

**Stowe2 Limited – in Creditors' Voluntary Liquidation
Liquidator's Progress Report to Creditors and Members
For the year ending 14/04/2017**

STATUTORY INFORMATION

Company name: Stowe2 Limited

Registered office: 18 Clarence Road, Southend-On-Sea, Essex, SS1 1AN

Former registered offices: 2 Nelson Street, Southend on Sea, Essex, SS1 1EF
110 Blackshots Lane, Grays, Essex, RM16 2LD

Registered number: 05699707

Liquidator's name: Deborah Ann Cockerton

Liquidator's address: 18 Clarence Road, Southend-on-Sea, Essex, SS1 1AN, United Kingdom

Liquidator's date of appointment: 15/04/2016

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

Since my appointment as Liquidator of the Company on the 15th April 2016, I have dealt with all of the necessary appointment notifications and carried out my statutory duties which include advertising my appointment and the resolutions passed at the meeting of creditors in the London Gazette and filing my appointment documentation along with the statement of affairs with the Registrar of Companies.

I have also changed the Company's registered office with the Registrar of Companies to my correspondence address which is confirmed above.

I have notified HM Revenue and Customs of the Insolvency of the Company via a VAT form 769 and completed and filed all of the necessary VAT 100 forms with HMRC as and when they have been received.

I have been in correspondence with the former Company accountant who had notified me on the 18th April 2016 that the director had an outstanding director's loan account. I have been in correspondence with the director regarding this who has advised that the director's loan account was put in the accounts for the year ended 31st August 2013 incorrectly as a director's loan account and was in respect of the outstanding personal guarantee for the overdraft with the Company's bank.

I have decided to instruct solicitors regarding the matter with the director's loan account and they will shortly be writing to the director, Mr Stowe regarding this matter.

I have requested that the books and records of the Company be delivered to me as Liquidator however the director, Mr Stowe has advised that the Company's books and records were destroyed by his ex-wife and that there are no books and records available.

I have dealt with all creditor enquires as and when received and have admitted claims from the Company's creditors.

I have instructed solicitors of Barker Gotelee to assist in my investigations regarding the potential director's loan account; correspondence between myself and my instructed solicitors is currently ongoing.

There is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Liquidator is as follows:

1. Administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical/electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Convening and holding general meetings of creditors and members (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

2. Creditors

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

3. Investigations

- Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Liaising with Company accountant and reviewing Microsoft Excel schedules and nominal ledgers received regarding a potential directors loan account owed to the Company.
- Liaising with the director regarding a potential directors loan account owed to the Company.
- Reviewing the Company's bank statements from April 2009 to November 2015 (the date of account closure).

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 15th April 2016 to 14th April 2017 is attached at Appendix 1.

A bank account has not been opened for the Company since my appointment as Liquidator and as at the date of this report.

ASSETS

Plant & Machinery

The statement of affairs estimated that plant and machinery would realise a nil balance in Liquidation and no realisation has been achieved.

Debtors

The statement of affairs estimated that debtors would realise £877 in Liquidation however due to numerous correspondence to this Company no realisation has been achieved.

Cash at Bank

Cash at bank was estimated in the statement of affairs to realise no value in Liquidation and no realisations have been achieved due the bank account being overdrawn.

Other Assets

There has been no other realisation of assets.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

Preferential Creditors

The statement of affairs anticipated £800 in preferential creditors, a claim was submitted to the Insolvency Service by the director however no claims have been received. I do not believe that the Director has been paid any monies from the Redundancy Payments Office as the director was made redundant by the Company on the 31st July 2015 and the claim would therefore be outside of the timeframe of 6 months in order to make a claim for any arrears of wages and/or holiday pay. I will request confirmation from the Redundancy Payments Office if the director was paid and if so, request that they submit their claim to me as Liquidator.

Crown Creditors

The statement of affairs included £200 owed to HMRC in respect of Corporation Tax. HMRC's final claim of £300.00 was been received in respect of Corporation Tax and £25,457.35 has been received in respect of VAT, of which, no claim was estimated on the statement of affairs in respect of VAT.

Non-preferential unsecured Creditors

The statement of affairs included four non-preferential unsecured creditors with an estimated total liability of £48,520.76. I have received claims from four creditors at a total of £48,620.76. I have also received a claim for VAT which was not included in the statement of affairs as confirmed above and the total claims received to date amount to £73,078.11 (the total balance includes the claims received from HMRC as stated above).

DIVIDEND PROSPECTS

Secured creditors

There are no secured creditors.

Preferential creditors

It is believed that there are no preferential creditors however confirmation will be requested from the Redundancy Payments Office.

Floating charge creditors

There are no floating charge creditors

Non-preferential unsecured creditors

It is highly doubtful if a dividend will be paid to non-preferential unsecured creditors.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

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. In particular, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the period of April 2009 to the date of account closure, (in which the bank account was closed on the 5th November 2015). I compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

I took the following action where I considered that further investigation was justified:

During the initial stages of being instructed by the director to assist with the Liquidation of the Company, my administrator requested from the director that the full accounts for the year ending 31st August 2013 be provided to this office and the director advised that these accounts were unavailable and that the director had forwarded over all of the information that he had relating to the Company.

My administrator stated that the abbreviated accounts for the year ended 31st August 2013 had been filed with the Registrar of Companies and in that case, should the director not have the full accounts for this year end readily available, then my administrator could request these accounts from the Company accountant and the director advised that the accountant was only used once a year and he wouldn't have these accounts either, no details were provided to my administrator for the Company accountant.

My administrator wrote to the correspondence address of the accountant which was obtained from the accounts for the period ending 31st August 2012. The letter was dated 29th March 2016 requesting various information in relation to the Company. A response was received from the accountant on the 18th April 2016 providing information to me regarding the queries raised in my letter.

As confirmed under the heading "Liquidators actions since appointment", the Company accountant advised me in the letter that as per the accounts of 31st August 2013, there was an outstanding director's loan account of £30,695. The accountant provided me with the full accounts for the year ending 31st August 2013.

The letter received from the Company accountant was forwarded to the director requesting his comments in writing, a response was received from the director advising that the balance of around £30,000 would be a realisation of the personal guarantee held with the bank in respect of the overdraft.

I have since requested further information from the Company accountant who has provided me with nominal ledgers for the months ended 31st August 2012 and Microsoft Excel records for the year ended 31st August 2013.

I have decided that the best way forward would be to instruct solicitors of Barker Gotelee to assist with correspondence between the director and the accountant and the potential recovery of the potential directors loan account.

The director has always reiterated that that Company's books and records have also been destroyed by the director's ex-wife and therefore none are available.

Within six months of my appointment as Liquidator, 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.

PRE-APPOINTMENT REMUNERATION

The Board previously authorised the payment of a fee of £1,500 plus VAT for my assistance with preparing the statement of affairs and £1,500 plus VAT for convening and holding the meeting of creditors at a meeting held on 22nd October 2016. The fee for preparing the statement of affairs and convening and holding the meeting of creditors paid by Desmond Stowe personally, who is connected to the Company as he is the sole director.

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by the creditors by a written resolution dated 10th May 2016. I was authorised to draw a fixed fee of £14,000 for my work in respect of administration and planning and creditors. I have not been able to draw any remuneration in respect of work done for which my fees were approved as a fixed fee as no realisation of assets have been achieved.

I was also authorised to draw 20% of realisations for my work in respect of the realisation of assets and 10% of distributions in respect of conducting distributions to the Company's creditors. No realisations or distributions have been carried out to date and therefore I have not been able to draw any remuneration in respect of work done for which my fees were approved as a % of realisations.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows DCA Business Recovery LLP's fee policy are available at the link <http://www.dcabr.co.uk/business-advice-guides>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the October 2015 version.

LIQUIDATOR'S EXPENSES

I have incurred expenses to 14th April 2017 of £326.32 plus VAT. I have not been able to draw any expenses in this matter.

I have incurred the following expenses in the period since my appointment as Liquidator:

Type of expense	Amount incurred in the reporting period
Case Management Fee (Vision Blue)	£110.00
Insolvency Bond	£20.00
Postage	£8.14
Statutory Advertising	173.88

I have incurred the following category 2 disbursements in the period since my appointment as Liquidator:

Type of category 2 disbursement	Amount incurred in the reporting period
Stationery	£14,30

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Barker Gotelee Solicitors	Solicitors	Initial review trigger of £1,000 plus VAT. Further costs to be agreed at a later stage.

The choice of professionals used 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. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

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.

To comply with the Provision of Services Regulations, some general information about DCA Business Recovery LLP can be found in the attached summary sheet

SUMMARY

The Liquidation will remain open until investigations between myself and my instructed solicitors are complete. I estimate that this will take approximately 12-18 months and once resolved the Liquidation will be finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Toni James on 01702 344558.



Deborah Ann Cockerton MABRP MIPA
Liquidator

Re: Stowe2 Limited
CREDITORS VOLUNTARY LIQUIDATION

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 15/04/2016 - 14/04/2017

Estimated Realisations per SOA		Period 15/04/2016 to 14/04/2017
	Receipts	
-	Plant & Machinery	-
877.00	Debtors	-
-	Cash at Bank	-
<hr/> 877.00		<hr/> -
	Payments	
	None	-
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Notes: A Bank account has not been opened as at this current stage of the Liquidation