

HK PROFESSIONAL LIMITED

Report for Meeting of Creditors (Section 98 Insolvency Act 1986)

Private & Confidential

(This Report is for use by the Members and Creditors of the Company only and must not be published or provided to any other party without the written permission of DCA Business Recovery LLP)

DCA Business Recovery LLP
2 Nelson Street
Southend-on-Sea
Essex
SS1 1EF
United Kingdom

DCA Business Recovery LLP have not carried out anything in the nature of an audit of this information nor sought to verify the existence of, title to and value of the company's assets and liabilities. We have however discussed a draft of this report with the Directors and they have confirmed that there are no material errors or omissions.

**SEEN AND
APPROVED**

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DIRECTORS' REPORT TO THE MEETING OF CREDITORS OF

HK PROFESSIONAL LIMITED

HELD ON 17TH AUGUST 2016

STATUTORY INFORMATION

The Company was incorporated on 14th September 2012 in the name HK Professional Limited and the Company Registration No. is 08215577.

The Company's business was that of financial consultancy and traded under the name HK Professional.

The registered office has been located as follows:

From	To	Registered Office Address
27/04/2015	Present	9 The Shrubberies, George Lane, London, E18 1BD
08/02/2013	27/04/2015	10 th Floor K & B Accountancy Group, One Canada Square, Canary Wharf, London, E14 5AA
14/09/2012	08/02/2013	37 th Floor K & B Accountancy Group, One Canada Square, Canary Wharf, London, E14 5AA

The authorised share capital is 100 Ordinary A shares of £1 each, 100 Ordinary B shares of £1 each and 100 Ordinary C shares of £1 each, of which all have been issued and fully paid as follows:

Name of member	Ordinary	Percentage
Numan Aslam Khan	100 B Shares	100% - NON VOTING
Naima Haydar	100 A Shares	100% - VOTING
Rejawan Haydar	100 C Shares	100% - NON VOTING

Aside from the formation agents, the officers of the Company have been as follows: -

Name	Position	Appointed	Resigned
Numan Aslam Khan	Director	04/03/2015	-
Numan Khan	Director	05/03/2015	05/03/2015
Numan Aslam Khan	Director	05/08/2013	22/01/2014
Numan Aslam Khan	Director	14/09/2012	25/09/2012
Naima Haydar	Director	25/09/2012	02/04/2015

OTHER INFORMATION

Bankers: NatWest (Fenchurch Street), 116 Fenchurch Street, London, EC3M 5AL

Security held: None

Accountants: Alan Patient & Co, 9 the Shrubberies, George Lane, London, E18 1BD

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HISTORY

The business commenced trading at the beginning of the last quarter of 2012 operating as a small consultancy company for financial services companies, both IT and operational work.

Contracts were obtained by the company with several large companies and during the initial years of trading the company successfully incorporated itself into the sector and profits were good. This continued and turnover rapidly increased in 2015.

Unfortunately the director's father became ill and he had to take time away from the business to care for him which in turn reduced turnover. This meant that the company was unable to keep pace with the previous year and debts began to mount.

One of the employees of the company left in June 2016 which also affected turnover of the company and the director was also forced to seek employment elsewhere on a permanent basis.

As a result of the reduced turnover and the lack of new work now being invoiced the business ceased trading. The director spoke to an associate who referred him to speak with DCA Business Recovery and concluded that the company should be wound up.

TRADING RESULTS

The most recent accounts prepared for the Company show:

ABBREVIATED PROFIT & LOSS ACCOUNT

	Y/E 30/09/2015	Y/E 30/09/2014
Turnover	93,385	40,270
Cost Of Sales	-	-
Gross Profit	93,385	40,270
Administration Expenses	28,124	19,338
Operating Profit	65,261	21,382
Profit/(loss) on Ordinary Activities before Taxation	65,261	21,382
Tax on Profit on Ordinary Activities	13,052	4,300
Profit/(loss) on Ordinary Activities after Taxation	52,209	17,082
Dividends	51,500	19,750
Retained Profit/(Loss) for the Year	709	(2,668)
Accumulated Profit/(Loss) Brought Forward	162	2,830
Retained Profit/(loss) Carried Forward	871	162
DIRECTORS' REMUNERATION	5,400	5,000

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ABBREVIATED BALANCE SHEET

	Y/E 30/09/2015	Y/E 30/09/2014
Fixed Assets		
Tangible Assets	1,276	390
	<u>1,276</u>	<u>390</u>
Current Assets:		
Debtors	9,240	3,780
Cash at Bank and in Hand	12,648	8,729
	<u>21,888</u>	<u>12,509</u>
Creditors: amounts falling due within one year	21,738	12,359
	<u>21,738</u>	<u>12,359</u>
Net Current Liabilities	150	150
	<u>150</u>	<u>150</u>
Total Assets Less Current Liabilities	1,426	540
	<u>1,426</u>	<u>540</u>
Net Assets	1,171	462
	<u>1,171</u>	<u>462</u>
Capital and Reserves		
Called Up Share Capital	300	300
Profit and Loss Account	871	162
	<u>1,171</u>	<u>462</u>
Shareholders' Funds	1,171	462
	<u>1,171</u>	<u>462</u>

INSOLVENCY

The Director attributes the failure of the Company to:

- Reduced turnover
- Inability to turn the company around

The Directors were advised by the Company's accountant to seek advice from a licensed insolvency practitioner. In this regard a meeting of the Board of Directors was held with Deborah Ann Cockerton of DCA Business Recovery LLP on 5th July 2016. Deborah Ann Cockerton advised the Board of the options available and following a discussion DCA Business Recovery LLP were instructed to assist the Director in preparing a Statement of Affairs and convening meetings of the Company's members and creditors. The notices were despatched on 2nd August 2016.

STATEMENT OF AFFAIRS

DCA Business Recovery LLP assisted the Director in preparing an Estimated Statement of Affairs. Numan Aslam Khan signed a Statement of Truth in respect of the Estimated Statement of Affairs prior to the meeting of creditors. A copy of the Estimated Statement of Affairs is attached and forms part of this report.

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INSOLVENCY PRACTITIONERS' COMMENTS ON THE STATEMENT OF AFFAIRS

Deborah Ann Cockerton of DCA Business Recovery LLP would comment on the Statement of Affairs as follows:

Assets

Fixed Assets

The last set of account included fixed assets with a value of £1,276. The director has advised that this asset group comprises of fixtures and fittings and due to the ageing and nature of the assets it is not expected to realise any value in liquidation.

Book Debts

The accounts as at 30th September 2015 included book debts with a value of £9,240. The director has confirmed that these related to contracts which were due to pay at the time of the accounts and paid shortly after. Therefore no debtors remain to be realised.

Cash at Bank

The last set of accounts indicated that the company had £12,648 held in a company bank account. Due to a loss of turnover and mounting debts this money has been utilised in trading.

Liabilities

Secured Liabilities

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.

As there are no charges registered over the assets of the Company, the prescribed part provisions will not apply.

Preferential Liabilities - Employees

The Company had employed 1 member of staff including the Director and it is not yet known whether or not monies will be owed to 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.

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Unsecured Liabilities

Trade & Expense Creditors - The Company has no trade and expense creditors due to the nature of the business.

Employees - It is anticipated that monies will be owed to employees in respect of redundancy pay, pay in lieu of notice and arrears of wages.

HM Revenue & Customs – PAYE/NIC/CT - It is estimated that £12,119.48 is owed to HM Revenue & Customs by way of the following:

Liability	Period	Amount
PAYE & NIC	04/16 – 06/16	119.48
Corporation Tax	09/15 - Date	<u>12,000.00</u>
		£12,119.48

HM Revenue & Customs – VAT - Approximately £4,912.05 is owed to HM Revenue & Customs in respect of unpaid VAT for the quarters ending 30/04/2016 and 31/07/2016.

Comments as to Transactions with Associated Companies or Individuals

The Director has indicated that, in the last 12 months, other than in the ordinary course of business there have been no transactions with, or assets acquired by any companies or individuals associated with the Company.

Deficiency Account

A deficiency account is attached for the period from 1st October 2015 to 17th August 2016.

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Deficiency Account for the period from 1st October 2015 to 17th August 2016

	£	£
Shareholders funds as at 30th September 2015		(1,171)
Total deficiency as regards shareholders as at 17th August 2016		(17,331)
		<hr/>
Deficiency		(18,502)
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<u>Explained by</u>		
<u>Less: Amounts written down for the purposes of the Statement of Affairs</u>		
Fixtures and Fittings	(1,276)	
	<hr/>	(1,276)
		<hr/>
		(1,276)
Estimated trading loss incurred in the period 1st October 2015 to 17th August 2016		(17,226)
		<hr/>
		(18,502)

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