

No 005895 of 2011

IN THE MATTER OF
HYPER VALUE (HOLDINGS) LIMITED – IN LIQUIDATION
("THE COMPANY")
COMPANY NO 01546677

REPORT OF THE JOINT LIQUIDATORS
PURSUANT TO RULE 4.49B
OF THE INSOLVENCY RULES 1986 (AS AMENDED)

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HYPER VALUE (HOLDINGS) LIMITED – IN LIQUIDATION

TABLE OF CONTENTS

	Page
Introduction	2
Receipts and Payments Account	2
Asset Realisations	2
– Dividend Prospects	2
Costs of Realisation	2
Joint Liquidators' Remuneration and Disbursements	3
Charge Out Rates	3
Right to Request Further Information	3
Investigations	4
Conclusion	4

APPENDICES

Appendix 1	Receipts & Payments Account
Appendix 2	Summary of Joint Liquidators' Timecosts & Disbursements
Appendix 3	Chargeout Rates & Disbursements Recovery Policy
Appendix 4	Extracts of 4 49E and 4 131 of the Insolvency Rules 1986 (as amended)

HYPER VALUE (HOLDINGS) LIMITED – IN LIQUIDATION

REPORT OF THE JOINT LIQUIDATORS

20 DECEMBER 2012

INTRODUCTION

I, Adrian Hyde, of Chantrey Vellacott DFK, Russell Square House, 10-12 Russell Square, London, WC1B 5LF, together with my partner, Kevin Murphy, was appointed Joint Liquidator of the Company on 26 October 2011 following a Winding Up Order made in the High Court of Justice on 5 September 2011 under reference number 005895 of 2011

In accordance with Rule 4 49B of The Insolvency Rules 1986 (as amended), I am pleased to present my report on the progress in the Liquidation. This report relates to the period from 26 October 2011 to 25 October 2012

RECEIPTS AND PAYMENTS ACCOUNT

An abstract of the Joint Liquidators' Receipts and Payments for the period concerned is attached at Appendix 1

ASSET REALISATIONS

The Official Receiver's handover papers indicated that there were no tangible assets and to date there has been no asset realisations

The Joint Liquidators investigations into possible asset recoveries are ongoing

DIVIDEND PROSPECTS

Dividend prospects are reliant on the outcome of the Joint Liquidators' investigations which are presently ongoing

Prescribed Part

Pursuant to Section 176A of The Insolvency Act 1986 (as amended), a Prescribed Part of the Company's net assets should be set aside for the benefit of unsecured creditors. This reduces the funds that would otherwise be made available to any secured creditor under Floating Charges created after 15 September 2003

There are no known secured creditors and as such, there is no Prescribed Part applicable in this case

Unsecured Creditors

To date, six creditor claims totalling £3,490,322 have been received from unsecured creditors

COSTS OF REALISATION

No payments have been made from the liquidation

JOINT LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

At the Meeting of Creditors held on 17 January 2012 creditors passed a resolution enabling the Joint Liquidators to draw their remuneration based on their firm's time costs, and to draw Category 2 disbursements

A tabulation of the total time spent, analysed by grade of staff, is attached at Appendix 2

In accordance with the Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals and adopted by my professional licensing body, I advise that the overall time spent during the period of this report and charge out value of that time is 161 hours and £39,605 50 respectively. This equates to an average hourly charge out rate of £246 00 per hour. These figures do not include VAT

The Joint Liquidators have not drawn any funds in respect of the time costs they have incurred

The work carried out by the Joint Liquidators is derived from the responsibilities placed upon them by the underlying legal and regulatory framework for work of this nature and has been performed by the Joint Liquidators and by the assignment manager and administrator. Their work has been supported by secretarial staff and the cashiers. All personnel were charged directly to the assignment for all of the time relating to the case.

Disbursements represent the reimbursement of actual out-of-pocket payments made on behalf of the assignment. No disbursements have been drawn from the case.

CHARGE OUT RATES

In common with other professional firms, our charge out rates increase from time to time over the period of the administration of the case. I enclose an explanation of office holders charging and disbursement recovery policies for your reference as Appendix 3.

A Creditors' Guide to Joint Liquidators' Fees, which provides information for creditors in relation to the remuneration of the Joint Liquidators, can be accessed at the website of the Association of Business Recovery Professionals at <http://www.r3.org.uk/index.cfm?page=1380>. Alternatively, I can provide you with a copy on written request to my office.

RIGHT TO REQUEST FURTHER INFORMATION

I would draw your attention to Rule 4 49E and Rule 4 131 of the Insolvency Rules 1986 (as amended), the text of which is reproduced at Appendix 4. These Rules set out the circumstances under which creditors may request further information in

relation to the Joint Liquidators' remuneration and expenses and their right to challenge the Joint Liquidators' remuneration and expenses

INVESTIGATIONS

In accordance with the Directors Disqualification Act 1986, the Official Receiver is responsible for submitting a report in relation to the Director's/Directors conduct. If creditors have any information they believe should be brought to the Official Receiver's attention, please forward such details to me in writing so that I may pass this on.

CONCLUSION

The liquidation cannot yet be concluded due to the Joint Liquidators' ongoing investigations into the affairs of the Company.

Creditors will receive a further report on the progress of the liquidation within two months of the next anniversary of the appointment of the Joint Liquidators or at the conclusion of the liquidation, whichever is sooner.

Should you require any further information in addition to that already given, please contact Lee Spencer at this office by telephone on 020 7509 9120 or by e-mail at lspencer@cvsdfk.com



A C HYDE

Joint Liquidator

Licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

**Hyper Value (Holdings) Limited
(In Liquidation)**

**Joint Liquidators' Abstract Of Receipts And Payments
To 25 October 2012**

RECEIPTS	Total (£)
Residual Cash at Eversheds	905 38
Deposit on Creditor's Petition	1,165 00
	<hr/>
	2,070 38
	<hr/>
PAYMENTS	
OR's Company Liquidation Admin Fee	2,235 00
Bank Charges	76 00
	<hr/>
	2,311 00
Balances in Hand	(240 62)
	<hr/>
	2,070 38
	<hr/>

HYPER VALUE (HOLDINGS) COMP - HYPE47153

Time and Chargeout Summary for the period 26/10/2011 to 25/10/2012							
Classification of work function	Hours				Total Hours	Time Cost £	Average hourly rate £
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff			
Administration & Planning							
(A)Appointment Documents	0 40	34 30	0 30	0 00	35 00	11 032 50	315 21
(A)Appointment Meetings	0 20	4 80	0 00	0 00	5 00	1 602 00	320 40
(A)Case Reviews	0 40	0 00	1 70	0 00	2 10	461 00	219 52
(A)Cashing	0 00	0 00	0 60	1 80	2 40	376 00	156 67
(A)General Administration	0 20	0 00	9 60	8 70	18 50	2 399 00	129 68
(A)Money Laundering & ethics	0 00	0 10	0 40	0 00	0 50	95 50	191 00
(A)Pension Matters	0 00	0 00	0 70	0 00	0 70	112 00	160 00
(A)SOA/DOS	0 00	1 10	0 00	0 00	1 10	346 50	315 00
(A)Statutory Filing advertising & bordereau	0 00	0 00	0 60	0 00	0 60	96 00	160 00
Total for Administration & Planning	1 20	40 30	13 90	10 50	65 90	16,520 50	250 69
Investigations							
(I)Antecedent Transactions	0 00	1 00	0 00	0 00	1 00	315 00	315 00
(I)D Conduct reports/returns	0 20	0 00	1 70	0 00	1 90	362 00	190 53
(I)Investigations (not SIP2/CDDA)	8 20	18 10	6 00	0 00	32 30	10,369 50	321 04
Total for Investigations	8 40	19 10	7 70	0 00	35 20	11,046 50	313 82
Realisation of Assets							
(R)Cash at Bank—	0 00	0 00	0 50	0 00	0 50	80 00	160 00
(R)Contributions	0 00	0 00	0 60	0 00	0 60	96 00	160 00
(R)Insurance	0 00	0 00	0 40	0 00	0 40	64 00	160 00
(R)Other Assets	0 00	0 00	0 50	0 00	0 50	80 00	160 00
(R)Property	0 60	1 10	19 20	0 00	20 90	3 688 50	176 48
Total for Realisation of Assets	0 60	1 10	21 20	0 00	22 90	4,008 50	175 04
Creditors							
(C)Claims & Proofs	0 10	0 50	1 60	0 00	2 20	494 50	224 77
(C)Committee reports notices and	0 60	4 70	4 50	0 00	9 80	2 542 50	259 44
(C)Correspondence	0 00	1 00	3 20	0 00	4 20	827 00	196 90
(C)Meetings	1 40	0 00	5 50	0 00	6 90	1 510 00	218 84
(C)Reports & Circulars	0 10	0 00	6 10	0 00	6 20	1 021 00	164 68
(C)Sec Claims & Proofs	0 00	0 30	0 00	0 00	0 30	94 50	315 00
(C)Sec Correspondence	0 00	0 30	0 00	0 00	0 30	94 50	315 00
(C)Sec Reports & Circulars	0 00	2 00	0 00	0 00	2 00	630 00	315 00
Total for Creditors	2 20	8 80	20 90	0 00	31 90	7,214 00	226 14
Fixed Charge Matters							
(F)Other	0 00	0 00	1 80	0 00	1 80	288 00	160 00
(F)Property	0 00	0 00	3 30	0 00	3 30	528 00	160 00
Total for Fixed Charge Matters	0 00	0 00	5 10	0 00	5 10	816 00	160 00
Total Hours	12 40	69 30	68 80	10 50	161 00	39,605 50	246 00
Total fees Claimed	5,580 00	21,829 50	11,161 00	1,035 00	39,605 50		

Category 2 Disbursements	
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and Purpose	£
Land Registry	32 00
Storage	83 88
Bond	20 00
Statutory Advertising	153 00
	288 88

CHANTREY VELLACOTT DFK LLP

CHARGEOUT RATES AND DISBURSEMENT RECOVERY POLICIES

Chargeout Rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the firm's chargeout rates applicable to this appointment, exclusive of VAT, are as follows

	From 1 July 2011 £ per hour
Partners / Office Holders	350 - 450
Consultants	350 - 450
Directors	325 - 340
Senior Manager	300 - 315
Managers	280 - 295
Assistant Managers	260 - 275
Senior Executive	220 - 250
Executive	125 - 175
Analyst	100 - 105
Cashier	120 - 160
Secretaries and office admin support	80 - 110

Chargeout rates are normally reviewed annually on 1 July when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. It is the firm's policy for the cashier's time spent on an assignment to be charged to the case. However, secretarial and office admin support time is charged only in respect of identifiable blocks of time devoted to the case where we consider it to be viable to do so. All time is recorded in 6 minute units.

Direct expenses ("Category 1 Disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost with no uplift. These include but are not limited to such items as case advertising, storage, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 Disbursements")

It is our normal practice to also charge the following indirect disbursements ("Category 2 Disbursements as defined by SIP 9) to the case, where appropriate:

Circulars to creditors

Plain/headed paper including photocopying	12p per side
Envelopes	12p each
Postage	Actual cost

Room Hire

For the convenience of creditors and to save the cost of booking an outside hotel room, meetings of creditors are occasionally held internally at our offices. Where meetings of creditors are held in one of our internal meeting rooms, a charge of £100 plus VAT is levied to cover the cost of booking the room.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the H M Revenue & Customs approved rate, currently 40p per mile.

All of the above costs are subject to amendment by the firm at any time and if amended will be notified to creditors with the next circular sent to all creditors.

Company Searches & Electronic Verification of Identity

Included in expense and/or disbursements. Company Searches and electronic Verification of Identity include an element of shared costs. Such expenses are of an incidental nature but are generally incurred on each case. In line with the cost of the external provision of such services a charge of £15 plus VAT is levied to cover the cost of these searches.

Chantrey Vellacott DFK LLP

Effective 1 July 2011

Chantrey Vellacott DFK is a limited liability partnership registered in England and Wales (NoOC313147) whose registered office is at Russell Square House, 10-12 Russell Square, London, WC1B 5LF. The term 'partner' denotes a member of a limited liability partnership. A list of members of Chantrey Vellacott DFK LLP is available at our registered office.

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CHARGEOUT RATES AND DISBURSEMENT RECOVERY POLICIES

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Extracts of 4.49E and 4 131 of The Insolvency Rules 1986 (as amended)

4 49E Creditors' and Members' request for further information

4 49E(1) [Duty of Liquidator re remuneration or expenses] If-

- (a) within the period mentioned in paragraph (2)-
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) 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, or
- (b) with the permission of the court upon an application made within that period mentioned in paragraph (2)-
 - (i) any unsecured creditor, or
 - (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

4 49E(2) [Period for compliance with r 4 49E(1)] The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report which it is required by Rule 4 108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

4 49E(3) [How liquidator to comply] The liquidator complies with this paragraph by either-

- (a) providing all the information asked for, or
- (b) so far as the liquidator considers that-

- (i) the time or cost of preparation of the information would be excessive, or
- (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
- (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

4 49E(4) [Application to court by creditors and members] Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of-

- (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

4 49E(5) [Court may extend period in rr 4 131(1B), 4 148C(2)] Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4 148C(2) by such further period as the court thinks just

4 49E(6) [Non-application to official receiver] This Rule does not apply where the liquidator is the official receiver

4 131 Creditors' claim that remuneration is or other expenses are excessive

4 131(1) [Secured or certain unsecured creditors may apply to court] Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

4 131(1A) [Grounds for application] Applications may be made on the grounds that-

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

4 131(1B) [Time limit for application] The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in the case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

4 131(2) [Power of court to dismiss etc] The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

4 131(3) [Notice to liquidator] The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

4 131(4) [Court order] 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 liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced 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 liquidation,
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

4 131(5) [Costs of application] Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation