

**THE COSMETIC SURGERY CLINIC LTD
(IN CREDITORS' VOLUNTARY LIQUIDATION)**

**LIQUIDATOR'S ANNUAL REPORT TO MEMBERS AND CREDITORS
FOR THE YEAR ENDING 17 OCTOBER 2021**

DATED: 14 DECEMBER 2021

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DATED: 14 DECEMBER 2021

1 Statutory and general information

Company Number: 03163758

Liquidator: Virgil Harsham Levy

Liquidator's Contact details: LA Business Recovery Limited, 1 Beasley's Yard, 126 High Street, Uxbridge Middlesex, UB8 1JT.
01895 819 460
info@labr.co.uk

Date of Appointment: 18 October 2012

Creditors wishing to contact the liquidator, should contact Rochelle Karunaratne via email at rochelle@labr.co.uk in the first instance.

2 Liquidator's Actions During the Reporting Period

- 2.1 This report should be read in conjunction with my previous progress reports and my receipts and payments account which is attached as Appendix 1; please note that the figures are shown net of VAT.
- 2.2 My receipts and payments account confirms that no realisations have been made in this period.
- Asset
- 2.3 No assets were realised in this period and I do not expect to make any further realisations.
- Other matters
- 2.4 I am required to comply with various legislative and best practice obligations and deadlines. These obligations include filing of documents with the Registrar of Companies. In addition, I am required to undertake periodic case reviews to monitor progress, advise creditors of the liquidation and record all claims received.
- 2.5 Furthermore, I am obliged to deal with any other day to day matters that may arise during the liquidation.
- 2.6 Creditors are advised that HMRC have contributed to the delayed closure in this matter, which has been the case for all insolvency appointments in the UK. HMRC have issued periodic apologies to my team across a number of cases; however, their ability to provide timely responses and refunds has not improved since March 2020 and over the course of the various lockdowns brought on by the global pandemic.
- 2.7 The delays are not a matter of my own making; however, my team have routinely chased HMRC for replies. I refer you to Appendix 4.

3 Investigation into the Affairs of the Company

- 3.1 My investigations were completed in the initial period and there were no assets identified.
- 3.2 My findings were reported to the Department for Business, Energy and Industrial Strategy (DBEIS), once my SIP2 investigations were complete. The submission and the outcome thereof are confidential and cannot be disclosed to you in this report.
- 3.3 In my last report I was advised to consider the impact of a return to creditors generally and exposure to litigation risk in respect of any proceedings I may bring.
- 3.4 I am now in the process of closing the Liquidation as my findings did not uncover any means for a return to creditors.

- 3.5 I am advised to consider the impact of a return to creditors generally and exposure to litigation risk in respect of any proceedings I may bring. I have therefore, taken a view on the advice provided to me to now conclude this liquidation.

4 Estimated Outcome for Creditors

- 4.1 As I am now concluding the liquidation, I understand there will not be a distribution to any class of creditor in this liquidation.

Secured Creditor

- 4.2 A full review of the case in preparation for closure it as noted that there are still outstanding charges registered at Companies House.
- 4.3 A letter was issued to the share holder Barclays bank PLC to register this as charged as it is understood that this was satisfied prior to the company entering liquidation.

Preferential Creditors

- 4.4 There are no preferential creditors in this Liquidation

Unsecured Creditors

- 4.5 The Liquidation commenced with creditor claims in this matter totalling £365,055.19
- 4.6 At the date of this report I have received claims totalling £39,948.22.
- 4.7 As stated before unfortunately, there will be no distribution to creditors in this liquidation

5 Medical Records & Subject Access Requests

- 5.1 The former Liquidator, Mr Peter M Levy, received and dealt with subject access requests for personal medical data held on behalf of the Company. Where such requests have been received, he charged a fee of £50 excluding VAT for the provision of such records, pursuant to legal advice.
- 5.2 The guidance if the British Medical Association provides that medical records should be kept for 8 years after the conclusion of the medical procedure. No medical procedures have been undertaken since the Company's entry into Liquidation on 18 October 2012. This is over eight years ago.
- 5.3 In my last report to creditors I gave an additional six months for opportunity for former patients/clients to make a request for access to their medical records.
- 5.4 Sums received in respect of such requests totalled £100.00
- 5.5 I am now in the process of destroying of the medical records that I do hold for former patients/clients.

6 CVL Costs/ Liquidator's Remuneration

CVL Costs

- 6.1 At a general meeting held on 18 October 2012 it was agreed that the cost of placing the company into Liquidation be fixed at £5,000.00 plus VAT and disbursements of which was paid in full from the cash at bank I had received into the Liquidation account following my appointment.

Liquidators Remuneration

- 6.2 It was also agreed at the meeting that the former Liquidator's remuneration be fixed on a time-cost basis. This approval pre-dated the coming into force of the Insolvency (England and Wales) Rules 2016 and Statement of Insolvency Practice 9 dated December 2015. I am therefore, not required to provide a fee estimate with this report and I rely upon the former Liquidator's approved time-cost resolution to draw my remuneration.
- 6.3 My time costs for the period covering by this report amount to £5,244.70 which represents 24.66 hours at an average charge out rate of £212.68 per hour. A Breakdown of the costs incurred, in accordance with Statement of Insolvency Practice 9, can be found at Appendix B to this report, together with the cumulative costs since the date of Liquidation.
- 6.4 The accumulative time costs incurred to date are £48,664.90 with an average charge-out rate of £163.01 per hour.
- 6.5 As you will see from the Receipts and Payments account at Appendix A to date, Liquidators fees drawn total £21,000.00; none of which were drawn in this period.

7 Liquidator's Expenses

- 7.1 The following Category 1 expenses were incurred in a previous period however have been drawn in this period:
- 7.1.1 £18.65 was drawn in relation to part payment of the Specific Bond Fee that accrued for Ashok Bhardwaj's appointment as Liquidator.
 - 7.1.2 £39.97 was drawn in relation to part payment of the Specific Bond Fee that accrued for my appointment as Liquidator.
 - 7.1.3 £14.92 was drawn in relation to the statutory advertisement for Ashok Bhardwaj's Notice of Appointment as Liquidator
 - 7.1.4 £14.55 was drawn in relation to the statutory advertisement for my Notice of Appointment as Liquidator.
- 7.2 No Category 2 disbursements have been incurred.

8 Creditors' Further Information

- 8.1 A copy of 'A Creditors' Guide to Liquidator's Fees' is available on request or can be downloaded from <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>.
- 8.2 Within 21 days of receipt of a progress report a creditor may request that I, as liquidator, provide further information about my fees and expenses set out in this report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors, or the permission of the court.
- 8.3 Any secured or unsecured creditor, if they consider that my fees, as Liquidator, are excessive, or that the basis of those fees is inappropriate or that the expenses incurred are excessive, may make an application to the court if at least 10% in value of the unsecured creditors agree. An application must be made within 8 weeks of receipt of this report.

9 Conclusion

- 9.1 I am now winding down this liquidation and as such I am in the process of drafting a final report that will be sent to creditors.
- 9.2 I am required to deliver a copy of my progress report within two months after the end of the period covered by the report.
- 9.3 Should you have any queries please do not hesitate to contact my Uxbridge office by writing to 1 Beasley's Yard, 126 High Street, Uxbridge, Middlesex, UB8 1JT or telephone 01895 819460. Alternatively, you can email my colleague Rochelle Karunaratne at rochelle@labr.co.uk.

Yours faithfully,



Virgil H Levy
Liquidator

Dated: 14 December 2021

The Cosmetic Surgery Clinic Ltd
(In Liquidation)
Liquidator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 18/10/2012 To 17/10/2020 (£)	From 18/10/2020 To 17/10/2021 (£)	Total (£)
Book Debts	9,521.25	0.00	0.00	0.00
Prepayments/deposits	NIL	0.00	0.00	0.00
Insurance Refund		1,442.21	0.00	1,442.21
Cash at Bank	63,831.32	52,807.22	0.00	52,807.22
Subject Access Request Fee Charge		300.00	0.00	300.00
Director's Loan Repayment	12,041.00	12,041.00	0.00	12,041.00
Bank Interest Gross		160.75	0.00	160.75
		66,751.18	0.00	66,751.18
PAYMENTS				
Specific Bond		0.00	58.62	58.62
Preparation of S. of A.		5,000.00	0.00	5,000.00
Office Holders Fees		21,000.00	0.00	21,000.00
Office Holders Expenses		2,902.99	0.00	2,902.99
Agents/Valuers Fees (1)		1,500.00	0.00	1,500.00
Legal Fees (1)		23,460.75	0.00	23,460.75
Corporation Tax		32.14	0.00	32.14
Storage Costs		1,871.92	0.00	1,871.92
Statutory Advertising		0.00	29.47	29.47
Trade & Expense Creditors	(53,777.85)	0.00	0.00	0.00
Contingent creditors	(300,000.00)	0.00	0.00	0.00
HMRC - PAYE (est. to be due)	(5,777.34)	0.00	0.00	0.00
HMRC - CT	(5,500.00)	0.00	0.00	0.00
Ordinary Shareholders	(180.00)	0.00	0.00	0.00
Vat Receivable		10,895.29	0.00	10,895.29
		66,663.09	88.09	66,751.18
Net Receipts/(Payments)		88.09	(88.09)	0.00
MADE UP AS FOLLOWS				
Bank 1 Current		88.09	(88.09)	0.00
		88.09	(88.09)	0.00

Note:



Virgil Levy
Liquidator

Time Entry - Detailed SIP9 Time & Cost Summary

ZZ1734 - The Cosmetic Surgery Clinic Ltd
 From: 18/10/2012 To: 17/10/2021
 All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	IP	Director	Total Hours	Time Cost (£)	Average Hourly Rate (£)
103 : General Administration	4.60	10.50	2.96	2.75	3.59	0.00	24.40	6,813.60	279.25
105 : Cashiering	0.00	0.00	1.94	0.87	0.19	0.00	3.00	575.10	191.70
Admin & Planning	4.60	10.50	4.90	3.62	3.78	0.00	27.40	7,388.70	269.66
600 : Public Examination of Bankrupt / hearings	13.00	8.20	0.00	0.00	0.00	0.00	21.20	6,805.00	320.99
601 : Case Specific 1	1.25	0.00	0.00	0.00	0.00	0.00	1.25	437.50	350.00
Case Specific Matters	14.25	8.20	0.00	0.00	0.00	0.00	22.45	7,242.50	322.61
501 : Unsecured Creditors	1.60	13.30	0.00	0.00	0.00	0.00	14.90	4,207.50	282.38
504 : Statutory Reporting to Creditors	0.00	1.10	14.54	6.49	4.42	0.00	26.55	5,959.70	224.47
Creditors	1.60	14.40	14.54	6.49	4.42	0.00	41.45	10,167.20	245.29
201 : CDDA Reports	3.40	5.10	0.00	0.00	0.00	0.00	8.50	2,592.50	305.00
202 : Pursuing Antecedent Transactions	40.90	12.10	0.00	0.00	6.81	0.00	59.81	20,304.00	339.48
Investigations	44.30	17.20	0.00	0.00	6.81	0.00	68.31	22,896.50	335.19
300 : Ident / Securing & Insuring	0.00	0.70	0.00	0.00	0.00	0.00	0.70	192.50	275.00
306 : Other Assets	0.70	2.00	0.00	0.00	0.00	0.00	2.70	777.50	287.96
Realisation of Assets	0.70	2.70	0.00	0.00	0.00	0.00	3.40	970.00	285.29
Total Hours	65.45	53.00	19.44	10.11	15.01	0.00	163.01	48,664.90	298.54
Total Fees Claimed								0.00	

Time

Hourly charge-out rates are charged in 6 minute units. In the event that less than 6 minutes are spent, multiples will be rounded up.

The actual rate charged will depend upon the nature of each activity undertaken for the case and / or the person undertaking that activity. The firm's charge-out rates, which may increase from time to time during the course of the case, are currently as follows:

Grade	Hourly rate (charged in 6 minute units)
	£
Directors / Insolvency Practitioner (IP)	400-560
Managers / Senior Managers	300-375
Junior Administrators / Senior Administrators	150-275
Assistants & Support Staff	90-120

The upper end of these rates is usually sought in cases where specialist expertise is required.

In most cases the lower end will be charged by the IP. Cases are considered on a case by case basis and the IP will delegate wherever possible casework to Managers and Administrators in order to reduce time costs; however, the IP cannot delegate all administrative work. For example, approving and reviewing estate payments, considering case reviews, case compliance checks, ethical considerations, bribery considerations, considering specialist advice, drafting of progress reports, drafting specific letters, complying with pre-action protocol requirements.

The IP will seek to exercise discretion and general oversight when recording time and will always have due regard to the nature and complexity or simplicity of any appointment before deciding on the charge out level that is appropriate for the assignment.

Allocation of Time

Time is allocated by function and the main categories of work will be covered by the following summary headings.

Work will include, consideration of incoming correspondence, composing outgoing correspondence, consideration and interaction with advisers concerning relevant law and practice; general strategy and specific strategic requirements; it is sometimes the case that not all time is allocated to work that directly benefits the creditors but are required by statute; work undertaken hereunder will always require consideration and review time to be allocated; time will be allocated against such headings such as Administration & Planning (incl. Cashiering); Realisation of Assets; Investigations; Creditors; Case Specific.

These summary headings are not exhaustive headings but seek to categorise the various elements of work we usually undertake. This schedule has been prepared for all types of insolvency cases for which Virgil H Levy takes office and certain summary headings may only be relevant to Liquidations, Voluntary Arrangements, Bankruptcies or Administrations. It is our aim to report to Creditors any significant changes to the time allocation at each reporting stage.

Summarily, these short headings indicate the work that may be likely to be required over the course of an insolvency assignment generally. Where fee resolutions are sought, the specific work and detailed explanations relevant to the assignment will be published together with fees estimates where time costs are sought.

In all cases, we will provide a narrative of the work either undertaken or to be undertaken but that narrative will be specific to the assignment. We will not provide a generic list of work that may or may not be undertaken.

Expense Policy

Expenses incurred directly in connection with the administration of all cases are charged at the following rates:

Expense	Charge Policy
Business mileage	HMRC Non-Profit Rate (Presently 45p Per Mile)
Postage	At Cost
Photocopies / Printing	If Undertaken By Third Party; At Cost
Faxes Sent / Received	If Undertaken By Third Party; At Cost
Room Hire Where Required For Statutory Meetings (Whether Meetings Are Attended Or Not)	At Cost
UK Company, Individual And Company Searches	At Cost
Credit Searches (Individual And Company)	At Cost
Travel & Accommodation Costs As Required	At Cost (Hotels, Air Travel, Rail, Taxis, Public Transport, Parking, Subsistence etc.).
Other Third Party Expenses Incurred Directly In Connection With The Case	At Cost

Please note that the above charges and policies are subject to review.

Category 1 Expenses (Direct Expenses)

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 Expenses (Other Expenses)

Category 2 disbursements as defined by SIP9, are costs that are directly referable to the appointment in question but not a payment to an independent third party. These disbursements may include shared or allocated costs that can be allocated to the appointment on a proper reasonable basis.

These may include (but are not limited to) room hire, copying, business mileage, case management software, allocated communication costs provided by the IP or his firm and whose calculation is reasonable.



Background

We are making changes to our IT systems to ensure they remain robust and resilient in the face of future challenges. Alongside the move to Making Tax Digital (MTD) for VAT, HMRC are gradually migrating customers' VAT records to a new platform.

As with any large-scale IT delivery project, occasionally unforeseen issues come to light when rolling out functionality to a wider range of business and customer types. Usually, these can be resolved quickly with minimal visibility or impact on individual customers.

Identified issues and resulting delays

We have become aware of some issues affecting one specific customer group – Insolvency Practitioners who are:

- notifying insolvency
- submitting paper returns
- requesting repayments
- awaiting confirmation that all matters are concluded.

It has not always been possible to take some of these actions within expected timescales for a small minority of these customers. We are now making significant progress to recover this situation.

We understand that customers may be concerned about these delays. We would like to apologise for any problems this issue has caused.

If there is a particular level of urgency, please contact R3 or your representative body who have direct access to the Insolvency Customer Service Manager for HMRC, but we would otherwise appreciate patience on this matter and will provide further updates through messages in this format in due course.



Update on service levels

You will be aware of continuing delays to some of our services which are affecting Insolvency Practitioners (IPs) who are:

- notifying insolvencies
- submitting paper returns
- requesting repayments
- waiting for confirmation that matters are concluded.

We apologise for these delays and assure you that we are working hard to bring service levels back to normal.

The delays have happened as a result of issues with a new IT platform and delivering the COVID support schemes.

In recent weeks we have taken steps to improve our processes and increase the number of colleagues supporting insolvency activity and our service levels are improving.

We hope to be back to the under thirty days level of service you experienced before Covid for

- raising of Members Voluntary Liquidations (MVL) cases during September
- VAT 426 claims service by the end of October.

As a result of the training and support required for the additional colleagues, you may experience temporary disruption to the availability of phone lines. We will notify you in advance of any temporary service disruption or removal.

In the short-term, we would ask you continue to only contact Enforcement & Insolvency Service (EIS) for urgent and new cases.

We have seen a significant number of calls asking for progress updates on cases. We fully understand why this is, but the time we spend on progress chasing means we have less time to work through the original requests.

The following EIS phone lines are up and running if you or your clients need further support:

Individual Bankruptcy	0300 3229242
CVL / Compulsory Liquidation	0300 3229241
Members Voluntary Liquidation	0300 3227815
Post Insolvency VAT	0300 3227018
VAT426 Team	0300 3229246

In addition to the activity outlined above, we are also making sure we have enough support for insolvency related workloads going forward as we plan for the ongoing financial impacts of Coronavirus on insolvencies in 2022 and 2023.

Thank you in advance for your continued patience and understanding.