

Liquidator's Progress Report

Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986

S.192

To the Registrar of Companies

Company Number

01779190

Name of Company

(a) Insert full name of
company

(a) Focus (DIY) Limited

(b) Insert full name(s)
and address(es)

We, _____

Simon Allport, 100 Barbirolli Square, Manchester, M2 3EY

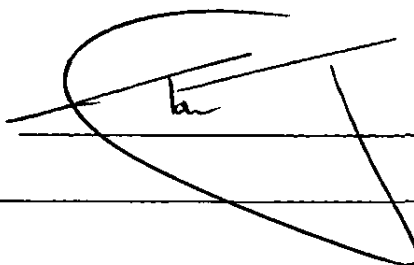
Thomas Andrew Jack, 100 Barbirolli Square, Manchester, M2 3EY

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 6 January 2015

to 27 March 2015

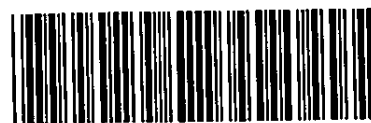
Signed



Date 30 April 2015

Presenter's name,
address and reference
(if any)

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COMPANIES HOUSE



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M2 3EY

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TO MEMBERS AND ALL KNOWN CREDITORS

30 April 2015

Ref CR/SA/CB/TWR/RD/NWM1139/PCF/D21 1

Direct line 0161 333 2902
Direct fax 0161 333 3008

Please ask for Rhys Davenport

Dear Sir or Madam

Focus (DIY) Limited (in Creditors' Voluntary Liquidation) ('the Company')

In accordance with the provisions of Paragraph 83 of Schedule B1 to the Insolvency Act 1986, on 26 October 2012 the Company moved from Administration into Creditors' Voluntary Liquidation ('CVL' or 'Liquidation') with Thomas Jack and I appointed as Joint Liquidators

In accordance with Section 106 of the Insolvency Act 1986 the final meetings of the members and creditors were held on 27 March 2015 at 11 00am and 11 30am respectively at the offices of Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY. The purpose of these meetings was to provide an account of the winding up of the Company

The meetings were a statutory formality and no further information was given, other than that provided in our report dated 23 January 2015. No resolutions were proposed for the meetings and no quorum was present

This final progress report covers the period 6 January 2015 to 27 March 2015 ('the Period') and should be read in conjunction with my previous reports in the Liquidation dated 12 December 2013, 17 December 2014 and 23 January 2015

We are required to provide certain information about the Company and the Former Joint Liquidators in accordance with the provisions of the Insolvency Rules 1986 ('the Rules'). This information can be found at Appendix A of this report. A copy of our receipts and payments account for the Period 26 October 2012 to 27 March 2015 is enclosed at Appendix B

Background

The Company was the sole trading company within a group operating in DIY and gardening retail, trading from 177 stores nationally

The Company entered into Administration on 5 May 2011, with Thomas Jack, Alan Hudson and myself appointed as Joint Administrators. On entering CVL, the Administration closed on 26 October 2012. The Joint Administrators sought and received from the Company's creditors, discharge from liability of office

Summary of progress during the Period

Assets realised

As noted in my previous report dated 23 January 2015, no assets remained to be realised by the Company during the Period

Liabilities discharged

As noted in my previous report dated 23 January 2015, no liabilities remained to be discharged by the Company during the Period

Outcome for creditors

Secured creditors

GMAC Commercial Finance Limited ('GMAC') and Bank of Scotland plc ('BoS') provided a revolving credit facility to the Company and the wider Focus group and are the Company's first-ranking secured lenders. The total amounts owing to them as at 5 May 2011 was £32.2m. GMAC and BoS have been repaid in full.

FLP3 Limited ('FLP3'), the Company's second-ranking secured creditor, had total amounts owing to it at the date of appointment of Joint Administrators of £214.7m (before the application of any relevant charges or fees). Distributions of £55.4m have been made to date in the Administration and Liquidation periods, with no further distributions made during the Period. The total realisations available for distribution to FLP3 were significantly less than the amount owed to them by the Company at the date of appointment of the Joint Administrators.

There was a further class of secured creditors to the Company in the form of mezzanine noteholders, whose security was subordinated to FLP3's secured debt. No funds were available for distribution to the mezzanine debt holders under their security.

Preferential creditors

Preferential creditor claims relating to employee arrears of pay and holiday totalling £1.5m were repaid in full during the Administration.

Non-preferential creditors

The Prescribed Part is a proportion of floating charge assets set aside for non-preferential creditors pursuant to section 176A of the Insolvency Act 1986. The Prescribed Part applies to floating charges created on or after 15 September 2003 and applied to this Liquidation.

The Prescribed Part was distributed to the Company's non-preferential creditors on 4 June 2014. The value of the Prescribed Part was the maximum of £600,000 (before associated costs of dealing with the Prescribed Part) and represented a dividend rate of 0.07 pence in the pound.

Following expiration of Prescribed Part distribution cheques on 4 December 2014, six months from the date of issue, unclaimed dividends totalling £5,698.34 were paid into the Insolvency Services Account (ISA) on 23 January 2015 and can be claimed by contacting The Insolvency Service at Estate Accounts & Insolvency Practitioner Services, Unclaimed Monies Team, PO Box 3690, Birmingham, B2 4UY.

In accordance with Rule 11.7 of the Insolvency Rules 1986, notice that there would be no further dividend to creditors of the Company was enclosed in my previous report dated 23 January 2015

Joint Liquidators' remuneration

The Joint Liquidators' remuneration was fixed by the secured creditors and the preferential creditors of the Company, on the basis of time properly incurred by the Joint Liquidators and their team in attending to matters arising in the Liquidation

The Joint Liquidators incurred total time costs of £965,149 (including costs of dealing with the Prescribed Part) during the Liquidation. An analysis of time costs and disbursements for the Company is attached at Appendix C to this report. At Appendix D there is a statement of the Joint Liquidators' policy in relation to charging time and disbursements

Joint Liquidators' statement of disbursements incurred

During the Liquidation, expenses totalling £9,800 plus VAT were incurred. The expenses can be summarised as follows:

Type of expense	Incurred (£)	Paid (£)	Outstanding (£)
Category 1 expenses	695.47	695.47	NIL
Category 2 expenses: Postage and printing	9,104.79	9,104.79	NIL
Total	9,800.26	9,800.26	NIL

Category 2 disbursements comprise payments made by the office holders' firm which include elements of shared or overhead costs. Such disbursements are subject to approval from the secured and preferential creditors as if they were remuneration. It is our policy, in line with Statement of Insolvency Practice No. 9, to seek approval for this category of disbursement before they are drawn and this has now been obtained and disbursements now drawn.

Creditors' rights to further information about, and challenge, remuneration and expenses

The statutory provisions relating to remuneration are set out in Rule 4.127 to 4.131 of the Insolvency Act 1986. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Insolvency Practitioners Association at <http://www.insolvency-practitioners.org.uk> (follow 'Regulation and Guidance' then 'Creditors' Guide to Fees'), or is available in hard copy upon request from the Former Joint Liquidators.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if creditors consider the costs to be excessive. Further information is provided at Appendix E.



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Summary of future actions

Following the conclusion of the final meetings and filing of our final return and account with the Registrar of Companies we vacated office on 27 March 2015 as all matters were completed in the Liquidation. In approximately three months' time the Company will be deemed to be dissolved by the Registrar of Companies.

I trust that this report is sufficient for your purposes, if you have any queries in this matter please contact my colleague Rhys Davenport on 0161 333 2902

Yours faithfully

for Focus (DIY) Limited (in Creditors' Voluntary Liquidation)

S Allport
Former Joint Liquidator

- Enc Appendix A – Information about the Company and the Joint Liquidators
 Appendix B – Joint Liquidators' abstract of receipts and payments account for the period from
 26 October 2012 to 27 March 2015
 Appendix C – Joint Liquidators' time costs and disbursements for the period from
 26 October 2012 to 27 March 2015
 Appendix D – Joint Liquidators' policy on fees and disbursements
 Appendix E – Creditors' right to request further information about remuneration or expenses or
 to challenge a Liquidators remuneration

S Allport and T A Jack are licensed in the United Kingdom to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales

We may collect, use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998.

Focus (DIY) Limited (in Creditors' Voluntary Liquidation) ('the Company')

Information about the Company and the Joint Liquidators

Registered office address of the Company	c/o Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY
Registered number	01779190
Full names of the Joint Liquidators	Simon Allport and Thomas Andrew Jack
Joint Liquidators' address	Ernst & Young LLP 100 Barbirolli Square Manchester M2 3EY
Date of appointment of the Joint Liquidators	26 October 2012
Details of any changes of Liquidator	None
Date of vacation of office of the Joint Liquidators	27 March 2015

Any of the functions to be performed or powers executed by the Joint Liquidators' may be carried out/exercised by any of them acting alone or by any of them acting severally

Focus (DIY) Limited (in Creditors' Voluntary Liquidation)

Joint Liquidators' receipts and payments account for the period from 26 October 2012 to 27 March 2015

Statement of Affairs estimated to realise		£	£	£	£	£
Note	Receipts and payments account	26 October 2012 to 25 October 2013	28 October 2013 to 23 October 2014	26 October 2014 to 5 January 2015	8 January 2015 to 27 March 2015	Total
1 2	Receipts					
	<i>Non trading receipts</i>					
12,537 342 44*	Administration surplus	12 537 342 44				12 537 342 44
	Rates refund	168 847 06	66 531 20	1 010 38		236 388 62
	Motors held with facility agent			218 465 00		218 465 00
	Bank interest	106 273 55	26 526 34	821 16		133 621 05
	Prepayments and other assets	4 838 18	85 033 24	23 673 58		113 545 00
	Miscellaneous receipts	49 597 97				49 597 97
	Pre-Administration monies			25 477 24		25 477 24
	Insurance refund			2 991 75		2 991 75
	Debtors not subject to fixed charges	135 40	84 66			220 06
	Total	12 867 034 80	178 185 44	270 439 00		13 315 659 13
	Total receipts	12,867 034 80	178 185 44	270 439 00		13 315 659 13
1 2	Payments					
	<i>Non trading payments</i>					
	Administrators' fees	500 000 00		620 305 50		1 320 305 50
	Liquidators' fees			966 725 03		966 725 03
	Legal fees	226 470 08	6 408 65	81 687 52		314 565 25
	Prescribed Part costs		27 245 70			27 245 70
	Corporation Tax payment		20 712 20	5 969 14		26 681 34
	Professional fees		25 435 52			25 435 52
	Sundry expenses	3 347 64		22 005 04		25 352 68
	Storage charges	2 141 49	751 89	20 384 65		23 278 23
	Utilities payment		11 044 95			11 044 95
	Liquidators' disbursements			9 800 26		9 800 26
	Unclaimed dividend cheques sent to ISA			5 672 64		5 672 64
	Administrators' disbursements			293 88		293 88
	Public notices	78 50		78 50		157 00
	Bank charges	8 94	3 90	48 10		60 94
	ISA fee			25 75		25 75
	Total	732 053 85	91 802 81	1 932 974 21		2 756 830 87
	<i>Distributions</i>					
	Secured creditors	2 800 000 00	6 200 000 00	1 443 338 00		10 243 338 00
	Prescribed Part distribution		315 692 46			315 692 46
	Total	2 800 000 00	6 515 692 46	1 443 338 00		10 559 028 46
	Total payments	3 332 053 85	6 607 295 27	3 376 310 21		13 315 659 13
	Balance in hand					

Notes

- This receipts and payments account is shown net of VAT
- This receipts and payments account has been prepared on a cash basis and does not reflect debts not yet collected nor liabilities not yet paid
- Prescribed Part set at the maximum limit allowed per section 176A Insolvency Act 1986
- The amount paid to unsecured creditors by virtue of the application of the Prescribed Part was £315,692.46

Statement of Affairs estimated to realise column is a requirement of Statement of Insolvency Practice 7. No Statement of Affairs is required in the Liquidation. Estimated to realise values have been taken at the date of appointment of the Joint Liquidators.

Focus (DIY) Limited (in Creditors' Voluntary Liquidation)

Joint Liquidators' time costs for the period from 26 October 2012 to 27 March 2015

	Partner / Director	Assistant Director	Senior Executive	Executive	Analyst	Total hours	Time cost £	Average hourly rate £
Job acceptance & strategy	20	50	-			70	3,205	458
Immediate tasks	20	205				225	9,605	427
Bank & statutory reporting	205	255	443	928	-	1831	58,371	319
Property	425	568	70	736	1008	2807	81,164	289
Debtors	-	-	80			80	2,785	348
Other assets	-	-	40		-	40	1,280	320
Trading			305	45		350	11,635	332
Retention of title	40	205	50	215	292	802	21,514	268
Creditors	747	3650	474	4917	1,0712	20500	476,886	233
Investigations	40	60	100			200	7,730	387
Legal issues	52	410		240	70	772	26,177	339
Employee matters	10	195	-	524	308	1037	25,517	246
Accounting & administration	370	388	1380	981	2417	5536	139,681	252
Statutory duties	290	205	324		170	989	36,152	366
VAT & taxation	195	136	142	180	689	1342	44,738	333
Other matters	55	350	20		40	465	18,708	402
Total hours	2469	8877	3428	8768	1,5708	3,7048		
Time costs (£)	137,546	285,949	118,877	209,838	214,939		965,149	
Average hourly rate (£)	557	428	341	239	137		261	
		£						
Category 1 disbursements		69547						
Category 2 disbursements		910479						
Total disbursements		9,80026						

		Effective rate from 1 July 2014	Effective rate from 1 July 2013	Effective rate from 1 July 2012
Current charge out rates	Grade			
Restructuring	Partner	630-895	600-850	570-810
	Director	515-855	490-815	465-775
	Assistant Director	450-675	430-595	410-610
	Senior Executive	350-460	335-440	320-420
	Executive	250-340	195-325	230-310
	Analyst	140-310	135-295	130-280
	Intern	105	25-100	20-95
Assurance	Executive	-		255-380
Tax	Partner	1 070-1 290	925-1 170	925-1 115
	Director	905-1 290	820-965	650-1 115
	Assistant Director	735-1 045	665-945	545-900
	Manager	620-775	565-705	420-670
	Executive	370-570	335-520	345-495
	Analyst	85-350	105-315	65-395
	Intern	-	30	25



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Focus (DIY) Limited (in Creditors' Voluntary Liquidation)

Joint Liquidators' policy on fees and disbursements

Joint Liquidators' charging policy for remuneration

The secured and preferential creditors have determined that the Joint Liquidators' remuneration should be fixed on the basis of time properly spent by the Joint Liquidators and their staff in attending to matters arising in the Liquidation

The Joint Liquidators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Liquidators

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown below, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report. Time is recorded in units of six minutes

Joint Liquidators' charging policy for disbursements

Statement of Insolvency Practice No. 9 (SIP9) published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without approval. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as required to support the disbursements drawn

Category 2 disbursements comprise payments made by the office holders' firm which include elements of shared or overhead costs. Such disbursements are subject to approval from the creditors as if they were remuneration. It is our policy, in line with SIP 9, to seek approval for this category of disbursement before they are drawn

Creditors' rights to request further information about remuneration or disbursements or to challenge a liquidator's remuneration – Rules 4.49E and 4.131 of the Insolvency Rules 1986 (as amended)

4.49E Creditors' request for further information

- 1) 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
 - b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor,

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
- 2) The period referred to in paragraph (1)(a) and (b) is
 - a) 7 business days of receipt of the progress report where it is required by Rule 4 108, and
 - b) 21 days of receipt of the report or draft report in any other case
- 3) The liquidator complies with this paragraph by either
 - a) providing all of 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) Any creditor, who need not be the same as the creditors 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
- 5) 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
- 6) This Rule does not apply where the liquidator is the official receiver



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4.131 Creditors' claim that remuneration is or other expenses are excessive

- 1) 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)

(1A) Application 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 the circumstances, excessive or, in the case of an application under sub-paragraph(b), inappropriate

(1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a 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")

- 2) 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

- 3) 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) 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

- 5) 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

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