



Grant Thornton

Our Ref NSW/JSS/NXM/LKG/L30200883/7

WEDNESDAY



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01/02/2017
COMPANIES HOUSE

To the creditors and members

Recovery and Reorganisation

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB

T +44 (0)161 953 6900
F +44 (0)161 953 6901
grantthornton.co.uk

30 January 2017

Dear Sirs

06637623 Limited (formerly known as Client Connection Limited) - In Liquidation ("the Company")
Formerly trading as "Life Style Claims" and "Money Claiming Experts"
Leeds District Registry No 34 of 2015

1 Introduction

1.1 Following my appointment as liquidator of the Company on 9 December 2015, in accordance with rule 4.49B of the Insolvency Rules 1986 I now report on the progress of the liquidation for the year ended 8 December 2016 and attach

- Appendix A, an account of my receipts and payments for the year ended 8 December 2016 and also for the whole liquidation to that date
- Appendix B, a statement of the remuneration charged by the liquidator in the period 9 December 2015 to 8 December 2016 and a statement of expenses incurred in the period
- Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator (rule 4.49E)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4.131)

1.2 I am authorised by the Insolvency Practitioners Association to act as an insolvency practitioner. I am bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

1.3 Creditors will recall that the Company went into administration on 9 October 2012 and Mrs Gagen Sharma of Sharma & Co was appointed as Administrator. The Company was dissolved on 26 December 2013. On 15 January 2015, Barclays Bank Plc presented a petition seeking the restoration of the Company to the register and its immediate winding up. The Company was restored to the register and wound up by the Court by an Order dated 7 October 2015.

Chartered Accountants

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2 Statutory information

2.1 The Company's statutory details are as follows

Registered number	06637623
Registered office	4 Hardman Square, Spinningfields, MANCHESTER, M3 3EB
Former registered office and trading address	Princess House, Princess Way, SWANSEA, SA1 1SD

3 Progress report

Nature of business

- 3.1 The Company traded from addresses in the Swansea area between 2008 and October 2012 as a claims management company for PPI claims under the names "Life Style Claims" and "Money Claiming Experts"
- 3.2 The Company's business model was to canvass potential clients by telephone, assess over the phone whether they might have a PPI claim, obtain the client's verbal agreement to handle the claim on a "no win, no fee" basis and then (notwithstanding that agreement) to charge an upfront fee of £359

Assets

- 3.3 On my appointment the Company had no realisable assets and no statement of affairs has been prepared for the liquidation. No assets have been realised to date

Investigations

- 3.4 Shortly following my appointment, I obtained and reviewed the former Administrator's files and also certain of the Company's books and records which were also delivered up by the former Administrator
- 3.5 One of the Company's directors informed the Official Receiver that all of the Company's books and records had been provided to the former Administrator. However, the Company records obtained from the former Administrator appear incomplete. Full records of customer dealings, payroll records, correspondence with HM Revenue & Customs or merchant providers, management accounts or documents supporting bank receipts and payments were not received from the former Administrator. No electronic records were delivered up to me. It is not clear from the former Administrator's files whether the Company failed to maintain and/or preserve its Company books and records or whether the former Administrator failed to preserve the records delivered up to her
- 3.6 Accordingly, in order to investigate the Company's business affairs and dealings, and the events leading up to its insolvency, I made formal requests to various parties (including the Company's bankers, accountants, merchant providers and the Company's regulatory bodies,

including the Ministry of Justice and Swansea Trading Standards, for delivery up of their files pursuant to section 236 Insolvency Act 1986

- 3 7 Following these requests, I obtained a large volume of information and documentation, which has been reviewed and considered. I am also continuing to seek further information concerning the Company's trading and financial affairs from the directors and other connected individuals
- 3 8 I have instructed Eversheds LLP, solicitors on a conditional fee agreement basis to advise me on potential claims. I am liaising with my solicitors with regard to potential claims and my investigations in this regard are ongoing
- 3 9 Due to the nature of the potential claims, I am unable to provide any further information to creditors at this stage

Former Administrator

- 3 10 Mrs Sharma was made bankrupt on 30 June 2016 and ceased to be a licensed Insolvency Practitioner. I have investigated the conduct of Mrs Sharma as Administrator of the Company and submitted a report to the Insolvency Practitioners Association. Following my review of the information and documentation available, and investigations into the conduct of Mrs Sharma within the administration, I have been unable to identify any potential claims which could be pursued and would result in recoveries for the benefit of the liquidation estate

Creditors

- 3 11 There are no preferential creditors in this matter. According to Mrs Sharma's final report to creditors in the administration, she had received claims totalling £3,196,868 from 2,683 creditors
- 3 12 Unfortunately, there are insufficient funds available for a distribution to be made to creditors at this time

4 Liquidator's remuneration and expenses

- 4 1 You will note from the SIP 9 table attached at Appendix C that our time costs to date are £87,978 and from the receipts and payments account attached at Appendix A, that we have not drawn any fees or disbursements to date. Time costs of £87,978 incurred in the period, representing 326.15 hours at an average hourly rate of £269.75 but not drawn as remuneration to date are disclosed in Appendix B
- 4 2 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at https://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20Dec%202015.pdf. Alternatively, I will supply this information by post on request

4.3 The hourly charge out rates used in calculating time costs for the current and prior period are as follows

	01/07/2014 – 30/06/2016 £	01/07/2016- Present £
Partner	495 - 615	495 - 615
Directors	470 - 515	470 - 515
Managers	290 - 470	290 - 470
Other senior professional	240 - 305	195 - 305
Administrators	160 - 230	160 - 230
Assistants and support staff	150 - 175	160 - 175

4.4 Due to the contingent nature of the investigations required, the unknown likelihood of recoveries and the potential time frame for any monies being received into the estate, remuneration is sought on the basis of the Liquidator's time costs with an uplift of 25%. Pursuant to rule 4.63A of the Insolvency Rules 1986 I seek to obtain a resolution by correspondence

4.5 My investigations in this case comprise two phases:

- Phase 1 – initial investigations and identification of claims for the benefit of creditors
- Phase 2 – pursuing any claims identified in Phase 1 and, if necessary, bringing legal proceedings

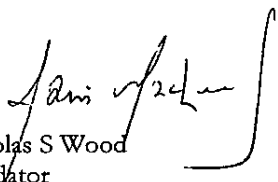
4.6 I estimate that my time costs will be £119,633 representing 453.15 hours at an average rate of £264 and my disbursements will be approximately £13,088 for the completion of Phase 1 above. Please note that the figure of £119,633 is before the uplift of 25%. Please note also that whilst this figure, plus the uplift, is my "fees estimate" as defined by statute, no fee can be drawn in the absence of asset realisations

4.7 In the event that claims are identified, additional work will need to be undertaken under Phase 2 and, if appropriate, I will request an increase in the level of my fees at this stage. I expect to be in a better position to report any additional work required by the next anniversary of my appointment and will advise creditors accordingly in my progress report

4.8 Details of the work already carried out and the work to be carried out in respect of Phase 1 are shown in the table at Appendix C

- 4 9 A notice of obtaining a resolution by correspondence is enclosed. In accordance with rule 4.63A of the Insolvency Rules 1986, creditors whose debts amount to at least 10% by value of the company's total debts may, within five business days from the giving of this notice request a meeting to consider the resolution. This form must be received at Giant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB by 12 noon on 28 February 2017 in order to be counted. It must be accompanied by a proof of debt, unless you have previously submitted a proof of debt in the liquidation, failing which your vote will be disregarded.
- 4 10 A proof of debt form is enclosed for your use.
- 4 11 Expenses incurred by and/or paid from the estate are summarised in Appendix B.
- 4 12 If you have any questions concerning the content of this report, please contact Nicola Moss on 0117 305 7709 or John Hall on 0161 953 6484.

Yours faithfully
for and on behalf of 06637623 Limited (formerly known as Client Connection Limited)


Nicholas S Wood
Liquidator

Enc

06637623 Limited (formerly known as Client
Connect - in liquidation
Receipts and payments account
from 9 December 2015 to 8 December 2016

	Statement of affairs Per OR £	Total £
Receipts		<u>0 00</u>
Payments		
O R Remuneration		1,150 00
ISA Account Fees		88 00
		<u>1,238 00</u>
Balance - 8 December 2016		<u><u>(1,238.00)</u></u>
Made up as follows		
ISA		(1,238 00)
		<u><u>(1,238 00)</u></u>

B Remuneration charged and expenses incurred by the liquidator in the period

	Charged/incurred in period 09/12/2015 to 08/12/2016	Of which paid to 08/12/2016
	£	£
Liquidator's fees	87,977 50	0 00
Time costs		
Solicitors fees Eversheds LLP	753 00	0 00
Time costs		
Courier	107.22	0 00
Bond JLT	10 00	0 00
Company Search	30 00	0 00
Land Registry	63 00	0 00
Printing and Posting Paceprint UK Limited	3,776 00	0 00
Statutory Advertising Courts Advertising	101 52	0 00

C SIP 9 information

06637623 Limited (formerly known as Client Co - L30200883 - SIP
Transaction period 09/12/2015 to 08/12/2016

	Partner		Manager		Executive		Administrator		Total		Avg Hrly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning (incl statutory reporting)	8.25	3,857.50	10.40	3,566.00	13.95	3,378.50	10.25	1,679.50	42.85	12,481.50	291.28
Corporation Tax			7.5	397.50			9.90	1,324.50	10.65	1,722.00	161.69
Investigations and reports on directors			7.70	3,619.00	207.15	59,633.50	6.50	2,420.00	230.35	66,672.50	285.10
PAYE and VAT			1.40	606.00			3.20	505.50	4.60	1,111.50	241.63
Pensions					2.5	612.5	1.50	232.50	1.75	293.75	167.88
Preferential creditors							3.5	56.00	3.5	56.00	160.00
Unsecured creditors			9.0	297.00	4.70	1,363.00	30.00	4,880.25	36.60	6,840.25	186.62
Total	8.25	3,857.50	21.15	8,485.50	226.05	64,436.25	70.70	11,198.25	326.15	87,977.50	269.75

Total fees billed to date (Time) £0

The work carried out includes the following

Administration and planning

- 1 Case planning
- 2 Review of OR handover and preparation of strategy
- 3 Appointment notification
- 4 Bank account administration (treasury)
- 5 Statutory reporting

Corporation Tax

- 1 Corporation tax notifications and compliance

Investigations

- 1 Correspondence with Mrs Sharma in order to obtain all files and documents in relation to the administration
- 2 Correspondence with third parties including accountants including bankers, accountants merchant providers and regulatory bodies.
- 3 Detailed review and analysis of bank statements and other documentation provided by third parties
- 4 Consideration of potential claims

APPENDIX C

ESTIMATED COSTS OF THE COMPULSORY LIQUIDATION OF 08637623 LIMITED AS AT 8 DECEMBER 2016

Incurred to date				Estimated future costs		
TASKS	Av Hrlly Rate	Hrs	£	Av Hrlly Rate	Hrs	£
STATUTORY AND ADMINISTRATIVE TASKS	£ 291	42 85	12,482 00	£ 256	15 0	3,840 00
Case planning	£ 338	22 10	7,462 00	£ 338	5 0	1,690 00
Appointment notification	£ 264	10 95	2,894 00			-
File reviews	£ 279	3 10	866 00	£ 279	3 0	837 00
Bank account administration (treasury)	£ 174	1 80	313 00	£ 174	2 0	348 00
Maintenance of records	£ 193	4 90	947 00	£ 193	5 0	965 00
TAX AND PENSIONS	£ 184	17 00	3,128 00		7 00	1,294 00
Pension notification	£ 168	1 75	294 00			-
Corporation tax compliance and notifications	£ 162	10 65	1,722 00	£ 162	5 0	810 00
PAYE and VAT compliance and notifications	£ 242	4 60	1,112 00	£ 242	2 0	484 00
CREDITORS	£ 186	35 95	6,696 00	£ 189	35 0	6,600 00
Report to creditors on appointment and meeting notice	£ 192	3 50	671 00			-
Annual report to creditors				£ 192	15 0	2,880 00
Creditor correspondence and telephone calls	£ 186	32 45	6,025 00	£ 186	20 0	3,720 00
INVESTIGATION	£ 285	230 35	65,673 00	£ 285	70 0	19,920 00
Investigation and report on conduct of former IP	£ 292	29 60	8,638 00			-
Obtaining and analysing information from third parties	£ 278	174 90	48,666 00	£ 278	60 0	16,680 00
Investigation planning and review of possible claims	£ 324	25 85	8,369 00	£ 324	10 0	3,240 00
Total estimated costs	£ 270	326 15	87,979 00	£ 249	127 0	31,654 00
DISBURSEMENTS						
Bond			10 00			
Couner			107 22			
Statutory Advertising			101 52			
Legal fees			753 00			5,000 00
Legal disbursements						
Printing and postage			3,776 00			4,000 00
Search fees			93 00			
Total disbursements	£ -	-	4,840 74	£ -	-	9,000 00

The estimated fee to be drawn (excluding uplift) £119,633 subjected to realisations being achieved to enable payment

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator

Rule 4 49E edited for application to a progress report in a winding-up by the court

- (1) If
 - (a) within the period mentioned in paragraph (2)
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter which was previously included in a progress report
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report
- (3) The liquidator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the liquidator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (4) Any creditor, who need not be the same as the creditor who requested further information, may apply to the court within 21 days of -
 - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4 131(1B) by such further period as the court thinks just
- (6) This Rule does not apply where the liquidator is the Official Receiver

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive

Rule 4 131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application by a creditor may be made on the grounds that -
- (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
 - (c) expenses incurred by the liquidator,
- is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice, but which is without notice to any other party
If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) 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

Notice of obtaining a resolution by correspondence

Name of Company 06637623 Limited (formerly known as Client Connection Limited)	Company number 06637623
In the Leeds District Registry [full name of Court]	Court case number 34 of 2015 EA

Notice is hereby given by Nicholas S Wood of Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU

to the creditors of 06637623 Limited (formerly known as Client Connection Limited)

that, pursuant to rule 4 63A of the Insolvency Act 1986, below is a resolution for your consideration. Please indicate below whether you are in favour or against the resolution

This form must be received at Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB by 12 00 hours on 28 February 2017 in order to be counted. It must be accompanied by a proof of debt, unless you have previously submitted a proof of debt in the liquidation, failing which your vote will be disregarded.

Resolution(s)

- (1) That the remuneration of the liquidator Nicholas S Wood of Grant Thornton UK LLP, be calculated according to the time properly spent by the liquidator and his staff in attending to matters arising in the liquidation with a fee estimate for Phase 1 of £119,633. Due to the contingent nature of the investigations required, the unknown likelihood of recoveries and the potential time frame for any monies being received into the estate, the liquidator's remuneration has been sought on the basis of time costs, with an uplift of 25%

***Resolution (1) I am *in Favour / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor _____

Signature of creditor _____

(If signing on behalf of creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above

Signed for [Signature]
Liquidator

Dated 20-01-17

PROOF OF DEBT - GENERAL FORM

06637623 Limited (formerly known as Client Connection Limited)	
Date of Winding-Up Order / Resolution for voluntary winding up 7 October, 2015	
1	Name of Creditor (If a company please also give company registration number)
2	Address of Creditor for correspondence
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)
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 in relation to creditor
	Address of person signing (if different from 2 above)
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Liquidator	Liquidator