

WU07

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



Companies House

TUESDAY



A30

A72MOLSW

27/03/2018

#13

COMPANIES HOUSE

1 Company details

Company number 0 7 5 0 7 9 5 0

Company name in full Arc Healthcare Limited

➔ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Kevin

Surname Goldfarb

3 Liquidator's address

Building name/number Tavistock House South

Street Tavistock Square

Post town London

County/Region

Postcode W C 1 H 9 L G

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

WU07

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

6 Period of progress report

From date	^d 1	^d 6	^m 0	^m 2	^y 2	^y 0	^y 1	^y 7
To date	^d 1	^d 5	^m 0	^m 2	^y 2	^y 0	^y 1	^y 8

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



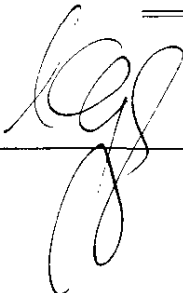
X

Signature date

^d 2	^d 6	^m 0	^m 3	^y 2	^y 0	^y 1	^y 8
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Arc Healthcare Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £	From 16/02/2017 To 15/02/2018 £	From 16/02/2016 To 15/02/2018 £
	COST OF REALISATIONS	
	O.R. Disbursements	2,400.00
	Petitioners Deposit	(1,250.00)
	Stationery & Postage	19.79
	Statutory Advertising	146.50
	Bank Charges	176.00
	<u>(162.50)</u>	<u>(1,492.29)</u>
	UNSECURED CREDITORS	
(176,182.62)	Trade & Expense Creditors	NIL
(43.27)	Banks/Institutions	NIL
(19,789.71)	HM Revenue & Customs	NIL
	<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS	
(100.00)	Ordinary Shareholders	NIL
	<u>NIL</u>	<u>NIL</u>
<u>(196,115.60)</u>	<u>(162.50)</u>	<u>(1,492.29)</u>
	REPRESENTED BY	
	VAT Receivable	33.26
	Client Account No2	(199.55)
	ISA NIB	(1,326.00)
		<u>(1,492.29)</u>



 Kevin Goldfarb
 Liquidator



**Arc Healthcare Limited
In Liquidation**

**In the County Court at Leeds
No. 760 of 2015**

**Liquidator's Second Annual Progress Report
for the year ending 15 February 2018**

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3. Investigations
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7. Receipts and Payments Account
8. Quality of Service and Code of Ethics
9. Creditors' Rights
10. Conclusion

Appendices

A. Fee information pack:

A1. Griffins' Time Analysis for the period 16 February 2017 to 15 February 2018, together with an account for the entire period of the appointment

A2. Statutory and Creditor Compliance Tasks

B. Receipts and Payments Account and Statutory Information:

B1. Liquidator's Receipts and Payments Account for the period 16 February 2017 to 15 February 2018, together with an account for the entire period of the appointment

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C. Creditor Documentation:

C1. Creditors' Rights – Rules 18.9 and 18.34 of the Insolvency (England & Wales) Rules 2016 ("IR 2016")

1 Introduction

I was appointed Liquidator of Arc Healthcare Limited by the Secretary of State on 16 February 2016, following a Winding-up Order being made on 13 October 2015 upon the petition of LTE Scientific Limited.

In accordance with Rules 18.3 and 18.8 of the Insolvency (England & Wales) Rules 2016, I now provide creditors with an annual progress report which should be read in conjunction with my previous report. Additional information in respect of the company and office holder is attached at Appendix B2.

I previously reported to creditors on 31 March 2017, with a summary of the case, and provided an estimate of the anticipated costs.

This report provides creditors with the following information:

- The work undertaken to date
- An explanation of anticipated future work that remains to be done and why it is required
- An explanation of my statutory and professional compliance duties as Liquidator

2 Realisation of Assets

There have been no asset realisations during this reporting period.

3 Investigations

As advised in my previous report, my investigation into the company's trading and finances was ongoing and I had identified that there may be claims which could be brought.

Solicitors were engaged to undertake a review of the potential claims identified and whilst they agreed that there were potential claims against the directors of the company, the advice received was that they would not be economical to pursue. The claims identified are discussed below.

Potential claim against PMC (Brighthouse) Limited ("PMC")

Regular payments were made from the company's bank account to the connected company, PMC, which invoices indicate related to "business development support". There was, however, no written contract between PMC and the company, rather the relevant contracts identified were between PMC and the Canadian parent company.

However, a review of the bank statements demonstrates that all payments made to PMC by the company were funded by the Canadian parent company. The legal advice received is that the company was essentially acting as the Canadian parent company's agent in making the payments and as such there was no loss to the company arising from them.

There is, however, evidence that payments totalling £8,200 were made to PMC at a time when other creditors of the company were not being paid. It is therefore possible that these payments could give rise to transaction at undervalue and/or preference claims pursuant to Sections 238 and 239 of the Insolvency Act 1986. However, PMC was dissolved on 26 September 2017 and the legal advice received is that it would not be economical to restore the company and pursue these transactions.

Potential wrongful trading claim against the directors

By July 2014, the Canadian parent company, which was previously funding trading, had made no payments to the company for a significant period of time. Liabilities were continuing to grow and the company was unprofitable. One of the company directors, Mr Biggins, had suggested insolvency proceedings for the company in email correspondence with another director, Robert Swayne, in February 2014 and again in August 2014. However, the company was not wound up until over one year later in October 2015.

The increase in the net deficiency of the company from 30 June 2014 (a date by which I believe the directors ought to have concluded that there was no reasonable prospect that the company would avoid going into insolvent liquidation) to the date of liquidation, was in the region of £30,000.

The legal advice received is that whilst there is a viable wrongful trading claim against the directors pursuant to Section 214 of the Insolvency Act 1986, it would not be economical to pursue due to the associated legal costs and relatively small potential recovery.

My investigations into the company have now concluded and I will be seeking my release from office.

4 Statutory and Professional Compliance

I am required to meet a considerable number of statutory and regulatory obligations. This work does not provide a direct financial benefit to creditors but is a necessary requirement of the liquidation process.

Whilst these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progression of the liquidation. This ensures that my staff and I carry out our work to high professional standards.

In order that creditors can have an informed understanding of these matters, they are listed at Appendix A2.

5 Creditors' Communication, Claims and Distributions

5.1 Communication

I am required, as Liquidator, to undertake certain tasks in relation to creditors' claims. This work does not provide a direct financial benefit to the liquidation estate but is essential to the administration of the case.

In order that creditors can have an informed understanding of these matters, they are also listed at Appendix A2.

5.2 Claims

The current position as regards creditors' claims is detailed below.

5.2.1 Secured Creditors

An examination of the company's mortgage register held by the Registrar of Companies shows that the company has no outstanding charges over its assets.

5.2.2 Preferential Creditors

No preferential claims have been received in the liquidation and none are expected.

5.2.3 Unsecured Creditors

The Official Receiver's initial report showed unsecured creditors with a total value of £195,016.60.

I have received 3 claims totalling £167,036.10 but I have not adjudicated on any of these claims yet. I am aware of 3 creditors who have not yet submitted their claims. Their total estimated debts are a further £28,979.50.

I regret to inform creditors that there is no prospect of a dividend being paid.

6 Time Costs and Expenses Summary

6.1 Time Costs

The Time Analyses at Appendix A1 detail my total time costs for the period covered by this report for dealing with this case. It also provides details of the activity costs to date incurred by me and my staff, by grade, together with details of the hourly charge-out rates.

In the period 16 February 2017 to 15 February 2018, my staff and I have recorded time costs of £11,072.89. To date, I have incurred time costs of £46,065.09.

It is the policy of Griffins to use the most junior grade of staff compatible with the efficient conduct of a matter to minimise the costs to creditors.

Fee Resolution

At the adjourned meeting of creditors held on 16 May 2017, it was approved that the Liquidator be remunerated on the basis of time properly spent by the Liquidator and their staff, limited to a time cost estimate of £50,000, plus VAT. Fees to be drawn as and when funds permit.

To date, I have not drawn any fees for acting as Liquidator.

Further information regarding remuneration can be found in "A Creditors' Guide to Liquidator's Fees", which is available for download at the following address: <http://www.griffins.net/technical/>, together with Griffins policy on chargeout rates and disbursements provided in accordance with the Statement of Insolvency Practice 9. A hard copy can be provided upon request.

In addition, creditors can find more information on the insolvency process at <http://www.creditorinsolvencyguide.co.uk/>.

6.2 Expenses and Disbursements

The table below details the expenses and category 1 disbursements during the reporting period.

'Expenses' are amounts properly payable by the office holder from the estate. These may include, but are not limited to, legal and agents' fees.

'Disbursements' are expenses met by the office holder and reimbursed to the office holder in connection with an insolvency appointment and will fall into two categories, category 1 and category 2.

In accordance with our current policy, no category 2 disbursements have been drawn since my appointment.

Payee Name	Nature of Expense Incurred	Amount Incurred this period	Amount paid during this period	Amount Outstanding
		£	£	£
Courts Advertising	Statutory advertising	74.50	74.50	0.00
Insolvency Service	Bank charges	88.00	88.00	0.00
	TOTAL	162.50	162.50	0.00

7 Receipts and Payments Account

An account of my receipts and payments for the period of this report is at Appendix B1, together with a cumulative account for the entire period of the liquidation and a comparison with the amounts recorded in the report prepared by the Official Receiver.

The receipts and payments account reflects actual payments made to date rather than accrued unpaid expenses.

My specific bond, Companies House and Land Registry searches have been paid by Griffins and are not shown in the receipts and payments account. These costs will be recharged to the estate as and when funds become available.

8 Quality of Service and Code of Ethics

My staff and I endeavour to provide the best possible standards at all times.

I am bound by the Insolvency Code of Ethics when carrying out all professional work relating to insolvency appointments and details of this can be found at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.

If you would like to make any comments, suggestions, raise a query or make a complaint about the service you have received, please contact my team manager, Frank Turnbull in the first instance at frank.turnbull@griffins.net. I will provide a response within 21 working days.

9 Creditors' Rights

Creditors are advised that Rule 18.9 IR 2016 provides the right to make a request to the Liquidator for further information about remuneration or expenses appearing in this report. Rule 18.34 IR 2016 provides creditors with a right to challenge the Liquidator's remuneration and expenses.

Copies of these Rules are attached at Appendix C1, for your information.

10 Conclusion

My administration of the liquidation is now concluded and final account will be issued to all creditors within the next 12 months..



Kewin Goldfarb
Liquidator

Date: 23 March 2018

Fee Information Pack

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Appendices

- A1. Griffins' Time Analysis for the period 16 February 2017 to 15 February 2018, together with a cumulative account for the entire period of the appointment**
- A2. Statutory and Creditor Compliance Tasks**



Griffins' Time Analysis for the period 16 February 2017 to 15 February 2018

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Administrators	Total Hours	Time Cost (£)	Average Hourly Rate (£)
STATUTORY : Statutory Duties	0.17	2.67	3.50	1.08	5.17	12.00	3,137.92	261.49
Administration & Planning	0.17	2.67	3.50	1.08	5.17	12.00	3,137.92	261.49
CREDITOR : Creditor Related Work	0.00	0.06	2.42	0.00	1.50	3.58	1,046.66	292.09
Creditors	0.00	0.06	2.42	0.00	1.50	3.58	1,046.66	292.09
INV-FURTH : Further Investigations	0.00	0.83	6.75	0.00	0.00	7.58	2,582.90	340.60
INV-INIT : Initial Investigations	0.00	0.00	0.92	0.00	0.00	0.92	307.09	335.01
Investigations	0.00	0.83	7.67	0.00	0.00	8.50	2,889.99	340.00
LIT-PRE : Pre-action litigation	0.00	0.00	11.83	0.00	0.00	11.83	3,998.32	337.89
Legal & Litigation	0.00	0.00	11.83	0.00	0.00	11.83	3,998.32	337.89
Total Hours	0.17	3.58	25.42	1.08	6.67	35.92	11,072.89	308.29
Total Fees Claimed							0.00	

Griffins' Time Analysis for the entire period of the appointment

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Administrators	Total Hours	Time Cost (£)	Average Hourly Rate (£)
STATUTORY : Statutory Duties	0.33	4.50	8.58	2.00	14.92	29.75	7,727.57	259.75
Administration & Planning	0.33	4.50	8.58	2.00	14.92	29.75	7,727.57	259.75
CREDITOR : Creditor Related Work	0.00	0.25	8.50	0.00	1.67	10.00	3,057.50	305.75
Creditors	0.00	0.25	8.50	0.00	1.67	10.00	3,057.50	305.75
INV-FURTH : Further Investigations	0.00	0.83	6.75	0.00	0.00	7.58	2,582.90	340.60
INV-INIT : Initial Investigations	0.33	5.17	82.00	0.00	0.92	88.42	28,698.80	324.59
Investigations	0.33	6.00	88.75	0.00	0.92	96.00	31,281.70	325.85
LIT-PRE : Pre-action litigation	0.00	0.00	11.83	0.00	0.00	11.83	3,998.32	337.89
Legal & Litigation	0.00	0.00	11.83	0.00	0.00	11.83	3,998.32	337.89
Total Hours	0.67	10.75	117.67	2.00	17.50	147.58	46,065.08	312.13
Total Fees Claimed							0.00	

Post-Appointment Statutory and Professional Compliance

I am required, as Liquidator, to undertake the following tasks:

- On appointment, set the case up on our insolvency database and maintain and separately record all financial records on the case, including the recording of creditors and employees;
- Notify creditors of my appointment; and advertise the appointment in the Gazette;
- Return to the Official Receiver a signed undertaking to pay out of the first realisations of assets, both the balance currently appearing in their account and those monies, including fees, guarantees and advances paid by the Official Receiver, becoming due in future and payable under Insolvency Act 1986 and the IR 2016;
- Obtain a Specific Penalty bond for a sum equal to the company's assets subject to the statutory provisions. This bond covers any losses to the estate for any possible fraud or dishonesty of the Liquidator whether acting alone or in collusion with one or more persons and/or the fraud and dishonesty of any person committed with the connivance of the Liquidator;
- To provide creditors with the opportunity to establish a Liquidation Committee when a decision procedure is required;
- Undertake a one month case review to ensure that all initial statutory matters have been completed, asset realisation and initial investigations commenced;
- Obtain the company's books and records;
- Establish whether the company has an occupational pension scheme and, if so, comply with Section 120 Pensions Act 2004 and submit a S120 Notice to the Pension Protection Fund, The Pension Regulator and to the Trustees of the Pension Fund if applicable.

Annual Statutory and Professional Compliance

In addition to the tasks identified above, each year I am required to undertake the following statutory tasks:

- Prepare and issue an Annual Report to creditors;
- Undertake bi-annual case reviews to ensure that the case is being progressed efficiently and in a timely manner; statutory duties have been undertaken; consider any ethical, money laundering and Bribery Act 2010 issues pertaining to the case and ensure that any identified matters are addressed;
- Submit VAT returns to HM Revenue and Customs, to ensure that any VAT refunds or payments are received or paid;
- Submit annual Tax returns to HM Revenue and Customs;
- Maintain the case cash book, by undertaking quarterly ISA reconciliations and ensure that funds received are paid into the ISA account within 14 days of receipt or forthwith if £5,000 or more is received.

Closing Statutory and Professional Compliance

After concluding all case related matters, I am required to:

- Prepare and submit a letter to HM Revenue and Customs requesting clearance to close the case;
- Reconcile the cash book ready for closure;
- Prepare and issue the Final Account to creditors;
- Send the final receipts and payments account to the Court, the Official Receiver and the Insolvency Service and confirmation that I have received my release;
- If the creditors have so resolved, obtain my release from the Secretary of State;
- Obtain authorisation from the Official Receiver to destroy the books, papers and other records of the company;
- Retain and store the liquidation records for a minimum of 6 years after the vacation of office.

Tasks in relation to creditors' claims

- Ensure that all creditors' claims are listed with the correct addresses and references and that the amount claimed correlates to the Statement of Affairs;
- Enter proof of debt forms/claims as and when they are received;
- Before paying a dividend, review the level of funds available and ensure that all costs and expenses have been paid in accordance with the rules of priority;
- Assignment of the right to dividend, where notice is given to the office holder by a person entitled to a dividend that he wishes the dividend to be paid to another person;
- Deal with enquires from creditors;
- Adjudicate on claims;
- Declare and pay a dividend, if sufficient funds are available.

**Receipts and Payments Account for the period 16 February 2017 to 15 February
2018 and Statutory and Office Holder Information**

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- B1. Liquidator's Receipts and Payments Account for the period 16 February 2017 to 15 February 2018, together with a cumulative account for the entire period of the appointment**
- B2. Statutory and Office Holder Information**

**Statement
of Affairs**
£

From 16/02/2017
To 15/02/2018
£

From 16/02/2016
To 15/02/2018
£

COST OF REALISATIONS			
	O.R. Disbursements	NIL	2,400.00
	Petitioners Deposit	NIL	(1,250.00)
	Stationery & Postage	NIL	19.79
	Statutory Advertising	74.50	146.50
	Bank Charges	88.00	176.00
		<u>(162.50)</u>	<u>(1,492.29)</u>
UNSECURED CREDITORS			
(176,182.62)	Trade & Expense Creditors	NIL	NIL
(43.27)	Banks/Institutions	NIL	NIL
(19,789.71)	HM Revenue & Customs	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS			
(100.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(196,115.60)</u>		<u>(162.50)</u>	<u>(1,492.29)</u>
REPRESENTED BY			
	VAT Receivable		33.26
	Client Account No2		(199.55)
	ISA NIB		(1,326.00)
			<u>(1,492.29)</u>

Keyols

Kevin Goldfarb
Liquidator

Statutory Information

Company information

Company name:	Arc Healthcare Limited
Company number:	07507950
Trading name:	Arc Healthcare Limited
Nature of business:	Manufacture of other fabricated metal products
Trading address:	Unit 18 Royds Enterprise Park, Future Fields, Wibsey, Bradford, West Yorkshire, BD6 3EW
Court name:	County Court at Leeds
Court reference:	No. 760 of 2015
Petitioning creditor:	LTE Scientific Limited
Registered office:	Griffins, Tavistock House South, Tavistock Square, London WC1H 9LG
Former registered office:	Unit 18 Royds Enterprise Park, Future Fields, Wibsey, Bradford, West Yorkshire, BD6 3EW
Winding-up order date:	13 October 2015

Liquidator's details

Name:	Kevin Goldfarb
IP number:	8858
Name of firm:	Griffins
Firm's address:	Tavistock House South, Tavistock Square, London, WC1H 9LG
Date of Appointment:	16 February 2016



Creditor Documentation

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C1. Creditors' rights – Rules 18.9 and 18.34 of The Insolvency (England & Wales) Rules 2016



Creditors' rights – Rules 18.9 and 18.34 of the Insolvency (England & Wales) Rules 2016
Insolvency (England & Wales) Rules 2016

Rule 18.9

Creditors' and members' requests for further information in administration, winding up and bankruptcy

(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- (d) any unsecured creditor with the permission of the court; or
- (e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- (a) providing all of the information requested;
- (b) providing some of the information requested; or
- (c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.



Creditors' rights – Rules 18.9 and 18.34 of the Insolvency (England & Wales) Rules 2016

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

(a) the office-holder giving reasons for not providing all of the information requested;
or

(b) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).



Creditors' rights – Rules 18.9 and 18.34 of the Insolvency (England & Wales) Rules 2016
Rule 18.34

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

(a) the remuneration charged by the office-holder is in all the circumstances excessive;

(b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or

(c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

(a) a secured creditor,

(b) an unsecured creditor with either—

(i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or

(ii) the permission of the court, or

(c) in a members' voluntary winding up—

(i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or

(ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").



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	Adam Ramsey
Company name	Griffins
Address	Tavistock House South
	Tavistock Square
Post town	London
County/Region	
Postcode	W C 1 H 9 L G
Country	
DX	
Telephone	020 7554 9600

**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