

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

03640632

Name of Company

Beech Holdings Limited t/a Fireplace Megastore

I / ~~We~~

Martin Halligan, City Mills, Peel Street, Morley, Leeds, LS27 8QL

the 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 03/06/2015 to 02/06/2016

Signed

Date

MPH Recovery
City Mills
Peel Street
Morley
Leeds
LS27 8QL

Ref 0210/MH/TC/RB

THURSDAY



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04/08/2016

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COMPANIES HOUSE



City Mills
Peel Street
Morley, Leeds
LS27 8QL

BEECH HOLDINGS LIMITED T/A FIREPLACE MEGASTORE – IN LIQUIDATION

Company Number: 03640632

Registered Office: City Mills, Peel Street, Morley, Leeds, LS27 8QL

Former Registered Office: Unit 5 Deeside Point, Zone 3 Deeside Industrial Park, Deeside, CH5 2UA

Liquidator's Second Progress Report

Pursuant to Section 104A of the Insolvency Act 1986 and Rule 4.49 of the Insolvency Rules 1986

Report Dated 1 August 2016



Bradford • Leeds • Llandudno

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Martin Halligan is licensed in the United Kingdom to act as an Insolvency Practitioner by the Association of Chartered Certified Accountants
Insolvency Practitioners acting as Administrators or Administrative Receivers contract as agents without personal liability
MPH Recovery is a trading style of MPH (GB) Limited registered in England No. 5143886
Registered Office: First Floor, Unit 3 Killingbeck Court York Road, Leeds LS14 6FD

Beech Holdings Limited T/A Fireplace Megastore ("the Company") – In Liquidation
Company Number: 03640632
Registered Office City Mills, Peel Street, Morley, Leeds, LS27 8QL

Introduction

In accordance with the provisions of Section 98 of the Insolvency Act, 1986, statutory meetings of shareholders and creditors were duly held at The Village Hotel, Ewloe, Nr Chester, Flintshire, CH5 3YB on 3 June 2014. Darren John Beaumont, a director, acted as chairman for the purposes of the meetings.

A report was presented together with a summary of the statement of affairs signed as a statement of truth by the director on 3 June 2014. At a meeting of shareholders held on 3 June 2014, resolutions were passed for the voluntary winding-up of the Company and for my appointment as Liquidator. At a subsequent meeting of the Company's creditors the shareholders' resolution was confirmed. A liquidation committee was not formed.

The EC Regulation on Insolvency Proceedings 2000 does apply and these proceedings are the main proceedings as defined by Article 3 of the EC Regulation. The Company's registered office and centre of main interests are in the United Kingdom.

This second progress report for the period 3 June 2015 to 2 June 2016 is to be read in conjunction with my reports dated 6 June 2014 and 30 July 2015.

Receipts and Payments

A summary of receipts and payments for the period 3 June 2015 to 2 June 2016 together with a summary of receipts and payments for the duration of the Liquidation is attached at Appendix I. An analysed fixed and floating charge receipts and payments summary is also attached at Appendix I. These show a balance in hand of £1,011.49. The contents therein are self-explanatory. In accordance with the provisions of Statement of Insolvency Practice 7, the receipts and payments are shown net of VAT. An interest bearing bank account has been opened for the purposes of the Liquidation. Gross bank interest received for the reporting period totals £2.36.

Assets Specifically Pledged

The Director's Estimated Statement of Affairs disclosed Lloyds Bank PLC ("Lloyds") as a secured creditor. Lloyds held a mortgage created on 1 February 2008 and registered on 2 February 2008 which created a fixed charge over the Company's freehold property at Unit 5, Deeside Point, Tenth Avenue, Deeside Industrial Park, Deeside CH5 2UA ("the Property").

I instructed Legat Owen, Chartered Surveyors of Chester ("the Property Agents") to value and market the Property. An offer was received from an unconnected party and accepted on the advice of the Property Agent. The Property was sold on 5 December 2014 for £380,000 plus VAT.

Lloyds were owed £273,200.95 by the Company in relation to the mortgage and a business loan, together with £87,800.47 in relation to Cardnet services.

I received and agreed a final claim from Lloyds in the sum of £361,001.42. The validity of Lloyds mortgage was confirmed by Knox Insolvency Solicitors.

A distribution of £361,001.42 was made to Lloyds on 12 December 2014 from the proceeds of the Property sale, in full settlement of Lloyds claim against the Company.

The surplus funds were transferred into the Liquidation bank account on 12 December 2014.

Assets Not Specifically Pledged

The Directors Estimated Statement Of Affairs indicated fixtures and fittings with an estimated to realise value of £2,000.

This included a mezzanine flooring structure contained within the Property, valued and sold by the Property Agents to the purchaser of the Property for £20,000 plus VAT. Additional fixtures and fittings were professionally valued by Michael Steel & Co, Chartered Surveyors ("the Agents") based in Leeds. An offer of £200 plus VAT in respect of these assets, was received from Oyster Clay Limited ("Oyster") a connected party and accepted on the advice of the Agents.

The Director's Estimated Statement of Affairs disclosed stock, with an estimated to realise value of £9,000. The stock was professionally valued by the Agents and sold to an unconnected third party for £9,500 plus VAT.

The Director's Estimated Statement of Affairs disclosed cash held by the Agents of £1,020. These funds were subsequently paid into the Liquidation bank account.

In accordance with the provisions of Statement of Insolvency Practice 13, details in respect of assets sold to a connected party, were provided in my previous report.

Preferential Creditors

The Director stated that the Company had estimated preferential claims in respect of potential employees' claims for arrears of wages and holiday pay in the sum of £6,167. To date, the Liquidator has not received any preferential claims.

Prescribed Part

The prescribed part is a proportion of floating charge assets set aside for non-preferential creditors pursuant to Section 176A of the Act. The prescribed part applies to floating charges created on or after 15 September 2003.

The Company's secured creditor, Lloyds, has been repaid in full under its fixed charge security. There are no other outstanding valid registered charges, as such the Prescribed Part, pursuant to Section 176A of the Insolvency Act 1986, does not apply.

Floating Charge Creditors

The Director's Estimated Statement of Affairs indicated the Director as a secured creditor for £20,001. A debenture was created on the 16 July 2013 and registered on the 29 July 2013 which created a fixed and floating charge over the Company's assets.

I instructed Foreman & Co Solicitors to review the validity of this debenture. I have been advised that the debenture is invalid due to the timing of the debenture, being only 11 months prior to the Liquidation and that the purpose of the debenture was to provide security for monies loaned to the Company which had been repaid prior to the Liquidation, as such the Director's claims are unsecured.

Non - Preferential Creditors

Non - preferential claims received to date total £326,778 detailed as follows -

	No.	£ Per 'S of A'	No.	£ Claims
Trade Creditors	200	358,928	56	279,323
Employees – Pay in Lieu of Notice and Redundancy	6	44,712	6	17,530
HM Revenue & Customs – PAYE	1	1,772	1	8,376
HM Revenue & Customs – VAT	1	13,599	1	21,549
Total	208	419,011	64	326,778

Remuneration

A fee of £6,000 plus VAT and disbursements plus VAT was approved by the first meeting of creditors in respect of assisting in the preparation of the Statement of Affairs and preparing the report presented to the first meeting of creditors. The Liquidator has drawn this fee in full.

A fee of £6,000 plus VAT and disbursements plus VAT was approved by the first meeting of creditors in respect of convening the meeting of members and creditors. The Liquidator has drawn this fee in full.

At the first meeting of creditors, the creditors, having considered the explanatory note, "A Creditors' Guide to Liquidators Fees", resolved that, the Liquidator's fees be agreed on a time cost basis and that such remuneration be drawn on account as and when appropriate and that the Liquidator be reimbursed for any necessary disbursements incurred during the administration of the winding up, in accordance with MPH Recovery's "Fees and Disbursements in Liquidations" schedule, and in accordance with the provisions of SIP9 Category 1 and 2 disbursements, and that such disbursements be drawn on account as and when appropriate.

A summary of my Liquidator's time costs for the period 3 June 2015 to 2 June 2016 together with a summary of my Liquidator's time costs for the duration of the Liquidation is attached at Appendix II

A total of 102 10 hours have been spent on this assignment, totalling £33,800 50 at an average hourly rate of £331 05

Included in the above is a total of 19 40 hours which have been spent on this assignment for the period 3 June 2015 to 2 June 2016, totalling £5,414 50 at an average hourly rate of £279 10

The Liquidator has billed £10,010 85 plus VAT, on account, to the date of this report

A summary of the work carried out from the date of my appointment has included

- Preparation of standard documents in accordance with the Insolvency Act 1986 and in accordance with recommended best practice,
- Dealing with all statutory matters associated with my appointment,
- Investigations into the Company's dealings and that of its officers,
- Realisation of the Company's assets,
- Preparation of statutory Progress Reports and other administrative matters,
- Circularising Reports and corresponding with creditors to ascertain claims,
- Office holder file reviews,
- Taxation and VAT issues

Liquidator's Disbursements

A summary of MPH Recovery's disbursements, Category 1 and Category 2, both pre and post appointment, for the period to 2 June 2016, is detailed below -

Disbursement	Payee	Amount incurred (£)	
		Pre	Post
Travel and Subsistence	MPH Recovery	362 50	460 96
Specific Bond	AUA Insolvency Risk Services	0 00	360 00
Statutory Advertising	UK Legal Notices Limited	85 00	0 00
Meeting Room Hire	The Village Hotel	180 00	150 00
Creditor Circulars	MPH Recovery	1,608 00	157 05
Specific Postage	Royal Mail	0 00	6 40
Total		2,235.50	1,134 41

Pre-appointment disbursements have been drawn in full plus VAT Post-appointment disbursements of £1,051 73 plus VAT have been drawn to date

A schedule of MPH Recovery's fees and disbursements in Liquidations is attached at Appendix III Scale rates are reviewed periodically and may increase from time to time over the period of administration on each insolvency case There has been an adjustment to the scale rates but no increase during the Liquidation

Please note my firm has amended the basis of charging for creditors' circulars This disbursement is now charged at cost and is reflected in the above table

A creditors' guide to fees can be found on The Association of Business Recovery Professionals website at www.r3.org.uk/what-we-do/publications/professional/fees (under the sub heading "Guide to Liquidators Fees") Alternatively, it can be supplied upon request, free of charge

In accordance with Rule 4 49E of the Insolvency Rules 1986 as amended creditors and members have the right to request that the liquidator provides further information about his remuneration and expenses incurred during the period of the administration of the liquidation The request must be made in writing, within 21 days of receipt of this report, and can be made by, a secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors or with permission of the Court Furthermore in accordance with Rule 4 131 of the Insolvency Rules 1986 as amended, creditors have the right to challenge the Liquidators remuneration and expenses by application to the Court within 8 weeks of receiving this report

Other Professionals / Agents Employed

As Liquidator I have employed the following professionals, a summary of their fees for the duration of the Liquidation, is detailed below -

Professionals		Basis of fee	Incurred (£)	Paid (£)
Edward Hughes Solicitors	Legal Fees	Time Costs	800 01	800 01
Edward Hughes Solicitors	Legal Disbursements	Incurred	824 00	824 00
Knox Insolvency Solicitors	Legal Fees	Time Costs	6,270 00	6,270 00
Legat Owen	Agents/Valuers Fees	1 25% of realisations	5,000 00	5,000 00
Legat Owen	Agents/Valuers Disbursements	Incurred	297 00	297 00
Michael Steel & Co	Agents/Valuers Fees	Time Costs	2,500 00	2,500 00
Michael Steel & Co	Agents/Valuers Disbursements	Incurred	300 00	300 00
Foreman & Co Solicitors	Legal Fees	Time cost	500 00	500 00
Foreman & Co Solicitors	Legal Disbursements	Fixed	1 00	1 00
Total			16,492 01	16,492.01

Dividend Prospects

Pursuant to Rule 11 7(b) of the Insolvency Rules 1986 as amended, formal notice that no dividend would be declared to unsecured creditors was given on 30 July 2015 This notice was detailed within my first progress report of that date

Company Directors Disqualification Act 1986

As Liquidator, I have a duty to investigate generally the affairs of an insolvent company and to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation & Skills I confirm that I have discharged my duties in these respects

Yours faithfully



Martin P Halligan
Liquidator

**Beech Holdings Limited t/a Fireplace Megastore
(In Liquidation)**

LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 03/06/2015 To 02/06/2016 £	From 03/06/2014 To 02/06/2016 £
RECEIPTS			
Freehold Land & Property	360,000 00	0 00	380,000 00
Fixtures & Fittings	2,000 00	0 00	20,200 00
Stock	9,000 00	0 00	9,500 00
Cash with Agents	1,020 00	0 00	1,020 00
Bank Interest Gross		2 36	44 47
		<u>2 36</u>	<u>410,764 47</u>
PAYMENTS			
Liquidator's Remuneration		4,067 22	4,067 22
Legal Fees		500 00	6,167 51
Legal Disbursement		1 00	825 00
Agents/Valuers Fees		0 00	5,000 00
Agents/Valuers Disbursements		0 00	297 00
Insurance of Assets		0 00	2,641 85
Lloyds Banking Group	(362,864 00)	0 00	361,001 42
Mr D J Beaumont	(20,001 00)	0 00	0 00
Specific Bond		0 00	360 00
Pre Appointment Disbursements		0 00	2,235 50
Section 98 Fee		0 00	6,000 00
Statement of Affairs Fee		0 00	6,000 00
Liquidator's Remuneration		5,943 63	5,943 63
Liquidator's Disbursements		1,051 73	1,051 73
Agents/Valuers Fees		0 00	2,500 00
Agents/Valuers Disbursements		0 00	300 00
Legal Fees		0 00	1,402 50
Employee Arrears/Hol Pay	(6,166 50)	0 00	0 00
Trade & Expense Creditors	(358,927 55)	0 00	0 00
Employees	(44,712 34)	0 00	0 00
HM Revenue & Customs - PAYE / NIC	(1,772 00)	0 00	0 00
HM Revenue & Customs - VAT	(13,599 00)	0 00	0 00
Ordinary Shareholders	(1,000 00)	0 00	0 00
		<u>11,563 58</u>	<u>405,793 36</u>
Net Receipts/(Payments)		<u>(11,561 22)</u>	<u>4,971 11</u>

MADE UP AS FOLLOWS

Svenska Handelsbanken AB (publ)	(13,873 74)	1,011 49
VAT Receivable / (Payable)	2,312 52	3,959 62
	<u>(11,561 22)</u>	<u>4,971 11</u>



Martin Halligan
Liquidator

**Beech Holdings Limited t/a Fireplace Megastore
(In Liquidation)**

**Income and Expenditure Account
To 02 June 2016**

	Fixed Charge £	Floating Charge £	Total £
INCOME			
Freehold Land & Property	380,000 00		380,000 00
Fixtures & Fittings		20,200 00	20,200 00
Stock		9,500 00	9,500 00
Cash with Agents		1,020 00	1,020 00
Bank Interest Gross		44 47	44 47
	380,000 00	30,764.47	410,764.47
EXPENDITURE			
Liquidator's Remuneration	4,067 22		4,067 22
Legal Fees	6,167 51		6,167 51
Legal Disbursement	825 00		825 00
Agents/Valuers Fees	5,000 00		5,000 00
Agents/Valuers Disbursements	297 00		297 00
Insurance of Assets	2,641 85		2,641 85
Lloyds Banking Group	361,001 42		361,001 42
Specific Bond		360 00	360 00
Pre Appointment Disbursements		2,235 50	2,235 50
Section 98 Fee		6,000 00	6 000 00
Statement of Affairs Fee		6,000 00	6,000 00
Liquidator's Remuneration		5,943 63	5,943 63
Liquidator's Disbursements		1,051 73	1,051 73
Agents/Valuers Fees		2,500 00	2,500 00
Agents/Valuers Disbursements		300 00	300 00
Legal Fees		1,402 50	1,402 50
	380,000.00	25,793 36	405,793.36
Balance	0 00	4,971.11	4,971 11

MADE UP AS FOLLOWS

Vat Receivable	3,046 18
Svenska Handelsbanken AB (publ)	1,011 49
Fixed Ch Vat Receivable	913 44
	4,971.11

Time Entry - SIP9 Time & Cost Summary

0210 - Beech Holdings Limited Via Fireplace Megastore
All Post Appointment Project Codes
From 03/06/2014 To 02/06/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	3 30	4 30	14 60	0 50	22 70	7 222 00	318 15
Creditors	0 20	14 40	3 80	3 80	22 20	6 925 00	311 94
Investigations	1 40	4 20	2 00	0 00	7 60	2 620 00	344 74
Meeting Reports & Reviews	2 80	3 30	7 80	0 00	13 90	4 576 00	329 21
Realisation of Assets	8 60	18 60	1 40	0 00	28 60	10 363 00	362 34
Taxation	0 00	0 00	7 10	0 00	7 10	2 094 50	295 00
Total Hours	16 30	44 80	36 70	4 30	102 10	33 800 50	331 05
Total Fees Claimed						10,010 85	
Total Disbursements Claimed						1,051 73	

Time Entry - SIP9 Time & Cost Summary

0210 - Beech Holdings Limited t/a Fireplace Megastore
All Post Appointment Project Codes
From 03/06/2015 To 02/06/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.20	0.00	2.50	0.00	2.80	847.00	302.50
Creditors	0.00	0.00	0.00	3.80	3.80	684.00	180.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Meeting Reports & Reviews	0.50	1.00	7.80	0.00	9.30	2,851.00	306.56
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxation	0.00	0.00	3.50	0.00	3.50	1,032.50	295.00
Total Hours	0.70	1.00	13.80	3.80	19.40	5,414.50	279.10
Total Fees Claimed						10,010.85	
Total Disbursements Claimed						1,051.73	

MPH Recovery

Fees and Disbursements Policy in Administrations / Bankruptcies / Liquidations from 1 June 2016

Fees

The fees of the Administrator / Trustee / Liquidator are fixed by reference to time properly spent by the Administrator / Trustee / Liquidator and his staff in attending to all matters arising in the Administration / Bankruptcy / Liquidation unless otherwise agreed with the creditors. The Administrator / Trustee / Liquidator and his staff charge time to all insolvency cases in units of 6 minutes. Charge Out Rates are subject to annual review.

Charge Out Rates (Per Hour)

Staff Grade	Rate Per Hour
	£
Director	400
Senior Manager	350
Manager	300
Administrator	225
Assistant	95

Standard Activity (Examples of Work)

Investigations/ Realisations/Taxation/Reports /Admin/Planning/Creditors/Claims

Disbursements

In dealing with the Administration / Bankruptcy / Liquidation, the Administrator / Trustee / Liquidator will incur specific expenses and disbursements that are recoverable from the assets available in the Administration / Bankruptcy / Liquidation in accordance with Rule 2 106 / Rule 6 224 / Rule 4 218 of the Insolvency Rules. These are referred to as Category 1 disbursements (Creditor approval not required). In addition to specific out of pocket expenditure, the Administrator / Trustee / Liquidator will also recover shared or allocated costs of an incidental nature directly incurred on the case. These are referred to as Category 2 disbursements (Creditor approval required).

Where no specific provision is made, other expenses and disbursements, Category 1 and 2, are recovered as follows:

Expense Type		Basis of Charge
Internal Room Hire (for each statutory meeting of creditors)		£175 per meeting
Mileage		75p per mile
Search costs		At Cost
Storage of books and records		At Cost
Creditor circulars/notification		Postage At Cost

Should any creditor require further information in respect of fees or expenses, then please contact the Administrator / Trustee / Liquidator.

MPH Recovery

Fees and Disbursements Policy in Administrations / Bankruptcies / Liquidations to 31 May 2016

Fees

The fees of the Administrator / Trustee / Liquidator are fixed by reference to time properly spent by the Administrator / Trustee / Liquidator and his staff in attending to all matters arising in the Administration / Bankruptcy / Liquidation unless otherwise agreed with the creditors. The Administrator / Trustee / Liquidator and his staff charge time to all insolvency cases in units of 6 minutes. Charge Out Rates are subject to annual review.

Charge Out Rates (Per Hour)

Staff Grade	Rate Per Hour
	£
Director	400
Manager	350
Administrator	295
Assistant	180

Standard Activity (Examples of Work)

Investigations/ Realisations/Taxation/Reports /Admin/Planning/Creditors/Claims

Disbursements

In dealing with the Administration / Bankruptcy / Liquidation, the Administrator / Trustee / Liquidator will incur specific expenses and disbursements that are recoverable from the assets available in the Administration / Bankruptcy / Liquidation in accordance with Rule 2 106 / Rule 6 224 / Rule 4 218 of the Insolvency Rules. These are referred to as Category 1 disbursements (Creditor approval not required). In addition to specific out of pocket expenditure, the Administrator / Trustee / Liquidator will also recover shared or allocated costs of an incidental nature directly incurred on the case. These are referred to as Category 2 disbursements (Creditor approval required).

Where no specific provision is made, other expenses and disbursements, Category 1 and 2, are recovered as follows:

Expense Type		Basis of Charge
Internal Room Hire (for each statutory meeting of creditors)		£175 per meeting
Mileage		75p per mile
Search costs		At Cost
Storage of books and records		At Cost
Creditor circulars/notification		Postage At Cost

Should any creditor require further information in respect of fees or expenses, then please contact the Administrator / Trustee / Liquidator.