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

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number	0 6 1 6 9 9 3 5
Company name in full	123 Debt Solutions Ltd

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

2 Liquidator's name

Full forename(s)	John
Surname	Radford

3 Liquidator's address

Building name/number	Stanmore House
Street	64-68 Blackburn Street
Post town	Radcliffe
County/Region	Manchester
Postcode	M 2 6 2 J S
Country	

4 Liquidator's name ❶

Full forename(s)	
Surname	

❶ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address ❷

Building name/number	
Street	
Post town	
County/Region	
Postcode	
Country	

❷ **Other liquidator**
Use this section to tell us about another liquidator.

LIQ03
Notice of progress report in voluntary winding up

6 Period of progress report

	d	d	m	m	y	y	y	y
From date	3	0	1	0	2	0	2	0
To date	2	9	1	0	2	0	2	1

7 Progress report

☐ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X [signature] X

	d	d	m	m	y	y	y	y
Signature date	2	9	1	2	2	0	2	1

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	
Company name	Lucas Ross Limited
Address	Stanmore House
	64-68 Blackburn Street
Post town	Radcliffe
County/Region	Manchester
Postcode	M 2 6 2 J S
Country	
DX	
Telephone	

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

123 DEBT SOLUTIONS LTD - IN LIQUIDATION

Liquidator's first Annual Progress Report pursuant to Section 92A of the Insolvency Act 1986
For the period from 30 October 2020 to 29 October 2021

1. INTRODUCTION, CREDITORS' RIGHTS AND ABBREVIATIONS

The following abbreviations will be used as appropriate throughout this report:

Act	Insolvency Act 1986
Company	123 Debt Solutions Ltd
Liquidator	John Radford of Lucas Ross Limited Stanmore House, 64-68 Blackburn Street, Radcliffe, Manchester, M26 2JS
Rules or Rule	Insolvency Rules 2016
SIP2	Statement of Insolvency Practice Number 2 - Investigations by office holders in administration and insolvent liquidations
DofS	Declaration of Solvency signed by the directors at the start of the process

A resolution to wind up the Company was passed on 30 October 2020 when Kevin Lucas was appointed Liquidator.

This is the first annual progress report to members and covers the period from 30 October 2020 to 29 October 2021 and is issued pursuant to Section 104A of the Act to provide creditors with an update on the progress of the Liquidation. This report should be read in conjunction with any previous reports.

Members' rights

At the end of this report is an extract from the Insolvency Rules 2016 setting out the rights of members to request further information and/or challenge the remuneration or expenses within the liquidation. Members may access information setting out members' rights in respect of the approval of Liquidator's remuneration free of charge from this office on request

Complaints about Insolvency Practitioners should be made to the office of the relevant Liquidator in the first instance. If you are not satisfied with the response, the Insolvency Service has a central gateway for considering complaints. This gateway can be found at https://www.gov.uk/complain-about-insolvency-practitioner where you will find further information on how you may pursue a complaint.

All Licensed Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work. The Insolvency Code of Ethics can be found at https://www.icaew.com/-/media/corporate/files/technical/ethics/insolvency-code-of-ethics.ashx?la=en

2. STATUTORY INFORMATION

Date of appointment of the Liquidator:	30 October 2020
Trading style(s) of the Company:	
Registered number:	06169935
Registered office:	Stanmore House, 64-68 Blackburn Street, Manchester, M26 2JS
Changes in office holder:	None during the review period itself. Under a block transfer order John Radford will be replacing Kevin Lucas as Liquidator with effect from 30 November 2021.

3. PROGRESS OF THE LIQUIDATION DURING THE PERIOD

Directors' Loan Accounts

The DoS disclosed a DLA in the sum of £532,237. However, the final position of the DLA changed during the review period owing to the fact the final cessation accounts were not finalised and submitted until May 2021. The final position in respect of the DLA once the cessation accounts were finalised was an overdrawn position of £599,305.

The sum of £57,370 was introduced by a director as a cash payment towards the outstanding Corporation Tax liability which was remitted to H M Revenue & Customs ("HMRC") in full.

The sum of £532,237 as per the DoS was distributed in-specie in the review period to members as per their shareholdings. The Liquidator intends to distribute the balance of the DLA, again in-specie, as soon as possible in the next review period.

Cash at bank

The DoS disclosed that cash was held at the Company's account totalling £36,768. A total of £13,719 was received from Barclays Bank plc pre-appointment, and a further £19,867 introduced by a director. Along with the £57,370.50 referred above, the total cash of £33,587 was paid to HMRC in respect of the Corporation Tax liability.

Investigations

It has been brought to the Liquidator's attention by the Financial Ombudsman Service "FOS" a number of historical complaints against the Company had yet to be fully resolved. The Liquidator must ensure these matters are fully resolved and that no potential future contingent liability arises against the Company. These matters are ongoing although it is anticipated will be concluded in early course.

It also has been brought to the Liquidator's attention potential interest of the Company in respect of a number Individual Voluntary Arrangements ("IVA") handled by a separate insolvency practitioner. Owing to the reason there are no other known creditors apart from HMRC, and upon resolution of the FOS complaints, the Liquidator does not intend on pursuing any interest in the IVA cases; it transpired any interest had in fact been assigned prior to the Liquidator's appointment. The Liquidator will, therefore, notify the IVA providers he has no interest in this particular aspect of the case.

Future Actions

HMRC have yet to confirm tax clearance so the Liquidation can proceed toward conclusion. The submission of the final returns in May 2021 included the carryback of losses from a previous period of trading which is anticipated to give rise to a tax repayment. The repayment will be an asset of the Company and will be dealt with by the Liquidator in the next review period.

4. COSTS OF THE LIQUIDATION

A summary of the receipts and payments account is attached for your information, analysed to show activity in the last year and the entire period of the liquidation as appropriate.

It shows actual receipts and actual payments rather than accrued and unrealised/unpaid receipts and payments.

Remuneration of the Liquidator

Members agreed that the Liquidator could draw remuneration for assistance with preparing the DoS and the liquidation procedure by way of a fixed fee of £3,750 plus VAT. The Liquidator will also seek agreement from members to be remunerated for the time properly spent by him and his staff properly attending to matters arising in the Liquidation.

The Liquidator's time costs for the review period are £4,796 and are shown in more detail at the end of this report. This represents 17.6 hour at an average hourly rate of £272.50 .Time has been spent on Admin & Planning and Creditors. Below is further guidance on the work involved for each category:

Category	Description of work undertaken
Admin & Planning	Some aspects of this category is necessary for the Liquidator to complete his statutory and compliance obligations and doesn't necessarily provide a financial benefit to members. Tasks included in this category of work includes fulfilling statutory requirements post appointment, completing case reviews, cashiering and tax related formalities, discussing the Company's tax position with HMRC and outstanding requirements for clearance, liaising with the former accountant, and all other internal aspects of the Liquidation
Case Specific	A small amount of time was recorded to case cashiering instead of Admin & Planning

Creditors	Time spent in this category of work involved dealing with the DLA and arranging for the initial distribution in-specie.
Investigations	Time was spent discussing with the directors various aspects such as books and records and data protection and if there are any other potential factors preventing finalising the Liquidation. Time was also spent looking into the FOS complaints and seeking feedback from the directors.
Realisation of Assets	Work done related to realisation of the cash at bank and the funds introduced into the case to cover the tax liability

The Liquidator has drawn no remuneration to date and (as outlined above) will seek approval to do so directly from the members.

Expenses

Expenses are payments from the insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or member (as appropriate). Expenses include disbursements, which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are split into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder and may be paid without prior approval.
- Category 2 expenses are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

Any expenses paid during the reporting period are shown on the receipts and payments account at the end of this report.

All expenses incurred to date

Expense Incurred	Incurred in prior period £	Incurred in this period £	Paid to end of period £	Total anticipated period end cost £	Original Fee Estimate £
Category 1					
Statutory Advertising	-	237.00	-	237.00	-
Specific Bond	-	420.00	-	420.00	-
Total	**-**	**657.00**	**-**	**657.00**	**-**

No fee estimate has been issued to creditors. However, the above expenses were discussed with the members upon engagement.

No Category 2 expenses have been incurred in this matter.

A copy of 'A Creditors' Guide to Liquidators' Fees' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set is available from the Liquidator on request at no cost.

6. PROSPECTS FOR CREDITORS

Secured Creditors

The DofS disclosed no secured creditors. However, Companies House shows a fixed and floating charge given to Barclays Bank plc ("Barclays") created on 13 June 2012. The director has confirmed the debt secured by the charge has been vacated, and although the sum of £13,719.78 was received from the credit balance held at Barclays, no Certificate of Satisfaction has been filed at Companies House to this effect.

Preferential Creditors

There are no preferential creditors.

Unsecured Creditors and Prescribed Part

Pursuant to Section 176A of the Act where a company has granted a floating charge to a creditor on or after 15 September 2003, a proportion of the net property of that company must be made available purely to unsecured creditors.

As there is a qualifying floating charge registered at Companies House, the Prescribed Part does apply in this matter. However, owing to there being no debt outstanding in favour of Barclays, there will be no Prescribed part distribution.

The DoS detailed trade and expense creditors of £28,148 based on a schedule provided by the directors pre-appointment. These creditors were included in the SoA as a contingency measure, although it was since confirmed there were no creditors other than HMRC, and no other claims were received.

Based on information available at the time, the estimated claim from HMRC was £76,494, based on the figures provided by the accountant the sum of £90,958 was paid to HMRC. As outlined above, once the final tax return was submitted this included a carryback of losses from a previous trading period and this is anticipated to generate a repayment and any outstanding tax will be offset against such refund.

Members

The distribution as shown below of the overdrawn DLA was distributed in-specie to the members in accordance with their shareholdings.

Date of Distribution	Distribution
27 October 2021	£532,237
	£532,237

As it came to light there is an additional balance to distribute following the filing of the cessation accounts after the Liquidation commenced, the Liquidator intends to distribute the balance of the DLA in-specie in early course in the next review period.

Next Report to Members

Other than a final distribution of the DLA to the members, obtaining tax clearance, resolution of any tax repayment, and making arrangements with members in respect of the Liquidator's remuneration, there are no further matters to deal with and therefore the next report will be the Liquidator's final account.

If you require any further information please contact us via help@lucasross.co.uk.

John Radford
Liquidator

29 December 2021

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.

(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14–

(a)a secured creditor;

(b)an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);

(c)members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;

(d)any unsecured creditor with the permission of the court; or

(e)any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by–

(a)providing all of the information requested;

(b)providing some of the information requested; or

(c)declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if–

(a)the time or cost of preparation of the information would be excessive; or

(b)disclosure of the information would be prejudicial to the conduct of the proceedings;

(c)disclosure of the information might reasonably be expected to lead to violence against any person; or

(d)the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of–

(a)the office-holder giving reasons for not providing all of the information requested; or

(b)the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.

(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that–

(a)the remuneration charged by the office-holder is in all the circumstances excessive;

(b)the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or

(c)the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable–

(a)a secured creditor,

(b)an unsecured creditor with either–

(i)the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or

(ii)the permission of the court, or

(c)in a members' voluntary winding up–

(i)members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or

(ii)a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

Applications under rules 18.34 and 18.35 where the court has given permission for the application

18.36.

(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

(2) Where the court has given permission, it must fix a venue for the application to be heard.

(3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.

(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 office-holder is entitled to charge;

(b)an order reducing any fixed 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 is not to be treated as expenses of the administration, winding up or bankruptcy;

(e)an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by –

(i)the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or

(ii)the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;

(f)any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court's permission is not required for the application

18.37.

(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

(2) Unless the application is dismissed, the court must fix a venue for it to be heard.

(3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.

(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 office-holder is entitled to charge;

(b)an order reducing any fixed 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 administration or winding up or bankruptcy;

(e)an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by –

(i)the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or

(ii)the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;

(f)any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.

OFFICE HOLDER'S FEES AND DISBURSEMENTS POLICY

Fees based on Time Properly Given and the Estimation of Fees

Each member of staff involved with the case will time charge on an individual basis. The hourly cost of each member of staff shall be calculated in accordance with their experience and resultant grade within the practice.

Recording of Fees

Time is formally recorded in prescribed categories in units of 6 minutes. All units of time properly spent, shall be recorded on a formal time management system and retained throughout appointment, irrespective of the basis of fees.

Charge Out Rates

Hourly charge out rates from 3 December 2020 are:

Charges for usual cases	(£)
Partner/Director/Consultant	395
Manager/Senior Manager	280-325
Assistant Manager	260
Administrator/Senior Administrator	170-225
Cashier(#)	150
Junior and Support Staff	125

(#) Please note that time charged by our cashiers relates only to accounting matters relevant to the case.

The basis upon which the Office Holder determines the appropriate charge out rate on the complexity of the case is detailed in the respective independent creditors' guides to fees, available to download from our company website or by email from this office.

The Office Holder reserves the right to uplift both the hourly rates and category 2 disbursements periodically without further recourse to the creditors. By law, such increases must be disclosed to creditors within each statutory report. Where such increases affect the total fees incurred and take these over the totality of any fee resolution proposed previously, an additional fee resolution will be sent to creditors for their consideration.

Support Staff

In an effort to minimise costs to the case, it is necessary to use support staff to undertake certain matters. Support staff time is charged in the same manner as technical staff on the rates outlined above.

VAT

Services provided by Insolvency practitioners are subject to VAT, except when acting as Nominee or Supervisor of an estate.

Our fees will be subject to VAT at the appropriate rate.

Where the case is not registered for VAT, VAT shall be shown as an irrecoverable expense of the estate.

Expenses

Every case dealt with will incur expenses in addition to fees.

Expenses are payments from the insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or member (as appropriate). Expenses include disbursements, which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are split into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):

- Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder and may be paid without prior approval.
- Category 2 expenses are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

Category 1 can include, but not be limited to, insolvency bonds, statutory advertising, company searches, post redirection, third party postal service, external room hire, public transport and accommodation costs incurred by staff whilst attending to the administration of the estate, bank charges, Anti Money Laundering searches.

Category 2 can include, but not be limited to, mileage, storage of books and records, any payments to a person/provider where a reasonable and informed third party would consider there to be an association.

Any authorised category 2 disbursements which have been charged shall be shown in the statutory abstract of accounts, postage and stationery costs·

Lucas Ross Limited currently charge mileage at 50pence per mile. Other costs are not currently charged.

123 Debt Solutions Ltd
(In Liquidation)
Liquidator's Summary of Receipts & Payments
To 29/10/2021

Dec of Sol £		£	£
	ASSET REALISATIONS		
36,768.00	Cash	33,587.76	
532,237.00	Directors' Loan Accounts	57,370.50	
			90,958.26
	UNSECURED CREDITORS		
(28,148.00)	Trade & Expense Creditors	NIL	
(76,494.00)	HM Revenue & Customs	90,958.26	
			(90,958.26)
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	
			NIL
464,263.00			0.00
	REPRESENTED BY		
			NIL

Note: On 27 October 2021 the sum of £532,237.00 was distributed in-specie to members representing an overdrawn directors' loan account. This represented a distribution equating to £5,322.37 per share.

Time Entry - SIP9 Time & Cost Summary

O0020 - 123 Debt Solutions Ltd
All Post Appointment Project Codes
To: 29/10/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	2.40	11.00	0.00	2.10	15.50	4,164.00	268.65
Case Specific Matters	0.00	0.20	0.00	0.00	0.20	56.00	280.00
Creditors	0.30	0.70	0.00	0.00	1.00	301.00	301.00
Investigations	0.00	0.40	0.00	0.00	0.40	112.00	280.00
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.20	0.30	0.00	0.00	0.50	163.00	326.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	**2.90**	**12.60**	**0.00**	**2.10**	**17.60**	**4,796.00**	**272.50**
Total Fees Claimed						**0.00**	
Total Disbursements Claimed						**0.00**	

Time Entry - SIP9 Time & Cost Summary
All Disbursements

O0020 - 123 Debt Solutions Ltd
To: 29/10/2021

Other amounts paid or payable to the office holders firm or to party in which the office holder or his firm or any associate has an interest.

Transaction Date	Type and Purpose	Disbursement Category	Amount
09/11/2020	Statutory Advertising: EPE Reynell	Category 1	237.00
14/11/2020	Specific Bond: Marsh specific bond	Category 1	420.00
		Total	**657.00**