

**Return of Final Meeting in a
Creditors' Voluntary Winding Up**

S.106

**Pursuant to Section 106 of the
Insolvency Act 1986**

To the Registrar of Companies

Company Number

05296854

Name of Company

05296854 Limited (Formerly HQ Leisure Limited)

I /We

Julian Pitts, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ

Note The copy account must be authenticated by the written signature(s) of the Liquidator(s)

1 give notice that a general meeting of the company was duly held on/~~summoned for~~ 1 August 2016 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been conducted, and the property of the company has been disposed of, and ~~that the same was done accordingly /~~ no quorum was present at the meeting,

2 give notice that a meeting of the creditors of the company was duly held on/~~summoned for~~ 1 August 2016 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up the company has been conducted and the property of the company has been disposed of and that the same was done accordingly/~~no quorum was present at the meeting~~


The meeting was held at The offices of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ

The winding up covers the period from 16 February 2010 (opening of winding up) to the final meeting (close of winding up)

The outcome of any meeting (including any resolutions passed) was as follows

The creditors did not pass any resolutions against us being given our release as liquidators

Signed


Julian Pitts

Date 1 August 2016

Begbies Traynor (Central) LLP
Fourth Floor
Toronto Square
Toronto Street
Leeds
LS1 2HJ

Ref HQ001CVL/JNRP/SRK/BXF

THURSDAY



A16 *A5CMPE8I* 04/08/2016 #427
COMPANIES HOUSE



05296854 Limited (Formerly HQ Leisure Limited) (In Creditors' Voluntary Liquidation)

Final report and account of the liquidation pursuant to Section 106 of the Insolvency Act 1986 and Rule 4.126 of the Insolvency Rules 1986

Period: 9 June 2015 to 1 August 2016

Important Notice

This report has been produced solely to comply with my statutory duty to report to creditors and members of the Company pursuant to Section 106 of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	05296854 Limited (Formerly HQ Leisure Limited) (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of a liquidator pursuant to Section 98 of the Insolvency Act 1986 on 9 June 2015
"the liquidator", "I", "my" and "me"	Julian N R Pitts of Begbies Traynor (Central) LLP, Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

This is my final report and account of the Liquidation

2. COMPANY INFORMATION

Trading name(s)	HQ Leisure Limited
Company registered number	05296854
Company registered office	Fourth Floor, Toronto Square, Toronto Street, Leeds, LS1 2HJ
Former trading address	Park Drive, Bradford, BD9 4ET

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	16 February 2010
Date of liquidators' re-appointment	9 June 2015
Changes in liquidator (if any)	None

4. PROGRESS SINCE APPOINTMENT

Attached at Appendix 1 is my abstract of receipts and payments for the period from 9 June 2015 to 1 August 2016

As advised in my letter to creditors dated 30 June 2015, the Company was restored to the Register of Companies by order of the Court in order to accept an Interest Rate Hedging Product Redress from HSBC Bank Plc. This matter is a re-appointment of a Liquidator following an order made by the Court on 9 June 2015.

RECEIPTS

Interest Rate Hedging Product Redress

As detailed above, HSBC Bank Plc ("HSBC") calculated that the Company was due a refund in respect of an Interest Rate Hedging Product ("IRHP") sold prior to the Liquidation which was not deemed to have met criteria set by the Financial Conduct Authority in relation to such products. Accordingly, once the Company had been restored, HSBC paid the full sum of £25,727.08 in respect of this matter, which represented the refunding of premiums paid by the Company plus interest.

As the Company had been dissolved on 27 December 2011, which was before the IRHP Redress was determined, the Company had to be restored to the Register of Companies to receive the redress monies.

I was not made aware, by either the Company's directors or HSBC, of the existence of the IRHP and therefore the potential mis-selling thereof during my appointment as Liquidator from 16 February 2010 to 8 August 2011. This matter was only brought to my attention in December 2014, some 3 years after I had previously closed the Liquidation and after the Company had been subsequently dissolved.

As a result of this matter not having been divulged to me as Liquidator previously, HSBC agreed and paid the costs associated with the necessary procedures and Court applications. An additional sum of £8,590.72 has been received from HSBC in this respect.

PAYMENTS

Specific Bond

It is a statutory obligation that the duly appointed Insolvency Practitioner take out a bond in order to protect the interests of unsecured creditors in the potential realisations on a case. This is known as the bordereau premium and is detailed on the attached receipts and payments account. It is an unavoidable expense of the proceedings. The sum of £55.00 has been paid to Marsh Limited in this respect.

Former Liquidators' Fees and Disbursements

Prior to dissolution, I was appointed as Joint Liquidator of the Company together with David F Wilson, formerly of Begbies Traynor (Central) LLP. The surplus monies, after paying costs of the current Liquidation, have been used to defray the costs of the former Liquidation.

The sum of £8,993.74 has been drawn on account of their remuneration, against outstanding time costs of £9,149.24. Outstanding disbursements in the sum of £415.26 have also been drawn.

Legal Fees and Disbursements

As detailed above, Milners Solicitors have been paid the sum of £3,000.00 in respect of their fees for drafting the Court application documentation and attending the hearing at which the Company was restored. Milners Solicitors were also paid the sum of £880.00 in respect of Court disbursements.

A former director had also engaged the services of Certus Solicitors LLP ("Certus") to restore the Company to the register without bringing it to the attention of the former Liquidators. Certus also prepared the Court application documentation to restore the Company and have been paid the sum of £3,175.60 together with disbursements of £300.00.

All of the legal fees and disbursements incurred in respect of the restoration of the Company have been met by HSBC and therefore having two solicitors prepare the documentation has not prejudiced the position of the creditors.

Pre re-appointment Fees

The Liquidator has been paid the sum of £5,000.00 in respect of the time costs incurred prior to the restoration, including liaising with Milners Solicitors, corresponding with HSBC Bank Plc and general administration relating to this case.

Statutory Advertising

Courts Advertising, a firm of advertising agents, has been paid £169.20 to date in respect of statutory advertising costs.

Storage Costs

Storage costs of £17.60 have been paid to Restore plc in relation to the storage of the Liquidator's case files.

A Liquidation Committee was not formed and, accordingly, I am seeking creditors approval of the attached receipts and payments account.

5. OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment based upon the information detailed in the directors' statement of affairs and the work I have undertaken in the course of the Liquidation, are as follows:

Secured creditor

HSBC Bank plc holds a fixed and floating charge over the business and assets of the Company

Preferential creditors

There are no known preferential claims

Unsecured creditors

Unsecured creditors were estimated at £307,450

On the basis of realisations, the outcome for each class of the Company's creditors is as follows

Secured creditor

HSBC Bank plc have suffered a shortfall in respect of their lending

Preferential creditors

There are no known preferential claims

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the Company's net property is calculated by reference to a sliding scale as follows

- 50% of the first £10,000 of net property,
- 20% of net property thereafter,
- Up to a maximum amount to be made available of £600,000

A liquidator will not be required to set aside the prescribed part of net property if

- the net property is less than £10,000 and the liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit, (Section 176A(3)) or
- the liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

I have estimated, to the best of my knowledge and belief, the Company's net property, as defined in section 176A(6) of the Act, to be £nil and the prescribed part of the Company's net property to be £nil

Unsecured creditors

As I have previously advised by letter dated 31 May 2016, I confirm that no dividend is available for unsecured creditors as the funds realised have already been distributed or used or allocated for defraying the expenses of the Liquidation and the former Liquidation. Consequently I have not taken steps to formally agree the claims of unsecured creditors

6. REMUNERATION & DISBURSEMENTS

My remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by me (as liquidator) and the various grades of my staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation disbursements, including disbursements for services provided by my firm (defined as category 2 disbursements in Statement of Insolvency Practice 9), in accordance with my firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

My time costs for the period from 9 June 2015 to 1 August 2016 amount to £11,951 50 which represents 56 4 hours at an average rate of £211 91 per hour

The following further information in relation to my time costs and disbursements is set out at Appendix 2

- Narrative summary of time costs incurred
- Table of time spent and charge-out value for the period 9 June 2015 to 1 August 2016
- Begbies Traynor (Central) LLP's policy for re-charging disbursements
- Begbies Traynor (Central) LLP's charge-out rates

To 1 August 2016, I have drawn the total sum of £11,951 50 on account of my remuneration, discharging my outstanding time costs incurred since the date of my appointment in full

To 1 August 2016, I have also drawn disbursements in the sum of £55 00

Details of the Category 2 disbursements that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred since my appointment is attached at Appendix 3

8. UNREALISABLE ASSETS

There are no assets that have proved to be unrealisable

9. OTHER RELEVANT INFORMATION

Investigations and reporting on directors conduct

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, a liquidator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department for Business Innovation and Skills. I can confirm that I have discharged my duties in these respects.

Investigations completed and action taken

I have been investigating the manner in which the business was conducted prior to the liquidation of the Company and potential recoveries for the estate in this respect. I can confirm that my investigations have not identified any further realisations for the benefit of the Liquidation estate.

Connected party transactions

I have not been made aware of any sales of the Company's assets to connected parties.

10. CONCLUSION

This report and account of receipts and payments was laid before final meetings of the Company and the creditors convened on 1 August 2016 in accordance with Section 106 of the Act.

Should you require further explanation of any matters contained within this report, you should contact my office and speak to the case manager, Richard Kenworthy in the first instance, who will be pleased to assist.



J N Pitts
Liquidator

Dated 1 August 2016

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 9 June 2015 to 1 August 2016

	£	£
ASSET REALISATIONS		
HSBC Redress monies	25,727 08	
Contribution to Restoration Costs	8,590 72	
Bank Interest Gross	<u>13 60</u>	
		34,331 40
 COST OF REALISATIONS		
Specific Bond	55 00	
Former Liquidators' Fees	8,993 74	
Former Liquidators' Disbursements	415 26	
Pre re-appointed Liquidator's fee	5,373 50	
Re-appointed Liquidators' Fees	11,951 50	
Legal Fees	6,175 60	
Legal Disbursements	1,180 00	
Storage	17 60	
Statutory Advertising	<u>169 20</u>	
		(34,331 40)
		<u><u>0 00</u></u>

TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred,
- d Table of time spent and charge-out value for the period from 9 June 2015 to 1 August 2016

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting.
- Car mileage is charged at the rate of 45 pence per mile.
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² *ibid* 1

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Leeds office as at the date of this report are as follows

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

05296854 Limited (Formerly HQ Leisure Limited)

SUMMARY OF TIME COSTS AND EXPENSES

This summary, which should be read in conjunction with the Time Costs Analysis for the period of the report attached, is intended to provide sufficient information to enable the body responsible for the approval of our fees to consider the level of our fees and expenses in the context of the case

What work has been done in the period of the report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached.

General case administration and planning

As the Liquidation progressed, updates were made to the strategy dependant upon the outcome of investigations and book debt realisations. This included meetings between members of staff to formulate a revised strategy going forward. We are also required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case on an ongoing basis.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Act and Rules require that the Liquidator produces interim progress reports on an annual basis to provide an update to the creditors of the progression made during the Liquidation. As the Liquidation is being concluded within the first year, an interim progress report has not been produced in this instance.

In addition, this final progress report has been produced now that the Liquidation has reached its conclusion. This will provide creditors with an overview of the Liquidation, including all realisations, costs and the final outcome for creditors.

Progress reports and the other statutory documentation detailed above must also be filed with the Registrar of Companies under the Insolvency Act. The Liquidator has also periodically monitored realisations and compare to the statutory bond level to ensure that sufficient cover is in place at all times in order to protect the interests of the company's creditors.

Investigations

The Liquidator carried out their investigations of the insolvent Company and its affairs together with the conduct of the Company's directors. This involved a thorough review of the Company's books and records and bank statements, etc.

Realisation of assets

As detailed in the main body of the report, the Liquidator realised the sum of £25,727 in respect of an Interest Rate Hedging Product redress refund from HSBC Bank plc ("HSBC"). HSBC also contributed £8,590 towards the cost of the restoration of the Company.

Dealing with all creditors' claims (including employees), correspondence and distributions

The Liquidator has dealt with creditor queries during the Liquidation. Dealing with correspondence and providing further information on request is a timely exercise given creditors interest in the restoration of the Company and whether a dividend would become payable.

Other matters which includes meetings, tax, litigation, pensions and travel

We are required to submit tax returns and deal with the tax calculations and issues.

Time Costs Analysis

An analysis of time costs for the period of the report is attached showing the time spent by each grade of staff on the different types of work involved in the case, and giving the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

Category 2 Disbursements

There have been no category 2 disbursements incurred following our appointment.

SIP9 HQ Leisure Limited - Creditors Voluntary Liquidation - 80HQ001.CVL : Time Costs Analysis From 09/06/2015 To 01/08/2016

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	1.0				6.0					7.0	1,625.00	232.14
Case planning												
Administration		0.1					0.9		1.9	2.9	365.00	125.86
Total for General Case Administration and Planning	1.0	0.1			6.0		0.9		1.9	9.9	1,990.00	201.01
Compliance with the Insolvency Act, Rules and best practice	1.0				3.5		5.2			9.7	1,814.50	187.06
Appointment												
Banking and Bonding	0.6								0.5	1.1	292.00	265.45
Case Closure												0.00
Statutory reporting and statement of affairs					6.0					6.0	1,230.00	205.00
Total for Compliance with the Insolvency Act, Rules and best practice, CDDA and investigations	1.6				9.5		5.2		0.5	16.8	3,338.50	198.60
Investigations					11.8		0.7			12.5	2,513.50	201.08
Total for investigations					11.8		0.7			12.5	2,513.50	201.08
Realisation of assets												0.00
Debt collection												0.00
Property, business and asset sales	3.5						1.0			4.5	1,517.50	337.22
Retention of Title/3rd party assets												0.00
Total for Realisation of assets	3.5						1.0			4.5	1,517.50	337.22
Trading												0.00
Total for Trading												0.00
Dealing with all creditors claims (including employees) correspondence and distributions					4.0					4.0	820.00	205.00
Secured												0.00
Others												0.00
Creditors committee												0.00
Total for Dealing with all creditors claims (including employees), correspondence and distributions					4.0					4.0	820.00	205.00
Meetings												0.00
Other					1.5					1.5	307.50	205.00
Tax	0.2											0.00
Litigation					6.5				0.5	0.7	134.00	191.43
Total for Other matters	0.2				6.5				0.5	6.5	1,332.50	205.00
Total hours by staff grade	6.3	0.1			39.3		7.8		2.9	58.4	1,774.00	203.91
Total time cost by staff grade	2,488.50	34.50			8,056.50		1,053.00		319.00	11,951.50		
Average hourly rate £	395.00	345.00	0.00	0.00	205.00	0.00	135.00	0.00	110.00		11,951.50	211.91
Total fees drawn to date £												

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal fees	Milners Solicitors	3,000 00	3,000 00	0 00
Legal disbursements	Milners Solicitors	880 00	880 00	0 00
Legal fees	Certus Solicitors LLP	3,175 60	3,175 60	0 00
Legal disbursements	Certus Solicitors LLP	300 00	300 00	0 00
Statutory advertising	Courts Advertising Limited	169 20	169 20	0 00
Storage	Restore plc	17 60	17 60	0 00
Bond	Marsh Limited	55 00	55 00	0 00