the prevention and detection of crime, where disclosure is necessary to protect the safety or security of any persons and/or otherwise as permitted by the law.

How long will we hold it?

Personal data will be retained for as long as any legislative or regulatory requirement requires us to hold it. Typically, this may be up to 6 years after which it will be destroyed.

What are your rights?

You have the right to receive the information contained in this document about how your personal data may be processed by us.

You also have the right to know that we may be processing your personal data and, in most circumstances, to have information about the personal data of yours that we hold, and you can ask for certain other details such as what purpose we may process your data for and how long we will hold it.

Individuals have the right to request that incorrect or incomplete data is corrected and in certain circumstances, you may request that we erase any personal data on you which may be held or processed as part of our work as insolvency practitioners. If you have any complaints about how we handle your personal data, please contact Stephen Penn of Absolute Recovery Limited, Unit 2, Railway Court, Ten Pound Walk, Doncaster, DN4 5FB, so we can resolve the issue, where possible. You also have the right to lodge a complaint about any use of your information with the Information Commissioners Office, the UK data protection regulator.