

The Insolvency Act 1986

Administrator's progress report

Name of Company

Cash's (UK) Limited

Company number

00043765

In the
High Court Birmingham District Registry
[full name of court]Court case number
8029 of 2014(a) Insert full name(s)
and address(es) of
administrator(s)

I/We (a)

William James Wright
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GHMark Jeremy Orton
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Joint Administrators of the above company attach a progress report for the period

(b) Insert dates from

to

(b) 15 November 2014

(b) 14 May 2015

Signed



Joint Administrator

Dated

9 June 2015

Contact Details:

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

Edward Slegg
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH United Kingdom
DX 709850 Birmingham 26

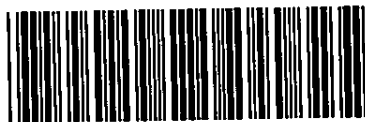
Tel 0121 2323781

When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

SATURDAY

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Cash's (UK) Limited - in Administration

Joint Administrators' progress report for
the period 15 November 2014 to 14 May
2015

12 June 2015

Notice to creditors

This progress report provides an update on the administration of the Company

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor

You will find other important information in this progress report such as the costs which we have incurred to date

A glossary of the abbreviations used throughout this document is attached (Appendix 5)

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+CE12441514.html> We hope this is helpful to you

Please also note that an important legal notice about this progress report is attached (Appendix 6).



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1 Executive summary

- This progress report covers the period from 15 November 2014 to 14 May 2015
- We circulated our previous progress report to all known creditors on 12 December 2014
- During the period a rates refund of £1,665 was received along with bank interest (Section 2 - Progress to date)
- The Company may have a secured liability in respect of its parent's Loan Notes. The Loan Note holders' Security Trustee, Nottcor, was successfully reinstated to the registrar of companies on 14 March 2015. Our Solicitors are currently reviewing the security documents to determine if a valid charge exists. It is estimated a partial distribution will be available to secured creditors if the security is deemed valid. The timing and amount of such a distribution is currently unknown (Section 3 - Dividend prospects)
- It is anticipated that funds will be available to allow a distribution to be made to preferential creditors, although the timing and quantum of this dividend is currently unknown (Section 3 - Dividend prospects)
- Based on our current estimates it is unlikely that there will be a dividend to unsecured creditors (Section 3 - Dividend prospects)
- The administration is currently due to end on 28 July 2015
- Please note you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+CE12441514.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT



Will Wright
Joint Administrator



2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Strategy

In this period we have been agreeing preferential creditor claims, preparing statutory reports and engaging our Solicitors to review security in an attempt to bring the case to a close.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Bank interest

We received bank interest of £411 during the period.

Rates refund

A rates refund of £1,665 was received in the period from Coventry City Council in relation to a change in the rateable value of the property relating to prior periods.

Investigations

We completed our investigation into the conduct of the Company's directors and any shadow directors in the prior period ending 28 July 2014. No further investigation work or action was deemed appropriate and there are no forecast recoveries in the administration as a result of these investigations.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

There were no significant payments made during the period.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

Solicitors' fees

Solicitors' fees of £6,228 have been incurred in the period for assistance in applying to Court to extend the administration and reviewing the Nottcor security.



Joint Administrators' fees

Joint Administrators' fees totalling £13,036 50 have been incurred in the period, however no payment have yet been made towards these

We do not anticipate that our time costs will be paid in full

3 Dividend prospects

3.1 Secured creditors

As stated previously, the Company has guaranteed a number of secured Loan Notes issued by its parent, CMT. The Loan Note holders had appointed a Security Trustee, Nottcor, which is the legal entity with charges registered against Cash's and CMT. However, the Security Trustee was dissolved in 2010.

Nottcor was successfully reinstated to the registrar of companies 14 March 2015 and a full review of Nottcor's security is currently being completed. We anticipate that there may be funds available to make a partial distribution to Nottcor if their security is deemed valid.

3.2 Preferential creditors

We estimate the amount of preferential claims to be £47,811.

Based on current estimates, we anticipate that preferential creditors should receive a dividend. We have yet to agree preferential claims and therefore cannot confirm the quantum or timing of any dividend until this has been completed.

3.3 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors.

4 Joint Administrators' remuneration and disbursements

We have obtained approval from the preferential creditors to draw fees on a time cost basis. However, no fees have been drawn at the date of this report.

Time costs

From 15 November 2014 to 14 May 2015, we have incurred time costs of £13,036 50. These represent 37 30 hours at an average rate of £349 50 per hour.

Disbursements

During the period, we have not incurred any disbursements.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 15 November 2014 to 14 May 2015. We have also attached our charging and disbursements policy.



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5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to

- Reviewing our Solicitors' security review and if necessary, pay a dividend to Nottcor,
- Paying a dividend to the preferential creditors, and
- Closing the administration

5.2 Discharge from liability

The Court has approved that we will be discharged from liability in respect of any actions as Joint Administrators 28 days from filing the final receipts and payments account with the Registrar of Companies House

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us

5.3 Future reporting

We intend to provide our final progress report by 28 July 2015

However, if an extension request is necessary we will provide a further progress report to accompany the request

Appendix 1 Statutory information

Company information	
Company name	Cash's (UK) Limited
Date of incorporation	04/04/1895
Company registration number	00043765
Present registered office	KPMG LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH
Previous registered office	Torrington Avenue, Coventry, West Midlands, CV4 9UZ
Company Directors	Dr Andrew George Ives (no shares held) Miss Sylvie Annie Renee Moreau (no shares held)
Company Secretary	Miss Sylvie Annie Renee Moreau (no shares held)

Administration information	
Administration appointment	The administration appointment granted in High Court Birmingham District Registry, 8029 of 2014
Appointor	Director's application to Court
Date of appointment	29 January 2014
Joint Administrators' details	Will Wright and Mark Orton
Prescribed Part distribution	The Prescribed Part is not applicable on this case due to the date of the security in place
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	28 July 2015
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations



Appendix 2 Joint Administrators' receipts and payments account

Statement of Affairs (£)		From 15/11/2014 To 14/05/2015 (£)	From 29/01/2014 To 14/05/2015 (£)
POST-APPOINTMENT SALES			
Sales		NIL	23,825 58
		NIL	23,825 58
PURCHASES			
Purchases		NIL	(65 52)
		NIL	(65 52)
OTHER DIRECT COSTS			
Direct labour		NIL	(9,836 61)
		NIL	(9,836 61)
TRADING EXPENSES			
Rates		NIL	(1,664 63)
Water rates		NIL	(202 42)
Heat & light		NIL	(3,899 11)
Carriage		NIL	(587 97)
Insurance		NIL	(1,214 27)
Sales collection commission		NIL	(3,573 04)
Stationery & postage		NIL	(59 09)
		NIL	(11,200 53)
Trading surplus/(deficit)		NIL	2,722 92

Statement of affairs (£)		From 15/11/2014 To 14/05/2015 (£)	From 29/01/2014 To 14/05/2015 (£)
FIXED CHARGE CREDITORS			
(451,044 00)	Nottcor 114 Limited	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
175,000 00	Plant & machinery	NIL	113,602 21
72,000 00	Stock	NIL	69,800 00
103,000 00	Book debts	NIL	136,119 11
	Customer contracts	NIL	1 00
	Intellectual property	NIL	10,998 00
	Goodwill	NIL	1 00



Cash is £16,110,000 - to be credited to order

and the other £16,110,000 - to be credited to order

Statement of affairs (£)		From 15/11/2014 To 14/05/2015 (£)	From 29/01/2014 To 14/05/2015 (£)
30,000 00	Cash at bank	NIL	29,377 33
39,000 00	Rent	NIL	NIL
		NIL	359,898 65
	OTHER REALISATIONS		
	Bank interest, gross	410 65	747 41
	Sundry refunds	1,664 63	3,792 46
	Trading surplus/(deficit)	NIL	2,722 92
		2,075 28	7,262 79
	COST OF REALISATIONS		
	Legal disbursements	NIL	(1,105 71)
	Statement of affairs work	NIL	(2,500 00)
	Agents'/Valuers' fees	NIL	(4,550 00)
	Legal fees	NIL	(28,950 00)
	Debtor collection commission	NIL	(10,187 30)
	Storage costs	(9 76)	(729 76)
	Statutory advertising	NIL	(253 80)
	Bank charges	NIL	(549 11)
		(9 76)	(48,825 68)
	PREFERENTIAL CREDITORS		
(29,404 00)	Employees' wage arrears	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(143,614 70)	Trade & expense	NIL	NIL
(527,822 83)	Employees	NIL	NIL
		NIL	NIL
(732,885 53)		2,065 52	318,335 76
	REPRESENTED BY		
	Floating ch VAT rec'able		11,155 07
	Floating charge current		318,335 76
	Floating ch VAT payable		(1,987 68)
	Floating ch VAT control		(9,167 39)
		277,168 30	318,335 76



Appendix 3 Schedule of expenses

Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Cost of realisations			
Administrators' fees	0 00	13,036 50	13,036 50
Legal fees	0 00	6,228 00	6,228 00
TOTAL	0 00	19,264 50	19,264 50

Please note that there is a difference between the payments made during the period of £9 76 (per the receipts and payments account) and the expenses incurred and paid in the period of £Nil (per the schedule of expenses)

This is due to the fact that some of the payments made in the period relate to expenses incurred in a prior period

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court

The full text of the relevant rules can be provided on request by writing to Edward Slegg at One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH



Appendix 4 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Nov_2011.pdf

If you are unable to access this guide and would like a copy, please contact Edward Slegg on 0121 2323781.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Hourly charge-out rates		
Grade	From 01 Oct 2013 £/hr	From 01 Oct 2014 £/hr
Partner	565	595
Director	485	535
Senior Manager	475	485
Manager	385	405
Senior Administrator	265	280
Administrator	195	205
Support	120	125

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.



Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows

Category 1 disbursements These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff

Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows

Mileage claims fall into three categories

- Use of privately-owned vehicle or car cash alternative – 45p per mile
- Use of company car – 60p per mile
- Use of partner's car – 60p per mile

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate

We have incurred no disbursements during the period 15 November 2014 to 14 May 2015

Narrative of work carried out for the period 15 November 2014 to 14 May 2015

The key areas of work have been

Statutory and compliance	<ul style="list-style-type: none">■ preparing statutory receipts and payments accounts,■ obtaining approval from Court of a 6-month extension of the administration,■ ensuring compliance with all statutory obligations within the relevant timescales
Cashiering	<ul style="list-style-type: none">■ reconciling post-appointment bank accounts to internal systems,■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none">■ dealing with post appointment tax compliance
General	<ul style="list-style-type: none">■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9,■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage
Creditors and claims	<ul style="list-style-type: none">■ responding to enquiries from creditors regarding the administration and submission of their claims,■ agreeing preferential claims,■ drafting our progress report



Time costs

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Cashiering							
Fund management			0 10		0 10	28 00	280 00
General (Cashiering)	0 20		4 60		4 80	1,129 50	235 31
Reconciliations (& IPS accounting reviews)			0 60		0 60	123 00	205 00
General							
Books and records			1 00		1 00	205 00	205 00
Fees and WIP		0 50			0 50	202 50	405 00
Statutory and compliance							
Checklist & reviews			0 50		0 50	102 50	205 00
Closure and related formalities		0 10			0 10	40 50	405 00
Strategy documents		0 50			0 50	202 50	405 00
Tax							
Post appointment corporation tax		0 50			0 50	242 50	485 00
Post appointment VAT	0 10	1 60			1 70	747 50	439 71
Creditors							
Creditors and claims							
Agreement of preferential claims		8 10			8 10	3,280 50	405 00
General correspondence			2 00		2 00	410 00	205 00
Pre-appointment VAT / PAYE / CT			0 50		0 50	102 50	205 00
Secured creditors		3 00			3 00	1,215 00	405 00
Statutory reports	0 20	6 50	4 50		11 20	4,114 00	367 32
Employees							
Correspondence		0 90			0 90	364 50	405 00
Pension funds		1 00			1 00	405 00	405 00
Pensions reviews		0 30			0 30	121 50	405 00
Total in period	0 50	23 00	13 80	0 00	37 30	13,036 50	349 50

Brought forward time (appointment date to SIP 9 period start date)	1,077 85	306,056 25
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	37 30	13,036 50
Carry forward time (appointment date to SIP 9 period end date)	1,115 15	319,092 75



Appendix 5 Glossary

Cash's/Company	Cash's (UK) Limited - in Administration
CMT	Composite Materials Technology Limited
HCR/our Solicitors	Harrison Clarke Rickerbys Limited
GVA/our Agents	GVA Grimley Limited
Joint Administrators/we/our/us	Will Wright and Mark Orton
KPMG	KPMG LLP
NatWest	National Westminster Bank plc
Nottcor	Nottcor 114 Limited
The Purchaser/Cash's Apparel Solutions	Cash's Apparel Solutions (UK) Limited

Any references in this progress report to sections, paragraphs or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively



Appendix 6 Notice About this report

This report has been prepared by Will Wright and Mark Orton, the Joint Administrators of Cash's (UK) Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

William James Wright is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.

Mark Jeremy Orton is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.



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