

Return of Final Meeting in a Creditors' Voluntary Winding Up

S106

Pursuant to Section 106 of the Insolvency Act 1986

To the Registrar of Companies

Company number

01870439

Name of company

(a) Insert full name of
company

Choices UK Plc

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

We, Ian Christopher Oakley Smith and Russell Downs

of PricewaterhouseCoopers LLP, Hill House, Richmond Hill, Bournemouth BH2 6HR

(c) Delete as applicable

(d) Insert date

(e) 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] 8 November 2012 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 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] 8 November 2012 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 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]

(f) Insert venue of the
Meeting

The meeting was held at PricewaterhouseCoopers LLP, Hill House, Richmond Hill, Bournemouth BH2 6HR

The winding up covers the period from 14 August 2008 (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 joint liquidators received their release

Signed



Date 8 November 2012

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

FRIDAY



A20

16/11/2012

#120

COMPANIES HOUSE



Choices (UK) Plc
Registered number 01870439

Report presented to final meeting of creditors held on 8 November 2012

*PricewaterhouseCoopers LLP, Hill House, Richmond Hill, Bournemouth BH2 6HR
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PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Services Authority for designated investment business.



To members and all known creditors

26 September 2012

Our ref: SJ/RK/fms/Final

Dear Sir/Madam

Choices UK Plc - In Liquidation

Formerly trading from: 19-24 Manasty Road, Orton Southgate, Peterborough PE2 6UP

Please find enclosed the liquidators' final report to members and all known creditors in the above liquidation.

If you have any queries in connection with the report, please contact Rachel Kwong who will be pleased to deal with them

Yours faithfully

A handwritten signature in black ink, appearing to read 'I C Oakley Smith'.

I C Oakley Smith
Joint Liquidator

Enclosure

Ian Christopher Oakley Smith and Russell Downs are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

*The joint liquidators are Data Controllers of personal data as defined by the Data Protection Act 1998
PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the liquidation.*

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Final report to members & creditors

26 September 2012

Company **Choices UK Plc in liquidation**

Registered Number **01870439**

Type of Insolvency **Creditors' Voluntary Liquidation**

Date of Appointment **14 August 2008**

Appointees **Ian Christopher Oakley Smith
Russell Downs**

Address **PricewaterhouseCoopers LLP
Hill House, Richmond Hill, Bournemouth BH2 6HR**

Dividends	Final p in £	Previous estimate p in £
Preferential	n/a	n/a
Unsecured	12 9922	uncertain

Choices UK Plc in creditors' voluntary liquidation

Report to members and creditors

1 This is the liquidators' fifth and final report to members and all known creditors. Attached at appendix A is a summary of the financial information relating to the liquidation

Asset realisations

2 The company's assets have been realised as follows:-

	Actual realisations £
Assets	
Administration surplus (net)	1,981,105
Administration VAT refund	104,063
Book debts	7,045
Leasehold properties	214,429
Rates refunds	72,075
Sundry refunds	1,530
Interest	75,125
VAT	77,339
	<hr/>
	2,532,711

Administration surplus

3 Mr M N Cropper, Mr C M T Haig and Mr S M Oldfield of PricewaterhouseCoopers LLP were appointed joint administrators of the company on 22 August 2007, by the company's directors. The majority of the company's assets were realised prior to conclusion of the administration, which came to an end on 14 August 2008 and the company entered Creditors' Voluntary Liquidation on that date

4 The liquidators received £2,687,489 by way of surplus funds from the administration from which trading expenses and costs and expenses of the administration were deducted, leaving a net surplus of £1,981,105. The liquidators also received a VAT refund of £104,063 relating to the administration period.

Book debts

5 The company had entered into an invoice discounting facility with Lloyds TSB Commercial Finance ("LTSBCF") The company's ledger totalled approximately £12.4 million at the date of the administrators' appointment. LTSBCF was repaid in full from debt recoveries and the remaining debts were reassigned to the company. The majority of the remaining debts were recovered by the administrators and, in their final progress report, they estimated that further recoveries from debtors might amount to £20,000 to £30,000.

6 The liquidators recovered book debts of £7,045. Following a review undertaken of the remaining debts, there were a number of disputes and set-offs and there was little by way of documentation within the company records to support the recovery of these debts. The liquidators reviewed the possibility of submitting a VAT bad debt relief claim. However, given a potential recovery of approximately £3k, it was not cost effective for the liquidators to spend time obtaining supporting documentation and submitting a claim.

Leasehold property

7 The company traded from approximately 170 properties across the United Kingdom. A significant number of the leases to these properties were assigned for premiums by the administrators. The liquidators dealt with the assignment and surrender of the remaining leases. £214,429 was realised from the assignment of leases by the liquidators.

Rates refunds and rebates

8 The liquidators recovered £72,075 in respect of rates refunds and rebates (arising from the recalculation of rates liabilities).

Corporation tax terminal loss relief

9 As previously advised, a terminal loss relief claim of approximately £1.8 million was submitted to HM Revenue & Customs ("HMRC") by the liquidators' tax specialists in respect of corporation tax. HMRC confirmed their agreement to the claim in the sum of £1.8 million plus interest arising of approximately £71,000. As such, the liquidators reduced HMRC's VAT liability claim of £2.8 million by approximately £1.9 million to £0.9 million.

Other

10 The liquidators have received interest on the above realisations amounting to £75,125 and sundry refunds of £1,530.

Outcome for creditors

Secured creditors

11 At the date of the administration, Lloyds TSB Bank plc held a fixed and floating charge over the Company's assets and LTSBCF held a fixed charge in respect of monies owed by the Company under the invoice discounting facility. Both were repaid in full by the administrators.

Preferential creditors

12 There are no preferential creditors.

Unsecured creditors

13 According to the directors' statement of affairs, prepared at the date of the administration, unsecured creditors were estimated to total £16,996,599, which included a general provision of approximately £5.2 million for other creditors and accruals in the statement of affairs, for which a breakdown was not available. The majority of the claims received exceed the values in the statement of affairs.

14 The administrators liaised with the company's suppliers in order to determine the validity and quantum of retention of title ("ROT") claims amounting to £3.7 million. The liquidators ensured that, where appropriate, ROT settlements were taken into account in claims submitted.

15 The liquidators agreed claims with a value of £10,934,807. The liquidators paid an interim dividend of 4 pence in the £ and have paid a second and final dividend of 8.9922 pence in the £. A total dividend of 12.992 pence in the £ has therefore been paid to unsecured creditors.

Investigation

16 The liquidators have reviewed the affairs of the company prior to liquidation and have also considered the points raised by creditors in discharging their duties under the Company Directors' Disqualification Act 1986

17 Creditors are reminded that the liquidators have a statutory obligation to consider the directors' conduct and to submit a return/report to the Insolvency Service. The liquidators can confirm that they have complied with this requirement

Professional Advisers

18 On this assignment the liquidators have used the professional advisers listed below.

<u>Name of professional advisor</u>	<u>Nature of work</u>	<u>Basis of fee arrangement</u>
Hewitsons LLP	Legal advice	Time cost basis
King Sturge LLP	Property consultants	Time cost basis
Edward Symmons LLP	Chattel agents	Time cost basis
George Helyer	Property consultants	Time cost basis
Wyles Hardy & Co	Valuers	Time cost basis
Goodman Nash	Professional advice	Percentage of realisations

19 The liquidators' choice was based on the perception of the advisers' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The liquidators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

Administration costs

20 The administrators reported in their final progress report dated 7 August 2008 that they had billed time costs on account of £1.5million. The balance of the administrators' remuneration based on time costs, being £146,446 has been paid by the liquidators from the surplus funds received from the administrators. The liquidators have also paid other professional and trading costs incurred in the administration.

Liquidators' remuneration

21 You may recall that at a general meeting of creditors held on 13 January 2009, a resolution was passed to enable the joint liquidators to draw remuneration of £78,893.20 in respect of outstanding time costs incurred by the liquidators and their staff in attending to the matters arising in the winding-up from the date of their appointment to 30 September 2008. A resolution was also passed confirming that the liquidators ongoing fees be fixed by reference to the time properly given by them and their staff in attending to matters arising in the winding up and that the liquidators' further fees, from 1 October 2008, were to be paid as and when funds became available.

22 To date, the liquidators have incurred time costs of £916,887 43. This represents 3,487 47 hours at an average hourly rate of £262.91. This compares with the average hourly rate at the time of the liquidators' last annual report of £256.14. The liquidators estimate that further costs of £2,930 will be incurred to closure. Against this £888,451 has been drawn and a further 31,363 will be drawn in due course. These figures include a change in charge out rates effective from 1 July 2012.

23 A significant amount of time was necessarily spent in dealing with various matters in the liquidation. A large proportion of the time was spent in adjudicating the large number of unsecured creditors' claims and paying an interim and final dividend to that class of creditor. Many claims were from landlords of the company's trading premises which were complex in nature and required detailed review. A number of claims were subject to retention of title issues. Many claims and enquiries were received from utility companies of the many properties that the company traded from, which took a lot of time to deal with. In addition, the liquidators dealt with a large number of landlord enquires and the assignment, surrender and disclaimer of numerous leases. The liquidators' specialist tax department also undertook significant work in dealing with tax matters relating to the pre-administration period, the administration trading period and the liquidation period. A large part of this work was in respect of calculating the terminal loss relief claim submitted to HMRC. This resulted in additional funds being available to the general body of creditors of £246,800 based on dividends paid totalling 12.9922 pence in the pound.

24 The liquidators have at all times ensured that the time spent in agreeing creditors' claims has resulted in a benefit to creditors and are confident that this is the case.

25 It has been the joint liquidators' policy to delegate the routine administration of the liquidation to junior staff in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff/the liquidators. Any matter of particular complexity or significance that requires responsibility of exceptional kind has been dealt with by senior staff/the liquidators.

26 Details of the time costs incurred from 14 August 2011 to 13 August 2012, by work category, are attached at appendix B.

27 In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PricewaterhouseCoopers LLP or any successor firm reserves the right to change the rates and grade structure. Full details of the charge out rates currently charged to this case are also included at appendix B. Specialist departments within PricewaterhouseCoopers LLP, such as tax, VAT, property and pensions, sometimes charge a small number of hours should the liquidators require their expert advice. Their rates vary, however, the figures given provide an indication of the maximum rate per hour.

Liquidators' disbursements

28 As agreed at the general meeting of creditors, the liquidators' current disbursements policy is as follows

- (a) Photocopying – this is charged only for circulars or any other bulk copying and is charged at 3p per sheet,
- (b) Staff mileage – this has been reimbursed at a maximum of 62p per mile for vehicles up to 2,000cc and 81p per mile for vehicles over 2,000cc,

29 All other disbursements have been reimbursed at cost as shown on the attached receipts and payments account. Since their last report, the liquidators have drawn no amounts in respect of photocopying or mileage.

Final meetings of members and creditors

30 The liquidators are required to convene final meetings of the company's members and creditors in accordance with Section 106 of the Insolvency Act 1986. Attached to this report is a notice of these meetings, together with a proxy form.

31 The purpose of the meetings is to present the report enclosed herewith, and for creditors to consider the liquidators' release. No formal resolutions will be put to the meetings, however, creditors may propose a resolution against the joint liquidators' release. In the absence of such a resolution, the joint liquidators will automatically be released from any liabilities they may have incurred as liquidators.

32 If any creditor requires further explanations on any aspect of the liquidators' report, and does not wish to attend the meeting, then please telephone or write to Rachel Kwong who will be pleased to deal with such enquiries.

33 Should any creditor wish to attend the meeting, it would be helpful for administration reasons if they could telephone Rachel Kwong so that the appropriate arrangements can be made.

Relocation of meeting

34 Insolvency Rule 4.60 requires the liquidators to have regard to the convenience of creditors when convening any general meeting. From experience, creditors seldom attend such meetings and this meeting is therefore being convened at PricewaterhouseCoopers LLP, Hill House, Richmond Hill, Bournemouth BH2 6HR in order to minimise costs. Should any creditor wishing to attend consider that the proposed venue is inconvenient then the meeting will be reconvened at an alternative venue to be agreed. Any request to reconvene the meeting should be made within the next seven days so that the liquidators may ensure all creditors are aware of the revised arrangements.

Voting at the meeting

35 Should creditors propose a resolution against the joint liquidators' release the following paragraphs will apply

Creditors

36 Votes at the meeting are based on the value of your debt as evidenced by a written statement of your claim.

37 If you are not a limited company, you may vote if:

- (a) you attend the meeting and have either submitted or bring with you a statement of your claim, or
- (b) you do not attend the meeting but nominate someone else to attend on your behalf and return the proxy form by midday on the business day before the meeting. You can nominate the chairman of the meeting to act as your proxy and vote in accordance with your wishes. You must submit a statement of claim either at or before the meeting.

38 If you are a limited company, you must ensure the enclosed proxy is received no later than midday on the business day before the meeting. It may be posted or sent by facsimile. You must also provide a written statement of claim.

Choices UK Plc in liquidation

Summary of financial information as at 8 November 2012

Asset realisations

Administration surplus
Administration VAT refund
Less Administration costs paid by liquidators,
 } Administrators' remuneration
 } Trading costs and utilities
 } Rent
 } Legal fees
 } Agents fees

Book debts
Leasehold properties
Rates refunds
Sundry refunds
Interest
VAT

Less Costs of realisation

Bank charges
Professional fees
Printing
Postage
Statutory advertising
Specific penalty bond
Liquidators' remuneration
Change of liquidator
Statutory meeting costs
Travel expenses
Corporation tax
Company Search
Storage costs
Insurance
DTI fees
VAT

Available to unsecured creditors

First Interim dividend of 4p/£
to unsecured creditors

Second and final dividend of 8 9922p/£
to unsecured creditors

Funds in hand

Unsecured creditors

Total dividend to unsecured creditors

Receipts and payments

£

2,687,489
104,063

(146,446)
(521,734)
(5,088)
(20,926)
(12,190)
2,085,168

7,045
214,429
72,075
1,530
75,125
77,339

2,532,711

116
3,480
4,732
3,580
490
264
919,814
31
317
369
84,186
49
91,664
1,202
1,743
0

1,112,037

1,420,674

(351,658)

(1,069,016)

0

10,934,807

12 9922 p/£

Liquidator's signature



Choices UK Plc in liquidation

Appendix B

Analysis of liquidators' time costs for the period from 14 August 2011 to 13 August 2012

<u>Category of work</u>	<u>Partner</u>	<u>Director</u>	<u>Senior Manager</u>	<u>Manager</u>	<u>Associate</u>	<u>Practice support</u>	<u>Total Hours</u>	<u>Time costs</u> £	<u>Average hourly rate</u> £
Strategy, planning and general administration	-	1 20	2 20	5 65	0 70	1 20	20.30	5,746.55	283 08
Asset realisations	-	-	1 00	0 15	3 75	-	4.90	1,879.00	383 47
Employees	-	-	-	1 15	7 70	-	8.85	3,181.15	359 45
Creditors' claims / distributions	-	-	7 40	26 65	98 18	1 60	184.53	60,572.71	328 25
Accounting and treasury	-	-	0 55	4 90	23 55	2 40	77.60	21,001.55	270 64
Reporting to appointor / committee / creditors	-	-	1 20	6 70	4 55	3 50	30.45	8,541.65	280 51
Statutory and compliance	-	-	1 10	0 60	8 60	0 30	13.30	4,442.00	333 98
Tax / VAT / Pensions	-	0 30	0 70	16 60	13 55	2 40	39.00	15,126.50	387 86
Case closure	-	-	-	2 30	0 70	-	11.40	3,086.10	270 71
Total for period to 13 August 2012	-	1.50	14.15	64.70	161.28	19.55	390.33	123,577.21	316 60
Brought forward at 14 August 2011							3,097.14	793,310.22	
Total							3,487.47	916,887.43	262 91
Estimated costs to closure		0 2	0 5	1 0	7 8		10 50	2,930 00	
Total							3,497.97	919,817.43	262 96
Charge out rate per hour from 1 July 2012									
- insolvency	£ 755 00	660 00	510 00	430 00	358 00	225 00			112 00
- specialist	£ 940 00	940 00	870 00	570 00	200 00	110 00			110 00