

**DLC SOLICITORS LIMITED
("THE COMPANY")
IN LIQUIDATION**

**JOINT LIQUIDATORS' PROGRESS REPORT FOR THE
PERIOD FROM 20 AUGUST 2018 TO 19 AUGUST 2019**

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1. STATUTORY INFORMATION

Name of Company: DLC Solicitors Limited - In Liquidation ("the Company")

Date of Incorporation: 15 January 2007

Company Registered Number: 06052847

Company Registered Office: 3rd Floor, The Pinnacle, 73 King Street, Manchester M2 4NG

Company's Director(s):

	Date Appointed	Shares Held
Director(s)		
Mark Smith	4 November 2013	1
Kathleen Wilson	4 November 2013	1

2. THE LIQUIDATOR

Name of Liquidator: John Paul Bell, (8608) Licensed Insolvency Practitioner of Clarke Bell Limited, 3rd Floor, The Pinnacle, 73 King Street, Manchester M2 4NG

Date of Appointment: 20 August 2015

Liquidator's Contact Details: John Paul Bell
info@clarkebell.com

3. PROGRESS DURING THE PERIOD, TOGETHER WITH RECEIPTS AND PAYMENTS MADE

Attached at Appendix A is a copy of my Receipts and Payments account which includes

- (a) full account for the period of my appointment to the date of the last reporting period; and
- (b) full account detailing the separate specific transactions for the year ended, 19 August 2018.

All figures detailed in the Receipts and Payments account are shown net of VAT.

The progress and movement on the Account is explained as follows:

Asset Realisations

Other than nominal interest, no asset realisations have been made during the period under review.

Costs of Realisations

The following professional agents have been engaged by us during the course of the Liquidation in order to provide the appropriate assistance.

Item of Expense	Initial Estimate of Costs (excluding VAT) £	Costs Incurred During the Period Under Review (excluding VAT) £	Costs Incurred to Date (excluding VAT) £
Solicitor Costs – Freeths LLP <ul style="list-style-type: none"> • to advise on the legal matters in connection with the overdrawn director's loan account identified as part of the Liquidator's investigations; • to advise on the client monies held by the company as at the date of Liquidation; and • to assist with any other legal matters in relation to the company's affairs. 	-	-	13,454.14

Originally, we did not give an estimate of the legal costs believed to be incurred in this respect. No further legal costs are expected to be incurred, as a result, the costs incurred to date should not be exceeded.

The use of professional advisors was necessary as either the task required a specialised skill set or it was economical to engage a third party. Advisors were chosen based upon their experience and abilities suitable for nature of the assignment.

Expenses discharged to date are Category I disbursements and are identified on the attached Receipts and Payments account.

Having reviewed the costs of Freeths LLP I am satisfied with the basis of the charges.

Freeths LLP are not connected and do not have any conflict in acting, as Agents, in this matter.

4. ASSETS WHICH REMAIN TO BE REALISED

The Receipts and Payments Account at Appendix 1 not only provides the realisations to date but also provides the Statement of Affairs figure as provided by the Company's Director(s). It will be seen from the anticipated assets (shown in the far left-hand column) that all assets have been realised.

5. INVESTIGATIONS

A Liquidator is required to carry out work which complies with the requirements of the Company Directors Disqualification Act 1986. Whilst this work may not necessarily bring about any financial benefit to the creditors (unless potential recoveries are identified) we must carry it out.

In accordance with Statement of Insolvency Practice 2 - Investigations by Officeholders in Administration and Insolvent Liquidations, we have conducted an initial review of the Company's records and completed the online questionnaire regarding the conduct of the director(s) to the Department for Business, Energy and Industrial Strategy (DBEIS), as provided by them. The submission and the outcome thereof is confidential and cannot be disclosed to you in this report.

My investigations identified a matter which led to a Legal Action claim being pursued against a former director. As detailed at Section 3 above, I successfully recovered monies for the benefit of the Estate.

No further investigations remain outstanding.

6. REMUNERATION AND EXPENSES

Statement of Affairs Fee & Pre Appointment Fee

Creditors should be aware that Statement of Affairs fees constitute Liquidator(s) remuneration. Accordingly, I am permitted to recover these costs, with the approval of the Company's creditors.

My remuneration in this respect was approved by creditors on a fixed fee basis at the first meeting of creditors held on 20 August 2015. The costs which were approved are again set out below for your information.

Recipient	Services Provided	Basis of Fee Agreement	Total Approved (£)
Clarke Bell Limited	Assistance with the preparation of the Statement of Affairs	Fixed Fee	1,000 plus VAT
Clarke Bell Limited	Convening the s98 meeting and dealing with all related correspondence	Fixed Fee	5,000 plus VAT

It can be seen from the Receipts and Payments Account at Appendix 1 that these costs have been fully discharged.

Liquidator's Remuneration and Expenses

Remuneration

At a meeting of creditors held on 20 August 2015, creditors resolved the following in relation to our remuneration and disbursements;

1. That the Liquidator(s) remuneration be fixed as a combination of a fixed fee (£20,000 plus VAT) together with a percentage of funds realised (20%) from the Estate; and
2. That the Liquidator(s) be authorised to draw disbursements for services provided by their firm in accordance with their firm's charging policy;
3. THAT the Liquidator be authorised to draw fees and expenses in the sum of £1,000 plus VAT for the preparation of the Statement of Affairs, if and when realisations allow; and
4. THAT the Liquidator be authorised to draw the sum of £5,000 plus VAT in respect of the balance outstanding for convening the s98 meeting and dealing with all related correspondence, if and when realisations allow.

Guidance for Creditors

A Creditors Guide to Insolvency, which contains much useful information including outline guidance on how fees are fixed and also the rights, duties and functions of Committees is available from <http://www.creditorinsolvencyguide.co.uk>.

You may also find it useful to read "A Guide To Liquidators' Fees" which can be downloaded from <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>. Please ensure that you download the correct version for the date of appointment.

Alternatively, if you require a paper copy of this guidance please contact me accordingly and a copy will be sent to you.

Liquidator's Expenses

Set out below is information on the anticipated expenses together with the actual expenses incurred to date:

Type Of Expense	Provider	Incurred To Date (£)	Paid To Date (£)	Amount Outstanding (£)
Statutory Advertising	Courts Advertising	168.00	0.00	168.00
Bordereau	Marsh Limited	30.00	0.00	30.00
Postage	Clarke Bell Limited	99.41	0.00	99.41
Photocopying	Clarke Bell Limited	66.60	0.00	66.60

7. ESTIMATED OUTCOME FOR CREDITORS / DISTRIBUTIONS

I set out specific information for each class of creditor.

Secured Creditor(s)

The company has no Secured creditors.

Preferential Creditors

There are no known preferential claims.

How the Provisions Apply to This Company

There are no floating charges created on or after 15 September 2003. Therefore, the provisions of s176A do not apply.

Unsecured Creditors

The Liquidation commenced with creditor claims totalling £198,291.

At the date of this report I have received claims totalling £138,206 from 18 creditors.

I am yet to receive claims of £77,855 from 26 creditors, as per the Director(s) Statement of Affairs.

Dividend Prospects

Based on the information available to me at the date of this report, there are insufficient funds to enable a distribution to the unsecured creditors.

Therefore, in accordance with Rule 14.36(1) of the Insolvency (England and Wales) Rules 2016, no dividend is to be made to any class of creditor in this matter as the funds realised have already been used and/or allocated for paying the expenses of the insolvency proceedings.

8. CREDITORS' RIGHTS

As a creditor, you have a right to request further information with regard to any aspect of this report or to challenge the Liquidator(s) fees and expenses as provided in the following Rules;

IR 2016 18.9 - Creditors' and Members' request for further information

If you are not satisfied with our response, you have the right to request further information from us with regard to our remuneration and expenses, with either the permission of the court, or with a collective request from 5% in value of the unsecured. This request must be made within 21 days of receipt of this report, and upon receiving such request we have 14 days in which to provide all information required.

IR 2016 18.34 – Creditors' claim that remuneration is/or other expenses are excessive

Further, creditors have the right to apply to Court to challenge the amount of, or the basis of our remuneration and expenses with either the permission of the Court or with a collective request from 10% in value of unsecured creditors. This application must be made within 8 weeks of receipt of this report.

This application must be made no later than eight weeks after receipt by the applicant of the Progress Report, or Final Report which first reports the charging of the remuneration or the incurring of the expenses in question.

Secured creditors may make the same request or the same application in their own right under each Rule.

9. CONCLUSION

I am required to deliver a copy of our progress report within two months after the end of the period covered by the report.

There are no outstanding matters. As such, we will now proceed to seek our release. A formal report will be issued to creditors within the next 8 weeks.

Yours faithfully

A handwritten signature in black ink that reads "John Paul Bell". The signature is written in a cursive, slightly slanted style.

**JOHN PAUL BELL
LIQUIDATOR**

DATED: 17 OCTOBER 2019

APPENDIX A
RECEIPTS AND PAYMENTS ACCOUNT

DLC Solicitors Limited
(In Liquidation)
Liquidator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 20/08/2015 To 19/08/2018 (£)	From 20/08/2018 To 19/08/2019 (£)	Total (£)
Legal Action Claim	Uncertain	50,000.00	0.00	50,000.00
Bank Interest Gross		12.43	6.59	19.02
		50,012.43	6.59	50,019.02

PAYMENTS

Monies Held In Client Account		(80.01)	80.01	0.00
Preparation of S. of A.		1,000.00	0.00	1,000.00
Office Holders Fees		30,000.00	0.00	30,000.00
S98 Fee		5,000.00	0.00	5,000.00
Legal Fees (1) (Category I)		11,500.00	1,749.44	13,249.44
Legal fees (2) (Category I)		338.35	0.00	338.35
Trade & Expense Creditors	(69,702.75)	0.00	0.00	0.00
Banks/Institutions	(120.00)	0.00	0.00	0.00
HM Revenue & Customs - PAYE/NIC	(84,562.71)	0.00	0.00	0.00
HM Revenue & Customs - CT	(100.00)	0.00	0.00	0.00
HM Revenue & Customs - VAT	(43,805.35)	0.00	0.00	0.00
Ordinary Shareholders	(2.00)	0.00	0.00	0.00
Vat Receivable		2,000.00	(1,650.11)	349.89
		49,758.34	179.34	49,937.68
Net Receipts/(Payments)		254.09	(172.75)	81.34

MADE UP AS FOLLOWS

Bank 1 Current		254.09	(172.75)	81.34
		254.09	(172.75)	81.34

APPENDIX B

JOINT LIQUIDATORS' DISBURSEMENT POLICY

Category 1 & Category 2 Disbursements

Disbursements are categorised as either Category 1 or Category 2.

Category 1

Category 1 disbursements are clearly identifiable third party costs that are directly attributable to the case. Occasionally these disbursements are paid by Clarke Bell Limited and then recharged to the case, usually when there are insufficient funds within the case to pay the disbursement at the time it falls due. Specific approval from creditors is not required for Category 1 disbursements.

Typical examples of Category 1 disbursements are:

- Postage
- Advertising
- Insurance
- Travel costs
- External room hire

Category 2

Category 2 disbursements are estimated or shared costs which may include some internal recharges from Clarke Bell Limited. It is likely that it is not possible, or too costly, to calculate the exact cost and an estimate is therefore used. These disbursements can be paid from the case if the basis of the charge has been approved by creditors.

Typical examples of Category 2 disbursements are:

- Photocopying
- Mileage
- Storage

The current levels of Category 2 disbursements recovered by Clarke Bell Limited are as follows:

Photocopying at £0.15 per copy.
Mileage at £0.45 per mile.
Storage and destruction of records at £12 per box of records, per annum.

APPENDIX C

JOINT LIQUIDATORS ACTIVITIES

Detailed below is a summary of the activities that have been undertaken in this matter during the period under review.

Staff of different levels will be involved in these activities dependent upon the level of experience required in order to keep costs to an appropriate level.

(a) Administration

- Reviewing the adequacy of the specific bond on a quarterly basis.
- Dealing with all routine correspondence and emails relating to the case.
- Undertaking periodic file reviews.
- Maintenance of Liquidator's records.
- Preparing and filing VAT Forms.
- Reviewing the VAT position on a quarterly basis.
- Maintaining and managing the Liquidator's estate bank account.
- Undertaking regular reconciliations of the bank account containing estate funds.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and delivering progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing Corporation Tax Returns.

(b) Creditors

- Maintaining a list of creditor claims.

(c) Case Specific

- Dealing with the client monies held.