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

TUESDAY

R92ZGK5U
RCS 14/04/2020 #99
COMPANIES HOUSE

1 Company details

Company number	0 1 0 5 1 1 1 8
Company name in full	Lion Hudson Plc

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

2 Liquidator's name

Full forename(s)	Geoffrey Paul
Surname	Rowley

3 Liquidator's address

Building name/number	FRP Advisory LLP
Street	2nd Floor
	110 Cannon Street
Post town	London
County/Region	
Postcode	E C 4 N 6 E U
Country	

4 Liquidator's name ❶

Full forename(s)	
Surname	

❶ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address ❷

Building name/number	
Street	
Post town	
County/Region	
Postcode	
Country	

❷ **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	d1 d6 m0 m2 y2 y0 y1 y9
To date	d1 d5 m0 m2 y2 y0 y2 y0

7 Progress report

☑ The progress report is attached

8 Sign and date

Liquidator's signature	Signature X X
Signature date	d1 d4 m0 m4 y2 y0 y2 y0

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	Christopher Wilson
Company name	FRP Advisory LLP
Address	2nd Floor, 110 Cannon Street
Post town	London
County/Region	
Postcode	E C 4 N 6 E U
Country	United Kingdom
DX	
Telephone	0203 005 4013

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

FRP

Lion Hudson Plc (in Liquidation)("the Company")

The Liquidators' Progress Report for the period 16 February 2019 to 15 February 2020 pursuant to section 104A of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016

14 April 2020

Contents and abbreviations

FRP

The following abbreviations may be used in this report:

FRP	FRP Advisory Trading Limited
The Company	Lion Hudson Plc (in Liquidation)
The Liquidator	Geoffrey Paul Rowley of FRP Advisory Trading Limited
The Period	The reporting period 16 February 2019 to 15 February 2020
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying floating charge holder
HMRC	HM Revenue & Customs
ZA	Zipaddress Limited
The Purchaser	Lion Hudson Limited

1. Progress of the Liquidation

Note

This report has been prepared from information available at the time of its preparation. Due to the global outbreak of Covid-19 and the UK's response to this, requiring working from home and necessarily a lack of access to physical files or other information, we should advise that we may not have all the information required to ensure this report is both complete and accurate. Where there are errors and/or omissions we will endeavour to correct these where possible in our next report.

Work undertaken during the Period and work yet to be completed

We attach at **Appendix C** a schedule of work undertaken during the Period together with a summary of work still to be completed.

The schedule of work details the work required to reconcile and settle the outstanding costs of the Administration and realise the following assets:

- Sale of the business and assets consideration
- Book debt collections;

Sale of the business and assets

Full details on the sale of the business were provided in our circular to creditors dated 5 September 2017 during the Administration process.

The sale completed on 15 August 2017 for total consideration of £1,925,003 to The AFD Group who continued to trade the business under Lion Hudson Limited an Isle of Man registered company. The AFD Group includes Zipaddress Limited (ZA), the existing 'secured' lender. Of this consideration, £425,003 was received on completion and the remaining £1.5million was to be paid in equal instalments of £125,000 over the following 12 months from 1 September 2017.

When the deferred consideration due under the asset sale agreement reached an amount equivalent to ZA's outstanding debt (£750,000) they requested that this amount be set-off against future payments.

In our previous report we advised that we were in the process of finalising the legal agreements to reflect this, however, ZA's legal representatives have not yet engaged in this process.

Book debt collections

As previously reported throughout the period of the preceding Administration the Company's book debts were primarily collected by its UK distributor/warehouse, Marston Book Services Limited. This arrangement continued in the Liquidation and Marston have now collected all the debts deemed collectable on their ledger.

Under the terms of the sale agreement it was agreed that the purchaser would continue to assist with book debt and sales collections. At the date of the Administrators final report, it was estimated that a further £400k would be collected.

An amount in the sum of £321,288 had been collected at the time of our previous report and a further EUR €8,041, GBP £4,958, USD $89,849 is presently held by the purchaser pending a final reconciliation.

Receipts and payments account

Attached at **Appendix B** is a receipts and payments account detailing both transactions for the Period and also cumulatively since our appointment as Liquidators.

Investigations

Part of our duties include carrying out proportionate investigations into what assets the Company has, including any potential claims that could be brought by the Company or by us in our capacity as Liquidators against any party which could result in a benefit to the estate. We have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have concerning the way in which the Company's business has been conducted.

Further details of the conduct of our investigations are set out in the schedule of work attached. No further investigations or actions are required.

2. Estimated outcome for the creditors

The estimated outcome for creditors was included in correspondence previously circulated by us.

Outcome for secured creditors

As reported in the Administration, HSBC Bank Plc has recovered the full amount of their outstanding debt.

The secured element of Zipaddress Limited's debt will be repaid in full, once the amount has been properly ascertained.

Preferential Creditors

The preferential creditors totalled £51,588.63, being the employees' preferential element for arrears of pay, unpaid pension contributions and holiday pay as calculated in accordance with legislation.

A dividend of £100p in the £ was paid to the preferential creditors by the Joint Administrators on 8 February 2018. From this distribution, three cheques remain unpresented with a value of £71.

Unsecured creditors

We have received claims totalling £3.2million from unsecured creditors in these proceedings.

Claims received are in the process of being agreed and a distribution will follow in due course. The timing and quantum of which is currently uncertain.

The Prescribed Part

In accordance with the Insolvency Act 1986, the prescribed part is an element of net realisations due to the floating charge holder which is made available for unsecured creditors (subject to the floating charge post-dating 15 September 2003).

In this circumstance, it is estimated that the prescribed part available for the unsecured creditors will be approximately £300k. The funds available from the prescribed part will be paid along with the proposed first and final distribution to unsecured creditors.

3. Liquidators' remuneration, disbursements and expenses

Liquidators' remuneration

As advised in previous correspondence the creditors passed a resolution that the Liquidators' remuneration should be calculated on a time cost basis. To date fees of £154,400 excluding VAT have been drawn from the funds available.

A breakdown of our firm's time costs incurred during both the Period and to date is attached at **Appendix D.**

The remuneration anticipated to be recovered by the Liquidators based on time costs, is not likely to exceed the sum provided in the fees estimate previously circulated to creditors.

Liquidators' disbursements

The Liquidators' disbursements are a recharge of actual costs incurred by them in dealing with this matter. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory Trading Limited at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the Period are set out in **Appendix D**.

Expenses of the liquidation

An estimate of the Liquidators' expenses was set out in the information previously circulated to creditors. We attach at **Appendix E** a statement of expenses that have been incurred during the Period. It is currently expected that the expenses incurred or anticipated to be incurred are not likely to exceed the details provided prior to the determination of the basis of the Liquidators' remuneration.

Creditors have a right to request further information from the Liquidators and further have a right to challenge the Liquidators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules. (For ease of reference these are the expenses incurred in the Period as set out in **Appendix E** only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link https://creditors.frpadvisory.com/info.aspx and select the one for liquidation. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Appendix A

Statutory information about the Company and the liquidation

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COMPANY INFORMATION:

Other trading names:	Lion Books Lion Children's Books Lion Fiction Candle Books Monarch Books
Date of incorporation:	24 April 1972
Company number:	01051118
Registered office:	2nd Floor 110 Cannon Street London EC4N 6EU
Previous registered office:	Same as business address below
Business address:	Wilkinson House Jordan Hill Road Oxford OX2 8DR

LIQUIDATION DETAILS:

Liquidator(s):	Geoffrey Paul Rowley
Address of Liquidator(s):	FRP Advisory Trading Limited 2nd Floor 110 Cannon Street London EC4N 6EU
Date of appointment of Liquidator(s):	16 February 2018
Court in which Liquidation proceedings were brought:	n/a
Court reference number:	n/a

Appendix B

Liquidators' Receipts & Payments Account for the both the Period and cumulatively

RECEIPTS	From 16/02/2018 To 15/02/2019 (£)	From 16/02/2019 To 15/02/2020 (£)	TOTAL (£)
Surplus from Administration	*191,560*	*81*	*191,641*
Sales collections	142,853	-	142,853
Stock sales (Kregel)	12,381	-	12,381
Royalties	3	-	3
Book Debts	178,435	564	178,999
Cash at Bank	10,932	-	10,932
Sundry refunds	1,196	1,632	2,828
Bank Interest Gross	2,764	3,776	6,539
Third Party Funds - Licence to occupy	62,116	-	62,116
Insurance Refund	875	-	875
Vat Payable - Floating	14	-	14
Vat refund	214,994	66,778	281,772
	818,121	**72,830**	**890,951**
PAYMENTS			
Currency Purchase	58,960	-	58,960
Direct Wages	(68)	-	(68)
Insurance	129	-	129
Sales Commission	1,658	-	1,658
Advertising & Marketing	276	-	276
Printing & Binding	24,343	-	24,343
Royalties & Advances	30,457	-	30,457
Joint Liquidators' Remuneration	-	154,500	154,500
Joint Liquidators' Disbursements	-	404	404
Legal Fees - Post-Administration	9,010	-	9,010
Legal fees - Pre-Administration	(1)	-	(1)
Warehouse/Distribution charges	78,728	-	78,728
Stationery & Postage	1,294	5,235	6,529
Storage Costs	(1)	-	(1)
Statutory Advertising	70	-	70
Bank Charges	99	-	99
Preferential Creditors	(71)	-	(71)
Corporation Tax	-	451	451
Vat Recoverable	18,973	28,632	47,605
	223,858	**189,222**	**413,079**
Balance In Hand	594,263	(116,391)	477,872
	818,121	**72,830**	**890,951**

Appendix C

A schedule of work

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The table below sets out a detailed summary of the work undertaken by the office holder(s) during the reporting period together with an outline of work still to complete.

Note	Category		
1	**ADMINISTRATION AND PLANNING** **Work undertaken to date**		**ADMINISTRATION AND PLANNING** **Future work to be undertaken**
	General Matters		**General matters**
	Necessary Administrative and Strategic Work. Providing the Directors with information to manage the relevant regulations to deal with employee matters. Storage of Company records and all other relevant information Cancelling insurance cover over assets as they are realised to control insurance costs.		Regularly reviewing of the case and the on-going strategy as required under legislation and by the Joint Liquidators' Regulatory Professional Bodies ("RPBs") to ensure that all compliance and statutory matters are attended to and that the case is progressed in a timely manner. To ensure all statutory matters are attended to and to ensure the case is progressing.
	Regulatory Requirements		
	Monitoring of money laundering risks in accordance with the Money Laundering Regulations.		Regularly reviewing the case as required by the RPBs to ensure all statutory matters are adhered to and that the case is being progressed in a timely manner. Ongoing adherence to Money Laundering Regulations and any other regulations specific to the Company.

Appendix C

A schedule of work

	Case Management Requirements		
	Determine and document case strategy. Obtaining legal advice on the validity of appointment to ensure all required documentation has been properly filed and submitted. Setting up and administering insolvent estate bank accounts throughout the duration of the case. Assisting the directors where needed in producing the Company's Statement of affairs. Compiling a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee bases proposed. Arranging for insurance on the assets in the estate. Correspondence with the former advisors to the Company (such as its auditors) requesting third party information to assist in general enquiries.		Continue to monitor and document any proposed changes of strategy and implementation thereof. Maintaining and developing the case specific paper and electronic files. Case accounting work to process all receipts and payments including associated adjustments to ensure bank reconciliations and production of reports can always be achieved. Continued updating and maintenance of records on the IPS system. Ongoing liaison with HMRC and the submission of ongoing returns as required. Ongoing work with finance functions to ensure all remaining costs are correctly allocated, invoiced and recharged.

A schedule of work

2	**ASSET REALISATION** **Work undertaken to date**		**ASSET REALISATION** **Future work to be undertaken**
	Working with the Company's finance function to collect the outstanding debtor ledger. Preparation and submission of the VAT returns and recovery of the refunds due.		Monitor and liaise with purchaser to maximise realisations in respect of the 'in-house' debtor ledger. Seek agreement with the purchaser over the shared costs and commission due in respect of their part in assisting with post-sale debtor collections.
3	**STATUTORY COMPLIANCE AND REPORTING** **Work undertaken to date**		**STATUTORY COMPLIANCE AND REPORTING** **Future work to be undertaken**
	Complete Liquidation appointment formalities.		To place legal advertisements as required by statute which may include formal meetings of creditors and notices to submit claims Dealing with post appointment VAT and or other tax returns as required. To deal with the statutory requirements in order to bring the CVL to a close and for the office holders(s) to obtain their release from office; this includes preparing final reports for stakeholders, convening final meetings, statutory advertising and filing the relevant documentation with the Court/Registrar of Companies.
4	**TRADING** **Work undertaken to date**		**TRADING** **Future work to be undertaken**
			Settle/reconcile apportionments due under sale contract.

5	**INVESTIGATIONS** **Work undertaken to date**		**INVESTIGATIONS** **Future work to be undertaken**
	Conducting initial enquiries into the conduct of the Company, its officers and associated parties through the interrogation of electronic and paper records. Consider an information provided by creditors or other parties that might identify further assets or lines of enquiry against the officers of the Company and progressing those to a conclusion. To review the books and records and other information available to identify any realisable assets for the benefit of the estate.		No further investigations are anticipated.
6	**CREDITORS** **Work undertaken to date**		**CREDITORS** **Future work to be undertaken**
	Liaising with secured lenders and all other creditors. Dealing with all queries and correspondence received from creditors on an on-going basis and recording the same. Reviewing the Company's paper and electronic records to ascertain the basis and validity of any claims arising.		Ongoing liaison with the secured and all other creditors. To continue to liaise with and provide reports and oral updates to the unsecured creditors and any other classes of creditor, as required, and deal with ongoing enquiries as received. When sufficient funds become available to make a distribution to unsecured creditors, to advertise for claims, request submission of claims from all known creditors (if not already done so) and adjudicate on them, either agreeing or rejecting, in full or in part. Liaising with HMRC to establish their claim and seeking tax advice to minimise claims and maximise returns to creditors where appropriate.

Appendix C

A schedule of work

7	**LEGAL AND LITIGATION** **Work undertaken to date**		**LEGAL AND LITIGATION** **Future work to be undertaken**
	Seeking legal advice as and when needed. Granting consent for a group tribunal action to be heard in respect of the redundant employee's not receiving 90 days consultation prior to dismissal.		Continuing to seek legal advice and intervention as and when needed throughout the assignment.

Appendix D

FRP

Details of the Liquidators' time costs and disbursements for both the Period and cumulatively

Lion Hudson Plc (In Liquidation)
Time charged for the period 16 February 2019 to 15 February 2020

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrly Rate £
- Administration and Planning		**2.60**	**15.25**	**0.90**	**18.75**	**6,095.25**	**325.08**
Admin & Planning		1 00			1 00	450 00	450 00
Case Accounting		0 10	1.50	0.90	2.50	655 25	262 10
Case Accounting - General			2.00		2 00	680.00	340 00
General Administration			11.75		11 75	3,635 00	309 36
Fee and WIP		1 00			1 00	450.00	450 00
Strategy and Planning		0.50			0.50	225 00	450 00
- Asset Realisation			**11.50**		**11.50**	**3,718.75**	**323.37**
Asset Realisation			3 00		3 00	1 020 00	340 00
Debt Collection			5 00		5 00	1,632 50	326 50
Sale of Business			3.50		3 50	1,066 25	304 64
- Creditors			**45.75**	**1.00**	**46.75**	**15,412.50**	**329.68**
Unsecured Creditors			30.75		30.75	10,230 00	332 68
Secured Creditors			0.50		0.50	170.00	340 00
Employees			6.50	1.00	7 50	2,348 75	313 17
TAX/VAT - Pre-appointment			0.50		0.50	170.00	340 00
Shareholders			7.50		7.50	2,493.75	332 50
- Statutory Compliance	**1.80**	**1.00**	**22.25**		**25.05**	**8,223.50**	**328.28**
Statutory Compliance - General	0 80				0 80	476 00	595 00
Statutory Reporting/ Meetings	1.00	1 00	18.50		20.50	6,506.25	317 38
Tax/VAT - Post appointment			3 75		3.75	1,241 25	331 00
- Trading			**1.00**		**1.00**	**340.00**	**340.00**
Trading - General			1.00		1 00	340 00	340 00
Total Hours	1.80	3.60	95.75	1.90	103.05	33,790.00	327.90

FRP Charge out rates

Grade	From 1st May 2017	1st May 2019
Appointment taker / Partner	450-545	495-595
Managers / Directors	340-465	385-495
Other Professional	200-295	225-340
Junior Professional & Support	125-175	150-195

Disbursements for the period
16 February 2019 to 15 February 2020

	Value £
- Category 1	
Prof. Services	49 93
Storage	321 89
Grand Total	371.82

Mileage is charged at the HMRC rate prevailing at the time the cost was incurred

Appendix D

Details of the Liquidators' time costs and disbursements for both the Period and cumulatively

FRP

Lion Hudson Plc (In Liquidation)

Time charged for the period 16 February 2019 to 15 February 2020

	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	**18.75**	**6,095.25**	**325.08**
Admin & Planning	1.00	450.00	450.00
Case Accounting	2.50	655.25	262.10
Case Accounting - General	2.00	680.00	340.00
General Administration	11.75	3,635.00	309.36
Fee and WIP	1.00	450.00	450.00
Strategy and Planning	0.50	225.00	450.00
Asset Realisation	**11.50**	**3,718.75**	**323.37**
Asset Realisation	3.00	1,020.00	340.00
Sale of Business	3.50	1,066.25	304.64
Debt Collection	5.00	1,632.50	326.50
Creditors	**46.75**	**15,412.50**	**329.68**
Employees	7.50	2,348.75	313.17
Secured Creditors	0.50	170.00	340.00
Unsecured Creditors	30.75	10,230.00	332.68
TAX/VAT - Pre-appointment	0.50	170.00	340.00
Shareholders	7.50	2,493.75	332.50
Statutory Compliance	**25.05**	**8,223.50**	**328.28**
Statutory Compliance - Gener	0.80	476.00	595.00
Statutory Reporting/ Meetings	20.50	6,506.25	317.38
Tax/VAT - Post appointment	3.75	1,241.25	331.00
Trading	**1.00**	**340.00**	**340.00**
Trading - General	1.00	340.00	340.00
Grand Total	**103.05**	**33,790.00**	**327.90**

Time charged from the start of the case to 15 February 2020

	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	**160.65**	**61,014.75**	**379.80**
Admin & Planning	14.10	5,822.50	412.94
Case Accounting	12.50	2,924.75	233.98
Case Accounting - General	28.80	8,557.50	297.14
Case Control and Review	37.50	20,137.50	537.00
General Administration	38.25	11,452.50	299.41
Insurance	1.75	516.25	295.00
Fee and WIP	1.00	450.00	450.00
Strategy and Planning	26.75	11,153.75	416.96
Asset Realisation	**68.00**	**21,253.75**	**312.56**
Asset Realisation	16.25	5,471.25	336.69
Freehold/Leasehold Property	3.25	958.75	295.00
Legal-asset Realisation	1.75	516.25	295.00
Sale of Business	10.50	3,131.25	298.21
Debt Collection	34.75	10,538.75	303.27
Stock/ WIP	1.50	637.50	425.00
Creditors	**168.50**	**53,146.25**	**315.41**
Employees	34.75	9,598.75	276.22
Preferential Creditors	0.25	73.75	295.00
Secured Creditors	8.00	2,978.75	372.34
Unsecured Creditors	106.00	34,178.75	322.44
ROT	2.00	850.00	425.00
Landlord	1.75	516.25	295.00
TAX/VAT - Pre-appointment	1.00	317.50	317.50
Shareholders	14.75	4,632.50	314.07
Statutory Compliance	**67.05**	**22,926.00**	**341.92**
Post Appt TAX/VAT	8.75	2,581.25	295.00
Statutory Compliance - General	5.30	1,803.50	340.28
Statutory Reporting/ Meetings	20.50	6,506.25	317.38
Appointment Formalities	9.25	2,728.75	295.00
Bonding/ Statutory Advertising	0.25	73.75	295.00
Tax/VAT - Post appointment	23.00	9,232.50	401.41
Trading	**6.50**	**2,352.50**	**361.92**
Trading - General	5.50	1,927.50	350.45
IT – Trading / Sale support	1.00	425.00	425.00
Pre-Appointment	**7.50**	**4,087.50**	**545.00**
Pre Appointment	7.50	4,087.50	545.00
Grand Total	**478.20**	**164,780.75**	**344.59**

Appendix E

Statement of expenses incurred in the Period

Lion Hudson Plc (in Liquidation)
Statement of expenses for the period ended
15 February 2020

Expenses	Period to 15 February 2020 £	Cumulative period to 15 February 2020 £
Office Holders' remuneration (Time costs)	33,790	164,781
Office Holders' disbursements	552	776
Insurance	-	129
Royalties & Advances	-	27,303
Legal Fees	-	9,010
Stationery & Postage	5,235	6,529
Storage costs	-	70
Corporation Tax	451	451
Total	**40,028**	**209,048**