

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

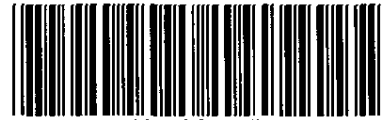
LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



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A26

22/12/2017

#191

COMPANIES HOUSE

1 Company details

Company number 0 4 2 9 6 3 9 1

Company name in full Debt Connect (U.K.) Limited

→ Filling in this form
Please complete in typescript or in bold black capitals.

2 Liquidator's name

Full forename(s) Martin

Surname Maloney

3 Liquidator's address

Building name/number Leonard Curtis

Street Leonard Curtis House

Elms Square, Bury New Road

Post town Whitefield

County/Region Greater Manchester

Postcode M 4 5 7 T A

Country

4 Liquidator's name Ⓢ

Full forename(s) John

Surname Titley

Ⓢ Other liquidator
Use this section to tell us about another liquidator.

5 Liquidator's address Ⓢ

Building name/number Leonard Curtis

Street Leonard Curtis House

Elms Square, Bury New Road

Post town Whitefield

County/Region Greater Manchester

Postcode M 4 5 7 T A

Country

Ⓢ Other liquidator
Use this section to tell us about another liquidator.

LIQ03

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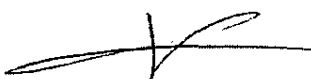
6 Period of progress report

From date	d 2 d 8	m 1 m 0	y 2 y 0 y 1 y 6	
To date	d 2 d 7	m 1 m 0	y 2 y 0 y 1 y 7	

7 Progress report

The progress report is attached

8 Sign and date

Liquidator's signature	Signature X  X			
Signature date	d 2 d 0	m 1 m 2	y 2 y 0 y 1 y 7	

LIQ03

Notice of progress report in voluntary winding up

 **Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Kay Middleton**

Company name **Leonard Curtis**

Address **Leonard Curtis House**

Elms Square, Bury New Road

Whitefield

Post town **Greater Manchester**

County/Region

Postcode **M 4 5 7 T A**

Country

DX

Telephone **0161 413 0930**

 **Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and number match the information held on the public Register.
- You have attached the required documents.
- You have signed the form.

 **Important information**

All information on this form will appear on the public record.

 **Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

 **Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

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

Company Number: 04296391

Former Registered Office and Trading Address: Citibase, 40 Princess Street, Manchester M1 6DE

**Joint Liquidators' Third Progress Report
pursuant to Section 104A(1) of the Insolvency Act 1986 (as amended)
and Rule 18.3 of the Insolvency (England and Wales) Rules 2016**

20 December 2017

Leonard Curtis
Leonard Curtis House, Elms Square, Bury New Road, Whitefield
Greater Manchester M45 7TA
Tel: 0161 413 0930 Fax: 0161 413 0931
recovery@leonardcurtis.co.uk
Ref: K/26/KMI/ND570Q/1010

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TO ALL MEMBERS, CREDITORS AND THE REGISTRAR OF COMPANIES

1 INTRODUCTION

- 1.1 Martin Maloney and John Titley were appointed Joint Liquidators of Debt Connect (U.K.) Limited ("the Company") on 28 October 2014.
- 1.2 Martin Maloney and John Titley are authorised to act as insolvency practitioners 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 2016 to 27 October 2017, as required by Section 104A(1) of the Insolvency Act 1986 (as amended) ("the Act") and Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ("the Rules"). 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 21 December 2016.
- 1.5 All figures are stated net of VAT.

2 CONDUCT OF THE LIQUIDATION

- 2.1 The Company's registered office was changed to Leonard Curtis House, Elms Square, Bury New Road, Whitefield, Greater Manchester M45 7TA on 30 June 2015.

Assets Realised

- 2.2 During this period, no assets were realised.

Assets Still to be Realised

- 2.3 The Joint Liquidators are currently investigating antecedent transactions the directors undertook prior to liquidation, which could lead to possible further 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 period from 28 November 2016 to 27 November 2017, is attached at Appendix A.

4 OUTCOME FOR CREDITORS

Secured Creditors

- 4.1 Lloyds TSB Bank Plc hold a debenture deed incorporating a fixed charge and a floating charge over the undertaking and all property and assets, present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed, plant and machinery. The charge was created on 19 November 2007 and registered on 24 November 2017. 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.

Prescribed Part

4.4 As it is understood the Company has no unsatisfied post-Enterprise Act charges, there was no requirement to set aside a prescribed part in this case.

Ordinary Unsecured Creditors

4.5 As at the date of liquidation, there were 21 unsecured creditors, with estimated claims totalling £141,042. Claims totalling £148,406 have been received.

4.6 The funds realised have already been distributed or used or allocated for paying the expenses of the liquidation. As a result, there will be no dividend to ordinary unsecured creditors.

4.7 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.

5 INVESTIGATIONS

5.1 As previously reported, following the initial assessment, detailed investigations were considered to be required by the joint liquidators relating to the Company, these investigations are still continuing. For this reporting period, there is nothing more substantive that can as yet be reported, but the joint liquidators are hopeful within the next reporting period, that they will be better placed to provide a much more detailed explanation of the current position, and also of any possible realisations in relation to this case. Ward Hadaway solicitors are currently assisting with the investigations.

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, 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 on 28 October 2014. No fees to date have been drawn.

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 2016 to 27 October 2017 are £14,255, which represents 63.7 hours at an average hourly rate of £223.79. 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 2016 to 27 October 2017. Total time costs from the commencement of the liquidation amount to £61,802.

6.3 No fees have been drawn to date.

Expenses

6.4 A summary of the Joint Liquidators' expenses from 28 October 2014 to 27 October 2017 is attached at Appendix B. To assist creditors' understanding of this information, it has been separated into the following two categories:

- *Standard Expenses*: this category includes expenses payable by virtue of the nature of the liquidation process and / or payable in order to comply with legal or regulatory requirements.
- *Case Specific Expenses*: this category includes expenses likely to be payable by the Joint Liquidators in carrying out their duties in dealing with issues arising in this particular liquidation. Included within this category are costs that are directly referable to the liquidation but are not paid to an independent third party (and which may include an element of allocated costs). These are known as 'category 2 disbursements' and they may not be drawn without creditor approval.

6.5 Authority to take category 2 disbursements was approved by members on 28 October 2014.

6.6 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.

6.7 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 Realisations

Creditors' Rights

6.8 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with either the concurrence of at least five per cent in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which have been itemised in this report.

6.9 Under Rule 18.34 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 10 per cent in value of the unsecured creditors (including that creditor), or the permission of the court, may within eight weeks of receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question, make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in the progress report, are excessive.

6.10 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.

7 MATTERS STILL TO BE DEALT WITH

7.1 Matters still to be dealt with before conclusion of the Liquidation include the following:

- Ongoing investigations
- Final corporation tax return and VAT reclaim

8 OTHER MATTERS

8.1 For your information, a creditor's guide to liquidators' fees, which sets out the rights of creditors and other interested parties under the insolvency legislation, may be accessed from the following website via the link below:

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

8.2 If you would prefer this to be sent to you in hard copy form, please contact Kay Middleton of this office on 0161 413 0930.

8.3 Creditors are also encouraged to visit the following website, which provides a step by step guide designed to help creditors navigate through an insolvency process:

<http://www.creditorinsolvencyguide.co.uk>

8.4 The Joint Liquidators are bound by the Insolvency Code of Ethics, which can be found at:

<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

Yours faithfully



MARTIN MALONEY
JOINT LIQUIDATOR

Martin Maloney and John Titley are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 9628 and 8617, respectively

SUMMARY OF JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS FROM 28 OCTOBER 2016 TO 27 OCTOBER 2017

	Estimated to Realise	As at 28 October 2016	Movements in the Period	As at 27 October 2017
	£	£	£	£
RECEIPTS				
			-	
Office Equipment	850.00	-	-	-
Fixtures and Fittings	150.00	-	-	-
	<u>1,000.00</u>	-	-	-
Debtors		162.84	-	162.84
		<u>162.84</u>	-	<u>162.84</u>
PAYMENTS				
		-	-	-
TOTAL COSTS AND CHARGES PAID		-	-	-
BALANCE		<u>162.84</u>	-	<u>162.84</u>
MADE UP AS FOLLOWS				
Balance at Bank		162.84	-	162.84
VAT Control Account		-	-	-
		<u>162.84</u>	-	<u>162.84</u>

APPENDIX B

SUMMARY OF LIQUIDATORS' TIME COSTS FROM 28 OCTOBER 2016 TO 27 OCTOBER 2017

	Director		Manager 1		Manager 2		Administrator 4		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory and Review	-	-	-	-	-	-	8	120.00	8	120.00	150.00
Receipts and Payments	-	-	-	-	-	-	107	1,605.00	107	1,605.00	150.00
Assets	-	-	23	839.50	198	6,336.00	15	225.00	236	7,400.50	313.58
Liabilities	10	450.00	-	-	10	320.00	28	420.00	48	1,190.00	247.92
General Administration	-	-	-	-	-	-	103	1,545.00	103	1,545.00	150.00
Investigations	1	45.00	-	-	20	640.00	104	1,560.00	125	2,245.00	179.60
Review	-	-	-	-	-	-	10	150.00	10	150.00	150.00
Total	11	495.00	23	839.50	228	7,296.00	375	5,625.00	637	14,255.50	
Average Hourly Rate (£)		450.00		365.00		320.00		150.00		223.79	

All Units are 6 minutes

SUMMARY OF JOINT LIQUIDATORS' EXPENSES FROM 28 OCTOBER 2016 TO 27 OCTOBER 2017

Standard Expenses

Type	Charged by	Description	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Bond Fee	Bordereau Fee	Insurance bond	40.00	-	-	40.00
Company Searches	Companies House	Extraction of company information from Companies House	11.00	-	-	11.00
Document Hosting	Pelstar	Hosting of documents for creditors	21.00	-	-	21.00
Software Licence Fee	Pelstar	Case management system licence fee	87.00	-	-	87.00
Statutory Advertising	Courts Advertising	Advertising	253.80	-	-	253.80
Storage Costs	Auctus	Storage of books and records	668.92	218.19	-	649.32
		Total standard expenses	1,081.72	218.19	-	1,081.72

Case Specific Expenses

Type	Charged by	Description	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Professional Fees	EK Consulting	Employee Consulting	180.00	-	-	180.00
Staff Mileage	Leonard Curtis	Category 2 disbursement requiring specific creditor / committee approval	18.63	7.74	-	18.63
		Total case specific expenses	198.63	7.74	-	198.63

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

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 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 as set out in a fees estimate, 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.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	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

Office holders’ remuneration may include costs incurred by the firm’s in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

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.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

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

Type	Description	Amount		
AML checks	Electronic client verification in compliance with the Money Laundering Regulations 2007	£5.00 plus VAT per individual		
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case		
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service		
Document hosting	Hosting of documents for creditors/shareholders	Type		
		ADM	£14.00	£1.40
		CVL	£7.00	£0.70
		MVL	£7.00	£0.70
		CPL	£7.00	£0.70
		CVA	£10.00	£1.00
		BKY	£10.00	£1.00
IVA	£10 p.a. or £25 for life of case			
Post re-direction	Redirection of post from Company’s premises to office-holders’ address	0-3 months £185.00 3-6 months £275.00 6-12 months £445.00		
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case		
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£83.02 plus VAT per advert Dependent upon advert and publication		
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges		

- b) Case-specific expenses – this category includes expenses (other than office-holders’ fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents’ fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 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 (excl. mileage), 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)	£81.25 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.