

Liquidator's Progress Report

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

S.192

To the Registrar of Companies

Company Number

05637445

Name of Company

(a) Insert full
name of company

(a) OWA LIMITED

Limited

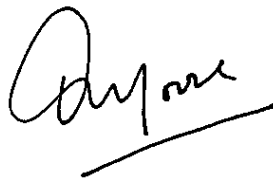
(b) Insert full
name(s)
and
address(es)

I / We (b) David Moore and John Titley

of Leonard Curtis, 6th Floor, Walker House, Exchange Flags, Liverpool L2 3YL

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 April 2016 to 9 April 2017



Signed

Date 7 June 2017

Presenter's
name, address
and reference (if
any)

Leonard Curtis,
6th Floor, Walker House,
Exchange Flags,
Liverpool
L2 3YL
Ref: I/39/AM/NO167E/115

THURSDAY



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08/06/2017

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COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**OWA Limited
(In Creditors' Voluntary Liquidation)**

Company Number: 05637445

Former Registered Office: 1 Woodlands Close, Southport, Merseyside, PR9 9PN

Trading Address: 1 Woodlands Close, Southport, Merseyside, PR9 9PN

**Joint Liquidators' third Progress Report
pursuant to Rule 18.3 of the Insolvency (England and Wales) Rules 2016**

For the Period 10 April 2016 to 9 April 2017

7 June 2017

**David Moore and John Tittley - Joint Liquidators
Leonard Curtis
6th Floor, Walker House, Exchange Flags,
Liverpool L2 3YL
Tel: 0151 556 2790 Fax: 0151 556 2791
creditors@leonardcurtis.co.uk
Ref: I/39/AM/NO167E/1010**

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TO ALL MEMBERS, CREDITORS AND THE REGISTRAR OF COMPANIES

1 INTRODUCTION

- 1.1 David Moore and John Titley were appointed Joint Liquidators of OWA Limited ("the Company") on 10 April 2014.
- 1.2 David Moore and John Titley are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.3 There has been no change in office holder since the date of Liquidation.
- 1.4 This report provides an update on the conduct of the Liquidation for the period from 10 April 2016 to 9 April 2017, as required by Section 104A(1) of the Insolvency Act 1986 (as amended) ("the Act") and Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ("the Rules"). It contains details of the progress made, the expected outcome for creditors and other information that the Joint Liquidators are required to disclose and should be read in conjunction with the previous progress reports dated 8 June 2015 and 25 May 2016.
- 1.5 All figures are stated net of VAT.

2 CONDUCT OF THE LIQUIDATION

- 2.1 The Company's registered office was changed to Leonard Curtis, 6th Floor, Walker House, Exchange Flags, Liverpool L2 3YL on 16 July 2015.

Assets Realised

- 2.2 During the period of this report the sum of 25 pence has been received in respect of bank interest. No other realisations have been made.

Assets Still to be Realised

- 2.3 You may recall that in our earlier reports we have referred to an overdrawn directors loan account totalling in excess of £100,000. Despite numerous letters and us instructing solicitors this amount remains outstanding. In the last progress report we asked creditors to indicate their preferred course of action but I would advise that no responses were received.

It has therefore been decided, given the anticipated costs of issuing a charging or bankruptcy order, we intend to write off our outstanding time and fees and bring this liquidation to a conclusion. Information indicates that there is little equity in the property but we will be writing to the Inland Revenue as it is likely that they will view the funds withdrawn by Mr Morris as taxable income and will make their own enquiries in this regard and possibly issue a bankruptcy petition.

If the situation alters we will review the files.

3 RECEIPTS AND PAYMENTS ACCOUNT

- 3.1 A summary of the Joint Liquidators' receipts and payments for the entire period of the liquidation, including the period from 10 April 2016 to 9 April 2017, is attached at Appendix A.

During the year the sum of £0.25 has been received in respect of bank interest received from the Allied Irish Bank. No other payments or receipts have been made/received.

4 OUTCOME FOR CREDITORS

Secured Creditors

- 4.1 There are no secured creditors.

Preferential Creditors

- 4.2 As at the date of Liquidation, no preferential claims were anticipated.
- 4.3 No claims have been received.

Prescribed Part

- 4.4 To the best of our knowledge and belief there are no unsatisfied floating charges created or registered on or after 15 September 2003 and consequently a prescribed part will not apply.

Ordinary Unsecured Creditors

- 4.5 As at the date of Liquidation, there were 3 ordinary unsecured creditors, with estimated claims totalling £60,022. A 'Notice of No Dividend' was sent to creditors on 8 June 2015 and I can confirm that a total of £1,501 has been realised during the liquidation which have already been distributed or used or allocated for paying the expenses of the Liquidation. As a result, there will be no dividend to the ordinary unsecured creditors.
- 4.6 The Joint Liquidators have collated and acknowledged (where requested) the claims of the ordinary unsecured creditors, although, in view of the fact that there will be no distribution to this class of creditor, unsecured claims have not been formally agreed.

5 INVESTIGATIONS

- 5.1 Following their appointment, the Joint Liquidators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate.
- 5.2 Our investigations indicated that there was an overdrawn directors loan account in excess of £100,000 but despite numerous letters from ourselves and our solicitors, Mr Morris, the director, has failed to provide us with either the books and records of the Company nor any proposals for repaying the debt. Without funding we are unable to take any further action other than to make the Inland Revenue aware of the situation. Note 2.3 refers.
- 5.3 If the above is not the case, you should give creditors information regarding investigations, any action being taken, whether funding is being provided by third parties and any outcome. When reporting, please consider legal privilege and confidentiality and whether investigations or litigation might be compromised by such reporting
- 5.4 Notwithstanding the above, the Joint Liquidators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.
- 5.5 Include a statement dealing with investigations and actions concluded during the period of the report, and those that are still continuing. When reporting, please consider legal privilege and confidentiality and whether investigations or litigation might be compromised by such reporting

6 JOINT LIQUIDATORS' REMUNERATION, EXPENSES AND DISBURSEMENTS AND CREDITORS' RIGHTS

Remuneration

- 6.1 At a meeting of creditors held on 10 April 2015, creditors agreed a fee of £3,600 & VAT be drawn by Leonard Curtis in respect of the preparation of the statement of affairs with future fees to be drawn on a time cost basis. From this Statement of Affairs amount, the sum of £300 & VAT was to be paid to both Tom Carroll Associates and Michael Archer & Co Accountants for their assistance in preparing the initial Statement of Affairs.
- 6.2 The funds were to be drawn from the realisation of the overdrawn directors loan account but to date Mr G Morris has paid a total of £1,500 and we have drawn a fee of £500 towards the initial Statement of Affairs fee. Keeping the liquidation files open is purely increasing our time costs which currently amount to £14,175 and as we are clearly not going to realise any further monies from Mr Morris, the decision has been made to write off this time and bring the liquidation to a conclusion.
- 6.3 We will also be writing separately to Tom Carroll Associates and Michael Archer & Co to explain that the balance we currently hold will be used to defray the final advertising costs and disbursements and we will be unable to pay them as the creditors had agreed.
- 6.4 At Appendix D is a detailed description of work undertaken attributable to each category of time costs and an explanation of why it was necessary for that work to be performed.

Expenses

- 6.5 A comparison of the Joint Liquidators' expenses from 10 April 2016 to 9 April 2017 is attached at Appendix E. To assist creditors' understanding of this information, it has been separated into the following two categories:
- *Standard Expenses*: this category includes expenses payable by virtue of the nature of the liquidation process and / or payable in order to comply with legal or regulatory requirements.
 - *Case Specific Expenses*: this category includes expenses likely to be payable by the Joint Liquidators in carrying out their duties in dealing with issues arising in this particular Liquidation. Included within this category are costs that are directly referable to the Liquidation but are not paid to an independent third party (and which may include an element of allocated costs). These are known as 'category 2 disbursements' and they may not be drawn without creditor approval.
- 6.6 On 10 April 2015 creditors resolved that the Joint Liquidators be authorised to draw category 2 disbursements although no disbursements of this kind have been incurred in this case.
- 6.7 Attached at Appendix F is additional information in relation to the firm's policy on staffing, the use of subcontractors, disbursements and details of current charge-out rates by staff grade.
- 6.8 During the Liquidation, the following professional advisors have been used:

Name of Professional Advisor	Service Provided	Basis of Fees	Estimated Fee
Brabners	Legal Advice in respect of pursuing director for his overdrawn directors loan account	Time Costs	£750 & VAT although they have indicated that due to the limited funds available they will be waiving their fee.

Creditors' Rights

- 6.10 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with either the concurrence of at least five per cent in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which have been itemised in this report.
- 6.11 Under Rule 18.34 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 10 per cent in value of the unsecured creditors (including that creditor) or the permission of the court, may within eight weeks of receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question, make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in the progress report, are excessive.
- 6.12 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the Liquidation.

7 MATTERS STILL TO BE DEALT WITH

- 7.1 As we received no resolutions from creditors following our last progress report, and without further funding, it is obvious that we will not be able to recover any further funds from the director. The Insolvency Service have been made aware and we will also be writing to the Inland Revenue so that they can pursue Mr Morris personally for tax due on the funds he withdrew.

As such we now intend to review our files and unless we hear from any creditor objecting, we will be bringing this liquidation to a conclusion.

8 OTHER MATTERS

- 8.1 For your information, a creditor's guide to liquidators' fees, which sets out the rights of creditors and other interested parties under the insolvency legislation, may be accessed via the following link:

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

- 8.2 If you would prefer this to be sent to you in hard copy form, please contact Alison McLauchlan of this office on 0151 556 2790.

- 8.3 Creditors are also encouraged to visit the following website, which provides a step by step guide designed to help creditors navigate through an insolvency process:

<http://www.creditorinsolvencyguide.co.uk>

- 8.4 The Joint Liquidators are bound by the Insolvency Code of Ethics, which can be found at:

<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

Yours faithfully


DAVID MOORE
JOINT LIQUIDATORS

David Moore and John Titley are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales

APPENDIX A

SUMMARY OF JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS FROM 10 APRIL 2014 TO 9 APRIL 2017

	Estimated to realise £	Previous periods £	This period £	Cumulative £
RECEIPTS				
Cash At Bank	1	0.47	0.25	0.72
Book Debt	2,000	Nil	Nil	Nil
Bank Interest Received	N/a	1.12	Nil	1.12
Directors Loan Account	106,578	1,500.00	Nil	1,500.00
	<u>108,579</u>	<u>1,501.59</u>	<u>0.25</u>	<u>1,501.84</u>
PAYMENTS				
Costs of Creditors Meeting		500.00	Nil	500.00
Category 1 Disbursements;			Nil	
Statutory Advertising		253.80	Nil	253.80
Bordereau		25.00	Nil	25.00
Incidental Outlay (see Appendix D)		97.00	Nil	97.00
		<u>875.80</u>	<u>Nil</u>	<u>875.80</u>
Balance				£626.04
Represented By;				
Current Account – Allied Irish Bank				451.88
VAT Control Account				174.16
				<u>£626.04</u>

APPENDIX B

SUMMARY OF JOINT LIQUIDATORS' TIME COSTS FROM 10 APRIL 2016
TO 9 APRIL 2017

	Director		Administrator 1		Administrator 4		Total		Average Hourly Rate
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	10	450.00	24	624.00	-	-	34	1,074.00	315.88
Receipts & Payments	-	-	-	-	10	150.00	10	150.00	150.00
General Administration	-	-	24	624.00	-	-	24	624.00	260.00
Planning & Strategy	-	-	4	104.00	-	-	4	104.00	260.00
Post Appointment Credits Mtns	-	-	30	780.00	-	-	30	780.00	260.00
Investigations	10	450.00	-	-	-	-	10	450.00	450.00
Total	20	900.00	82	2,132.00	10	150.00	112	3,182.00	
Average Hourly Rate (£)		450.00		260.00		150.00		284.11	
All Units are 6 minutes									

DETAILED NARRATIVE OF WORK PERFORMED BY THE JOINT LIQUIDATORS AND THEIR STAFF

Statutory and Review

This category of activity encompasses work undertaken for both statutory and case-management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case-management reviews. These will be carried out periodically throughout the life of the case. A month one review is undertaken by the firm's compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses, further six monthly reviews are undertaken to ensure that the case is progressing as planned.
- Allocation of staff, management of staff, case resourcing and budgeting.
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9.
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice.

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors; however, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Management of case bank account to ensure compliance with relevant risk management procedures.
- Regular review of the accounts by senior member of staff to ensure that fixed and floating charge assets have been properly identified.
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports.
- Timely completion of all post-appointment tax and VAT returns.
- Managing estate expenses.

General Administration

- General planning matters.
- Setting up and maintaining the liquidators' records.
- Dealing with general correspondence and communicating with directors and shareholders, especially in respect of the overdrawn directors loan account.
- Liaising with solicitors regarding correspondence with the director

Planning & Strategy

- This category of time refers to costs incurred in ensuring the initial aims of the liquidation have been complied with and future action.

APPENDIX C (cont)

Post-Appointment Creditors' Meetings

- Preparation of Progress Report to creditors

Investigations

- Considering and discussing what further action to take against the director in respect of his overdrawn directors loan account.

SUMMARY OF JOINT LIQUIDATORS' EXPENSES FROM 10 APRIL 2016 TO 9 APRIL 2017

Standard Expenses

Type	Charged by	Description	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
AML Checks	Business Tax Centre	Electronic client verification	5.00	Nil	5.00	Nil
Bond Fee	AUA Insolvency Risk Services	Insurance bond	25.00	Nil	25.00	Nil
Company Searches	Companies House	Extraction of company information from Companies House	5.00	Nil	5.00	Nil
Software Licence Fee	Pelstar	Case management system licence fee	87.00	Nil	87.00	Nil
Statutory Advertising	Courts Advertising	Advertising	253.80	Nil	253.80	Nil
		Total standard expenses	375.80	Nil	375.80	Nil

Case Specific Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Professional Fees	Tom Carroll Associates	Assistance with Statement of Affairs	300.00	300.00	Nil	Nil	300.00
Professional Fees	Michael Archer Accountancy	Assistance with Statement of Affairs	300.00	300.00	Nil	Nil	300.00
Legal Fees	Brabners LLP	Costs of appointed solicitors	750.00	Nil	Nil	Nil	750.00 *
		Total case specific expenses	1,350.00	600.00	Nil	Nil	1,350.00

*Solicitors have indicated that they will be waiving their fee given the level of realisations

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard £	Complex £
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187
Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

APPENDIX E (cont)

Type	Description	Amount																								
AML checks	Electronic client verification in compliance with the Money Laundering Regulations 2007	£5.00 plus VAT per individual																								
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors	<table> <tr> <th>Type</th><th>100 creds</th><th>Every addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td>£10 p.a. or £25 for life of case</td><td></td></tr> </table>	Type	100 creds	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
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IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £185.00 3-6 months £275.00 6-12 months £445.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£83.02 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£70.40 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.