

**Liquidator's Progress
Report****S.192****Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

5016666

Name of Company

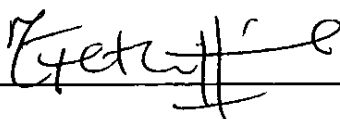
Dylan Harvey Residential Ltd

I/ We

Mark Terence Getliffe
Ship Canal House
98 King Street
Manchester
M2 4WUDiane Elizabeth Hill
Ship Canal House
98 King Street
Manchester
M2 4WUthe 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 22/07/2011 to 21/07/2012

Signed



Date

20 September 2012

CLB Coopers
Ship Canal House
98 King Street
Manchester
M2 4WU

Ref DHRCVL/MTG/RB/FA

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COMPANIES HOUSE

Dylan Harvey Residential Ltd
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 22/07/2011 To 21/07/2012	From 22/07/2010 To 21/07/2012
ASSET REALISATIONS		
Transfer of Funds from Joint Administr	NIL	77 45
Land Registry Fees	NIL	(34 00)
	NIL	43 45
	NIL	43 45
REPRESENTED BY		
Current Account		43 45
		43.45

Note

Joint Liquidators' Annual Progress Report to Creditors and Members

Dylan Harvey Residential Limited

- In Liquidation

**For period from 22 July 2011 to
21 July 2012**

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APPENDICES

- A Receipts and Payments Account from 22 July 2011 to 21 July 2012 and cumulative Receipts and Payments Account for Period from 22 July 2010 to 21 July 2012
- B Time Analysis for the period from 22 July 2011 to 21 July 2012 and cumulative Time Analysis for the period from 22 July 2010 to 21 July 2012
- C Additional Information in relation to Liquidators' fees pursuant to Statement of Insolvency Practice 9 (SIP9)
- D Additional Information in relation to Office Holders fees in relation to Statement of Insolvency Practice No 9

1 Introduction and Statutory Information

- 1 1 I, Mark Terence Getliffe of CLB Coopers, Ship Canal House, 98 King Street, Manchester M2 4WU, was appointed as Joint Liquidator of Dylan Harvey Residential Limited (the Company) together with my partner Diane Elizabeth Hill on 22 July 2010. This report provides an update on the progress in the liquidation for the year ended 21 July 2012.
- 1 2 The Liquidation follows on from the previous Administration of the Company which commenced on 4 August 2009.
- 1 3 The trading address of the Company was Ribble Court, Shuttleworth Mead Business Park, Padiham BB12 7NG.
- 1 4 The registered office of the Company was changed to CLB Coopers, Ship Canal House, 98 King Street, Manchester M2 4WU for the purposes of the Administration and Liquidation and its registered number is 5016666.

2 Realisation of Assets

- 2 1 Attached at **Appendix A** are my Receipts and Payments Account for the period from 22 July 2011 to 21 July 2012 and cumulative Receipts and Payments Account for the period from 22 July 2010 to 21 July 2012.
- 2 2 This report should be read in conjunction with all previous reports issued in connection with the Company specifically in relation to the transactions we are investigating.
- 2 3 Matters are likely to come to a head within the next six months at which time our view of the prospects of a recovery or recoveries for creditors should have crystallised.
- 2 4 Creditors should be mindful of the fact that the potential counterparties in this Liquidation are not immune from the current economic conditions and any realisations of assets from parties subject to their own secured bank debt, are dependent on liquidity and positive asset values which over the past three years have remained significantly below those that existed between 2005 to 2007.
- 2 5 Creditors will also recall that given the sheer scale of potential creditors, the complexity of the Dylan Harvey Group's dealings with its banks, investors and other related parties, a Creditors' Committee was formed and has continued to assist the Office Holders in the process of asset identification and potential recovery.

2 6 We have reviewed a sample of the creditors' purported claims in this Liquidation. You may recall the scale and complexity of this case and the status of the various types of creditor claim i.e.

- Claims where monies were paid as 'non-refundable deposits'
- Claims where monies were paid to "Dylan Harvey Group"
- Claims where the product was available
- Claims where the product was 'off-plan' and had not been completed

2 7 We stated at the outset of the liquidation process that we would allow these claims for voting purposes and in the event of asset recoveries we would then follow the procedure laid down in the Insolvency Act and Rules and either accept or reject these claims for the purposes of a dividend. The money recovery action is on-going and no claims have been formally admitted or rejected for dividend purposes.

2 8 At the present time, there is no further information that we can constructively or legally provide to creditors, whether in writing or in relation to any telephone or email inquiry.

3 Investigations

3 1 As previously reported I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS).

4 Creditors

Secured and Preferential Creditors

4 1 There are no secured and preferential creditors on this case.

Unsecured Creditors

4 2 I have received claims totalling £4,899,365.67 from 400 creditors. This is an average of £12,248.41 per creditor. I have yet to receive claims from 210 creditors whose debts total approximately £1,904,816.20 as per the director's statement of affairs. As I have highlighted earlier in this report these claims have neither been admitted nor rejected for dividend payment purposes. According to the Company's records, at the date of Administration there were potentially 610 creditors who were owed £6,552,354.34. Some of these Dylan Harvey creditors may have transferred their

deposits to other investments that were offered to them when the original Company Voluntary Arrangement (CVA) was being considered

4 3 The prospect of a dividend to unsecured creditors is wholly reliant on the recovery actions set out as section 2 above

4 4 Creditors may wish to take independent accountancy advice as to whether they can claim from HMRC tax relief on their loss in this case, which may result in some or all of their loss(es) being used to offset taxation arising out of their other income or capital This is not a matter that the Joint Liquidators or CLB Coopers can advise on You must speak to you own accountant, tax advisor or Solicitor.

4 5 As there are no secured creditors in this case, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors

5 Joint Liquidators' Remuneration

5 1 The Creditors Committee approved that the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in managing the Liquidation at the Liquidation Committee's meeting on 29 March 2012

5 2 The time costs invested from the 22 July 2011 to 21 July 2012 are £41,479 00 This represents 147 75 hours at an average rate of £280 74 per hour Attached as **Appendix B** is a Time Analysis which provides details of the activity costs incurred by staff grade during this period and cumulative from 22 July 2010 to 21 July 2012 in respect of the costs incurred by reference to time properly spent by the Joint Liquidators and their staff in managing the Liquidation

5 3 To date, no payments have been made on account of the Joint Liquidators' time costs

5 4 Joint Administrators' costs

The Joint Administrators reported that their time costs as at 28 June 2010 were £195,259 69 The Joint Administrators' fees reported to have been drawn to that date were £20,123 00 A detailed explanation of the above time costs was provided with the Joint Administrators' final progress report

Further time costs totalling £15,093 50 were incurred by the Joint Administrators and their staff in the period from 29 June 2010 to 21 July 2010 (The date of the final progress report to the date of conversion to Creditors Voluntary Liquidation)

The total time costs incurred by the Joint Administrators and their staff during the whole Administration period were £210,353 19 Subject to realisations, these will be paid during the liquidation period in accordance with Paragraph 99 (3) (a) and (b) of Schedule B1 to the Insolvency Act 1986

5 5 Attached as **Appendix C** is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

5 6 Attached as **Appendix D** is additional information in relation to the Office Holders fees pursuant to Statement of Insolvency Practice 9

6 Joint Liquidators' Expenses

6 1 The following expenses were incurred and paid by CLB Coopers up to 21 July 2012 but not paid from the realisation in the case as no funds was available to discharge them

Details of expenses	Pay to	Amount (£)
Legal Fees	Hughes Carlisle Law Limited and Mark Cawson QC – Professional charges and advices in respect of recovery action	1,175 00
Statutory Advertising	The Legal and Public Advertising Agency	67 50
Insurance of Property	AUA Insolvency Risk Services Limited – Assets Insurance	911 50
Mileage	Staff millage and subsistence	13 50
Third party copying fees	Creditors' circular fees	50 00
Photocopy fees	Fairhurst – photocopy fees in respect of accountants' documents	125 00
Local search fees	Estate Technical Solutions Limited – local searches fees	64 34

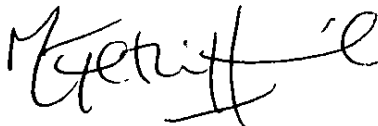
7 Creditors' rights

- 7 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Liquidators provide further information about his remuneration or expenses which have been itemised in this progress report
- 7 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report 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 this progress report are excessive

8 Next Report

- 8 1 By Law, I am required to provide a further report on the progress of the liquidation within two months of the second anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

Yours faithfully

A handwritten signature in black ink, appearing to read 'M Getliffe', with a stylized flourish at the end.

Mark Getliffe
Joint Liquidator

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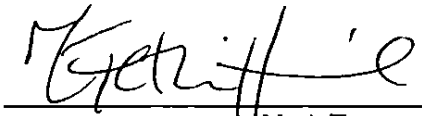
APPENDIX A

**RECEIPTS AND PAYMENTS ACCOUNT FROM 22 JULY 2011 TO 21 JULY 2012 AND
CUMMULATIVE TO 21 JULY 2012**

Dylan Harvey Residential Ltd
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 22/07/2011 To 21/07/2012	From 22/07/2010 To 21/07/2012
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Land Registry Fees	NIL	(34 00)
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	NIL	43.45
REPRESENTED BY		
Current Account		43 45
		43.45

Note



Mark Terence Getliffe
Joint Liquidator

APPENDIX B

TIME ANALYSIS FOR THE PERIOD FROM 22 JULY 2011 TO 21 JULY 2012 AND CUMMULATIVE TO 21 JULY 2012

APPENDIX B

Dylan Harvey Residential Limited - In Liquidation

Time costs analysis

From 22 July 2011 to 21 July 2012

HOURS							
Classification of work function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time cost £	Average Hourly Rate £
Administration & Planning	3 50	1 00	7 60	-	12 10	2,393 10	197 78
Creditors	26 35	36 35	14 60	-	77 30	19,614 50	253 75
Shareholder issues	-	-	-	-	-	-	-
VAT/Tax Compliance	-	-	0 30	-	0 30	40 80	136 00
Investigations	-	-	-	-	-	-	-
Realisation of Assets	42 05	14 65	1 10	-	57 80	19,221 85	332 56
Other case matters	0 25	-	-	-	0 25	208 75	835 00
Total Fees Claimed £	26,297 25	12,075 00	3,106 75	-		41,479 00	280 74
Total Hours	72 15	52 00	23 60	-	147 75		
Average Rate	364 48	232 21	131 64	-			

Cumulative time costs analysis

From 22 July 2010 to 21 July 2012

HOURS							
Classification of work function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time cost £	Average Hourly Rate £
Administration & Planning	3 50	1 95	17 90	-	23 35	4,280 30	183 31
Creditors	26 95	43 10	76 30	-	146 35	27,857 90	190 35
Shareholder issues	-	-	-	-	-	-	-
VAT/Tax Compliance	-	0 50	1 90	-	2 40	368 90	153 71
Investigations	0 50	7 75	11 50	-	19 75	3,830 80	193 96
Realisation of Assets	77 45	39 20	32 30	-	148 95	41,673 85	279 78
Other case matters	0 25	0 75	1 00	-	2 00	392 25	196 13
Total Fees Claimed £	39,895 65	20,739 00	17,769 35	-		78,404 00	228 72
Total Hours	108 65	93 25	140 90	-	342 80		
Average Rate	367 19	222 40	126 11	-			

APPENDIX C

ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

**ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES
PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)**

1 Policy

Detailed below is CLB Coopers policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

1 1 *Staff allocation and the use of subcontractors*

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, Manager, Administrator and/or an Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case

We have not utilised the services of any subcontractors in this case

1 2 *Professional advisors*

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement
Hughes Carlisle Law Limited and Linda Myers Solicitors (legal advice)	Subject to Conditional Fee Arrangement
AUA Insolvency Risk Services Limited (property and insolvency insurance)	Scale rate and disbursements
Wignall Brownlow (valuation and disposal advice)	Hourly rate and disbursements
Mark Cawson QC (legal advice)	Subject to Conditional Fee Arrangement

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

13 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

We would confirm that this firm does not seek to charge any Category 2 disbursements.

2 Charge-out rates

Below are details of this firm's charge out rates which have been applied with effect from 22 July 2010.

A Schedule of CLB Coopers charge out rates from 1 May 2009 is shown below.

Grade of Staff	Rate per hour £
Partner 1	374 00
Partner 2	311 00
Manager	206 00
Administrator	132 00
Assistance and Support Staff	86 00

With effect from 6 June 2011 CLB Coopers charge out rates are as shown below

Grade of Staff	Rate per hour £
Partner 1	375 00
Partner 2	320.00
Manager	230 00
Administrator	136 00
Assistance and Support Staff	95 00

APPENDIX D

ADDITIONAL INFORMATION IN RELATION TO OFFICE HOLDERS' FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

ADDITIONAL INFORMATION IN RELATION TO OFFICE HOLDERS' FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

1 Policy

Set out in Appendix C is CLB Cooper's policy in relation to

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

2 Activities Undertaken

The standard activities – administration and planning, investigations, realisation of assets, trading, creditors and other case matters which make up the classification of work function provide creditors with a summary of the work carried out by the Office Holders and their staff. Full details of the time and charge out summary are set out in the attached table. The classification of work with further examples of work carried out is as follows -

Standard Activity	Examples of Work
Administration & Planning	Case strategy
	Case planning
	Administrative set up
	Appointment notifications
	Maintenance of records
	General accounting
	Statutory reporting & meetings
	Bonding and bordereau
	Fees and WIP
	General cashiering
	Reconciliations
	Periodic reviews
Realisation of Assets	Identifying, securing, insuring assets
	Property, business and assets identification
	Leasehold property issues
	Health and safety
	Correspondence with solicitors, accountants and counsels regarding the potential actions
Investigations	Antecedent transactions
	Questionnaires and checklists

Standard Activity	Examples of Work
Creditors	Creditor queries
	Creditor correspondence
	Reporting
	Legal claims
	Creditor claims (all categories)
Other Case Matters	Non specific items not included in other categories
VAT & Tax Compliance	Post appointment VAT, PAYE and Tax issues

Administration and planning

- 2 1 A total cumulative of 23 35 hours have been spent in dealing with Administration and Planning of this particular case during the periods of Liquidation at a total cost of £4,280 30 at an average rate of £183 31 Of that time 3 50 has been spent by Partners at average of £367 19 per hour, 1 95 hours by Managers at average of £222 40 per hour and 17 90 hours by Insolvency Administrator staff charged out at average of £132 82 in dealing with the following

- Compliance review including 6 monthly reviews
- Case strategy and planning
- Administrative set-up
- Notification of appointment and statutory reporting
- Case cashiering
- All statutory formalities

Realisation of Assets

- 2 2 The total cumulative number of hours accrued and categorised as Realisation of Assets for the periods of Liquidation is 148 95 with a time cost of £41,673 85 at an average rate of £279 78 A total of 77 45 hours has been spent by Partners, 39 20 hours have been spent by Managers and 32 30 hours have been spent at Insolvency Administrator level, at an average rate per hour of £367 19, £222 40 and £132 82 respectively

- 2 3 This time has been spent investigating and determining the full scale of the action plans, recovery plans and various amount of correspondence with solicitors, accountants and counsels to formulate an assets recovery strategy
- 2 4 Bringing the necessary information together to make an effective application to all relevant parties to review and has been technically complex and time consuming at every level of staff and largely with the involvement of highly technical issues and negotiations which require a lot of input of the Partners and Managers
- 2 5 Time has been incurred in respect of Realisation of Assets as follows
- Instructing agents and Solicitors in the sale of known assets at the date of Administration
 - Arranging insurance cover and providing premises information to insurers
 - Obtaining and reviewing documents relating to assets of the Company
 - Monitoring progress

Creditors

- 2 6 Total cumulative time spent in dealing with Company's creditors for the periods of Liquidation is 146 35 hours at a total cost of £27,857 90 Of this total 26 95 hours has been spent by Partner, 43 10 hours has been spent by Managers and 76 30 hours has been spent by Insolvency Administrator staff As appropriate in this category of time cost, the majority of work where possible has been undertaken at Insolvency Administrator level, however due to the nature of the Company's creditors, higher technical input from the Partner and Manager has been required
- 2 7 The following work has been undertaken
- Approximately 330 claims received from creditors
 - Handling creditor queries by phone, email and letter together with providing information regarding the position of the Liquidation
 - Reviewing creditor reservation and deposit documentation to establish liability to the Company or elsewhere within the Dylan Harvey Group of companies

- Obtaining and reviewing legal advice in respect of the creditor position
- Finalising the liability position at the date of the Administration

Investigations

- 2.8 Total cumulative time spent in dealing with the Company's Investigation for the periods of liquidation is 19.75 hours at a total cost of £3,830.80 at an average of £193.96 per hour. Of this total 0.5 hours has been spent by Partner, 7.75 hours has been spent by Managers and 11.50 hours has been spent by Insolvency Administrator staff. Full extent of Investigations were done and reported to relevant authorities while the Company was in Administration.
- 2.9 Further details of work performed specifically relate to,
- Extensive Investigations regarding conduct of the directors
 - Extensive Investigation in to the inter-company loan position
 - Tracing assets in the name of the company
 - Interrogation and review of management accounting records
 - Interrogation and review of audited accounts and records
 - Meeting with company accountants
 - Meeting with our legal advisors
 - Property searches
 - Bank statement review and analysis
 - Enquiries to the directors
 - Obtaining and reviewing legal advice in respect of investigations
 - Dealing with enquiries and cooperating with statutory authorities