

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

04935818

Name of Company

DCCTV & Security Systems Limited formerly Direct CCTV & Security Systems Limited

I / We

Alan Brian Coleman, The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 10/07/2015 to 09/07/2016

Signed

Date

Royce Peeling Green Limited
The Copper Room
Deva Centre
Trinity Way
Manchester
M3 7BG

Ref DI504/ABC/JW/LJ/DAB

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Liquidator's Annual Progress Report to Creditors & Members

**DCCTV & Security Systems Limited formerly Direct CCTV
& Security Systems Limited
- In Liquidation**

09 July 2016

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1 Introduction and Statutory Information

- 1 1 Alan Brian Coleman of Royce Peeling Green Limited, The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG, was appointed as Liquidator of DCCTV & Security Systems Limited formerly Direct CCTV & Security Systems Limited (the Company) on 10 July 2015. This progress report covers the period from 10 July 2015 to 09 July 2016 (the Period)
- 1 2 The principal trading address of the Company was Unit K, Altbarn Industrial Estate, Lordswood Industrial Estate, Chatham, Kent, ME5 8UD. It was formerly Victoria Way, Admirals Park, Crossway Business Park, Dartford, Kent, DA2 6QD. The business traded under the name Direct CCTV & Security Systems Limited
- 1 3 The Company changed its name from Direct CCTV & Security Systems Limited to DCCTV & Security Systems Limited on 18 June 2015
- 1 4 The registered office of the Company has been changed to The Copper Room, Deva Centre, Trinity Way, Manchester, M3 7BG and its registered number is 04935818

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
- 2 2 At Appendix A is the Liquidator's Receipts and Payments Account showing transactions in the Period
- 2 3 Attached at Appendix B is a time analysis outlining the time spent by the Liquidator and his staff during the period of this report
- 2 4 Further information about the basis of remuneration agreed in this case and the Liquidator's fees can be found in section 5 of this report

Realisation of Assets

Factored Books Debts

- 2 5 The Company's book debts were factored. The Company had granted a fixed and floating charge to Lloyds Commercial Finance Ltd ("the Factor") on 30 April 2015. On the director's Statement of Affairs it was estimated that the debt owed to the Factor would be fully repaid leaving a small realisation of £1,845. However in October 2015, the Factor informed us that they were unable to collect any of the outstanding book debts as a result of advance invoicing by the Company. A claim for £51,094.17 was submitted in the liquidation in November 2015

Motor Vehicles subject to Hire Purchase

- 2 6 Prior to liquidation, the Company was in possession of nine vehicles that were subject to finance. At the time that the statement of affairs was prepared it was understood that only one of the vehicles had any realisable equity. It was known that one other vehicle had positive equity but it was anticipated that the finance company would enforce a consolidation clause meaning it would be able to repossess the vehicle as a result of another vehicle being in negative equity. It transpired that no consolidation clause existed
- 2 7 The finance companies were invited to take possession of seven vehicles because they were in negative equity
- 2 8 One of the remaining vehicles had a book value of £10,728, with an estimated to realise value of £8,750 and after deduction of outstanding finance, the estimated surplus was £5,813. A former employee of the company purchased this vehicle for £5,813. On 24 July

2015, payment was made using 2 credit cards and card charges incurred were £95 36. The outstanding finance of £2,937 was paid by the purchaser. Net realisations in the liquidation are £5,717 65.

- 2 9 The finance on one of the Company's vehicles ended in September 2015, leaving a full and final settlement payment of £16,772 96 due. The director of the Company contacted our agents as he wished to purchase the vehicle for £18,000. This would have provided a net receipt into the liquidation of £1,227. In July 2015, our agents valued the vehicle at £20,800. Our agents requested an increased offer however the director informed our agents that due to the poor state of repair of the vehicle he believed his offer was reasonable. No other offers were received to purchase the vehicle. The offer was therefore accepted and on 23 September 2015, the director paid £18,000, of which £16,772 96 was paid to the finance company, resulting in net realisations of £1,227 04.

Cash at Bank

- 2 10 On the director's Statement of Affairs cash at bank was stated at £828, this was the balance on 19 June 2015. Prior to the account being frozen direct debits and bank charges applied to the account resulted in the account being overdrawn by £27 63.

Other Debtors

- 2 11 Between the 20 July 2012 and 16 August 2012 funds totalling £100,000 were transferred from the Company bank account to an individual that appears to be unconnected to the Company. At this time Mr Percy was the sole director of the Company.
- 2 12 A review of the Company's historical bank statements shows that £10,000 was repaid by the individual on 02 July 2014.
- 2 13 Mr Percy has failed to respond to any correspondence forwarded to him regarding the liquidation.
- 2 14 The liquidator instructed solicitors to investigate this matter on his behalf. The individual, whilst acknowledging the debt was owed, was reluctant to settle the debt as he believed that the funds were owed to Mr Percy personally and not the Company. Mr Percy did not engage with my solicitors.
- 2 15 Proceedings were issued and then stayed until 22 February 2016.
- 2 16 On his own petition Mr Percy was declared Bankrupt on 13 October 2015. In his statement to the Official Receiver Mr Percy stated that he had no assets of any value and did not mention any debt owed to him by the individual.
- 2 17 In March 2016 the Official Receiver confirmed that they had no interest in the debt.
- 2 18 In March 2016, proceedings were stayed again until 22 April 2016.
- 2 19 A case management conference was listed for 15 June 2016.
- 2 20 In June 2016, solicitors acting for the individual put forward an offer from him of £15,000 in full and final settlement. This offer was rejected and a counter offer, by way of a Part 36 offer, was put forward by the Liquidator at £75,000. This counter offer was rejected and a further counter offer of £40,000, inclusive of costs and interest, to be paid over a 3 month period was made. The solicitor acting for the individual also advised that he was in financial difficulties and would have to borrow these funds from a third party.
- 2 21 The Liquidator's solicitor requested details of the debtor's personal and business financial circumstances for review prior to considering if this offer was reasonable. To date this information has not been provided.

- 2 22 The case management conference was postponed and is now listed for 21 September 2016. At this conference the court will list directions that each party must follow to trial.
- 2 23 My solicitor is currently awaiting details regarding the debtor's financial status from his solicitors. On receipt of this information the offer of £40,000 will be assessed to establish if it should be accepted.

Director's Loan Account (DLA)

- 2 24 The Company accounts for year ended 31 March 2014 show that £11,040, was advanced to C Percy a former director of the Company in that period. There was no record on file showing that these funds were repaid to the Company. On 24 April 2014, it also appears that Mr Percy instructed the Company accountant to pay funds of £8,000 from the Company bank account to him personally. There is no record on file showing that these funds were repaid to the Company. Mr Percy failed to respond to my letters regarding these funds. Solicitors were instructed and in September 2015, Mr Percy was requested to contact my office to arrange a convenient date and time for him to attend a meeting with me and my solicitors. Again Mr Percy failed to respond. As detailed at paragraph 2 16 above Mr Percy is now bankrupt. A proof of debt form will be submitted to the bankruptcy estate in due course in respect of the above funds.

Unlawful Dividends

- 2 25 In the period from January 2013 to April 2013, Mr Percy drew dividends totalling £21,704. The current director of the Company stated that Mr Percy ceased to be a shareholder from January 2012. However, after further investigation it was found that the Annual Return for 2013 continued to show Mr Percy as the 100% shareholder of the Company. No further action will be taken in respect of dividends drawn.

Fixed Assets

- 2 26 One of the creditors expressed concerns that some of the Company assets may have been disposed off shortly prior to the liquidation. We have established that fixed assets detailed in the Company's accounts relate only to vehicles owned by the Company. A review of the fixed asset register as at March 2014 was compared to the list of vehicles provided prior to liquidation. A list of seven vehicles appearing on the asset register, but not mentioned at liquidation was collated and forwarded to the director for his comments. He advised that six of the vehicles had been sold or part exchanged in late 2014 and that one of the vehicles was never owned by the Company.
- 2 27 In order to help establish if any of these vehicles had been sold to a connected party, a request was submitted to the DVLA to seek confirmation of the purchaser of the six vehicles and confirmation that the Company was not listed as the owner of other vehicles. However, the DVLA were unable to release any information after disposal i.e. name of purchaser. The only information they can provide to is confirmation that the Company was the registered keeper and the period that the Company owned the vehicles. A request for this information has been submitted.

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.

- 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.

Investigations

- 2 31 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 32 The Liquidator can confirm that a report on the conduct of the Directors of the Company has been submitted to the Department for Business Innovation & Skills under the CDDA 1986. As this is a confidential report, the contents cannot be disclosed.
- 2 33 Shortly after appointment, an initial assessment was made to decide 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 at the initial meeting of creditors and as a response to our request to complete an investigation questionnaire. The investigations have revealed the matter discussed at paragraphs 2 24 and 2 25 above. It is unlikely that investigation of this matter will provide any further potential recoveries for the benefit of creditors.

Connected Party Transactions

- 2 34 In accordance with Statement of Insolvency Practice 13, I would advise you that the following asset was sold to the director of the Company:

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to	Relationship
23/09/2015	Audi Q7 S Line TDI Quattro – first registered 27/05/2011	£18,000 paid on 23 September 2016	P J Connolly	Sole director of the Company

3 Creditors

Secured Creditors

- 3 1 The Company's bankers are HSBC Bank Plc (the Bank). The Company granted a debenture conferring a fixed and floating charge over all assets of the Company to the Bank on 1 April 2005. HSBC have provided a copy of the debenture however to date no claim has been submitted by them.
- 3 2 The Company granted a further debenture conferring a fixed and floating charge over all of the Company's assets to Lloyds Bank Commercial Finance Limited ("the Factor") on 30 April 2015. At the date of the liquidation the indebtedness to the Factor was estimated at £51,674. In October 2015, the Factor informed us that book debt collections were insufficient to settle their debt, as a result of advance invoicing by the Company. A claim for £51,094.17 was submitted in the liquidation in November 2015. To date no payment has been made on account.

Preferential Creditors

- 3 3 A summary of preferential claims is detailed below.

Preferential claim	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1
Employee claims (Total number of claims = 13)	Nil	12,252	Nil
Department for Business Innovation & Skills (BIS)	Nil	11,801 55	Nil

- 3 4 No work has yet been undertaken to agree the claims of preferential creditors as the likelihood of dividend is uncertain

Unsecured Creditors

- 3 5 I have received claims totalling £494,834 58 from 26 creditors I have yet to receive claims from 12 creditors whose debts total £71,571 04 as per the Company's statement of affairs
- 3 6 The Company granted floating charges to HSBC Bank Plc and Lloyds Bank Commercial Finance Limited on 01 April 2005 and 30 April 2015 respectively Accordingly, I am required to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**)
- 3 7 However, based on present information, the value of the Company's net floating charge property is estimated to be Nil, therefore, the value of the unsecured creditors' fund is presently estimated at Nil
- 3 8 I would confirm that based on current information there is unlikely to be a dividend payment to creditors other than the preferential creditors in this case

4 Liquidator's Remuneration

- 4 1 The Creditors approved that the basis of the Liquidator's remuneration be fixed 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 £14,371 70 This represents 108 60 hours at an average rate of £132 34 per hour Attached at 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, no fees or disbursements have been drawn on account
- 4 3 We have spent 22 20 hours dealing with matters classified as statutory and compliance Work undertaken and recorded in this category is as follows
- Notifying creditors and other interested parties
 - Attending meetings with the Company's shareholder and the Liquidator's solicitor to discuss the debt owed to the Company as discussed at sections 2 11 to 2 23
 - Completing periodic file reviews
 - Paying the petitioning creditor's costs
 - Collecting and recording Company records
 - Preparing and submitting enquiries to the DVLA to establish ownership of vehicles sold prior to the Liquidation

Time spent on creditor communications total 19 90 hours The work undertaken is summarised as follows

- Liaising with and reporting to the Factor

- *Attending a meeting with a concerned creditor and reporting back to the same creditor after investigating concerns*
- *Dealing with general creditor enquiries by telephone and by correspondence*
- *Maintaining creditor database on case management system*

Time spent realising the assets of the Company totals 13 hours undertaking the following work

- Pursuing the director's loan account owed by Mr Percy
- Pursuing the debt of £90,000 owed to the Company
- Dealing with the sale of two vehicles
- Attending meetings with and liaising with director, solicitors and agents in relation to the above assets

A total of 44 10 hours have been spent dealing with investigation work This time has been spent

- Completing statutory investigation for submission of a report on the directors' conduct to the Insolvency Service
- Reviewing Company records
- Reviewing and investigating the director's loan and the loan made to unconnected individual
- Reviewing bank statements
- Corresponding with directors and former directors on the disposal of assets

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 £7,000 The work still to be undertaken is to reach a resolution on the debt owed that is discusses at section 2 11, complete the investigation into the ownership of certain vehicles, possibly declare a dividend to preferential creditors and prepare a final report to creditors I will update creditors on this in my next progress report

4 5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from www.rpg.co.uk

4 6 Attached at 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

5 Creditors' Rights

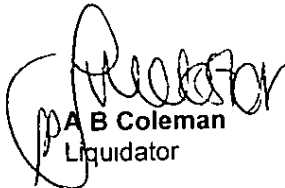
5 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in 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 progress report ahead of convening the final meeting of creditors

Yours faithfully



A B Coleman
Liquidator

Appendix A

**DCCTV & Security Systems Limited formerly Direct CCTV & Security Systems Limited
(In Liquidation)**

**Liquidator's Summary of Receipts and Payments
To 09 July 2016**

RECEIPTS	Statement of Affairs (-)	Total (-)
Book Debts	53,519 00	0 00
Motor Vehicles subject to Hire Purchase	8,750 00	5,813 00
Motor Vehicles subject to Hire Purchase	85,800 00	18,000 00
Cash at Bank	828 00	0 00
Other Debtors	Uncertain	0 00
Bank Interest Gross		0 28
Insurance Refund - Fleet Policy		235 48
		<hr/>
		24,048 76
		<hr/>
PAYMENTS		
Lloyds Bank Commercial Finance Limited	(51,674 00)	0 00
Finance Companies	(2,937 00)	95 35
Finance Companies	(112,056 00)	16,772 96
Petitioner's Costs		920 00
Specific Bond		24 00
Preparation of S of A		5,375 00
Legal Disbursements		150 00
DVLA		35 00
Re-Direction of Mail		160 00
Statutory Advertising		253 80
Employee Arrears/Hol Pay - Pref	(12,252 00)	0 00
Trade & Expense Creditors	(173,975 00)	0 00
Employees	(31,117 00)	0 00
HM Revenue & Customs (Tax)	(2,209 00)	0 00
HM Revenue & Customs (PAYE)	(144,450 00)	0 00
HM Revenue & Customs (VAT)	(127,485 00)	0 00
Ordinary Shareholders	(100 00)	0 00
		<hr/>
		23,786 11
		<hr/>
Net Receipts/(Payments)		262 65
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MADE UP AS FOLLOWS

Bank 1 Current	72 65
Office	(185 00)
VAT Receivable / (Payable)	375 00
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	262 65
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Appendix B

SIP 9 Compliance Fees Worksheet
Consolidated time spent by grade for the period from 10 July 2015 to 09 July 2016

	Office Holder £	Manager £	Admin £	Cashier £	Total Hours	Total Cost £	Average Rate £
Highest Charge out Rates	250	170	93-102	50-77			
Statutory & Compliance	3 60	3 00	15 60	-	22 20	2,934 90	132 20
Creditor Communications	5 50	0 70	13 70	-	19 90	2,848 40	143 14
Cashiering	-	-	-	4 50	4 50	324 80	72 18
Employee Issues	-	0 30	4 60	-	4 90	478 80	97 71
Realisation of Assets	3 90	2 40	6 70	-	13 00	2,015 00	155 00
Investigations	0 70	11 50	31 90	-	44 10	5,769 80	130 83
Total hours/Cost	13 70	17 90	72 50	4 50	108 60	14,371 70	132 34

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

Professional Advisors

- 7.4 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
Stephensons Solicitors (legal advice)	Hourly rate and disbursements
Marsh Limited (insurance)	Specific Bond
JPS Chartered Surveyors (valuation and disposal advice)	Hourly rate and disbursements

- 7.5 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 Liquidator's Expenses & Disbursements

- 8.1 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 £
Agents' costs	0 00	0 00	747 00	747 00
Solicitors' fees	0 00	0 00	7,929 00	10,000 00
Solicitors' disbursements	0 00	150 00	167 10	317 10
Statutory advertising	0 00	253 80	84 60	338 40
Specific penalty bond	0 00	24 00	0 00	96 00
External storage of books & records	0 00	0 00	187 00	187 00
Re-direction of the Company's mail	0 00	160 00	0 00	160 00
Bank Charges	0 00	0 00	75 00	75 00
Card Charges	0 00	95 35	0 00	95 35
Category 2 disbursements				
Postage and Stationary	0 00	0 00	188 96	237 92
Mileage	0 00	0 00	187 20	187 20

- 8.2 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.

- 8.3 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.

9 Charge-Out Rates

- 9.1 Royce Peeling Green Limited's current charge-out rates effective from 02 February 2016 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

	(Per hour) £
Office Holder	250
Senior Manager	170
Administrator	93-102
Cashier	70-77
Support Staff	50