

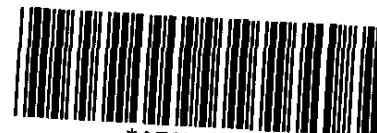
# LIQ03

## Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



A04 \*A79YAAAW\*  
11/07/2018 #422  
COMPANIES HOUSE

### 1 Company details

Company number 0 5 7 1 4 7 8 9

Company name in full Adding Value Communications Ltd

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

### 2 Liquidator's name

Full forename(s) Victor Henry

Surname Ellaby

### 3 Liquidator's address

Building name/number Staverton Court

Street Staverton

Post town Cheltenham

County/Region

Postcode G L 5 1 O U X

Country

### 4 Liquidator's name ①

Full forename(s) Peter Richard James

Surname Frost

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

### 5 Liquidator's address ②

Building name/number Staverton Court

Street Staverton

Post town

County/Region Cheltenham

Postcode G L 5 1 O U X

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

**6** Period of progress report

From date	d	1	0	m	0	5	y	2	0	1	7
To date	d	0	9	m	0	5	y	2	0	1	8

**7** Progress report

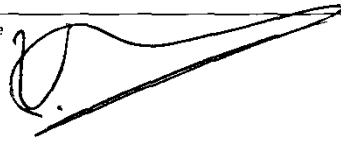
☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date	d	0	9	m	0	7	y	2	0	1	8
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LIQ03

Notice of progress report in voluntary winding up



**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Hazlewoods LLP

Address

Staverton Court

Staverton

Post town

County/Region

Cheltenham

Postcode

G L 5 1 0 U X

Country

DX

Telephone

01242 680000



**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Adding Value Communications Ltd**  
(In Liquidation)  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 10/05/2017 To 09/05/2018 £	From 10/05/2017 To 09/05/2018 £
	<b>SECURED ASSETS</b>		
NIL	Intangible assets - Computer software	NIL	NIL
NIL	Investments	NIL	NIL
		NIL	NIL
	<b>SECURED CREDITORS</b>		
(118,250.00)	HSBC Bank Plc	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
4,000.00	Tangible assets - L/H imps, P & M, F&	7,380.00	7,380.00
32,767.00	Book Debts	25,511.58	25,511.58
NIL	Amounts owed by group undertakings	NIL	NIL
	Sundry Refunds	780.57	780.57
8,016.00	Cash at Bank	25,007.00	25,007.00
	Bank Interest Gross	29.26	29.26
		58,708.41	58,708.41
	<b>COST OF REALISATIONS</b>		
	Specific Bond	112.80	112.80
	Office Holders Fees	9,000.00	9,000.00
	Mileage	87.46	87.46
	Agents/Valuers Fees (1)	3,362.58	3,362.58
	Legal fees	1,000.00	1,000.00
	Employee Services	400.00	400.00
	Accountancy Fee	217.25	217.25
	Storage Costs	1,266.72	1,266.72
	Re-Direction of Mail	185.00	185.00
	Statutory Advertising	328.00	328.00
		(15,959.81)	(15,959.81)
	<b>PREFERENTIAL CREDITORS</b>		
(28,484.15)	Employee Arrears/Hol Pay	NIL	NIL
(1,486.60)	Pension Schemes	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(142,290.72)	Trade & Expense Creditors	NIL	NIL
(103,434.84)	Employees wages, redundancy and PI	NIL	NIL
(459,190.92)	Customer creditors and accruals	NIL	NIL
(90,000.00)	Directors' loans	NIL	NIL
(85,431.00)	Inland Revenue PAYE/NIC	NIL	NIL
(4,540.00)	HMRC - VAT	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(910.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(989,235.23)</b>		<b>42,748.60</b>	<b>42,748.60</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		233.00
	Bank Current		42,515.60
			<b>42,748.60</b>

  
Victor Henry Ellaby  
Joint Liquidator  
10 July 2018 09:50



BUSINESS RECOVERY & INSOLVENCY

**ADDING VALUE COMMUNICATIONS LIMITED- IN LIQUIDATION**

**ANNUAL PROGRESS REPORT & REMUNERATION REQUEST**

Registered in England & Wales: 05714789

Registered office: Staverton Court  
Staverton  
Cheltenham  
GL51 OUX

Trading address: The Power House  
1 Linkfield Road  
Isleworth  
Middlesex  
TW7 6QG

Date of winding up: 10 May 2017

Joint Liquidators names: Victor Henry Ellaby  
(Licensed to act as an Insolvency Practitioner in the UK  
by the Institute of Chartered Accountants in England & Wales  
No. 8020)

Peter Richard James Frost  
(Licensed to act as an Insolvency Practitioner in the UK by the  
Insolvency Practitioners Association No. 8935)

Liquidator's addresses: Staverton Court  
Staverton  
Cheltenham  
GL51 OUX

Period of report: 10 May 2017 to 9 May 2018

## Contents

1. Liquidators' receipts and payments
2. Assets
3. *Investigations & statutory reporting*
4. Costs of realisation
5. Outcome to creditors
6. Matters preventing closure

## Appendices

- A. Summary of receipts and payments
- B. *Schedule of routine work carried out.*
- C. Hazlewoods LLP present hourly rates and disbursements policy

### 1. Liquidators' Actions Since Appointment

Actions taken since appointment are mainly detailed below in the asset section and in the investigations section.

There is certain work that we are required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since our appointment as Joint Liquidators is contained in Appendix B.

### 2. Liquidators' receipts and payments

I append at A, a summary of our receipts and payments for the year ending 9 May 2018. The funds are held in an interest bearing account in the Company's name.

### 3. Assets

#### Tangible Assets – Leasehold Improvements, plant and machinery, fixtures and fittings

Gordon Brothers, members of RICS, professionally qualified independent valuation agents valued the Company's assets and recommended options for disposal.

In view of time pressures to vacate the Company's trading premises, the agents recommended sale of assets by private treaty. Sales were completed to independent third parties and realised £7,380.

The agents advised that the lease had no value due to the term of the lease and the rent payable. I therefore disclaimed the lease and served notice of this on the landlord.

#### Book Debts

All known debtors have been written to and advised to make payment direct to the Joint Liquidator.

A cheque for £25,511 has been received from the Company's bankers, HSBC Bank plc, in respect of post liquidation credits to the account.

#### Cash at Bank

A balance of £6,000 held in Hazlewoods LLP's client account has been transferred to the case account.

The Company held credit accounts with National Westminster Bank plc, who have been written to and requested to account to the Joint Liquidators. An additional £19,007 has been received which may well include book debts received post-liquidation, but we do not have sufficient information to distinguish these from cash at bank.

#### Investment and Amount owed by Group Undertaking

The Company owns all the shares (1,000) of Adding Value Digital Limited (AVDL). It is also owed £270,706 by AVDL.

On 10 May 2017, AVDL was placed into liquidation with myself appointed Joint Liquidator with Peter Frost.

There is no prospect of a dividend to any class of creditor in the liquidation of AVDL.

#### Sundry refunds

Refunds totalling £780.57 have been received in respect of rates and water.

#### Gross bank interest

£29.26 has been received in the reporting period in respect of bank interest, gross of tax.

### **4. Investigations and statutory reporting**

I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

*After carrying out my initial review, I then focused on the four largest creditors that were customers of the company and had paid considerable payments in advance, running into six figures for services that were not delivered.*

I have corresponded with these creditors and taken initial advice on industry standards. I have now taken legal advice on the basis on which the Company procured deposits from these customers in the final months of trading prior to liquidation. Following that advice, I shall be writing to the four creditors/customers again to ascertain more detailed information regarding their trading relationship with the Company in relation to these deposits and the events booking connected with them.

I shall also be reviewing the Company's bank account to ascertain what happened to the deposits and how these funds were applied in payment. It will also be necessary to review the Company's accounting records and actions to establish whether it was apparent at what date the Company was insolvent and how this timing relates to the receipt of the customer deposits

I cannot predict at this time whether there will be any potential actions resulting from the ongoing investigations which could leave to further realisations from these ongoing investigations.

In addition to the above, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make him unfit to be concerned with the management of the company. I would confirm that my report has been submitted.

### **5. Costs of realisation**

#### **Pre-appointment remuneration**

The directors authorised the payment of a fee of £5,000 plus VAT for Hazlewoods LLP's assistance with preparing the statement of affairs and convening and holding the meeting of members and the decision process on 10 May 2018. This was paid by the Company prior to liquidation.

### **Liquidator's remuneration**

*In June 2017 I sent out a report and requested fee approval. Our remuneration was approved on a fixed fee of £9,000 in respect of administrative matters, realising assets and dealing with creditor matters. Creditors also approved the Joint Liquidators drawing category 2 disbursements.*

We have drawn £9,000 to the date of this report.

I have undertaken and intend to undertake additional work surrounding the investigation of the Company's affairs as outlined above, that was not envisaged when I fixed the basis of my remuneration. At this stage of the liquidation, I am uncertain whether this additional work will result in additional realisations.

Having reviewed our past time records for undertaking such work and after taking into account the complexity of the case, I am seeking an additional fixed fee of £7,500 for undertaking the additional work, such that my total fixed fee will be £16,500

In the absence of a Liquidation Committee it falls to the creditors to fix the basis of my fees. I am seeking a decision by correspondence from the creditors. If you wish to vote on the decision, you must complete and return the enclosed voting form to me by no later than 23.59 on 6 August 2018, the decision date. If you have not already submitted proof of your debt, please complete the enclosed form and return it to me, together with the relevant supporting documentation. Your vote on the decisions will not count unless you have lodged proof of your debt by no later than 23.59 on 6 August 2018.

You are also invited to determine whether to form a Liquidation Committee. A notice of invitation to form a Liquidation Committee and further instructions are enclosed. To enable you to make an informed decision as to whether you wish to either seek to form a Committee, or to nominate yourself to serve on a Committee, further information about the role of the Committee and what might be expected from its members has been prepared by R3 and can be found is available at [www.creditorinsolvencyguide.co.uk/getting-involved](http://www.creditorinsolvencyguide.co.uk/getting-involved).

The following documents are enclosed with this report:-

- Notice of decisions for which approval is sought;
- Voting Form;
- Notice of invitation to form a Liquidation Committee; and
- Proof of debt form.

**Please note that I must receive at least one vote regarding the notice of decisions by the decision date or the decision will not be made. I, therefore, urge you to respond promptly.**

Should you (or a group of creditors) wish to request a physical meeting of creditors, you must do so within 5 business days of the delivery of the notice that accompanies this letter. Such requests must be supported by proofs of debt, if not already lodged. I will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

My duties and functions as Liquidator are the realisation of the Company's assets, the agreement of the claims of creditors, investigation of the directors' conduct and the company's affairs generally, and the eventual distribution of the Liquidation funds between the creditors in accordance with their legal entitlements.

I attach a copy of my practice fee recovery policy. In this case I am seeking to fix the basis of my remuneration on a fixed costs basis.



## Liquidator's disbursements

Category 2 disbursements of £87.46 in respect of mileage have been incurred and drawn in the reporting period.

I have incurred category 1 disbursements of £625.80, as follows:-

Specific Bond	£112.80
Re-direction of mail	£185.00
Statutory advertising	£328.00.

## Further Information

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professional (R3) at [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk).

To comply with the Provision of Services Regulations, some general information about Hazlewoods LLP can be found at [www.hazlewoods.co.uk](http://www.hazlewoods.co.uk) under the Technical Guides section on the Business Recovery page under Services.

## Professional advisors

The following agents or professional advisors have been utilised in this matter:

<u>Professional Advisor</u>	<u>Nature of Work</u>	<u>Fee Arrangement</u>	<u>Fee (£)</u>
Insol Employee Solutions Ltd	Employee claims advisors	Fixed fee	400
Gordon Brothers	Valuation and sale of assets. Site clearance, IT back-up.	Fixed fee, percentage of realisations	3,362
P Miller Contracting	Collection, scheduling and storage of Company books and records	Fixed fee and storage	1266
Menzies	Payroll services Preparation of P45's	Fixed Fee	217
Keystone Law	Legal advice	Time costs	1,000

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

### Professional Advisors

*Insol Employee Solutions Ltd* have calculated the employees' entitlements and progressed the employees claims and submission of the appropriate forms to the Redundancy Payments Service. They have also communicated with RPS in preparation of the payment of a dividend to preferential creditors.

Gordon Brothers valued and realised the Company's assets. They also advised on the lease value and arranged clearance of the Company's premises and return to the landlord and the back-up of the IT system.

P Miller was instructed to collect, schedule and store the Company's books and records to the order of the Joint Liquidators.

Menzies were instructed to prepared P45's for the Company's former employees and to maintain the Company's online accounting system.

Keystone Law have been instructed to advise on the validity of the Bank's debenture, the director's subrogated claim and ongoing investigation issues.

### **5. Outcome to creditors**

#### Secured Liabilities

HSBC Bank Plc ("the Bank") was granted a debenture containing fixed and floating charges over the Company's assets on 17 May 2016. The Bank debt was estimated at £118,250 in the directors' statement of affairs. The actual debt was £135,476 and this was settled by one of the directors under the terms of a personal guarantee. The Bank has supplied copies of the debenture and legal advice has been sought on the validity of the Bank's security and whether the director that has repaid the Bank's debt now has a subrogated claim and whether that claim is secured.

There are provisions of the insolvency legislation that require a Liquidator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property" ("prescribed part"). A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. Any costs of the liquidation that are payable before the Liquidator has reached a position to make a distribution to the floating charge holder have to be deducted from floating charge realisations before arriving at an amount for the "net property" of the Company. As a result, the costs associated with realising floating charge assets, paying preferential claims in full, the general costs of winding up and the costs of confirming the validity of the floating charge will have to be deducted before the "net property" is calculated. The "prescribed part" that the Liquidator then has to set aside for unsecured creditors is:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property up to a maximum of £600,000.

The prescribed part was estimated at £5,962 in the director's statement of affairs, before costs and expenses of the liquidation.

#### Preferential Creditors - Employees

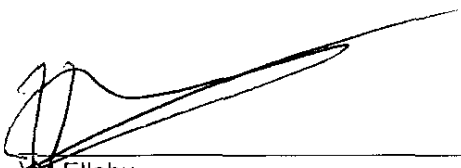
*The Company had employed 11 staff including the Directors and claims have been received from them in respect of outstanding holiday pay and wages. The outstanding holiday pay and wages of employees are, subject to statutory limits, preferential claims in the Liquidation. The statement of affairs estimated preferential claims of £29,970, including pension scheme arrears of £1,487.*

The actual claims received are £29,591, in respect of holiday pay and arrears of wages and £3,814 in respect of pension scheme contribution arrears. Total preferential claims are £33,406.

Based on current known information about assets and liabilities, I think it is likely that preferential creditors will receive a dividend on their claims.

Unsecured creditors

The statement of affairs indicates non-preferential unsecured creditors have an estimated total liability of £884,887. I have received claims from 23 creditors totalling of £469,477. The statement of affairs indicates that there are outstanding claims of £439,961.

  
\_\_\_\_\_  
Mr Ellaby  
Joint Liquidator

9 July 2018

**Adding Value Communications Ltd  
(In Liquidation)**

**Joint Liquidators' Summary of Receipts and Payments  
From 10 May 2017 to 9 May 2018**

<b>RECEIPTS</b>	<b>Statement of Affairs (£)</b>	<b>Total (£)</b>
Intangible assets - Computer software	NIL	0.00
Investments	NIL	0.00
Tangible assets - L/H imps, P & M, F&F	4,000.00	7,380.00
Book Debts	32,767.00	25,511.58
Amounts owed by group undertakings	NIL	0.00
Cash at Bank	8,016.00	25,007.00
Sundry refunds		780.57
Bank interest gross		29.26
		<u>58,708.41</u>
<b>PAYMENTS</b>		
Specific bond		112.8
Liquidators' fees		9000.00
Mileage		87.46
Agents/Valuers Fees (1)		3,362.58
Legal fees		1,000.00
Employee services		400.00
Accountancy fees		217.25
Collection and storage of records		1,266.72
Re-Direction of Mail		185.00
Statutory Advertising		328.00
		<u>15,959.81</u>
Net Receipts/(Payments)		<u><u>42,748.60</u></u>

## Appendix B

### **Schedule of routine work carried out**

#### Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment.
- Statutory notifications and advertising.
- Statutory reporting to creditors, members and Registrar of Companies
- Preparing documentation required.
- Dealing with all routine correspondence.
- Maintaining physical case files and electronic case details on IPS.
- Review and storage.
- Case bordereau.
- Case planning and administration.
- Preparing reports to members and creditors.
- Convening and holding meetings of members and creditors.
- Maintaining and managing the Liquidator's cashbook and bank account.
- Ensuring statutory lodgements and tax lodgement obligations are met.

#### Creditors

- Dealing with creditor correspondence and telephone conversations.
- Preparing reports to creditors.
- Maintaining creditor information on IPS.
- Reviewing and adjudicating on proofs of debt received from creditors.

#### Investigations

- Review and storage of books and records.
- Preparing a return pursuant to the Company Directors Disqualification Act.
- Conducting investigations into suspicious transactions.
- Review books and records to identify any transactions or actions a Liquidator may take against a third party in order to recover funds for the benefit of creditors.

#### Realisation of Assets

- Corresponding with debtors and attempting to collect outstanding book debts.
- Liaising with the Company's bank regarding the closure of the account.
- Sale of company's chattels.
- Disclaiming company's leasehold property.

## HAZLEWOODS LLP

### FEES AND DISBURSEMENTS POLICY STATEMENT

#### Fees and Charging Policy

- Partners, directors, managers, administrators, cashiers, and support staff are allocated an hourly rate that is subject to review periodically. The current rates are shown below.
- Work undertaken by cashiers and support staff relating to specific tasks on a case are charged for separately.
- Time spent by partners and all staff in relation to the insolvency estate are charged to the estate.
- Time is recorded in 6 minute units.
- Time billed is subject to Value Added Tax (VAT) at the applicable rate.

#### Expenses

Where expenses are incurred in respect of the insolvent estate, they will be recharged. Such expenses can be divided into two categories.

##### **Category 1 (Creditor approval not required)**

*These expenses are where Hazlewoods LLP has met a specific cost, where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), searches at Companies House, land registry searches, fees in respect of swearing legal documents, external printing costs, bonding etc. In each case, the charge will be reimbursement of a specific expense incurred.*

Where applicable, disbursements will be subject to VAT at the prevailing rate.

##### **Category 2 (Creditor approval required)**

These comprise of expenses and disbursements not capable of precise identification and allocation, eg: expenses that include an element of shared or allocated costs. These expenses are shown as Category 2 disbursements and require the approval of creditors prior to being drawn from the estate.

The disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases, a charge at HM Revenue & Customs approved rate, presently 45p per mile, will be made.

### Hazlewoods LLP published hourly rates and expenses policy

#### **Time**

Time properly incurred in connection with the administration of all insolvency cases is charged at the following hourly rates.

<b>Grade</b>	<b>From 1 May 2018 £</b>	<b>At 1 May &amp; 1 Nov 2017 £</b>
Partner/Appointment Taker	210-280	190-275
Director	210	202
Manager	127-168	123-162
Associates	98-114	96-130
Administrator	44-86	44-86

Hourly rates are reviewed on 1 May and 1 November each year. Support staff time is charged to the case and the rates are within the Administrator grade banding.

#### **Expenses**

Expenses incurred in connection with the administration of all insolvency cases are charged at the following rates.

<b>Expense</b>	<b>Charge policy</b>	<b>Category of disbursement</b>
Business mileage	HM Revenue & Customs approved rate (currently 45p per mile)	2
Postage	At cost	1
Storage	Offsite storage at cost	1
Company searches	At cost	1
Individual/Directors searches	At cost	1
Other third party expenses incurred directly in connection with the case	At cost	1

The above charges and policies are subject to periodic review.