

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



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05/05/2018

#105

COMPANIES HOUSE

1 Company details

Company number 09175001

Company name in full East London Community Arts
T/A Passing Clouds

→ 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 1st Floor - Block A

Street Loversall Court - Clayfields

Post town Tickhill Road - Doncaster

County/Region South Yorkshire

Postcode DN4 8QG

Country

4 Liquidator's name

Full forename(s)

Surname

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

5 Liquidator's address

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 1	^d 6	^m 0	^m 3	^y 2	^y 0	^y 1	^y 7
To date	^d 1	^d 5	^m 0	^m 3	^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 0	^d 4	^m 0	^m 5	^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 **Luke Blay**

Company name **Absolute Recovery Limited**

Address **1st Floor, Block A**

Loversall Court, Clayfields

Post town **Tickhill Road**

County/Region **Doncaster**

Postcode **D N 4 8 Q G**

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

East London Community Arts T/A Passing Clouds
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 16/03/2017 To 15/03/2018 £	From 16/03/2017 To 15/03/2018 £
ASSET REALISATIONS			
1.00	Plant & Equipment	NIL	NIL
1.00	Company Guarantors	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(26,131.33)	Trade & Expense Creditors	NIL	NIL
(21,000.00)	Customs & Excise	NIL	NIL
		NIL	NIL
(47,129.33)		NIL	NIL
REPRESENTED BY			
			NIL

Note:

Liquidator's Annual Progress Report to Creditors & Members

**East London Community Arts T/A Passing Clouds
- In Liquidation**

15 March 2018

EAST LONDON COMMUNITY ARTS T/A PASSING CLOUDS - IN LIQUIDATION

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EAST LONDON COMMUNITY ARTS T/A PASSING CLOUDS - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Stephen Penn of Absolute Recovery Limited, 1st Floor, Block A, Loversall Court, Clayfields, Tickhill Road, Doncaster, DN4 8QG, was appointed as Liquidator of East London Community Arts T/A Passing Clouds (the **Company**) on 16 March 2017. This progress report covers the period from 16 March 2017 to 15 March 2018 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 The principal trading address of the Company was 1 Richmond Road, London, E8 4AA. The business traded under the name Passing Clouds.
- 1.3 The registered office of the Company has been changed to 1 Richmond Road, London, E8 4AA and its registered number is 09175001.

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.
- 2.3 My initial opinion of the assignment was that it should be of a straight forward nature with the majority of early administration focused upon statutory duties.
- 2.4 Based simply on the Statement of Affairs I considered that it was unlikely a dividend would be payable to creditors.
- 2.5 I considered that I had the staff and resources to properly administer the liquidation and appointed a case manager and a case administrator to deal with the day to day administration.
- 2.6 I did not believe it was necessary to consult creditors generally with regard to any strategy.
- 2.7 The company did not operate a pension scheme.
- 2.8 The company had several former employees that proceeded to make claims through The Redundancy Payments Service.
- 2.9 Liaising with the employees, the Insolvency Service Redundancy Payments Office, processing and uploading claim to RPS portal.
- 2.9 Contacting the company bankers and obtaining statements.
- 2.10 Contacting the company accountant and obtaining any relevant working papers.
- 2.11 Setting up the case files and inputting information onto bespoke system (IPS).
- 2.12 General case administration, such as filing and the maintenance of case files.
- 2.13 Completion of money laundering risk assessment procedures and Know Your Client checks in accordance with the Money Laundering Regulations.
- 2.14 Completion of take on procedures which include consideration of professional and ethical matters and other legislation such as the Bribery Act and Data Protection Act.
- 2.15 Preparing and circularising all necessary initial letters and notices regarding the Liquidation and my appointment, including filing statutory documents at Companies House.

EAST LONDON COMMUNITY ARTS T/A PASSING CLOUDS - IN LIQUIDATION

- 2.16 Advertising the office holder's appointment by placing an advert in the London Gazette, in accordance with statute.
- 2.17 Compiled an estimate of the work that has been or is anticipated to be undertaken during the liquidation, including details of the costs and expenses likely to be incurred. Circulating this to all known creditors together with such other documentation as is required to enable the relevant approving creditors to assess and vote on the fee basis proposed.
- 2.18 Dealing with any Tax matters arising following appointment and completing any VAT returns and Corporation Tax returns on a timely basis during the course of the liquidation.
- 2.19 Statutory reporting to all creditors and members on the progress of the liquidation during the reporting period and filing those statutory reports in accordance with legislation and dealing with any queries arising following circularisation of statutory reports.
- 2.20 Dealing with general creditor enquiries as and when they arise, including telephone calls and responding to written or email correspondence.
- 2.21 Logging creditor claims onto IPS.
- 2.22 Arranging an insolvency bond to protect any assets that may be available for unsecured creditors.
- 2.23 It should be noted that in the main this work has been performed to comply with statutory duties and generally this liquidation has progressed as anticipated.

Administration (including statutory compliance & reporting)

- 2.23 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.
- 2.24 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 Liquidator.
- 2.25 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

- 2.26 No assets have been realised during the period.
- 2.27 It is considered that the work the Liquidator and his staff have undertaken to date will not bring a financial benefit to creditors.

Creditors (claims and distributions)

- 2.28 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.
- 2.29 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.

EAST LONDON COMMUNITY ARTS T/A PASSING CLOUDS - IN LIQUIDATION

2.30 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.

2.31 I consider the following matters worth noting in my report to creditors at this stage:

- There are approximately 26 unsecured creditor claims in this case with a value per the director's statement of affairs of £52,417.33.
- There are no secured creditors.
- Dealing with the claims of 8 employees.
- A preferential claim has been submitted by the Insolvency Service Redundancy Payments Office totalling £4,499.17.
- It was envisaged that a dividend would be not payable to creditors based on the statement of affairs

Investigations

2.32 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.

2.33 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.

2.34 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 information provided by creditors either at the s98 meeting or as a response to my request to complete an investigation questionnaire. I would comment as follows:

- The company was incorporated on 14 August 2014 and 2 individuals have acted as directors of the company prior to liquidation. Only one director has completed and returned to me a questionnaire regarding her activities as a director of the company.
- The directors have failed to provide me with the company's books & records.
- It should be noted that the current director who held office when the company was placed into liquidation, had no involvement with the business and was simply appointed as a director to enable the company to be placed into liquidation.
- No accounts have been prepared and submitted to Companies House for the company during its trade.
- I have received directly from the bank, account statements which cover the last 12 months of trade prior to the company entering into liquidation and I have conducted a thorough analysis of the credits and debits made on the account.
- Following a review of the company bank statements I identified a number of transactions which I, at face value, was not able to determine the nature of the payments i.e if they were business related.

EAST LONDON COMMUNITY ARTS T/A PASSING CLOUDS - IN LIQUIDATION

- I issued a letter to the directors of the company querying the payments in mention and requested that an explanation be provided and any supporting documentation to substantiate the explanations given.
- The current director did not respond to my queries; however, I was not overly concerned as I do not believe she would have been able to answer any of my queries or provide any information due to her involvement with the business. The previous director who held office up until just prior to liquidation eventually responded to my letter after a number of chasers were sent and provided explanations to some of the queries raised however the explanations given were very brief and were not supported by any substantiating documentation. The director advised she would get back to me on the remaining queries which related to transactions totalling £3,300.
- The director failed to get back to me on the remaining transactions and I issued several reminders but no response was forthcoming. Due to the level of the transactions to pursue and as there are no funds in the liquidation estate to commence litigation I did not believe any further action was required.

Matters still to be dealt with

- 2.35 I believe the case is now in a position to be closed and that there are no assets to be realised. My next step is to complete and issue HM Revenue & Customs with a VAT 7 to deregister the company for VAT. I will then issue HM Revenue & Customs with clearance letters seeking closure of the case. If no objections are received by HM Revenue & Customs, I will then be in a position to prepare and issue my final account to Creditors & Members which provides a synopsis of the liquidation from the date of my appointment to the date the final account is made up to.

Connected Party Transactions

- 2.36 In accordance with Statement of Insolvency Practice 13, I would advise you that no transactions have taken place with a connected party during the period.

3 Creditors

Secured Creditors

- 3.1 The company has no secured creditors.

Preferential Creditors

- 3.2 A summary of preferential claims is detailed below.

Preferential claim	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1
Department for Business, Energy & Industrial Strategy (BEIS)	4,499.17	Nil	Nil

- 3.3 There are insufficient funds to pay a dividend to preferential creditors.

Unsecured Creditors

- 3.4 I have received claims totalling £70,695.88 from 7 creditors. I have yet to receive claims from 18 creditors whose debts total £18,905.31 as per the Company's statement of affairs.
- 3.5 The Company has not granted a fixed or floating charge to any creditor.

EAST LONDON COMMUNITY ARTS T/A PASSING CLOUDS - IN LIQUIDATION

- 3.6 I would confirm that it is anticipated there will be insufficient 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 be fixed at a set amount of £17,500 plus VAT. My fees estimate was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.
- 4.2 The Liquidator has drawn no monies against the total set fee agreed of £17,500 plus VAT approved by creditors.
- 4.3 At the date of this report, I would confirm that my fees estimate for the liquidation remains unchanged. This is because I consider my estimate to be sufficient or because at this juncture I intend restricting the Liquidator's 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. I reserve the right to refer back to creditors in due course however should this position change.
- 4.4 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from our website, the weblink is as follows:

<http://www.absolute-recovery.co.uk/Liquidations%20Creditor%20Fee%20Guide%20April%202017.pdf>

- 4.5 Attached as Appendix B 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.

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 572 701 or by email at info@absrecovery.co.uk.

Yours faithfully

Stephen Penn
Liquidator

**East London Community Arts T/A Passing Clouds
(In Liquidation)**

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 16/03/2017 To 15/03/2018 £	From 16/03/2017 To 15/03/2018 £
RECEIPTS			
Plant & Equipment	1.00	0.00	0.00
Company Guarantors	1.00	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
PAYMENTS			
Trade & Expense Creditors	(26,131.33)	0.00	0.00
Customs & Excise	(21,000.00)	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
Net Receipts/(Payments)		<u>0.00</u>	<u>0.00</u>
MADE UP AS FOLLOWS			
		<u>0.00</u>	<u>0.00</u>

Note:

EAST LONDON COMMUNITY ARTS T/A PASSING CLOUDS - IN LIQUIDATION

Appendix B

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 The services of other professionals have not been required during the period.

9 Liquidator's Expenses & Disbursements

- 9.1 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 were approved, a copy of which is set out below:

Expense	Estimated cost £
Statutory advertising	88.00 per advert
Specific penalty bond	48.00
External meeting room hire	40.00 per hour
Re-direction of the Company's mail	175.00
Case related travel & subsistence	150.00
Postage	52.80
Category 2 disbursements charged by the firm:	
Business mileage	0.45 per mile
Printing & Copying	0.10 per sheet
Envelopes	0.10 per envelope
Storage	5.00 per box per calendar quarter

EAST LONDON COMMUNITY ARTS T/A PASSING CLOUDS - IN LIQUIDATION

Current position of Liquidator's expenses

- 9.2 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:

	Amount paid to date	Amount incurred but not paid to date	Total
Statutory advertising	Nil	Nil	176.00
Specific penalty bond	Nil	Nil	48.00
External meeting room hire	Nil	Nil	40.00
Re-direction of the Company's mail	Nil	Nil	175.00
Case related travel & subsistence	Nil	Nil	150.00
Postage	Nil	Nil	32.13
Category 2 disbursements			
None	-	-	-

- 9.3 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.
- 9.4 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.