

The Insolvency Act 1986

Liquidator's Progress Report
Pursuant to Section 192 of
The Insolvency Act 1986**S.192**

To the Registrar of Companies

For Official Use

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Company Number

05568715

Name of Company

Firebuy Limited

☒ We
Malcolm Cohen
55 Baker Street
London
W1U 7EU

Francis Graham Newton
1 Bridgewater Place
Water Lane
Leeds
LS11 5RU

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

Signed



Date 06 AUG 2012

BDO LLP
55 Baker Street
London
W1U 7EU

Ref 00172899/MAC/FGN/DSC/SMB/D\AW/

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Insolvency Sect

Post Room

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COMPANIES HOUSE

**Firebuy Limited
(In Liquidation)
Joint Liquidators' Trading Account**

Statement of Affairs	From 13/07/2011 To 12/07/2012
TRADING EXPENSES	
Travel & Accommodation	8 00
Trading expenses	<u>2,000 00</u>
	<u>(2,008 00)</u>
TRADING SURPLUS/(DEFICIT)	<u><u>(2,008.00)</u></u>



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Zone 3/D2-E2
Eland House
Bressenden Place
London
SW1E 5DU

FAO Anna Wadsworth

5 August 2012

Our Ref 7/SMB/firebuy

Please ask for Sharon Bloomfield
DDI 020 7893 2905
Email sharon.bloomfield@bdo.co.uk

Dear Sirs

Firebuy Limited ("the Company") - In Members' Voluntary Liquidation

I enclose, for your information, an annual progress report for the Company covering the first year of the liquidation period, 13 July 2011 to 12 July 2012.

Receipts and Payments

I enclose receipts and payments account for the period. I trust that the contents are self explanatory but I would expand as follows.

Bank Accounts

Funds are held in three bank accounts. One is directly under the control of the Joint Liquidators. The other two accounts are part of the Government Banking System and under the control of the Company's sole shareholder, the Department for Communities and Local Government ("DCLG").

Grant in Aid Receipts

DCLG has provided a letter of comfort to the Joint Liquidators confirming that DCLG will continue to support the Company until dissolution and all required accounts have been signed off. This includes any financial provisions to complete the winding up. Accordingly requests have been made at intervals throughout the first year of the liquidation for grant in aid receipts to be made to the liquidation account to facilitate payments to creditors.

Staff Costs

Three employees were retained after the date of liquidation to assist with the final winding down of the Company's affairs, primarily dealing with final creditor claims and preparing final management accounts and tax returns.

The staff were all made redundant on 31 August 2011, as agreed by DCLG. Unfortunately they had not been able to complete the above tasks, and this has fallen to the Joint Liquidators and our staff to complete.

The costs of their remuneration and severance packages are detailed in the receipts and payments account.

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Company's Former Trading Premises

The Company occupied premises at 70 Wray Park Road, Reigate, Surrey under a lease with Surrey County Council. Prior to the Company entering into liquidation several unsuccessful attempts had been made to surrender the lease. Following the Joint Liquidators' appointment notice was served on the Council that the Company would vacate the premises on 31 August 2011. A claim for some £36k was received in relation to outstanding rent etc and this payment is included in the sum paid to trade and expense creditors

Third Party Funds

A number of payments have been mistakenly received by the Company in respect of amounts due to the Consortium, the body to whom the Company's framework agreements had been novated. These sums have been duly paid over.

HM Revenue & Customs ("HMRC")

Confirmation from HM Revenue & Customs ("HMRC") that there are no outstanding tax matters is required before the liquidation may be closed.

All VAT returns for pre-liquidation periods have been submitted to HMRC. A refund of c.£11k in respect of VAT has been received together with confirmation of a nil claim.

The final PAYE returns for the year 2011/12 have recently been filed and liabilities settled. Clearance will be requested of HMRC's Insolvency Claims Handling Unit ("ICHU") in due course as ICHU deal with both PAYE/NIC and corporation tax matters

My firm's tax department have been engaged to prepare the corporation tax returns for outstanding pre-liquidation periods. In order for the returns to be prepared, accounts had to be compiled by DCLG's finance team. Drafts were made available in April 2012, and there have been some queries since then. The returns are now in almost final form and should be submitted to HMRC in August. Any liabilities will then be settled and clearances sought.

Once the clearances above have been received we will proceed to convene the final meeting of the member to close the liquidation.

Other Matters

My staff and I have been tasked with dealing with a number of significant matters during the liquidation, none of which were envisaged at the time of our initial engagement. These include, but are not limited to, the following:

- Dealing with numerous creditor claims and informing third parties of the Company's liquidation,
- Dealing with the vacation of the trading premises;
- Dealing with the formal novation of a considerable number of supplier contracts,
- Liaison with DCLG regarding the preparation of final management accounts, and submission of tax returns;
- Obtaining refunds due to the Company,
- Dealing with the receipt and onward payment of third party funds,
- Update meetings, emails and conference calls with DCLG regarding the above and other matters.

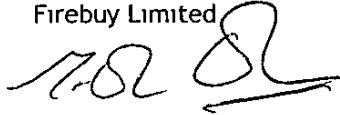
Joint Liquidators' Remuneration

The Joint Liquidators' remuneration was originally agreed by reference to a fixed fee. However, as detailed above, the scope of the liquidation assignment has altered considerably since our engagement. The time costs that the Joint Liquidators and our staff have spent attending to matters in the liquidation to date are £54,490.64, which represents a total of 141 2 hours at an average hourly rate of £385 91. Enclosed is a summary of the time charged.

In accordance with the approval of DCLG, an interim invoice for £40,000 plus VAT and disbursements of £908.07 has been raised and settled. The disbursements relate to the costs of statutory advertising and bonding and Companies House searches

If you have any queries please contact Sharon Bloomfield as detailed above

Yours faithfully
for and on behalf of
Firebuy Limited



Malcolm Cohen
Joint Liquidator

**FIREBUY LIMITED - IN MEMBERS' VOLUNTARY LIQUIDATION
JOINT LIQUIDATORS' ABSTRACT OF RECEIPTS AND PAYMENTS
FOR THE PERIOD 13 JULY 2011 TO 12 JULY 2012**

RECEIPTS	£
Book debts	7,243 60
Insurance refunds	1,017.07
Grant in aid receipts	292,822 69
Cash at bank	367,943 48
Bank interest gross	465 99
Sundry refunds	28,946.17
VAT refund	11,478 81
Third party funds	23,580 30
	<hr/> 733,498 11
 PAYMENTS	
Trade & expense creditors	205,153.61
Travel & accomodation	8 00
Trading expenses	2,000.00
Redirection of mail	54.45
Wages & salaries	64,466.60
PAYE & NIC	19,286 38
Bank charges	854 85
Pension contributions	5,281.69
Liquidators' fees	40,000 00
Liquidators' disbursements	908 07
Corporation tax	100 00
Third party funds	23,580 30
VAT input	8,181 61
	<hr/> 369,875.56
 FUNDS IN HAND REPRESENTED BY	
Liquidators' bank account	30,700.65
DCLG RBS account	(25 00)
DCLG Citibank account	<hr/> 332,946 90
	363,622 55
	<hr/> <hr/> 733,498 11

Summary of Time Charged and Rates Applicable for the Period From 13 July 2011 to 12 July 2012

Net Total	141 20	54,490 65	385 91
Other Disbursements		908 07	
Billed		-40,908 07	
Grand Total		<u>14,490 65</u>	

**Firebuy Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

**Statement
of Affairs**

**From 13/07/2011
To 12/07/2012**

ASSET REALISATIONS

Book Debts	7,243 60
VAT Refund	11,478 81
Insurance Refund	1,017 07
Cash at Bank	367,943 48
GIA receipt	292,822 69
Bank Interest Gross	465 99
Sundry Refunds	28,946 17
Trading Surplus/(Deficit)	(2,008 00)
	<u>707,909 81</u>

COST OF REALISATIONS

Liquidator's Fees	40,000 00
Liquidators Disbursements	908 07
Corporation Tax	100 00
Re-direction of Mail	54 45
Wages & Salaries	64,466 60
PAYE & NI	19,286 38
Bank Charges	854 85
Pension contributions	5,281 69
	<u>(130,952 04)</u>

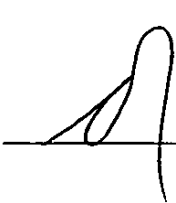
UNSECURED CREDITORS

Trade & Expense Creditors	205,153 61
	<u>(205,153 61)</u>

371,804.16

REPRESENTED BY

Vat Input	8,181 61
Bank 1 Current	30,700 65
Communities & Local Government (RB)	(25 00)
Communities & Local Government (Cit	332,946 90
	<u>371,804 16</u>


Malcolm Cohen
Joint Liquidator