

Liquidator's Progress Report

Pursuant to Sections 92A, 104A and 192 of the Insolvency Act 1986

S.192

To the Registrar of Companies

Company Number

04296391

Name of Company

(a) Insert full name of company

(a) DEBT CONNECT (U K) LIMITED

(b) Insert full name(s) and address(es)

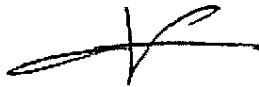
≠ We (b) Martin Maloney and John Titley

of Leonard Curtis, Leonard Curtis House, Elms Square, Bury New Road, Whitefield, Greater Manchester M45 7TA

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 28 October 2015 to 27 October 2016

Signed



Date

21 December 2016

Presenter's name, address and reference (if any)

Leonard Curtis,
Leonard Curtis House,
Elms Square, Bury New Road,
Whitefield,
Greater Manchester
M45 7TA
Ref K/26/JC/ND570Q/115

THURSDAY



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22/12/2016

#244

COMPANIES HOUSE



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**Debt Connect (U.K.) Limited
(In Creditors' Voluntary Liquidation)**

Company Registration Number. 04296391

Former Registered Office and Trading Address

Citibase, 40 Princess Street, Manchester M1 6DE

**Joint Liquidators' Second Progress Report
prepared pursuant to Section 104A of the Insolvency Act 1986
(as amended) and Rule 4.49C of the Insolvency Rules 1986 (as amended)**

21 December 2016

Leonard Curtis

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Ref JC/D570Q/1000

CONTENTS

- 1 Introduction
- 2 Conduct of the Liquidation
- 3 Receipts and Payments Account
- 4 Outcome for Creditors
- 5 Investigations
- 6 Joint Liquidators' Remuneration, Expenses and Disbursements and Creditors' Rights

APPENDICES

- A Summary of Joint Liquidators' Receipts and Payments from 28 October 2014 to 27 October 2016
- B Summary of Joint Liquidators' Time Costs from 28 October 2015 to 27 October 2016
- C Leonard Curtis Charge-Out Rates and Policy Regarding Staff Allocation, Support Staff, the use of Subcontractors and the Recharge of Disbursements
- D Proof of Debt Form

TO ALL MEMBERS, CREDITORS, DIRECTORS AND THE REGISTRAR OF COMPANIES

1 INTRODUCTION

- 1.1 M Maloney and J M Titley were appointed joint liquidators of Debt Connect (U K) Limited ("the Company") at meetings of members and creditors held on 28 October 2014
- 1.2 Mr Maloney and Mr Titley are licensed in the UK by the Institute of Chartered Accountants in England and Wales
- 1.3 There has been no change in office holder since the date of liquidation
- 1.4 This report provides an update on the conduct of the liquidation for the period from 28 October 2015 to 27 October 2016, as required by Section 104A of the Insolvency Act 1986 (as amended) ("the Act") It contains details of the progress made, the expected outcome for creditors and other information that the joint liquidators are required to disclose and should be read in conjunction with the previous progress report dated 22 December 2015
- 1.5 All figures are stated net of VAT

2 CONDUCT OF THE LIQUIDATION

- 2.1 The Company's registered office was changed to Hollins Mount, Hollins Lane, Bury, Lancashire BL9 8DG on 6 November 2014 and to Leonard Curtis House, Elms Square, Bury New Road, Whitefield M45 7TA on 30 June 2015

Assets Realised

Debtors

- 2.2 A debtor of £162 has been received

Assets Still to be Realised

- 2.3 The following assets are still to be realised

Description	£
Fixtures and Fittings	150
Office Equipment	850
	<u>1,000</u>

Fixtures and Fittings

- 2.4 Fixtures and fittings had an estimated to realise value of £150, according to the statement of affairs Independent valuation agents, Charles Taylor, advised that the uplift, removal and disposal costs for these assets would outweigh any realisations

Office Equipment

- 2.5 Office equipment had an estimated to realise value of £850, according to the statement of affairs Independent valuation agents, Charles Taylor, advised that the uplift, removal and disposal costs for this asset would outweigh any realisations

3 RECEIPTS AND PAYMENTS ACCOUNT

- 3 1 A summary of the joint liquidators' receipts and payments for the entire period of the liquidation, including the current period from 28 October 2015 to 27 October 2016, is attached at Appendix A

4 OUTCOME FOR CREDITORS

Secured Creditors

- 4 1 Lloyds Bank Plc ("Lloyds") hold a debenture incorporating fixed and floating charges created on 19 November 2007 and registered on 24 November 2007 It is understood that no liability was outstanding to Lloyds at the date of liquidation

Preferential Creditors

- 4 2 As at the date of liquidation, there were 21 preferential creditors, with estimated claims totalling £16,800
- 4 3 No claims have been received

Ordinary Unsecured Creditors

- 4 4 As at the date of liquidation, there were 21 unsecured creditors, with estimated claims totalling £141,042 Claims totalling £148,406 have been received
- 4 5 The funds realised have already been distributed or used or allocated for defraying the expenses of the liquidation As a result, there will be no dividend to the ordinary unsecured creditors
- 4 6 The joint liquidators have collated and acknowledged (where requested) the claims of the ordinary unsecured creditors, although, in view of the fact that there will be no distribution to this class of creditor, unsecured claims have not been formally agreed
- 4 7 No monies were paid to ordinary unsecured creditors by virtue of the application of Section 176(A) of the Act ("the prescribed part")

5 INVESTIGATIONS

- 5 1 As previously reported, following the initial assessment, detailed investigations were considered to be required by the joint liquidators and these investigations are ongoing
- 5 2 Notwithstanding the above, the joint liquidators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority

6 JOINT LIQUIDATORS' REMUNERATION, EXPENSES AND DISBURSEMENTS AND CREDITORS' RIGHTS

Remuneration

- 6 1 A fee of £12,500 in respect of the preparation of the statement of affairs was approved by creditors at the meeting of creditors held on 28 October 2014 None of this has been drawn

Debt Connect (U.K.) Limited – In Creditors' Voluntary Liquidation

- 6.2 At the same meeting, it was resolved that the joint liquidators' remuneration be payable by reference to time properly given by them and their staff in attending to matters arising in the liquidation. The joint liquidators' time costs from 28 October 2015 to 27 October 2016 are £22,677, which represents 90.1 hours at an average hourly rate of £251.69. Attached at Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during the period from 28 October 2015 to 27 October 2016. Total time costs from the commencement of the liquidation amount to £44,584.
- 6.3 Further guidance may be found in "A Creditors' Guide to Liquidators' Fees," which may be downloaded from <http://www.leonardcurtis.co.uk/resources/creditorsguides>. If you would prefer to receive this in hard copy, please contact John Crolla of this office on 0161 413 0930.
- 6.4 To date, there have been insufficient realisations in the liquidation with which to pay the joint liquidators' remuneration.

Description of Significant Time Costs Incurred by Category

Assets

- 6.5 Time has been incurred by the joint liquidators, and their staff, in attempting to realise assets of the Company and investigating potential realisations. This included liaising with solicitors.

Investigations

- 6.6 Significant investigations have been conducted as regards the Company's financial affairs to identify any antecedent transactions. In addition, further investigations have been undertaken as regards the conduct of the Company's directors. A confidential report has been submitted to the Department of Business Innovation and Skills.

Expenses and Disbursements

- 6.7 The joint liquidators have incurred expenses and Category 1 disbursements (independent third party expenses paid and reimbursed to the joint liquidators, which do not require creditors' consent) as follows:

Description	Total amount incurred to date £	Amount incurred in this period £	Amount reimbursed / paid £	Amount outstanding £
Statutory Advertising	253.80	-	-	253.80
Software Licence	87.00	-	-	87.00
Bordereau Fee	40.00	-	-	40.00
Report Hosting	14.00	7.00	-	14.00
Companies House Searches	11.00	-	-	11.00
Storage Costs	678.19	464.15	-	678.19
Employee Consulting	180.00	-	-	180.00
Total	1,263.99	471.15	-	1,263.99

- 6.8 Creditors also approved the basis for recharging disbursements that include an element of shared or allocated costs or payments to outside parties in which the joint liquidators or Leonard Curtis have an interest, also known as Category 2 disbursements. In this case, the following costs have been incurred:

Description	Total amount incurred to date £	Amount incurred in this period £	Amount reimbursed £	Amount outstanding £
Mileage	10.89	10.89	-	10.89
Total	10.89	10.89	-	10.89

Debt Connect (U K) Limited – In Creditors' Voluntary Liquidation

6 9 Attached at Appendix C is additional information in relation to the firm's policy on staffing, the use of subcontractors, disbursements and details of current charge-out rates by staff grade

6 10 During the liquidation, the following professional advisors and / or subcontractors have been used

Name of Professional Advisor	Service Provided	Basis of Fees
EK Employment Law Consultants	Employee Consulting	Fixed Fee
Ward Hadaway	Legal	Percentage of Realisation

Creditors' Rights

6 11 Within 21 days of receipt of this report, a creditor may ask the joint liquidators to provide further information about the remuneration and expenses set out in this report. A request must be in writing, and may be made by a secured creditor, or an unsecured creditor with the concurrence of at least five per cent in value of the creditors (including that creditor), or the permission of the court

6 12 Any secured creditor, or any unsecured creditor with either the concurrence of at least 10 per cent in value of the creditors (including that creditor) or the permission of the court, may apply to the court, on the grounds that the basis fixed for the joint liquidators' remuneration is inappropriate, or the remuneration or expenses charged by the joint liquidators is excessive

6 13 The application must, subject to any order of the court under paragraph 6 12 above, be made no later than eight weeks after receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question

6 14 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the liquidation

Yours faithfully

for and on behalf of

DEBT CONNECT (U K) LIMITED

M MALONEY
JOINT LIQUIDATOR

Licensed in the UK by the Institute of Chartered Accountants in England and Wales

**SUMMARY OF JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS
FROM 28 OCTOBER 2014 TO 27 OCTOBER 2016**

	Estimated to Realise	As at 27 October 2015	Movements in the Period	As at 21 December 2016
	£	£	£	£
RECEIPTS				
Office Equipment	850	-	-	-
Fixtures and Fittings	150	-	-	-
	<u>1,000</u>	-	-	-
Debtors		-	162 84	162 84
		-	162 84	162 84
PAYMENTS				
		-	-	-
TOTAL COSTS AND CHARGES PAID		-	-	-
BALANCE		-	162 84	162 84
MADE UP AS FOLLOWS				
Balance at Bank		-	162 84	162 84
VAT Control Account		-	-	-
		-	162 84	162 84

APPENDIX B

SUMMARY OF JOINT LIQUIDATORS' TIME COSTS FROM 28 OCTOBER 2015 TO 27 OCTOBER 2016

	Director		Manager 2		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory and Review	1	45 00	20	640 00	15	225 00	36	910 00	252 78
Receipts and Payments	1	45 00	-	-	-	-	1	45 00	450 00
Assets	-	-	378	12,096 00	81	1,215 00	459	13,311 00	290 00
Liabilities	10	450 00	-	-	25	375 00	35	825 00	235 71
General Administration	-	-	-	-	65	975 00	65	975 00	150 00
Investigations	1	45 00	118	3,776 00	186	2,790 00	305	6,611 00	216 75
Total	13	585 00	516	16,512 00	372	5,580 00	901	22,677 00	
Average Hourly Rate (£)		<u><u>450 00</u></u>		<u><u>320 00</u></u>		<u><u>150 00</u></u>		<u><u>251 69</u></u>	
All Units are 6 minutes									

LEONARD CURTIS CHARGE-OUT RATES AND POLICY REGARDING STAFF ALLOCATION, SUPPORT STAFF, THE USE OF SUBCONTRACTORS AND THE RECHARGE OF DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant to creditors

Staff Allocation and Support Staff

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

The following hourly charge-out rates apply to all assignments undertaken by Leonard Curtis

	Standard £	Complex £
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187
Support	0	0

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Disbursements

- a) Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements. These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£66.09 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

PROOF OF DEBT – GENERAL FORM

Debt Connect (U.K.) Limited	
Date of resolution for voluntary winding-up 28 October 2014	
1	Name of Creditor (if a company please also give company registration number)
2	Address of creditor for correspondence (Please include email address)
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)
5	If amount in 3 above includes outstanding uncapitalised interest please state amount
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)
7	Particulars of any security held, the value of the security, and the date it was given
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates
9	Signature of creditor or person authorised to act on his behalf _____ Name in BLOCK LETTERS _____ Position with or relation to creditor _____ Address of person signing (if different from 2 above) _____
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Liquidator	Liquidator