

**Deanfield Solutions Ltd - In Compulsory Liquidation
Liquidators' Progress Report to Creditors
For the year ending 14 October 2015**

STATUTORY INFORMATION

Company name	Deanfield Solutions Ltd
Registered office	King Street House 15 Upper King Street Norwich NR3 1RB
Former registered office	Berkeley Square House Berkeley Square London W1J 6BD
Registered number	05708829
Court & Reference	Norwich County Court, No 357 of 2013
Joint Liquidators' names	Andrew Anderson Kelsall and David Nigel Whitehead
Joint Liquidators' address	King Street House 15 Upper King Street Norwich NR3 1RB
Joint Liquidators' date of appointment	15 October 2013



JOINT LIQUIDATORS' ACTIONS SINCE LAST REPORT

As detailed in my previous progress report, my solicitor was awaiting a response from the Director with regards to the repayment of the overdrawn loan account of £299,957 00 and unlawful dividend of £366,000 00

I have now managed to make contact with the Director and liaised with him regarding my claim. The Director advised me that he is offering a settlement amount for £87,000 00 to be paid by February 2016 in full and final settlement in respect of my claim against him. These funds are to come from future earnings and borrowings.

The Director understands he is liable to repay the outstanding Director's Loan Account in the sum of £299,597 00 but is contesting the possible illegal dividend of £366,000 00.

I have attempted to negotiate settlement of the above offer upwards but the Director advises that this is all he is able to offer. I have requested details of his current financial position, of which the Director confirmed his net income last year was €45,000 and doesn't own any other assets but he has not produced any evidence of the same. I am therefore instructing agents to advise me of his current net worth, although this has taken some time due to the Director residing in Italy.

Due to the risk of losing contact with the Director, I agreed to accept the offer but included a clause within the settlement agreement which states that if the results find that he does have further assets or income to offer, I have the right to request further funds from him.

Since the date of this reporting period, the Director has signed the settlement agreement which states that full payment will be made by 28 February 2016.

In this period, I have also arranged for the accounts for the period ending September 2012 to be amended and submitted to HM Revenue & Customs again as there was previously an error in these. This may therefore affect the claim from HM Revenue & Customs in the Liquidation, of which I am currently awaiting confirmation.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 15 October 2014 to 14 October 2015 is attached at Appendix 1

The Company is VAT registered, thus the figures shown are exclusive of VAT where applicable

The balance of funds are held in the Insolvency Services Account operated by The Insolvency Service

ASSETS

BANK INTEREST NET OF TAX

I have received bank interest of £4 85 net of tax in respect of the funds held in the Insolvency Services Account

OFFICE HOLDERS' FEES

A credit note was raised for £350 00 plus VAT due to an administrative error in respect of previously drawn fees

SECRETARY OF STATE FEES

As detailed above, a credit note was raised in this period in respect of an invoice I had previously raised for fees. As the funds had originally been subject to the Secretary of State fees when the funds were received into the account, the Insolvency Services refunded the fees applied to the credit note for the sum of £63 00 so that they were not subject to the fee twice

CLAIM AGAINST DIRECTOR

As detailed above, a settlement agreement has been signed by the Director for £87,000 00. Full payment is due by 28 February 2016

I have also instructed a tracing agent to advise me of the Director's net worth to review if the Director can increase the settlement amount

LIABILITIES

SECURED CREDITORS

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply

PREFERENTIAL CREDITORS

The Official Receiver's report to creditors did not anticipate any preferential creditors. Preferential claims comprise amounts owed to employees in respect of arrears of pay and accrued holiday pay. In the event of formal insolvency employees are able to claim such amounts, within prescribed limits, from the National Insurance Fund which is administered by the Redundancy Payments Service (RPS). The RPS will be entitled to submit a preferential claim in the Liquidation for monies that it has paid to the employees under the principle of subrogation. Employees who have not been able to recover the whole of the preferential element of their claims from the RPS will have residual preferential claims against the Company.

The RPS has not submitted a preferential claim in the Liquidation and there are no employees' residual preferential claims

NON-PREFERENTIAL UNSECURED CREDITORS

The Official Receiver's report scheduled 1 potential unsecured creditor, HM Revenue & Customs, with an estimated total liability of £619,012 80 I have received a final claim from HM Revenue & Customs for £1,516,401 58

However I am aware that the claim from HM Revenue & Customs may change due to an error in a previous set of accounts and tax return that had been submitted These accounts and tax return have been amended and re-submitted and I am waiting for confirmation of whether this has affected their claim

DIVIDEND PROSPECTS

ORDINARY UNSECURED CREDITORS

I am not yet aware if there will be sufficient funds available for a dividend to the unsecured creditors The likelihood of a dividend will depend on whether my claim against the Director is successful

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved

There were no matters that justified further investigation in the circumstances of this appointment

JOINT LIQUIDATORS' REMUNERATION

My remuneration was previously authorised by creditors at a meeting held on 08 November 2013 to be drawn on a time cost basis My total time costs to 14 October 2015 amount to £19,118 66, representing 116 00 of hours work at an average charge out rate of £164 82 per hour, of which £11,902 90 representing 74 25 hours work was charged in the period between 15 October 2014 and 14 October 2015, at an average charge out rate of £160 31 per hour

I have drawn £2,990 30 to date of which £0 00 was drawn in the period between 15 October 2014 and 14 October 2015 However, a credit note was raised in this period for £350 00

Schedules of my time costs incurred for the reporting period and for the cumulative periods to date are attached as Appendix 2

A description of the routine work undertaken since my last progress report is as follows

- 1 **Administration and Planning**
 - Preparing documentation required
 - Dealing with all routine correspondence
 - Maintaining physical case files and electronic case details on IPS
 - Review and storage
 - Case bordereau
 - Case planning and administration
- 2 **Cashiering**
 - Maintaining and managing the Liquidator's cashbook and bank account
 - Ensuring statutory lodgements are met
- 3 **Creditors**
 - Dealing with creditor correspondence and telephone conversations
 - Maintaining creditor information on IPS
- 4 **Investigations**
 - Review and storage of books and records
 - Instruct tracing agents to review the Director's net current worth

5 Realisation of Assets

- Liaising with my solicitor with regards to my claim against the Director
- Liaising with the Director with regards to my claim in order to reach a settlement amount

6 Reporting

- Preparing reports to members and creditors

7 Taxation - Office Holders

- Ensuring tax lodgement obligations are met

8 Shareholders/Directors

- Dealing with Shareholder/Director correspondence and telephone conversations

A copy of 'A Creditors' Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals, together with an explanatory note which shows Larking Gowen's fee policy are available at <http://www.larking-gowen.co.uk/service/service/business-recovery> Please note that there are different versions of the Guidance Notes, and in this case you should refer to the Post 6 April 2010 version. A hard copy of both documents can be obtained on request from this office.

JOINT LIQUIDATORS' EXPENSES

I have incurred total expenses to 14 October 2015 of £1,005.00 of which £0.00 was incurred in the period since 15 October 2014.

I have drawn £1,005.00 to 14 October 2015 of which £0.00 was drawn in the period since 15 October 2014.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Liquidators' remuneration and expenses within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

SUMMARY

The Liquidation will remain open until I have agreed a settlement amount with the Director and received all agreed funds in full and final settlement.

Should you have any queries please contact Becca Smith on 01603 624 181.

At Larking Gowen we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to our complaints officer Ian Webster, Larking Gowen, King Street House, 15 Upper King Street, Norwich, NR3 1RB. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner, or you can email

insolvency enquiryline@insolvency.gsi.gov.uk, or you may phone 0300 678 0015 - calls are charged at up to 9p per minute from a land line, or for mobiles, between 8p and 40p per minute if you're calling from the UK

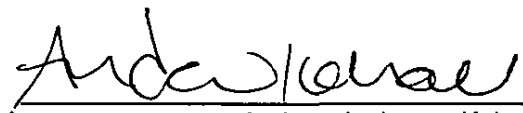
A handwritten signature in black ink, appearing to read 'A A Kelsall', written in a cursive style.

A A Kelsall
Joint Liquidator

Deanfield Solutions Ltd
(In Liquidation)

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 15/10/2014 To 14/10/2015 £	From 15/10/2013 To 14/10/2015 £
RECEIPTS			
Cash at Bank		0 00	10,678 24
Petitioners Deposit		0 00	1,165 00
Bank Interest Net of Tax		4 18	12 56
Office Holders Fees		350 00	(2,640 30)
		<u>354 18</u>	<u>9,215 50</u>
PAYMENTS			
O R Remuneration		0 00	2,235 00
DTI Cheque Fees		1 10	2 20
Sec of State Fees		109 99	3,682 99
Petitioners Costs		1,995 00	1,995 00
Office Holders Fees		(350 00)	2,640 30
Office Holders Expenses		0 00	1,005 00
DTI Quarterly Charges		88 00	176 00
		<u>1,844 09</u>	<u>11,736 49</u>
Net Receipts/(Payments)		<u>(1,489 91)</u>	<u>(2,520 99)</u>
MADE UP AS FOLLOWS			
ISA		(1,040 85)	119 31
VAT Receivable / (Payable)		(799 06)	0 00
		<u>(1,839 91)</u>	<u>119 31</u>


 Andrew Anderson Kelsall
 Joint Liquidator

Deanfield Solutions Ltd
PERIOD FROM 15/10/2014 TO 14/10/2015

SIP9 - ANALYSIS OF TIME COSTS INCURRED

Classification of Work Function	Partner	Manager	Assistant Manager	Senior Administrator	Assistant	Total Hours	Cost £	Average Rate £
Administration & Planning	0 35	0 50	0 70	8 10	1 35	11 00	1 137 10	103 37
Cashiering	0 40	0 10	0 00	1 15	0 70	2 35	271 00	115 32
Creditors	0 70	1 20	0 75	9 90	0 00	12 55	1 650 00	131 47
Investigations	2 75	0 80	0 00	1 35	0 00	4 90	1 093 25	223 11
Realisation of Assets	15 20	2 75	0 00	13 30	0 00	31 25	6 274 50	200 78
Reporting	0 10	0 30	1 50	3 25	1 50	6 65	779 75	117 26
Shareholders/Directors/Debtor	0 00	1 40	0 00	0 85	0 00	2 25	385 50	171 33
Office Holder's Taxation	0 00	0 20	0 10	2 00	1 00	3 30	311 80	94 48
Total Hours	19 50	7 25	3 05	39 90	4 55	74 25		
Total Costs / Average Rate							£11 902 90	180 31

ANALYSIS OF DISBURSEMENTS

Type and Purpose	Total £	Unbilled £	Billed £
<u>Category 1</u>			
None	0 00	0 00	0 00
<u>Category 2</u>			
None	0 00	0 00	0 00
Total	0 00	0 00	0 00

Deanfield Solutions Ltd
PERIOD FROM 15/10/2013 TO 14/10/2015

SIP9 - ANALYSIS OF TIME COSTS INCURRED

Classification of Work Function	Partner	Director	Manager	Assistant Manager	Senior Administrator	Assistant	Total Hours	Cost £	Average Rate £
Administration & Planning	2.40	5.00	0.50	2.70	10.40	9.25	30.25	4,132.86	136.82
Cashiering	0.40	0.00	0.10	0.00	1.45	1.45	3.40	340.50	100.15
Creditors	0.70	0.00	1.20	0.85	10.85	1.00	14.60	1,835.50	125.72
Investigations	8.75	5.75	0.80	0.30	2.15	0.50	18.25	4,387.75	240.42
Realisation of Assets	15.20	0.50	2.75	0.70	16.90	0.00	36.05	6,843.50	189.83
Reporting	0.10	0.00	0.30	1.50	3.25	1.70	6.85	788.75	114.85
Shareholders/Directors/Debtor	0.00	0.00	1.40	0.00	1.30	0.60	3.30	480.00	145.45
Office Holder's Taxation	0.00	0.00	0.20	0.10	2.00	1.00	3.30	311.80	94.48
Total Hours	27.55	11.25	7.25	6.15	48.30	15.50	116.00	£19,118.66	164.82
Total Costs / Average Rate									

ANALYSIS OF DISBURSEMENTS

Type and Purpose	Total £	Unbilled £	Billed £
Category 1			
Bonding	930.00	0.00	930.00
Statutory Advertising	75.00	0.00	75.00
Category 2			
None	0.00	0.00	0.00
Total	1,005.00	0.00	1,005.00