

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

To the Registrar of Companies

For Official Use

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Company Number

03574234

Name of Company

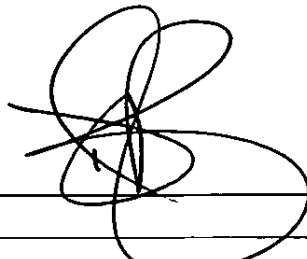
DMC 1998 Limited formerly David McLean Limited

/ We
Darren Terence Brookes
The Old Bank
187a Ashley Road
Hale
Cheshire
WA15 9SQ

Gary John Corbett
The Old Bank
187a Ashley Road
Hale
Cheshire
WA15 9SQ

the liquidator(s) of the company attach a copy of my/our progress report
under section 192 of the Insolvency Act 1986

Signed



Date

10/3/14.

Milner Boardman & Partners
The Old Bank
187a Ashley Road
Hale
Cheshire
WA15 9SQ

Ref DA2129/DTB/GJC/AJ

For Official Use

Insolvency Sect

Post Room

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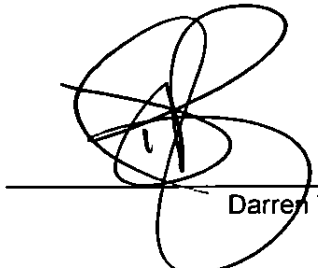
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COMPANIES HOUSE

**DMC 1998 Limited formerly David McLean Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs		From 19/02/2013 To 18/02/2014
	SECURED ASSETS	
Uncertain	Various parcels of land	NIL
		NIL
	SECURED CREDITORS	
(54,000,000 00)	Barclays Bank - cross guarantee	NIL
		NIL
	UNSECURED CREDITORS	
(250 00)	Director	NIL
		NIL
	DISTRIBUTIONS	
(5,100 00)	Ordinary Shareholders	NIL
(1 00)	Deferred Shareholders	NIL
		NIL
(54,005,351.00)		NIL
	REPRESENTED BY	
		NIL

Note


 Darren Terence Brookes
 Joint Liquidator



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

DMC 1998 LIMITED- IN LIQUIDATION

**Joint Liquidators' Progress Report
In accordance with
Section 105 of the Insolvency Act 1986**

**Covering the Period
19 February 2013 to 18 February 2014**

10 March 2014

**Milner Boardman and Partners
The Old Bank
187A Ashley Road
Hale
Cheshire
WA15 9SQ**

Our Ref DTB/AJ/2129/24

**Liquidators'
Progress Report**



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

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1. Statutory Information and Background

- 1 1 On 4 December 2012 the company was restored to the register along with six other companies in the group. The Court ordered that the company be placed into Creditors Voluntary Liquidation as soon as possible.
- 1 2 On 28 January 2013 the board of directors signed notices convening meetings of the company's members and creditors with a view to placing the company into Creditor's Voluntary Liquidation.
- 1 2 On 19 February 2013, members passed a special resolution placing the company into Liquidation and an ordinary resolution appointing Darren Brookes and Gary Corbett as Joint Liquidators. At a meeting of the company's creditors held on the same day, creditors passed a resolution confirming the appointment of Darren Brookes and Gary Corbett as Joint Liquidators.
- 1 3 The Liquidation is being handled by Milner Boardman & Partners, situated at The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ.
- 1 4 The principal trading address of the company was Enterprise House, 28 Parkway, Deeside Industrial Par, Deeside CH5 2NS.
- 1 5 The registered office of the company is c/o Milner Boardman & Partners, The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ and its registered number is 03574234.

2. Case Overview

- 2 1 The principal business activity of the company was that of the parent company to the David McLean Group of companies. The group's principal activities were that of house building, building development and contracting.
- 2 2 Six companies in the group, namely David McLean (Holdings) Limited, David McLean Homes Limited, David McLean Developments Limited, David McLean Contractors Limited, David McLean Homes (South West) Limited and David McLean Homes (Midlands) Limited, were all placed into Administration in 2008 as a result of the losses made across the group during 2007. The Joint Administrators were from the firm Deloitte LLP in Manchester. The companies were subsequently placed into Liquidation in October 2009. The Liquidations came to a conclusion in January 2012 and those companies were all dissolved. Given this situation and the fact that the company did not have any assets or liabilities, the company was dissolved in November 2009 accordingly.
- 2 3 The company, together with the six others within the group retained ownership of a number of small pieces of land which had not been realised during the Liquidation. It was considered that the costs involved in resolving the issues surrounding the various strips of land would outweigh their value. However, the former director applied to Court in order to restore the companies to the Register so that the subsequently

appointed Liquidators could deal with a sale of the land accordingly. The restoration took place on 4 December 2013.

3. Assets Realisation and On-going Matters

- 3.1 Following our appointment as Joint Liquidators, an offer was received from a third party to investigate the remaining assets in the companies and source purchasers for the assets. With the consent of the secured creditor, Barclays Bank ("Barclays") a sale of the company's assets was completed to Dickens Property Group in February 2013. Also party to the asset sale agreement were the other companies within the group, namely David McLean Homes Limited, David McLean Holdings Limited, David McLean Homes (Midlands) Limited, David McLean Homes (South West) Limited, David McLean Developments Limited and David McLean Contractors Limited. Across the group of companies, whatever right and title the companies had to approximately 250 pieces of land was transferred to Dickens Property Group. In accordance with the agreement, Dickens Property Group would source purchasers for the assets and receive 75% of the net asset realisations with the remaining 25% being available to the Joint Liquidators and Barclays.
- 3.2 To date, one property owned by David McLean Homes Limited has been sold and the 25% realisation has been received by the Joint Liquidators of David McLean Homes Limited. It was agreed that an additional initial payment of £5000 would be paid over the Joint Liquidators following the sale of the first property and this was also received following the completion of the sale.
- 3.3 A number of retentions are expected to be received from solicitors who were acting for purchasers of properties and had retained funds pending completion of agreements to adopt roads and sewers. Following the adoption of the various roads and sewers a number of retentions are due to be released to the company. Dickens Property Group are investigating potential further funds that could be realised from the release of retentions however it is uncertain at this stage how much is being retained.
- 3.4 Each of the remaining plots of land comes with its own complications, hence why they were considered of no value. Dickens Property Group are working to resolve numerous issues with a view to selling the land in due course. In the meantime, they are also collecting the ground rents due on leasehold properties with a view to collating a portfolio of ground rents which could have a re-sale value. Additionally, they are approaching utility and telecoms companies to ascertain whether there is any interest from such companies for use of the land for substations or telecoms boxes which would generate further income.
- 3.5 I intend to keep the Liquidation open to allow for these matters to be resolved and in order to receive the 25% sales proceeds as agreed in the sales contract.

4. Investigation

- 4 1 As part of my duties as Joint Liquidator, I undertook enquiries into the company's previous trading activities. The purpose of this aspect of the investigation was to ascertain the existence and whereabouts of any company assets, whether disclosed on the director's sworn statement of affairs or not
- 4 2 This investigation necessitated an examination of the books and records maintained by the company, together with company correspondence either retained by the company or provided to me subsequently by creditors
- 4 3 I have also examined the conduct of the individuals concerned in the management of the company and have, where necessary, interviewed the directors of the company
- 4 4 I have complied with my statutory duty under the Company Directors Disqualification Act 1986 by submitting an appropriate return to the Department of Trade and Industry

5. Joint Liquidators' Remuneration

- 5 1 The secured creditor, Barclays Bank Plc, has agreed the Joint Liquidators' fee proposal in this case. It was agreed that the Joint Liquidators would be entitled to draw fees and disbursements from the proceeds of the sale of the land. Following the sale of the first piece of land, a fee of £1000 per case would be paid in respect of the statement of affairs fee in respect of the seven companies party to the agreement. Additionally, payment of the disbursements in respect of the seven companies would be made from the proceeds of the sale. I can confirm that these have been paid accordingly. It has been agreed that any remaining balance is to be split evenly between the secured creditor and the Joint Liquidators accordingly
- 5 2 In the event of the realisation of any assets falling under the Bank's floating charge, it has been agreed that the Joint Liquidators would charge on a time cost basis. The policy of Milner Boardman & Partners is to charge the time, directly to each case, of all staff with the exception of secretarial staff. The attached summary is intended to provide a breakdown of time costs incurred to date

As you can see from the attached summary the time costs to date are £3263.50 and no fees had been drawn to date

- 5 3 Also attached at appendix 2 are details of creditor's rights in relation to the Liquidator's remuneration and also to request information on the Liquidators remuneration and expenses

Please note that Milner Boardman & Partners record time in 6 minute units

- 5.4 The main areas where time costs have been incurred are 'Administration and Planning', 'Investigations' and 'Realisation of Assets' These are discussed in more detail below

5.5 Administration and Planning

- 5.5.1 A total of £2013.50 has been spent on Administration and Planning, including time spent on meetings and telephone conversations with the director, complying with statutory duties, reporting to creditors and general administrative work

5.6 Investigations

- 5.6.1 A total of £887.50 has been spent on dealing with investigations into the director's conduct and potential company assets

5.7 Realisation of Assets

- 5.7.1 A total of £147.50 has been spent on dealing with the realisation of assets

5.8 Creditors

- 5.8.1 A total of £215.00 has been spent on dealing with creditors. Work carried out relates to trade creditors, HM Revenue & Customs and includes advising creditors of our appointment, dealing with and processing their claims.

6. Joint Liquidators' disbursements

- 6.1 With regard to disbursements, specific expenditure relating to the administration of the insolvent's estate and payable to an independent third party is recoverable without creditor approval. Payments made in respect of the above are defined as "Category 1 disbursements". No Category 1 disbursements have been drawn in this case to date.
- 6.2 Expenditure incidental to the administration of the insolvent's estate, which by its nature includes an element of shared or allocated costs, are recoverable with Creditors' approval. Payments in respect of this type of expense are referred to as "Category 2 disbursements". Category 2 disbursements include staff mileage costs. There have been no category 2 disbursements paid from the insolvent's estate.

7. Prospects for Creditors

7.1 Secured Claims

- 7.1.1 A cross guarantee was in place across the group of companies which was secured by way of a debenture and a fixed and floating security document in favour of Barclays Bank Plc ("Barclays") dated 8 February 2005. At the date of the appointment of Joint Administrators, approximately £73,000,000 was owed to Barclays. I am advised that a

distribution of approximately £51,300,000 was made to Barclays during the Administration following a sale of the companies' assets Barclays therefore had an outstanding liability at the time the companies were dissolved Barclays has agreed to the fee proposal detailed above and a distribution will be made to Barclays from assets realised falling under their fixed charge in accordance with the proposal

7.2 Preferential Creditors

7.2.1 No preferential claims are expected to be received in this case

7.3 Unsecured Creditors

7.3.1 At the initial meeting of creditors, it was indicated that based on information presented to the meeting, there would be insufficient funds available to distribute to unsecured creditors

7.3.2 It is not anticipated that there will be any funds available to distribute to unsecured creditors in this matter.

8. Receipts and Payments

8.1 A receipts and payments account for the year ended 18 February 2014 is enclosed with this report at appendix 3.

Should you require further information please contact this office on 0161 927 7788

Yours faithfully
for and on behalf of
DMC 1998 Limited



Darren Brookes
Joint Liquidator



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& PARTNERS
Corporate Recovery

Appendix 1

Milner Boardman & Partners' Time Analysis

Milner Boardman & Partners

TIME & CHARGEOUT SUMMARIES

DMC 1998 Limited Formerly David McLean Limited

HOURS							
Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	1 60	6 60	0 00	0 70	8 90	2,013 50	226 24
Investigations	0 00	2 50	0 00	2 00	4 50	887 50	197 22
Realisation of Assets	0 50	0 00	0 00	0 00	0 50	147 50	295 00
Creditors	0 00	1 00	0 00	0 00	1 00	215 00	215 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	619 50	2,171 50	0 00	472 50		3,263 50	
Total Hours	2 10	10 10	0 00	2 70	14 90		
Average Rate	295 00	215 00	0 00	175 00			



Appendix 2

Creditors' rights in relation to Liquidator's Remuneration

Milner Boardman & Partners – Information Sheet for Creditors

What if a creditor is dissatisfied with liquidation remuneration?

If a creditor believes that the liquidator(s) remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator(s) are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing.

If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the liquidation.

Creditor's rights to information on the liquidator's remuneration and expenses

Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purpose of a meeting to receive the office holder's resignation) a creditor, or in the case of an MVL a member, may request the office holder to provide further information about the remuneration and expenses set out in the report. A request must be in the writing, and may be made by

- A secured creditor, or
- An unsecured creditor with the concurrence of at least 5% in value of the creditors (including that creditor) of the permission of the court,
- In the case of an MVL, by members of the company with at least 5 % of the total voting rights of the all members having the right to vote at general meetings, or
- With the permission of the court –
 - Any unsecured creditor
 - In the case of an MVL, any member

The office holder must provide the requested information within 14 days, unless he considers that

- The time or cost involved in preparing the information would be excessive, or
- Disclosure would be prejudicial to the conduct of the proceedings or might be expected to lead to violence against any person, or
- The office holder is subject of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the office holder's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information

If any creditors have any queries, please contact 0161 927 7788



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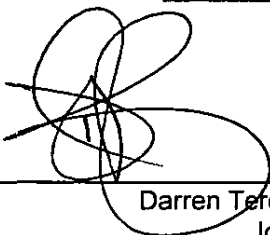
Appendix 3 Receipts and Payments Account

**DMC 1998 Limited formerly David McLean Limited
(In Liquidation)**

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 19/02/2013 To 18/02/2014 £	From 19/02/2013 To 18/02/2014 £
RECEIPTS			
Various parcels of land	Uncertain	0 00	0 00
		<u>0 00</u>	<u>0 00</u>
PAYMENTS			
		<u>0 00</u>	<u>0 00</u>
BALANCE - 18 February 2014			<u><u>0.00</u></u>

Note



Darren Terence Brookes
Joint Liquidator