

**Return of Final Meeting in a
Creditors' Voluntary Winding Up****S.106****Pursuant to Section 106 of the Insolvency Act 1986**

To the Registrar of Companies

Company number

04595728

Name of Company

(a) Insert full name of
company

Labour Source Limited - in Creditors' Voluntary Liquidation

(b) Insert full name(s) and
address(es)I / ~~We~~
Paul Appleton
David Rubin & Partners
26 - 28 Bedford Row
London, WC1R 4HE(c) The copy account must
be authenticated by the
written signature(s) of the
liquidator(s)1. give notice that a general meeting of the company was summoned for 18 April 2017 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having an account [of which a copy is attached ^(e)] laid before it showing how the winding up of the company has been disposed of and that no quorum was present at the meeting.

2. give notice that a meeting of the creditors of the company was duly summoned for 18 April 2017 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said laid before it showing how the winding up of the company has been conducted and the property of the company has been disposed of and that no quorum was present at the meeting.

(d) Insert venue of the
meetingThe meeting was scheduled to be held at ^(d) 1st Floor, 26-28 Bedford Row, London WC1R 4HE.

The winding up covers the period from 15 December 2010 (opening of winding up) to 18 April 2017, the final meeting (close of winding up).

That the final report and receipts & payments to be approved.

Signed: _____

Date: 18/4/17

Presenter's name address
and reference (if any)David Rubin & Partners
26 - 28 Bedford Row
London, WC1R 4HE

PRA/ADAM/DE/L852

TUESDAY

*A6546FDM*
A18 25/04/2017 #76
COMPANIES HOUSE

IN THE MATTER OF
LABOUR SOURCE LIMITED - IN LIQUIDATION
AND
THE INSOLVENCY ACT 1986

THE LIQUIDATOR'S FINAL REPORT
PURSUANT TO SECTION 106 OF THE INSOLVENCY ACT 1986
AND
RULE 4.49D OF THE INSOLVENCY RULES 1986
FOR THE PERIOD FROM 15 DECEMBER 2010 TO 10 FEBRUARY 2017

This report will be laid before the final meetings of members and creditors to be held on
18 April 2017 ✓

LABOUR SOURCE LIMITED - IN LIQUIDATION

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LABOUR SOURCE LIMITED - IN LIQUIDATION

(a) Introduction

Labour Source Limited ("the Company") was placed into Liquidation by a Special Resolution of the Members followed by a meeting of the Creditors convened pursuant to Section 98 of the Insolvency Act 1986 ("the Act") on 15 December 2010. I have now concluded my administration of the Liquidation and present a draft of the Report, which I shall lay before the meetings of Members and Creditors convened pursuant to Section 106 of the Act.

Rule 4.49D(2) – Content of Final Report

(b) Statutory information

Company name: Labour Source Limited
Registered office: 26 - 28 Bedford Row, London, WC1R 4HE
Company number: 04595728
Trading address: Alexander House, 106 Pembroke Road, Ruislip, Middlesex, HA4 8NW

(c) Liquidator's name and address

Paul Appleton of David Rubin & Partners, 26-28 Bedford Row, London, WC1R 4HE was appointed Liquidator of the Company on 15 December 2010.

(d) Basis of Liquidator's remuneration

Basis of remuneration

- 1.1 At the first meeting of Creditors, a resolution was passed approving that the basis of my remuneration as Liquidator be fixed by reference to the time properly spent by my staff and myself in attending to matters arising in the winding-up.
- 1.2 In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), a schedule of my firm's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. Aside from an increase to Senior/Managing Partner charge-out rates with effect from 1 November 2013, there has not been any increase in the rates during this appointment. The current hourly charge-out rates, which are charged in units of 6 minutes, exclusive of VAT, are as follows:-

	£
Senior/Managing Partner	450
Partners/Office holders	300 - 395
Managers / Senior Managers	250 - 295
Senior Administrators	180 - 220
Administrators	130 - 160
Cashiers and Assistants	120 - 160
Supports	110 - 120

(d) Basis of Liquidator's remuneration...Cont.

Charge-out rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

1.3 Staff allocation and the use of subcontractors

My general approach to resourcing my assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment, and additional staff may be allocated to meet the demands of the case.

I have not utilised the services of any subcontractors in this case.

(e) Liquidator's remuneration

My time costs for the period from 15 December 2016 to date, which covers the period since my last progress report to creditors, are £2,280.50. This represents 11 hours and 36 minutes at an average rate of £197 per hour. I attach, as Appendix B, a time analysis which provides details of the activity during this period, analysed by staff grade, in respect of my Firm's remuneration fixed by reference to time properly spent by my staff and me in managing the Liquidation.

I have also reviewed my cumulative time costs for the period from 15 December 2010 to date and would report that my total time costs are £29,179.50 for 138 hours and 30 minutes, which equates to an average cost of £211 per hour. A breakdown of my cumulative time charges is also set out in Appendix B.

I have drawn fees of £466.46 and I have outstanding fees of £28,713, which I am unable to recover as there are insufficient funds to meet my full time costs. Accordingly, my Firm has been paid an average hourly rate of £3.37 per hour for the 138 hours and 30 minutes worked.

To view an explanatory note concerning Liquidators' remuneration approved by the Joint Insolvency Committee, please visit the Publications folder on our website www.drpartners.com/cases, using the following log-on details:

USERNAME: L852@drco.co.uk

PASSWORD: 258Las*!

Alternatively, please contact this office to arrange for a copy to be sent to you.

Included in the work undertaken by me and my staff is the following:-

- 1.1 Instructing Agents with a view to valuing the Company's assets, and all correspondence and attendances with the same;
- 1.2 Dealing with creditors' enquiries, both by correspondence and by telephone, and noting their claims;

LABOUR SOURCE LIMITED - IN LIQUIDATION

(e) Liquidator's remuneration...Cont.

- 1.3 Carrying out all necessary investigations, including the examination of the Company's statutory books and books of accounts and records, in order to prepare and submit my report on the conduct of the Directors pursuant to the requirements of the Company Directors Disqualification Act 1986;
- 1.4 Preparation and circulation of my Annual Progress Reports and Receipts and Payments Accounts to creditors pursuant to S104A of the Act, and submission of the same to the Registrar of Companies;
- 1.5 Dealing with all matters relating to book debts, including correspondence and telephone attendances with the debtors and my Agents;
- 1.6 Correspondence and telephone attendances with the Company's bankers, National Westminster Bank plc, in respect of the balance of funds held in the Company's current account;
- 1.7 Reviewing the Company's Remuneration Trust and meetings, attendances and correspondence in respect of the claim submitted by HM Revenue & Customs ("HMRC") in relation to the same;
- 1.8 Undertaking quarterly case reviews; and
- 1.9 Sundry statutory and administrative duties.

(f) Liquidation expenses

Expenses incurred in the liquidation are explained at (g) below in my comments on the Receipts and Payments account.

(g) Details of progress for the period under review

At Appendix A, I have provided an account of my Receipts and Payments for the period from 15 December 2016 to date and cumulative figures for the whole Liquidation to date, together with a comparison to the Director's Statement of Affairs ("ESOA") values.

The work carried out during the Liquidation is as set out at (e) above and in the explanations detailed overleaf.

1. Receipts

1.1 Book Debts

The Company's Sales Ledger ("SL") disclosed balances due totalling £1,302, and were ascribed an estimated to realise value of £977 in the Estimated Statement of Affairs ("ESOA"). Following my appointment, I undertook a debt collection exercise to recover the same. However, despite extensive correspondence, several debtors did not respond, and the remainder disputed the sums indicated to be due. As a result, I instructed Agents, TGD Consultants Limited ("TGD"), to recover the debts and the sum of £700 was realised in this regard. I would advise that having written-off several debts due to the lack of documentation pertaining to the same, only one debt remained outstanding. However, given the value of the debt, together with the

(g) Details of progress for the period under review...Cont.

costs which would inevitably have been incurred in continuing with the recovery process, I resolved that it would not be cost effective to pursue the same.

1.2 Office Fixtures, Fittings and Equipment

The Company's chattel assets comprised a small amount of office furniture and computer equipment, which had been professionally valued by my Agents, Philip Davies & Sons (Group) Limited ("PDS"). As per the ESOA, PDS advised that these assets had a minimal market value and, therefore, did not warrant the cost of collection.

1.3 Inter-company Loan

The sum of £5,809 was disclosed in the ESOA as being due from a related Company, BD1 Services Limited ("BD1"), which had common directors and shareholders. Creditors will recall that BD1 went into Creditors' Voluntary Liquidation on 22 October 2010 and, therefore, the balance was not expected to be collectable. I would advise that this, indeed, was the case and, therefore, the balance was written-off.

1.4 Cash at Bank

The sum of £114 was held to the credit of the Company's bank account with National Westminster Bank plc ("NatWest"), as at the date of liquidation. Following my appointment, I requested NatWest to remit the funds to me as Liquidator. However, having reviewed the statements, which were provided after my appointment, it appeared that bank charges had been incurred, which reduced the balance in the account to zero. Despite my requests to NatWest to refund these charges, I did not receive the balance of the account. Given the time already incurred in pursuing this matter, I resolved that it was no longer cost effective to pursue the same.

1.5 Bank interest received

The funds in hand are held in an interest bearing account with a High Street bank in the Office Holder's name.

Interest earned on the funds in hand amounts to £6.63.

2. Payments

2.1 Agents' Fees

The amount of £100 plus VAT was paid to TGD in respect of their fees for assisting in recovering the Company's book debts.

TGD were selected as agents on the basis of their experience and expertise in dealing with debt collections in insolvency situations, taking into account the locality and size of the Company. A fixed fee was agreed with TGD in this regard.

Furthermore, given the paucity of realisations, PDS agreed to write-off its fees for valuing the chattel assets of the Company.

LABOUR SOURCE LIMITED - IN LIQUIDATION

(g) Details of progress for the period under review...Cont.

2.2 Specific Bond

The Specific Bond is the cost of insurance, based on the level of realisations by the Liquidator, as required by the Insolvency Practitioners Regulations 2005.

2.3 Statutory Advertising

This represents the costs for the publishing of statutory advertising in the London Gazette in respect of the final meetings of Members and Creditors.

2.4 Liquidator's remuneration

As reported at Section (e) above, I have drawn remuneration, as Liquidator, of £466.46.

(h) Unrealisable assets

Assets that have proved unrealisable have been fully discussed in Section (g) above.

There are no assets remaining to be realised.

(i) Investigations

In accordance with the Company Directors Disqualification Act 1986, I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose the contents.

Creditors will recall from my previous reports that there was an outstanding issue in relation to monies paid to the Company's Remuneration Trust, which had been raised by HMRC. In essence, the issues to be determined were whether any funds that were paid into the said Trust could be recovered for the benefit of the Estate and whether HMRC's claim based on tax arising from monies paid to the Trust should be a claim in the Liquidation proceedings. In my view, the outcome was affected by the decision in *Murray Group Holdings & Others v HMRC*, which was subject to appeal by HMRC. However, it should be noted that HMRC did not concur with this assessment of the position.

In November 2015, HMRC was successful with its appeal. However, soon after the Liquidators in the test case sought leave to appeal the decision with a view to the case being heard in the Supreme Court.

In the meantime, I had met with HMRC to discuss the position. Given the time that had elapsed, the costs incurred in the Liquidation, the paucity of funds, legal advice to hand, the facts of the test case and the ongoing circumstances surrounding it, I requested the approval of HMRC to close the case.

Despite receiving the requisite approval from the case officer, I was not able to obtain the same confirmation in writing from the local tax office. In that regard, and despite numerous letters from this office, the matter was subsequently forwarded to the Counter Avoidance Team at HMRC in July 2016. I received final approval to closing the liquidation on 5 January 2017.

LABOUR SOURCE LIMITED - IN LIQUIDATION

(j) Creditors' rights – Rule 4.49E and Rule 4.131

- i) 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 Report.
- ii) 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 Report make an application to court on the grounds that the basis fixed for the Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this Report, are excessive.

(k) Other relevant information

1.1 Secured Creditors

The Company has no Secured Creditors.

1.2 Preferential Creditors

The Company has no Preferential Creditors.

1.3 Unsecured Creditors

The claims of 4 unsecured creditors totalling £4,443,628 have been received compared to 7 creditors totalling £55,476 disclosed on the ESOA. However, these claims have not been formally agreed as there was little likelihood of sufficient funds to enable a dividend.

(l) Conclusion

This report together with final meetings of Members and Creditors will conclude my administration.

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instance my Senior Manager, Adam Shama, at this office.



PAUL APPLETON - LIQUIDATOR

DATE: 10 February 2017

APPENDIX A

LABOUR SOURCE LIMITED - IN LIQUIDATION
LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FROM 15 DECEMBER 2010 TO CLOSURE

	<u>Estimated</u> <u>to realise</u> £	<u>Realised</u> <u>to-date</u> £	<u>Period</u> <u>to closure</u> £
<u>Receipts</u>			
Book Debts	977.00	700.43	
Cash at Bank	114.00	Nil	
Bank Interest Gross	n/a	6.63	
		<u>707.06</u>	<u>Nil</u>
<u>Payments</u>			
Agents Fees		100.00	
Specific Bond		56.00	56.00
Statutory Advertising		84.60	84.60
Liquidator's Remuneration		<u>466.46</u>	<u>466.46</u>
		<u>707.06</u>	<u>607.06</u>
Receipts less Payments		<u><u>Nil</u></u>	

LABOUR SOURCE LIMITED - IN LIQUIDATION LIQUIDATOR'S TIME COSTS FOR THE PERIOD TO CLOSURE SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance, admin and planning	00:00	04:18	06:36	00:00	10:54	2,189.50	200.87
Creditors	00:00	00:00	00:42	00:00	00:42	91.00	130.00
Total hours and costs	00:00	04:18	07:18	00:00	11:36	2,280.50	196.59

LIQUIDATOR'S CUMULATIVE TIME COSTS FOR THE PERIOD FROM 15 DECEMBER 2010 TO CLOSURE SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance, admin and planning	08:24	35:42	38:54	18:54	101:54	20,838.50	204.50
Investigations	01:54	00:00	05:24	00:00	07:18	1,320.00	180.82
Realisations of assets	04:06	01:12	08:42	00:00	14:00	2,748.00	196.29
Creditors	07:06	05:36	02:36	00:00	15:18	4,273.00	279.28
Total hours and costs	21:30	42:30	55:36	18:54	138:30	29,179.50	210.68

The above headings include *inter alia*:

Administration and Planning
case planning
appointment notification
maintenance of records
statutory reporting and compliance
tax and VAT

Investigations
SIP2 review
reports pursuant to Company Directors Disqualification Act 1986
investigating antecedent transactions

Realisation of Assets
identifying and securing assets
debt collection
property, business and asset sales

Creditors
communications with creditors
creditors claims (including secured creditors, employees and preferential creditors)

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate:

Postage and stationery: circulars to creditors

Headed paper 25p per sheet
Photocopying 6p per sheet

Envelopes 25p each
Postage Actual cost

Meeting Costs: Use of Meeting Room is charged at £150 per session.

Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £30 per hour.

Mileage incurred as a result of any necessary travelling is charged to the estate at the HM Revenue & Customs approved rate, currently 45p per mile.