

In accordance with
Rule 18.7 of the
Insolvency (England &
Wales) Rules 2016 and
Sections 92A, 104A and
192 of the Insolvency
Act 1986.

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



A6XZOX0B

A12

19/01/2018

#188

COMPANIES HOUSE

1 Company details

Company number 0 2 6 9 6 9 9 4

Company name in full Furniture 123 Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Michael

Surname Chamberlain

3 Liquidator's address

Building name/number Resolution House

Street 12 Mill Hill

Post town Leeds

County/Region

Postcode L S 1 5 D Q

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator
Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6

Period of progress report

From date	d	1	2	m	1	2	y	2	0	1	6
To date	d	1	1	m	1	2	y	2	0	1	7

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X

M Chamber

X

Signature date

d	1	1	m	0	1	y	2	0	1	8
---	---	---	---	---	---	---	---	---	---	---

LIQ03

Notice of progress report in voluntary winding up

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	David Render
Company name	Chamberlain & Co
Address	Resolution House
	12 Mill Hill
Post town	Leeds
County/Region	
Postcode	L S 1 5 D Q
Country	
DX	
Telephone	0113 2420808

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Furniture 123 Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 12/12/2016 To 11/12/2017 £	From 12/12/2012 To 11/12/2017 £
	ASSET REALISATIONS		
7,405.00	Chattel Assets	NIL	NIL
23,960.00	Stock	NIL	15,935.00
	Sale of Shares in Hive Down company	NIL	71,000.00
	VAT Refund	NIL	NIL
7,000.00	Cash at Bank	NIL	11,800.00
	Corporation Tax Refund	NIL	818.92
100,000.00	Goodwill/Website	NIL	NIL
	Rates Refund	NIL	650.53
	Bank Interest Gross	7.49	71.12
	Refund of company credit card charge	NIL	3.50
		7.49	100,279.07
	COST OF REALISATIONS		
	Specific Bond	NIL	840.00
	Preparation of S. of A.	NIL	6,000.00
	Pre Appt Costs re Asset Sale	NIL	6,575.75
	Liquidator's Remuneration	NIL	38,628.30
	Search Fees	NIL	8.00
	Agents/Valuers Fees	NIL	5,841.26
	Accountancy Fees	NIL	100.00
	Legal Fees	NIL	5,525.00
	Tax Advice	NIL	45.00
	Warehouse Lien	NIL	10,018.82
	Company Formation Fee	NIL	50.00
	Room Hire	NIL	NIL
	Storage Costs	187.31	1,096.91
	Statutory Advertising	NIL	198.00
	Computer Hardware	NIL	34.65
	Insurance of Assets	NIL	127.20
		(187.31)	(75,088.89)
	PREFERENTIAL CREDITORS		
(1,544.55)	Employees - Wage Arrears	NIL	NIL
(5,640.97)	Employees - Holiday Pay	NIL	NIL
	Pref Divid. 100.00p in £	NIL	5,223.01
		NIL	(5,223.01)
	UNSECURED CREDITORS		
(272,506.72)	Trade & Expense	NIL	NIL
(43,242.68)	Employees - Redundancy	NIL	NIL
(50,700.43)	Employees - Pay in Lieu of Notice	NIL	NIL
(14,084.22)	Directors	NIL	NIL
(14,214.63)	HM Revenue & Customs - VAT	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(118,839.00)	Ordinary Shareholders	NIL	NIL
(1,723,000.00)	Share Premium	NIL	NIL
		NIL	NIL
(2,105,408.20)		(179.82)	19,967.17

Current A/c
Vat Control Account

19,904.47

62.70

19,967.17



Michael Chamberlain
Liquidator

Liquidator's Annual Progress Report to Creditors & Members

**Furniture 123 Limited
- In Liquidation**

Period ended: 11 December 2017

Dated: 11 January 2018

FURNITURE 123 LIMITED - IN LIQUIDATION

CONTENTS

- 1** Introduction and Statutory Information
- 2** Receipts and Payments
- 3** Progress of the Liquidation
- 4** Creditors
- 5** Liquidator's Remuneration
- 6** Creditors' Rights
- 7** Next Report

APPENDICES

- A** Receipts and Payments Account for the Period from 12 December 2016 to 11 December 2017 together with a Cumulative Receipts and Payments Account from the date since the Liquidator's Appointment to the end of the Period.
- B** Time Analysis for the Period from the 12 December 2016 to 11 December 2017
- C** A Cumulative Time Analysis from the date since the Liquidator's Appointment to the end of the Period.
- D** Additional information in relation to Liquidator's Fees, Expenses & Disbursements.

1 Introduction and Statutory Information

- 1.1 I, Michael Chamberlain of Chamberlain & Co, Resolution House, 12 Mill Hill, Leeds, LS1 5DQ, was appointed as Liquidator of Furniture 123 Limited (the **Company**) on 12 December 2012. This progress report covers the period from 12 December 2016 to 11 December 2017 (**the Period**) and should be read in conjunction with any previous progress reports which have been issued.
- 1.2 The principal trading address of the Company was Sandway Business Centre, Shannon Street, Leeds, LS9 8SS.
- 1.3 The registered office of the Company was Sandway Business Centre, Shannon Street, Leeds, LS9 8SS and its registered number is 02696994.

2 Receipts and Payments

- 2.1 My Receipts and Payments Account covering the Period of this report is attached at Appendix A, together with a Cumulative Receipts and Payments Account from the date of my appointment as Liquidator to the end of the Period.
- 2.2 In addition to asset realisations, £7.49 has been received in respect of interest during the Period.

3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and his staff.

Administration

- 3.2 A liquidator must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. This work includes dealing with the Company's creditors and employees together with administrative tasks associated with the appointment, such as agreeing the strategy for the liquidation, filing notices of appointment, statutory advertising, opening and maintaining the estate cash book and bank accounts and reporting periodically to creditors, HMRC and the Registrar of Companies.
- 3.3 Creditors should note that this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Realisation of Assets

Pre Appointment Hive Down of Certain Assets and Post Appointment Sale

- 3.4 Prior to the commencement of the liquidation, in order to protect the tax losses of the Company which could have been of benefit to any interested purchaser in the assets of the Company, the Company's chattel assets, goodwill, customer list, intellectual property, tax losses and website were hived down to a wholly owned subsidiary, Quedell Limited, leaving an inter-company balance owing to the Company. On 14 December 2012 a sale of the shares of Quedell Limited owned by the Company was agreed for a nominal £1 plus the settlement of the inter-company balance for £71,000 plus 20% of any corporation tax saved by Quedell Limited in the next 2 years by offsetting the tax losses carried forward against future profits of the business. The £71,000 was received on 18 December 2012. As detailed in previous reports the purchasers are in the final stages of obtaining the benefit of losses surrendered in

FURNITURE 123 LIMITED - IN LIQUIDATION

the first two years of trading from H M Revenue & Customs with the intention of making the first and final payment due under the deferred consideration as soon as it is received.

- 3.5 I am advised by the purchasers that all enquiries have now been completed by H M Revenue & Customs and they are currently calculating the amount of tax saved by Quedell Limited in order that the deferred consideration can be agreed. It is anticipated that this will be finalised shortly.
- 3.6 It is anticipated that the work which the Liquidator and his staff have undertaken to date will bring a financial benefit to creditors. This may be a distribution to secured creditors of the Company only (from which a Prescribed Part fund may be derived for the benefit of unsecured creditors) or may, depending on realisations and the extent of any third party security, result in a distribution to the preferential and/or unsecured creditors of the Company.
- 3.7 Based on the above, I currently anticipate the total costs that may be incurred in dealing with the remainder of the Company's asset realisations to be £5,000.

Creditors (claims and distributions)

- 3.8 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.9 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 3.10 The above work will not necessarily bring any financial benefit to creditors generally. However, a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

Investigations

- 3.11 You may recall from my first progress report to creditors that some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.
- 3.12 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first year of the liquidation and is confidential.
- 3.13 Since my last progress report I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors.

Matters still to be dealt with

- 3.14 The collection of the deferred consideration detailed above needs to be finalised.

FURNITURE 123 LIMITED - IN LIQUIDATION

4 Creditors

Secured Creditors

4.1 The Company had no secured creditors.

Preferential Creditors

4.2 A summary of preferential claims is detailed below.

Preferential claim	Agreed Claim £	Statement of Affairs Claim £	Dividend paid in the £
Employee claims	1,972.65		100p in the £
Department for Business, Energy & Industrial Strategy (BEIS)	3,250.36	7,186	100p in the £

4.3 I would confirm that preferential creditors were paid in full on 15 January 2015.

Unsecured Creditors

4.4 I have received claims totalling £964,927.85 from 83 creditors. The majority of this balance is made up of the Company's indebtedness to PayPal who have submitted a claim of £695,573.60 in respect of customer chargebacks.

4.5 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the **Prescribed Part**), which only applies to charges created after 15 September 2003.

4.6 I would confirm that it is anticipated there will be sufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

5 Liquidator's Remuneration

5.1 The Creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by him and his staff in managing the Liquidation.

5.2 My time costs for the Period are £2,241.00. This represents 11.10 hours at an average rate of £202 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation. To date, £38,628.30 has been drawn on account.

5.3 Attached as Appendix C is a cumulative Time Analysis for the period from 12 December 2012 to 11 December 2017 which provides details of my time costs since my appointment. The cumulative time costs incurred to date are £48,049.05. This represents 230.63 hours at an average rate of £208 per hour.

5.4 In considering the remaining work to be done in this liquidation, I currently anticipate that my time costs to complete the liquidation will be approximately £5,000. I will update creditors on this in my next progress report.

5.5 A copy of "A Creditors' Guide to Liquidators' Fees, Version 2" is available on request or can be downloaded from our website www.chamberlain-co.co.uk and is located in Creditors Guides to Fees in the Resources section.

FURNITURE 123 LIMITED - IN LIQUIDATION

- 5.6 Attached as Appendix D is additional information in relation to the Liquidator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.

6 Creditors' Rights

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

7 Next Report

- 7.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.

Yours faithfully



Michael Chamberlain
Liquidator

FURNITURE 123 LIMITED - IN LIQUIDATION

Appendix A

Receipts and Payments Account for the Period from 12 December 2016 to 11 December 2017 together with a Cumulative Receipts and Payments Account from the date since the Liquidator's Appointment to the end of the Period.

Furniture 123 Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 12/12/2016 To 11/12/2017 £	From 12/12/2012 To 11/12/2017 £
	ASSET REALISATIONS		
7,405.00	Chattel Assets	NIL	NIL
23,960.00	Stock	NIL	15,935.00
	Sale of Shares in Hive Down company	NIL	71,000.00
	VAT Refund	NIL	NIL
7,000.00	Cash at Bank	NIL	11,800.00
	Corporation Tax Refund	NIL	818.92
100,000.00	Goodwill/Website	NIL	NIL
	Rates Refund	NIL	650.53
	Bank Interest Gross	7.49	71.12
	Refund of company credit card charge	NIL	3.50
		<u>7.49</u>	<u>100,279.07</u>
	COST OF REALISATIONS		
	Specific Bond	NIL	840.00
	Preparation of S. of A.	NIL	6,000.00
	Pre Appt Costs re Asset Sale	NIL	6,575.75
	Liquidator's Remuneration	NIL	38,628.30
	Search Fees	NIL	8.00
	Agents/Valuers Fees	NIL	5,841.26
	Accountancy Fees	NIL	100.00
	Legal Fees	NIL	5,525.00
	Tax Advice	NIL	45.00
	Warehouse Lien	NIL	10,018.82
	Company Formation Fee	NIL	50.00
	Room Hire	NIL	NIL
	Storage Costs	187.31	1,096.91
	Statutory Advertising	NIL	198.00
	Computer Hardware	NIL	34.65
	Insurance of Assets	NIL	127.20
		<u>(187.31)</u>	<u>(75,088.89)</u>
	PREFERENTIAL CREDITORS		
(1,544.55)	Employees - Wage Arrears	NIL	NIL
(5,640.97)	Employees - Holiday Pay	NIL	NIL
	Pref Divid. 100.00p in £	NIL	5,223.01
		<u>NIL</u>	<u>(5,223.01)</u>
	UNSECURED CREDITORS		
(272,506.72)	Trade & Expense	NIL	NIL
(43,242.68)	Employees - Redundancy	NIL	NIL
(50,700.43)	Employees - Pay in Lieu of Notice	NIL	NIL
(14,084.22)	Directors	NIL	NIL
(14,214.63)	HM Revenue & Customs - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(118,839.00)	Ordinary Shareholders	NIL	NIL
(1,723,000.00)	Share Premium	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(2,105,408.20)</u>		<u>(179.82)</u>	<u>19,967.17</u>

Current A/c
Vat Control Account

19,904.47
62.70

19,967.17



Michael Chamberlain
Liquidator

FURNITURE 123 LIMITED - IN LIQUIDATION

Appendix B

Time Analysis for the Period from the 12 December 2016 to 11 December 2017

Chamberlain & Co**TIME & CHARGEOUT SUMMARIES**

Furniture 123 Ltd Furniture

12/12/2016 to 11/12/2017

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	0.30	7.95	0.00	0.95	9.20	1,802.00	195.87
Realisation of Assets	0.10	0.90	0.00	0.00	1.00	236.50	236.50
Creditors	0.00	0.90	0.00	0.00	0.90	202.50	225.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Time Cost	124.00	2,074.00	0.00	43.00		2,241.00	
Total Hours	0.40	9.75	0.00	0.95	11.10		
Average Rate	310.00	212.72	0.00	45.26			

Total Fees Claimed

0.00

FURNITURE 123 LIMITED - IN LIQUIDATION

Appendix C

Time Analysis for the Period from the 12 December 2012 to 11 December 2017

Chamberlain & Co

TIME & CHARGEOUT SUMMARIES

Furniture 123 Ltd Furniture

12/12/2012 to 11/12/2017

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	16.70	37.75	17.25	8.93	80.63	14,161.55	175.64
Investigations	2.90	18.30	0.00	0.00	21.20	4,209.00	198.54
Realisation of Assets	32.10	17.10	1.00	0.00	50.20	12,796.50	254.91
Creditors	28.50	40.50	8.60	1.00	78.60	16,882.00	214.78
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Time Cost	23,164.50	21,392.00	2,924.75	567.80		48,049.05	
Total Hours	80.20	113.65	26.85	9.93	230.63		
Average Rate	288.83	188.23	108.93	57.18			

Total Fees Claimed

38,628.30

FURNITURE 123 LIMITED - IN LIQUIDATION

Appendix D

Additional Information in Relation to the Liquidator's Fees, Expenses & Disbursements

8 Staff Allocation and the Use of Sub-Contractors

- 8.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 8.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 8.3 We are not proposing to utilise the services of any sub-contractors in this case.

9 Professional Advisors

- 9.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Cobbetts LLP (now DWF LLP) (legal advice)	Hourly rate and disbursements
SW Accountants (accountants fees)	Hourly rate and disbursements
Craggs & Co (tax advice)	Hourly rate and disbursements
Eddisons (valuation and disposal advice)	Hourly rate, commission at 10% and disbursements

- 9.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

10 Liquidator's Expenses & Disbursements

- 10.1 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in prior period	Paid in the period covered by this report	Incurred but not paid to date	Total anticipated costs
Agents' costs	5,841.26	0.00	0.00	5,841.26
Solicitors' costs	5,525.00	0.00	0.00	5,525.00
Tax Advice	45.00	0.00	0.00	45.00
Accountants Fees	100.00	0.00	0.00	100.00
Insurance	127.20	0.00	0.00	127.20
Statutory advertising	198.00	0.00	0.00	198.00
Specific penalty bond	840.00	0.00	0.00	840.00
External storage of books & records	909.60	187.31	0.00	1,096.91
Search Fees	8.00	0.00	0.00	8.00
Warehouse Lien	45.00	0.00	0.00	45.00
Company Formation Fee	50.00	0.00	0.00	50.00
Computer Hardware	34.65	0.00	0.00	34.65

- 10.2 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.

FURNITURE 123 LIMITED - IN LIQUIDATION

- 10.3 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. However, if this were to change, I would seek approval before they were drawn. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

11 Charge-Out Rates

- 11.1 Chamberlain & Co's charge-out rates effective from 1 September 2012 are detailed below. Were rates have changed during the Period, the new charge-out rates are also detailed below. Please note this firm records its time in minimum units of 6 minutes.

	£ per hour 01/09/2012	£ per hour 01/09/2013	£ per hour 01/09/2014	£ per hour 01/09/2015	£ per hour 01/09/2016	£ per hour 01/09/2017
Director	275-295	275-295	295-325	295-345	295-345	300-350
Manager	185-220	185-220	205-240	205-255	205-255	205-295
Administrator	105-155	105-155	105-170	105-180	105-185	105-200
Support	75-95	30-95	30-95	30-100	30-100	30-100