

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)

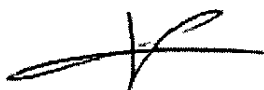
~~W~~ We (b) M Maloney and J M Titley

of Leonard Curtis, Leonard Curtis House, Elms Square, Bury New Road, Whitefield 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 2014 to 27 October 2015

Signed



Date

22 December 2015

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

Leonard Curtis,
Leonard Curtis House,
Elms Square, Bury New Road,
Whitefield,
M45 7TA
Ref KJ26/JC/ND570Q/115

THURSDAY



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24/12/2015

#553

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' First 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)**

22 December 2015

Leonard Curtis

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

Tel . 0161 413 0930 Fax' 0161 413 0931

recovery@leonardcurtis.co.uk

Ref JC/D570Q/1000

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

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

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 2014 to 27 October 2015, 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
- 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

- 2.2 There have been no asset realisations during the period of this report

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 sales fees for this asset 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 sales fees for this asset would outweigh any realisations

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3 RECEIPTS AND PAYMENTS ACCOUNT

- 3.1 A summary of the joint liquidators' receipts and payments in the liquidation from 28 October 2014 to 27 October 2015 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

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 Any funds realised will be 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 Since the commencement of the liquidation, the joint liquidators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate
- 5.2 That assessment identified possible further realisations. In addition, the joint liquidators concluded that further investigations were required
- 5.3 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. No fee has been drawn in this respect.
- 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 2014 to 27 October 2015 are £21,907, which represents 95.3 hours at an average hourly rate of £229.87. 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 2014 to 27 October 2015.
- 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

Statutory and Review

- 6 5 This involved undertaking regular reviews of the case file to ensure all matters were being progressed and statutory requirements were met.

Liabilities

- 6 6 A substantial amount of time has been incurred by the Joint Liquidators, and their staff, in dealing with claims from creditors, general creditor queries and correspondence.

General Administration

- 6 7 Time has been incurred in this category which included engaging in general correspondence and undertaking general day to day tasks during the liquidation.

Investigations

- 6 8 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 9 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.

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Description	Total amount incurred to date £	Amount incurred in this period £	Amount reimbursed / paid £	Amount still to be reimbursed / paid £
Statutory Advertising	253 80	253 80	-	253 80
Software Licence	87 00	87 00	-	87 00
Bordereau Fee	40 00	40 00	-	40 00
Report Hosting	7 00	7 00	-	7 00
Companies House Searches	11 00	11 00	-	11 00
Storage Costs	214 04	214 04	-	214 04
Employee Consulting	180 00	180 00	-	180 00
Total	792 84	792 84	-	792.84

- 6 10 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 still to be reimbursed £
Mileage	10 89	10 89	-	10 89
Total	10.89	10 89	-	10 89

- 6 11 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 12 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

Creditors' Rights

- 6 13 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 14 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 15 The application must, subject to any order of the court under paragraph 6 14 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 16 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

Debt Connect (U.K.) Limited – In Creditors' Voluntary 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 2015**

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

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

APPENDIX B

SUMMARY OF JOINT LIQUIDATORS' TIME COSTS FROM 28 OCTOBER 2014 TO 27 OCTOBER 2015

	Director		Manager 2		Administrator 1		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory and Review	2	90 00	4	128 00	196	5,096 00	-	-	202	5,314 00	263 07
Liabilities	12	540 00	-	-	82	2,132 00	-	-	94	2,672 00	284 26
General Administration	1	45 00	-	-	129	3,354 00	65	975 00	195	4,374 00	224 31
Creditors' Meeting	22	990 00	-	-	-	-	-	-	22	990 00	450 00
Investigations	26	1,170 00	-	-	107	2,782 00	307	4,605 00	440	8,557 00	194 48
Total	63	2,835 00	4	128 00	514	13,364 00	372	5,580 00	953	21,907 00	
Average Hourly Rate (£)		450 00		320 00		260 00		150 00		229 87	

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