

In accordance with
Rule 18.8 of the
Insolvency (England &
Wales) Rules 2016.

WU07

Notice of progress report in a winding-up
by the court



Companies House

TUESDAY



A94F50PE

A14

05/05/2020

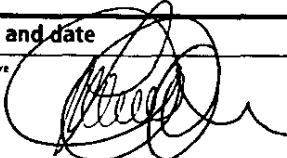
#251

COMPANIES HOUSE

1	Company details	
Company number	0 8 9 1 5 5 8 7	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Patronus Systems Limited	
2	Liquidator's name	
Full forename(s)	Lloyd	
Surname	Biscoe	
3	Liquidator's address	
Building name/number	The Old Exchange	
Street	234 Southchurch Road	
Post town	Southend on Sea	
County/Region		
Postcode	S S 1 2 E G	
Country		
4	Liquidator's name *	
Full forename(s)	Louise Donna	* Other liquidator Use this section to tell us about another liquidator.
Surname	Baxter	
5	Liquidator's address *	
Building name/number	The Old Exchange	* Other liquidator Use this section to tell us about another liquidator.
Street	234 Southchurch Road	
Post town	Southend on Sea	
County/Region		
Postcode	S S 1 2 E G	
Country		

WU07

Notice of progress report in a winding-up by the court

6	Period of progress report											
From date	d	0	5	m	0	3	y	2	0	1	9	
To date	d	0	4	m	0	5	y	2	0	2	0	
7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	<div>Signature</div> <div>X  X</div>											
Signature date	d	0	4	m	0	5	y	2	0	2	0	

WU07

Notice of progress report in a winding-up by the court



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	Rosie Thurwood
Company name	Begbies Traynor (Central) LLP
Address	The Old Exchange 234 Southchurch Road
Post town	Southend on Sea
County/Region	
Postcode	S S 1 2 E G
Country	
DX	
Telephone	01702 467255



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



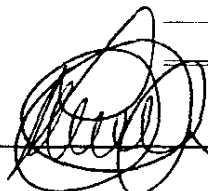
Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**Patronus Systems Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 05/03/2019 To 04/05/2020 £	From 05/03/2019 To 04/05/2020 £
ASSET REALISATIONS		
Cash at Bank	2,924.98	2,924.98
	<u>2,924.98</u>	<u>2,924.98</u>
COST OF REALISATIONS		
DBIS Treasury Bill Fees	110.00	110.00
O.R. Debit Balance	9,400.00	9,400.00
	<u>(9,510.00)</u>	<u>(9,510.00)</u>
	<u>(6,585.02)</u>	<u>(6,585.02)</u>
REPRESENTED BY		
ISA (Interest Bearing)		(6,585.02)
		<u>(6,585.02)</u>


 Lloyd Biscoe
 Joint Liquidator

Patronus Systems Limited (In Compulsory Liquidation)

High Court No. 349 of 2019

Progress report

Period: 5 March 2019 to 4 March 2020

This report has been produced during the Covid-19 HM Government restrictions. As a result, our access to information within our physical case files has been limited as our firm has implemented remote working wherever possible in line with HM Government guidance in order to protect its employees and to limit the spread of the virus. Consequently this report has been prepared from information we are able to access remotely. We have taken every reasonable step to ensure that the information is accurate, but if anything is incorrect or incomplete, we will provide an explanation and corrected information in our next progress report.

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ☐ Interpretation
- ☐ Company information
- ☐ Details of appointment of liquidators
- ☐ Progress during the period
- ☐ Estimated outcome for creditors
- ☐ Remuneration and disbursements
- ☐ Liquidators' expenses
- ☐ Assets that remain to be realised and work that remains to be done
- ☐ Other relevant information
- ☐ Creditors' rights
- ☐ Conclusion
- ☐ Appendices
 - 1. Account of receipts and payments
 - 2. Time costs and disbursements
 - 3. Statement of Liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Patronus Systems Limited (In Compulsory Liquidation)
"the liquidation"	The appointment of liquidators by the Secretary of State pursuant to Section 137 of the Act on 5 March 2019.
"the liquidators", "we", "our" and "us"	Lloyd Biscoe of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG and Louise Donna Baxter of Begbies Traynor (Central) LLP, The Old Exchange, 234 Southchurch Road, Southend on Sea, SS1 2EG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	Patronus Systems Limited
Company registered number:	08915587
Company registered office:	The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex, SS1 2EG
Former trading address:	303, Goring Road, BN12 4NX

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date of winding up order:	27 February 2019
Date of liquidators' appointment:	5 March 2019

Changes in liquidator (if any): None

4. PROGRESS DURING THE PERIOD COVERED BY THIS REPORT

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 5 March 2019 to 4 March 2020.

Receipts

£2,924.98 has been realised from cash at bank.

Payments

The amount paid to the Official Receiver ("the OR") represents the costs incurred by the OR prior to our appointment.

£88 has been paid in quarterly bank charges for the mandatory use of The Insolvency Service account ("ISA")

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

General case administration and planning

- Creation of case compliance checklists;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates to include internal meetings on case strategy and effecting instruction;
- Ongoing maintenance of up to date information on the electronic case information;
- 1, 3 and 6 monthly case compliance checklists;
- Completion of internal procedures;
- Periodic reviews of the case generally;
- Setting up case file and inputting information on to bespoke accountant system (IPS)
- Ensure time recording data is compliant with Statement of Insolvency Practice 9;
- Complete Data checklist to ensure compliance with GDPR.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. Creditors benefit from this work as it ensures this particular engagement is dealt with to the standards expected and also in a timely fashion. Elements of this work are required to comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- Calculating and reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice;
- Ongoing consideration to money laundering regulations;
- Ongoing consideration to case specific matters for example health and safety, licensing etc;
- Updating case checklists and statutory diaries where necessary;
- Notification of appointment to all necessary parties;
- Bank reconciliations.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected of this firm.

Investigations

- Arranging for collection of client data;
- Logging and securing all available information;
- Deciding and documenting what is required for purposes of dealing with the insolvency estate;
- Extensive review of the correspondence available and the Company's transactions;
- Review of Company Sage records;
- Review of bank statements and prepare analysis of the same;
- Review company accounts;
- Review books and records;
- Land Registry PN1 searches for Directors;
- Interview of Directors; and
- Companies House research.

Begbies Traynor Contentious Insolvency Division ("CID") has been instructed in this matter to investigate the company's affairs and identify any assets to pursue. Investigations are ongoing but no assets have yet been identified.

On this engagement, the work identified above does not hold a direct commercial benefit to creditors. It is necessary in order to establish whether there are any potential assets to be realised.

Realisation of assets

- Correspondence with HM Land Registry;
- Correspondence with bank regarding cash at bank;
- Liaise with Santander regarding stored ATM machines
- Liaise with third parties re Testlink storage of ATM machines.

Work undertaken under this heading has not provided a benefit to creditors as no assets have yet been identified.

Dealing with all creditors' claims (including employees), correspondence and distributions

Creditors:

- Updating schedules of unsecured creditor claims;
- Taking and dealing with phone calls from creditors;
- Acknowledgment of creditor correspondence and/or dealing with further queries on claims;

On this engagement, the work detailed above has not had any direct financial benefit to creditors as there are insufficient funds realised to enable a distribution to creditors.

Other matters which includes meetings, tax, litigation, pensions and travel

- Notification of liquidation to Hm Revenue & Customs;
- De-register for VAT

This work has had no direct benefit to creditor but has been necessary in order to comply with legislation and to further the progress of the liquidation.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (based upon the information detailed in the statement of affairs submitted by the directors to the Official Receiver) are as follows:

Preferential creditors

There are no known preferential claims.

Unsecured creditors

Unsecured creditors were estimated at £1,155,464.68. No claims have yet been received.

Based upon realisations to date and estimated future realisations, it is anticipated that there will be insufficient funds available to enable a dividend to be paid to creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if:

- ☐ the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- ☐ the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

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, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

6. REMUNERATION & DISBURSEMENTS

Remuneration

We have not yet sought a decision from creditors regarding our remuneration. This will be reviewed when further information as to the available assets is known.

The following information in relation to our time costs and disbursements is set out at Appendix 2:

- ☐ Time Costs Analysis for the period 5 March 2019 to 4 March 2020

- ❑ Begbies Traynor (Central) LLP's charging policy

For the avoidance of doubt, we have not drawn any fees.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

Disbursements

To 4 March 2020, we have not drawn any disbursements.

Why have subcontractors been used?

No subcontractors have been used in the period.

Category 2 Disbursements

Category 2 disbursements or disbursements which should be treated as category 2 have been incurred in the period totalling £2.40. This relates to photocopying charges

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3.

Creditors will recall that we estimated what the expenses of the liquidation would be. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

- Updating case strategy plan and case compliance checklists;
- Ongoing completion of internal procedures;
- Dealing with correspondence (physical and electronic) that is considered routine in the context of the engagement and otherwise does not directly fall into other categories;
- General case updates including internal meetings on case strategy and effecting instruction;

- Ongoing maintenance of up to date information on the electronic case information;
- Periodic reviews of the case generally;
- Overseeing and controlling the work undertaken on this engagement by junior staff;
- Completion of six monthly compliance and progression checklists; and
- Ensure time recording data is compliant with Statement of Insolvency Practice 9.

There is no direct commercial benefit to creditors in relation to the above matters, but creditors benefit from case progression and accuracy. This work is necessary to progress the case and comply with best practice and statute.

Compliance with the Insolvency Act, Rules and best practice

- The preparation, drafting and issue of this report to members, creditors and for submission at Companies House;
- Reviewing the adequacy of the specific penalty bond periodically;
- Ongoing consideration to ethical practice and money laundering regulations;
- Updating case checklists and statutory diaries where necessary;
- Submission of forms to Companies House; and
- Maintain accurate account of receipts and payments.

Banking:

- Maintaining and managing the insolvent estate bank account and the officer holders' cash book on this assignment;
- Undertaking regular bank reconciliations of the estate bank account;
- Complying with risk management procedures;
- Preparing and processing cheque requisition forms for the payment of post-appointment invoices; and
- Preparing and processing remittance advice forms for incoming funds.

On this engagement, the work identified above holds no direct commercial benefit to creditors. It is the duty of the appointed office holder to comply with the Insolvency Act and Rules and creditors benefit from this being done to a standard expected.

Investigations

- Further review of books and records held and any new records delivered up;
- Correspondence with directors, creditors and/or third parties where necessary to make enquiries and obtain further information;
- Considering information provided by the stakeholder that might identify further assets or lines of enquiry;
- Considering if any action might be taken in pursuing antecedent transactions or other matters as may come to light; and
- Consideration of whether any matters have come to light which require notification to the Secretary of State or National Crime Agency.

On this assignment, there may be a direct commercial benefit to creditors in relation to the above matters if claims are pursued leading to recovery/contributions to estate assets.

Realisation of assets

- Any work, including potential litigation, associated with pursuing assets/contributions for the estate resulting from the findings of the Liquidators' investigations.

The work detailed above may lead to realisations/contributions for the insolvent estate which may lead to a direct financial benefit for the creditors. The office holders are duty bound to realise and get in the Company's property and maximise asset realisations.

Dealing with all creditors' claims (including employees), correspondence and distributions

- Receipt of any new creditor claims with supporting information and input on internal case management software;
- Taking and dealing with phone calls from creditors;
- Receipt of, consideration of and response to creditor correspondence;
- Where necessary, consideration of issues to reject claims and issue of appropriate letter to creditor(s) affected in accordance with statutory requirements concerning rejection of all or part claims;
- Review of and adjudication on un-agreed claims preceding dividend if a further one becomes payable; and
- Calculation and subsequent payment of dividend to creditors if sufficient realisations are achieved.

On this engagement, the work detailed above may have a direct financial benefit to creditors if sufficient realisations are achieved to enable a dividend to be paid. Elements of this work are undertaken to comply with the Insolvency Act and Rules together with best practice.

Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

- The completion of VAT forms in order to reclaim outstanding VAT;
- The completion of Corporation Tax returns;
- Attending meetings that may arise, along with preparation for such meetings and travel;
- Filing of final Corporation Tax return;
- Seeking closure clearance from HMRC preceding conclusion of the liquidation; and
- Work associated with any potential litigation proceedings.

Some of the above has no direct financial benefit to creditors, but is done as a legal requirement, such as completion of corporation tax returns. Others may have a direct financial benefit to creditors, such as potential litigation if this leads to asset realisations/contributions to the estate which may lead to payment of a dividend.

How much will this further work cost?

It is estimated that the Liquidators will incur a further £10-15,000 in completing the above tasks. Creditors are advised that this is an estimate only and may change significantly if any action is taken to pursue claims.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors previously.

9. OTHER RELEVANT INFORMATION

Investigations

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. We can confirm that we have discharged our duties in these respects.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, 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, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.



pp **Lloyd Biscoe**
Joint Liquidator


Dated: 28 April 2020

APPENDIX 1

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 5 March 2019 to 4 March 2020

Patronus Systems Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments
To 03/03/2020

S of A £	£	£
ASSET REALISATIONS		
Cash at Bank	2,924.98	2,924.98
COST OF REALISATIONS		
O.R. Debit Balance	9,400.00	
DBIS Treasury Bill Fees	88.00	
		(9,488.00)
		(6,563.02)
REPRESENTED BY		
ISA (Interest Bearing)		(6,563.02)
		(6,563.02)
		
		Lloyd Biscoe PP Joint Liquidator

TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 5 March 2019 to 4 March 2020

[illegible]

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Land Registry Fees	HM Land Registry	132.00	0.00	132.00
Postage	Royal Mail	3.27	0.00	3.27
Statutory advertising	The Stationery Office	87.50	0.00	87.50
Mandatory Bond	Insolvency Risk Services	18.00	0.00	18.00
Transcription Services	EQ Transcription Services	368.00	0.00	368.00
Staff subsistence	Various	22.40	0.00	22.40
Expenses incurred with entities within the Begbies Traynor Group (<i>for further details see Begbies Traynor Char Policy</i>)				
Photocopying	Begbies Traynor Group LLP	2.40	0.00	2.40