



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 1 7 0 5 4 4 5

Company name in full Garth Bakery Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) David

Surname Kemp

3 Administrator's address

Building name/number 9 Ensign House

Street Admirals Way

Post town Marsh Wall

County/Region London

Postcode E 1 4 9 X Q

Country

4 Administrator's name ①

Full forename(s) Richard

Surname Hunt

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 9 Ensign House

Street Admirals Way

Post town Marsh Wall

County/Region London

Postcode E 1 4 9 X Q

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 9	^m 0	^m 5	^y 2	^y 0	^y 2	^y 3
To date	^d 0	^d 8	^m 1	^m 1	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 0	^d 7	^m 1	^m 2	^y 2	^y 0	^y 2	^y 3
-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

**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 **David Kemp**

Company name **S F P**

Address **9 Ensign House**

Admirals Way

Post town **Marsh Wall**

County/Region **London**

Postcode **E 1 4 9 X Q**

Country

DX

Telephone **020 7538 2222**

**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

Strictly Private and Confidential

Garth Bakery Limited (In Administration)

Progress Report to Creditors

**David Kemp
MIPA MABRP**

**Richard Hunt
FCA MIPA MABRP**

**SFP
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ**

Tel: +44 (207) 5382222

Fax: +44 (207) 5383322

This report has been written and presented for the sole purpose of complying with the relevant provisions of the Insolvency Act 1986. It may not be disclosed, disseminated or copied without our prior written permission, other than to those entitled under statute or otherwise as ordered by the Court, and no liability will be accepted to any other person or party who acts or refrains from acting on its contents.

CONTENTS

1. Introduction
2. Progress of the Administration / Asset Realisations
3. Statutory and General Administration
4. Investigations
5. Creditors
6. The Joint Administrators' Costs
7. Conclusion

APPENDICES

- I. Definitions
- II. Statutory Information
- III. The Joint Administrators' Receipts and Payments Account
- IV. Breakdown of the Joint Administrators' Fees
- V. Breakdown of SFP Property Limited Fees
- VI. SFP's Charge-out Rates and Bases of Expenses

1. Introduction

- 1.1 This report is prepared pursuant to the Rules in relation to the Company. The Rules provide that a progress report is issued every six months from the date of the last progress report to inter alia all creditors within one month of the end of the period covered by the report.
- 1.2 This report provides details of the progress made since the Second Report to 08 November 2023 and of matters that are yet to be concluded. Attached at **Appendix I** are definitions of terms used in this report and at **Appendix II** is a summary of statutory information on the administration.
- 1.3 As agreed by the Company's creditors, as set out in the Act, the period of the administration has been extended to 08 November 2024.

2. Progress of the Administration / Asset Realisations

- 2.1 Attached at **Appendix III** is the Joint Administrators' Receipts and Payments Account, which details the realisations achieved and costs paid for the Review Period and for the administration as a whole. An update of the progress made since the First Report is detailed below.

The Sale of the Business and Assets

- 2.2 As previously reported in the Joint Administrators' Statement of Proposals, an agreement regarding the sale of the Company's business and assets has been concluded.
- 2.3 Sales consideration has been received in full.
- 2.4 Efforts were made to maximise realisations net of costs. The ultimate financial benefit achieved for creditors from these efforts is dependent upon the dividend prospects, which are explained further below.

Debtors

- 2.5 As previously advised, the Company's sales ledger had been reassigned to Novuna. As at the date of the Company entering into Administration, the sales ledger stood at £370,301 whilst Novuna's outstanding commitment, excluding charges totalled £208,233. Novuna instructed Credet to undertake collections of the ledger on their behalf.
- 2.6 Novuna have now recovered their liability in full (including charges) and have re-assigned the remaining sales ledger to the Company together with surplus funds of £310 for the estate.
- 2.7 The charges applied by Novuna have been analysed and the Joint Administrators are satisfied that they are in line with the agreements made with the Company.
- 2.8 It was advised by Credet that a significant volume of the re-assigned debts were subject to verified disputes, deficient supporting records or were uneconomical to pursue due to being of nominal value and the associated costs in continuing to chase these balances.
- 2.9 In light of their familiarity with the ledger and for continuity reasons, the Joint Administrators engaged with Credet to collect the remaining recoverable debts on their behalf. In return for their assistance, it was agreed that Credet would be entitled to 10% of any recoveries achieved.
- 2.10 Since the re-assignment, further book debts totalling £3,840 have been collected, all of which were achieved within this reporting period. Credet have been paid commission totalling £248 for their assistance.

- 2.11 The Joint Administrators will continue to collect the remaining sales ledger with the assistance of Credebt.
- 2.12 The Joint Administrators have incurred significant time costs in relation to book debt collections. This is primarily due to the following circumstances.
- 2.13 Significant time costs have been incurred in securing and examining the Company's records and systems. The Joint Administrators have recovered and reinstalled the Company's server which contained bespoke systems required to assist Credebt with their collections. Remote access was also set up to enable Credebt continued access to the systems.
- 2.14 In addition, the Joint Administrators have taken steps to identify and recover payments made to the Company's bank account in error.
- 2.15 The Joint Administrators' efforts have assisted Novuna in recovering their core commitment.
- 2.16 Since re-assignment the Joint Administrators staff have assisted Credebt and sought updates on their progress with collections.
- 2.17 Nevertheless, these efforts have generated some results and the Joint Administrators will continue to use the information gleaned to pursue recoveries.
- 2.18 Although the Joint Administrators were aware that book debt recoveries would prove difficult, the decision was made to expend material efforts to pursue recovery given the quantum of the outstanding sales ledger.
- 2.19 At present, it is not known whether the Joint Administrators' work in this regard will generate any financial benefit to unsecured creditors. However, it is necessary to undertake this work to assist Novuna in collecting the sales ledger in view of the prospect that a reassignment of the remaining ledger might be possible.
- 2.20 When all book debt collection efforts draw to a conclusion, notwithstanding that the bases of the fees and Category 2 expenses of the Joint Administrators have been approved by the relevant creditors, the Joint Administrators will review the financial benefit generated for creditors and will form a view as regards what costs are fair and reasonable to discharge from the estate.

The Company's Trading Premises

- 2.21 Since the previous report, a dispute has arisen in relation to an aspect of the Company's previous property sale which is in the process of being reviewed by solicitors. An update will be provided in due course.

Other Assets

- 2.22 A VAT refund of £3,572.44 has been received into the estate account during the review period.
- 2.23 A refund was received on insurance costs totalling £507.61. This was due to insurance being cancelled. Refer to **Appendix III** to see what has occurred.

3. Statutory and General Administration

- 3.1** Prior to the Review Period, the following threats to compliance with the Code of Ethics were identified: One of the Joint Administrators, David Kemp, had a prior business relationship with Novuna. The safeguard put in place to mitigate this threat was to inform the creditors of this prior business relationship. The safeguards have been reviewed and they are effectively managing the threats previously identified. No other threats to compliance with the Code of Ethics have arisen in the Review Period.
- 3.2** Throughout the Review Period, the Joint Administrators have carried out the following material tasks in this category:
- 3.2.1** drafting this progress report;
 - 3.2.2** consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
 - 3.2.3** consulting with staff, SFP Property and external agents to receive updates on their progress and to agree strategies;
 - 3.2.4** seeking an extension to the administration and issuing and filing the necessary documents on agreement of the extension;
 - 3.2.5** maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the administration;
 - 3.2.6** conducting periodic case and bond reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;
 - 3.2.7** maintaining and updating the estate cash book and bank account, including regular bank reconciliations and processing receipts and payments; and
 - 3.2.8** completing periodic tax returns and settling any associated liabilities.

4. Investigations

- 4.1** Investigations are being carried out into the Company's affairs prior to it being placed into Administration to examine whether there were any potential claims arising from transactions made by the Company prior to Administration that might give rise to an action for recovery.
- 4.2** In accordance with the Joint Administrators' duties, the requisite report has been submitted to the Insolvency Service. All information contained in the report is strictly confidential and the Joint Administrators are not permitted to divulge details on his report to the Insolvency Service.
- 4.3** Initial assessment of the Company's records suggested there could be matters that might lead to recoveries for the insolvent estate and thus further investigations were considered necessary.
- 4.4** Further investigations supported the conclusion of this initial assessment that a preference claim in relation to a payment of £19,000 existed. With the assistance of solicitors, a recovery was pursued. A settlement of £15,200 was agreed, with the fund being received in the estate account.
- 4.5** Investigations are ongoing. Consequently, the Joint Administrators do now wish to divulge any further information at this stage, as this might have a negative impact on the prospects of any successful recovery for the insolvent estate in the future.
- 4.6** At present, it is not known whether this work will generate any financial benefit to creditors. However, it is necessary to incur some of the costs in carrying out this work in order for the Joint Administrators to meet their statutory and regulatory requirements. In addition, in view of the fact that the other asset realisations are unlikely to generate sufficient funds to enable a dividend to be paid to unsecured creditors, neither has undertaking this work had a detrimental effect on creditors' dividend prospects.

5. Creditors

5.1 During the Review Period, the following main tasks in this category have been carried out:

- 5.1.1 assisting the employees to receive payments from the RPO;
- 5.1.2 responding to creditors' queries and logging their claims and supporting information; and
- 5.1.3 maintaining the database as regards creditors' contact details and claims.

Preferential Claims

5.2 The majority of the employees of the Company were made redundant prior to the Joint Administrators' appointment and the remaining employees were made redundant on 10 November 2022. Employees have submitted applications to the RPO in order to receive their entitlements.

5.3 HMRC have submitted a claim as a secondary preferential creditor.

Anticipated Outcome

5.4 On present information unless the Joint Administrators' investigations lead to a recovery for the administration estate, it looks unlikely that there will be sufficient funds to pay a dividend to ordinary or secondary preferential or non-preferential unsecured creditors.

6. The Joint Administrators' Costs

6.1 At **Appendix III** is a breakdown of the time costs incurred by the Joint Administrators' firm over the Review Period, totalling £19,847.50, a summary of the time costs for the administration period as a whole, and the total fees drawn. A Guide to Administrators' Fees is available from <http://panel.sfpgroup.com> or a hard copy will be provided on request.

6.2 The attached breakdown shows that a significant proportion of the time costs incurred in the Review Period relate to statutory and general administration. Whilst these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.

6.3 The remuneration anticipated to be charged by the Joint Administrators (i.e. the total time costs anticipated to be incurred by the Joint Administrators and their staff to conclusion of the administration) has exceeded the fees estimate. The main reason for this is the fees estimate had been drafted on the basis that the Administration would be completed within one year, but an extension was proved necessary in view of the need to make further investigations, as explained above.

6.4 When instructing third parties to provide specialist advice and services, the Joint Administrator must ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. SFP maintains an approved supplier list and reviews these annually to ensure best value. Before instructing specialists on an assignment, the Joint Administrator assesses whether the instruction is warranted and which approved supplier is appropriate. If the Joint Administrator prefers to use a specialist that is not on the approved supplier list, that specialist undergoes an assessment process to ensure that best value and service is anticipated. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to the insolvency appointment. Periodically throughout the Administration, the performance and fees of the specialists are reviewed to assess the value and service provided. The processes were formalised after the current Insolvency Code of Ethics came into force on 1 May 2020.

- 6.5 SFP Property has shareholders in common with SFP. SFP Property has been established to perform functions that either the Joint Administrators or outside agencies could undertake. It is considered that by virtue of SFP Property's specialist nature, it achieves better results than the Joint Administrators or their team would be able to accomplish. In addition, in view of SFP Property's proximity to SFP, including the sharing of resources such as office space and finance and compliance staff, it is considered that SFP Property provides better value than any outside agencies. Although, of course, this arrangement benefits the common shareholders, it should be remembered that in the event that realisations are limited SFP Property will not receive full payment for its time costs incurred.
- 6.6 **Appendix V** provides a breakdown of the time costs incurred by SFP Property over the Review Period to date, a summary of the time costs for the administration period as a whole, and the total fees paid from the insolvent estate.
- 6.7 At **Appendix VI** is a schedule of SFP's charge-out rates and bases of calculation of certain expenses. The bases of these costs are subject to approval in the same manner as the Joint Administrators' fees, as detailed in **Appendix II**.
- 6.8 In addition, the Joint Administrators' Receipts and Payments Account attached at **Appendix III** provides a summary of the expenses incurred by the Joint Administrators, whether directly or by reason of their instructions to other parties.
- 6.9 The following expenses are likely to exceed the details given to creditors along with the Joint Administrators' Proposal:

Party / description	Current estimate (total to conclusion of administration)	Explanation
Joint Administrators' expenses (Category 1)	£967.22	Unexpected postage costs were required during the administration.
Joint Administrators' expenses (Category 2)	£2,759.20	Estimate exceeded due to large number of days required to attend site.
Pension Advisors Fee	£3,510	Fee estimate exceeded due to unexpected issues arising with employee matters.
Other Professional Fees (Pythagoras)	£5,320	Unexpected cost due to Pythagoras being required to assist with disputes.
Other Professional Fees (Merit Technology (UK) Limited)	£280	Additional costs have been incurred due to using Merit Technology which was essential to maximise realisations.
Other Professional Fees (Credebt)	£247.50	Credebt were instructed to assist with debt collections which has incurred costs.

- 6.10 In view of the uncertainties regarding future realisations, it is unclear at present whether these expenses will be paid in full from the administration estate.

7. Conclusion

7.1 At present, the main activities remaining to be done are:

- 7.1.1 pursuit of the outstanding book debts;
- 7.1.2 conclusion of investigations into the affairs of the Company and of any claims identified as worthy of pursuit;
- 7.1.3 pursuit of clearance from the relevant government departments;
- 7.1.4 conclusion of the administration, likely by filing notice of the move from administration dissolution;

7.2 Should any creditor have any questions or queries in relation to the above, please contact either the Senior Administrator dealing with this matter, Alexandra Nastase, or the Joint Administrator on 020 7538 2222 or by email to enquiries@sfpgroup.com.

Dated this 07 December 2023



David Kemp
Joint Administrator

In accordance with paragraph 45 of Schedule B1 of the Insolvency Act 1986, notice is hereby given that the affairs, business and property of Garth Bakery Limited (in Administration) are being managed by David Kemp and Richard Hunt of SFP, acting as Joint Administrators. Pursuant to paragraph 69 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators act as agents of the company and without personal liability.

Garth Bakery Limited (in Administration)

Progress Report to Creditors

APPENDIX I

- **Definitions**

DEFINITIONS

Independent Parties instructed to assist with the Administration

GTC	GTC Appraisals Limited
FWJ	Francis Wilks & Jones

Terms associated with SFP

SFP Property	SFP Property Limited
The Team	Any of the Joint Administrators, their staff members and members of staff of SFP Property
The ERA Department	The Employment Rights Act department
Touch	Touch Financial Support Limited

Other Parties

The Company	Garth Bakery Limited
The Directors	Alan James, Paula James, Jeanette Richards & Wayne Richards
The Joint Administrators	David Kemp and Richard Hunt
Novuna	Mitsubishi HC Capital UK PLC trading as Novuna Business Cash Flow
Mr James	Alan James
BWE	BW Enterprises Limited
BFPE	Brook Food Processing Equipment Limited
Credebt	Credebt Limited
The Trading Premises	Pontcynon Industrial Estate, Pontcynon, Abercynon, Mountain Ash, CF45 4EP
The Landlord	Jonathan Brace
The Court	High Court of Justice
RPO	Redundancy Payments Office
HMRC	HM Revenue & Customs

References to Statutory and other Regulatory Provisions and Documents

The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Act	The Insolvency Act 1986
The Rules	The Insolvency (England & Wales) Rules 2016
ERA	Employment Rights Act 1996
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations
ETO	Economic, technical or organisational
CDDA	Company Directors Disqualification Act 1986
SIP	Statement of Insolvency Practice
Notice of Intention	Notice of Intention to Appoint an Administrator
Notice of Appointment	Notice of Appointment of an Administrator by Holder of a Qualifying Floating Charge
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
The Statement of Affairs	Estimated Statement of Affairs as at the date that the Company was placed into Administration
The First Report	The Joint Administrators' progress report for the first six month period from the commencement of the Administration
The Second Report	The Joint Administrators' progress report for the period from six months after appointment to the date specified in the report
The Last Report	The most recent progress report issued by the Joint Administrators
Review Period	Period covered by the Joint Administrators' progress report
NDA	Non-disclosure agreement
SPA	Sale and purchase agreement
The Release	Deed of release of the secured creditor's security
IPR	Intellectual property rights
A Connected Party/Connected	As defined by Section 249 of the Act (a copy of the statutory definition is overleaf)

Statutory Definition of a Connected Party

Section 249 of the Act states:

A person is connected with a company if:

- (a) he is a director or shadow director of the company or an associate of such a director or shadow director, or
 - (b) he is an associate of the company;
- and "associate" has the meaning given by Section 435 of the Act.

Section 435 of the Act states:

(2) A person is an associate of an individual if that person is:

- (a) the individual's husband or wife or civil partner,
- (b) a relative of
 - (i) the individual, or
 - (ii) the individual's husband or wife or civil partner, or
- (c) the husband or wife or civil partner of a relative of
 - (i) the individual, or
 - (ii) the individual's husband or wife or civil partner.

(3) A person is an associate of any person with whom he is in partnership, and of the husband or wife or civil partner or a relative of any individual with whom he is in partnership; and a Scottish firm is an associate of any person who is a member of the firm.

(4) A person is an associate of any person whom he employs or by whom he is employed.

(5) A person in his capacity as trustee of a trust other than

- (a) a trust arising under any of the second Group of Parts or the Bankruptcy (Scotland) Act 1985, or
- (b) a pension scheme or an employees' share scheme,

is an associate of another person if the beneficiaries of the trust include, or the terms of the trust confer a power that may be exercised for the benefit of, that other person or an associate of that other person.

(6) A company is an associate of another company

- (a) if the same person has control of both, or a person has control of one and persons who are his associates, or he and persons who are his associates, have control of the other, or
- (b) if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

(7) A company is an associate of another person if that person has control of it or if that person and persons who are his associates together have control of it.

(8) For the purposes of this section a person is a relative of an individual if he is that individual's brother, sister, uncle, aunt, nephew, niece, lineal ancestor, or lineal descendant, treating

- (a) any relationship of the half blood as a relationship of the whole blood and the stepchild or adopted child of any person as his child, and
 - (b) an illegitimate child as the illegitimate child of his mother and reputed father;
- and references in this section to a husband or wife include a former husband or wife and a reputed husband or wife and references to a civil partner include a former civil partner and a reputed civil partner.

(9) For the purposes of this section any director or other officer of a company is to be treated as employed by that company.

(10) For the purposes of this section a person is to be taken as having control of a company if

- (a) the directors of the company or of another company which has control of it (or any of them) are accustomed to act in accordance with his directions or instructions, or
- (b) he is entitled to exercise, or control the exercise of, one third or more of the voting power at any general meeting of the company or of another company which has the control of it;

and where two or more persons together satisfy either of the above conditions, they are to be taken as having control of the company.

(11) In this section "company" includes any body corporate (whether incorporated in Great Britain or elsewhere); and references to directors and other officers of a company and to voting power at any general meeting of a company have effect with any necessary modifications.

Garth Bakery Limited (in Administration)

Progress Report to Creditors

APPENDIX II

- **Statutory Information**

Garth Bakery Limited (In Administration)

Statutory Information for Progress Report

Court Reference:	High Court of Justice, Business and Property Courts of England & Wales, Insolvency & Companies List CR-2022-004155
Company Number:	01705445
Registered Office:	9 Ensign House Admirals Way Marsh Wall Docklands London E14 9XQ
Administration commenced on:	09 November 2022
Joint Administrators appointed on:	09 November 2022
Joint Administrators' functions:	May be exercised by either of the Joint Administrators

Extensions to Administration period:

A twelve-month extension was granted by the secured creditor on 26 September 2023.

Basis of the Joint Administrators' fees and certain expenses:

The Joint Administrators' fees were fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration. This basis was approved by the secured creditor on 20 December 2022. The bases of the Joint Administrators' Category 2 expenses, including the costs of SFP Property, similarly were approved by this creditor. In addition, set out below are the pre-administration costs that were unpaid at the time of the Joint Administrators' Proposals, which were approved for payment by this creditor on 20 December 2022:

SFP's time costs	£7,848.00
SFP's disbursements	£138.22
FWJ	£3,175.50

Creditors' rights to further information and challenge:

Rule 18.9 of the Insolvency (England & Wales) Rules 2016: Within 21 days of receipt of a progress report, a creditor may request the Administrator to provide further information about the remuneration and expenses set out in the report. A request must be made in writing and may be made by either a secured creditor or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors or by any unsecured creditor with the permission of the court.

Rule 18.34 of the Insolvency (England & Wales) Rules 2016: Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors or the permission of the Court, may apply to the Court on the grounds that the remuneration or other expenses are excessive. Any such application must be made no later than 8 weeks after receipt of the relevant report.

Garth Bakery Limited (in Administration)

Progress Report to Creditors

APPENDIX III

- **The Joint Administrators' Receipts and Payments Account**

GARTH BAKERY LIMITED
(IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FROM 09 MAY 2023 TO 08 NOVEMBER 2023

Notes	Statement of Affairs £	From 09/05/2023 to 08/11/2023 £	From 09/11/2022 to 08/11/2023 £
RECEIPTS			
Sales Ledger	58,814.00	4,149.52	4,149.52
Sale of Intangible Assets	1,000.00	-	1,000.00
Sale of Tangible Assets	50,000.00	-	44,000.00
Sale of Motor Vehicles	36,500.00	-	42,500.00
Cash at bank	3,000.00	-	100.00
Stock	1,060.00	-	1,060.00
Miscellaneous Refund	-	-	48.32
VAT Refund	6,495.00	3,572.44	3,572.44
Insurance Refund	3 -	507.61	507.61
Antecedent Transactions	Uncertain	15,200.00	15,200.00
TOTAL RECEIPTS	156,869.00	23,429.57	112,137.89

	Joint Administrators' Fees and Expenses Estimate £	Expenses incurred (whether or not paid)		Payments made	
		From 09/05/2023 to 08/11/2023 £	From 09/11/2022 to 08/11/2023 £	From 09/05/2023 to 08/11/2023 £	From 09/11/2022 to 08/11/2023 £
PAYMENTS / EXPENSES					
Pre-Administration Costs (SFP and SFP Property)					
Pre-Administration Costs (agents and solicitors)	-	-	-		
Joint Administrators' Remuneration	115,815.00	19,847.50	133,189.50	7,500.00	62,500.00
Joint Administrators' Other Category 1 Expenses	1 370.00	216.05	967.22	-	-
Joint Administrators' Other Category 2 Expenses	1 2,292.00	-	2,759.20	-	-
SFP Property Fees and Expenses	3,000.00	1,365.00	4,060.00	-	875.00
Agents' / Valuers' Fees and Disbursements	2 18,450.00	-	16,450.00	-	12,500.00
Legal Fees and Disbursements	2 11,618.00	-	11,105.00	-	11,105.00
Statutory Advertising	101.00	-	100.80	-	100.80
Insurance of Assets	3 1,500.00	-	1,398.63	1,906.24	1,906.24
Corporation Tax	Uncertain	-	-	-	-
Pension Advisors Fee	1,500.00	-	3,510.00	3,210.00	3,510.00
Security	3,808.00	-	3,808.00	-	3,808.00
Transport and Destruction of Company's Records	1,750.00	-	1,332.00	-	1,332.00
Wages and Salaries	Uncertain	-	214.75	-	214.75
Mail Redirection	321.00	-	-	-	-
Other Professional Fees (Pythagoras)	-	5,320.00	5,320.00	5,320.00	5,320.00
Other Professional Fees (Merit Technology (UK) Limited)	-	-	280.00	-	280.00
Other Professional Fees (Credebt)	-	247.50	247.50	247.50	247.50
Other Professional Fees (Gravity)	435.00	-	435.00	-	435.00
TOTAL PAYMENTS / EXPENSES	160,960.00	26,996.05	185,177.60	18,183.74	104,134.29

BALANCE IN HAND 8,003.60

REPRESENTED BY

Non-Interest Bearing Current Account	7,252.10
VAT Receivable	751.50
BALANCE IN HAND	<u>8,003.60</u>

NOTES TO THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Notes

1 Further details of material disbursements/expenses incurred in the period are as follows:

Bond premium	£320.00
Accommodation and subsistence	£1,934.60
Mail redirection	£321.00
Stationery, photocopying and postage	£318.72
Travel	£832.10

2 The Joint Administrators' instructions as regards these items remain ongoing and therefore they continue to incur liabilities to third parties. However, these expenses will only be quantified once an invoice has been issued.

3 A refund was received from the insurers which has been disclosed in the receipts. This is the reason why payments made for insurance of assets is greater than what expenses have been incurred relating to the matter.

Garth Bakery Limited (in Administration)

Progress Report to Creditors

APPENDIX IV

- **Breakdown of the Joint Administrators' Fees**

SFP
■■■■■



GARTH BAKERY LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PERIOD 09 MAY 2023 TO 08 NOVEMBER 2023

	Time spent over the period under review 09 MAY 2023 TO 08 NOVEMBER 2023						Total Time spent 09 NOVEMBER 2022 TO 08 NOVEMBER 2023			
CLASSIFICATION OF WORK FUNCTION	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours incurred	Total Costs £	Total hours incurred	Average rate £/hour	Total Costs £	Total per fees estimate £
Statutory and General Administration	1.50	6.70	12.30	12.40	32.90	8,175.00	454.10	114.52	52,005.00	43540.00
Investigations	1.00	0.10	3.00	0.00	4.10	1,612.50	35.50	268.17	9,520.00	25000.00
Realisation of assets	0.50	15.90	5.70	0.00	22.10	7,562.50	92.30	304.17	28,075.00	22000.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	1.00	275.00	275.00	275.00
Creditors and Members	0.00	0.90	8.50	2.10	11.50	2,497.50	169.50	255.54	43,314.50	25000.00
Total	3.00	23.60	29.50	14.50	70.60	19,847.50	752.40	177.02	133,189.50	115,815.00
Average rate per fees estimate (£/hour)										227.09

Fees drawn on account 62,500.00

See Appendix for Summary Charge Out Rates for staff

Garth Bakery Limited (in Administration)

Progress Report to Creditors

APPENDIX V

- **Breakdown of SFP Property Limited Fees**



GARTH BAKERY LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PERIOD 09 MAY 2023 TO 08 NOVEMBER 2023

	Time spent over the period under review 09 MAY 2023 TO 08 NOVEMBER 2023						Total Time spent 09 NOVEMBER 2022 TO 08 NOVEMBER 2023			
CLASSIFICATION OF WORK FUNCTION	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours incurred	Total Costs £	Total hours incurred	Average rate £/hour	Total Costs £	Total per fees estimate £
Statutory and General Administration	0.30	0.00	0.00	0.00	0.30	105.00	0.30	350.00	105.00	1000.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	2.20	350.00	770.00	0.00
Realisation of assets	3.60	0.00	0.00	0.00	3.60	1,260.00	9.10	350.00	3,185.00	2000.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.90	0.00	0.00	0.00	3.90	1,365.00	11.60	350.00	4,060.00	3,000.00
Average rate per fees estimate (£/hour)										250.00

Fees drawn on account 875.00

See Appendix for Summary Charge Out Rates for staff

Garth Bakery Limited (in Administration)

Progress Report to Creditors

APPENDIX VI

- **SFP's Charge-out rates and Bases of Expenses**

Time costs of office holders and their staff are recorded in 6-minute units at the charge-out rates shown below. Office holders may be assisted by self-employed individuals engaged to fill temporary or infrequent gaps in the firm's permanent staff resources. Such individuals operate in a manner similar to other members of staff and their time spent on case administration is recorded at whichever rate shown here is appropriate to the role they perform.

For further information regarding fees, please download the relevant Guide at <http://panel.sfpgroup.com/> or a hard copy will be provided on request. Further information about insolvency processes is available at www.creditorinsolvencyguide.co.uk.

<u>Grade</u>	<u>Rate £/hr</u>	<u>Grade</u>	<u>Rate £/hr</u>	<u>Grade</u>	<u>Rate £/hr</u>
Director 2	625	Manager 2	400	Administrator 2	250
Director 1	575	Manager 1	375	Administrator 1	200
Associate Director	500	Assistant Manager	350	Assistant	150
Senior Manager 2	475	Senior Administrator 2	325	Data Administrator	20
Senior Manager 1	450	Senior Administrator 1	300		

SIP9 provides definitions of Category 1 and 2 expenses. They are always directly attributable to the estate to which they are charged. In general terms, office holders may discharge Category 1 expenses from the funds held in the estate, whereas the relevant authorising body must approve the basis of any Category 2 expenses before they may be charged to the estate. The relevant authorising body is whoever has the statutory right to approve the basis of the office holders' fees. This is usually the general body of creditors or a class of them. Please note that reports or fee-related documents issued by the office holder before 1 April 2021 may have described the office holders' expenses in a different manner to reflect the version of SIP9 that was effective at the time. If you require information on the policies applicable to earlier periods, please contact this office.

Category 2 Expenses

Category 2 expenses: Travel, Subsistence and Accommodation

SFP pays its employees/directors for using their own vehicles in travelling to/from locations (other than SFP's offices) as required for case administration. Employees are currently paid at the below rates and these same charges will be passed onto the estate, although rates may change in future especially to reflect any changes to HMRC's approved mileage rates.

Additional cost for each passenger: 5p per mile

SFP Property is a surveying practice, which provides property valuation and sales services. SFP Property has shareholders in common with SFP. Although the office holders and their staff could undertake some of the work carried out by SFP Property, e.g. liaising with landlords, tenants and interested parties, it is considered more effective and efficient to arrange for SFP Property to deal with all matters relating to properties. In addition, in view of SFP Property's proximity to SFP, including the sharing of resources such as office space and finance staff, it is considered that SFP Property provides better value than any outside agencies. Although, of course, this arrangement benefits the common shareholders, it should be remembered that in the event that realisations are limited, SFP Property will not receive full payment for its time costs incurred.

SFP Property may also incur direct expenses, such as Land Registry fees, which will be charged to the estate at cost.

Category 2 expenses: SFP Property Limited (continued)

SFP Property's fees are charged on the basis of the time costs incurred at the following rates:

Grade	Rate £/hr	Grade	Rate £/hr	Grade	Rate £/hr
Director	350	Manager 2	225	Administrator 2	135
Senior Manager 1	275	Manager 1	200	Administrator 1	115
Senior Manager 2	250	Senior Administrator 2	175	Assistant	100
		Senior Administrator 1	155		

Category 1 expenses: Sub-contractors

Office holders may sub-contract work that could otherwise be carried out by them or their staff. The following explains what typically is sub-contracted out and why. Where relevant, these are charged as a Category 1 expense. Please refer to the accompanying documents for details of the specific circumstances of the case and on how much this work will, or has, cost.

Pension Specialists

Where a pension scheme exists, pension specialists are instructed to conclude all pension scheme matters, which can involve winding up schemes and applying to the Redundancy Payment Service for payment of pension contribution arrears. Although these matters could be carried out by the office holders or their staff, it is appropriate to draw on the substantial knowledge and expertise of the pension specialists, who are also able to operate in a cost-effective manner.

Employment Specialists

SFP has staff with the knowledge and experience to deal with most matters relating to employees and former employees of insolvent businesses. However, particularly in cases with a large number of employees, external employment specialists may be instructed as they have cost-effective systems in place to process employees' claims in bulk. Employment specialists may also be engaged to assist in high profile or complex cases, as they have greater expertise to deal with such matters.

Debt Collection Agents

In some cases, office holders will engage other parties to pursue payment of outstanding sales invoices. Sometimes specialist debt collection agents, who have knowledge and experience in collecting the debts of a particular industry will be instructed. In other cases, office holders may engage individuals (whether in their personal capacity or by engaging with the individuals' new employer or company) who were previously employed by the insolvent entity to do this work. In both these circumstances, because of the debt collectors' specialist knowledge and often their relationships with the debtors, they are likely to be achieve better results than the office holders or their staff. In some cases, office holders may decide to instruct a debt collection agent on the basis that it will be cheaper than the staff to carry out the work at their standard charge-out rates.

Insolvency Claims Specialists

An office holder's investigations sometimes identify claims that may be pursued for the benefit of an insolvent estate. Due to their specialism, it is often the case that recoveries can be made quicker and more effectively if insolvency claims specialists are instructed to assist in pursuing such claims. Thus, while office holders and their staff have the knowledge and skills to pursue such recoveries in the first instance, they may decide to engage an insolvency claims specialist at an early stage in the interests of the insolvent estate.

Storage Agents

On appointments before May 2021, the office holders usually instructed independent agents to box up the insolvent entity's relevant books and records, create an inventory of those records, transport them to their storage facilities and store the records until such time as they can be destroyed. In most new appointments, the office holders now instruct independent storage agents to transport the insolvent entity's relevant books and records to the office holders' offices so that they can be scanned for electronic filing purposes and then the storage agents destroy the hard copy records. Holding the records in electronic form is far more useful to the office holders for their investigation purposes and it saves on the ongoing expense of storing the hard copy records with independent agents often for several years.

Advertising Agents

In all cases, legislation requires office holders to have statutory notices published in the London or Edinburgh Gazette. Although it is possible for the office holder to submit such requests directly to the Gazette, they use specialist advertising agents. For a small additional fee, the advertising agents check the submissions for obvious errors and omissions and can ensure that notices requiring urgent attention are dealt with swiftly.

Press Agents

In a few cases, it is valuable to the administration of the case for press agents to be engaged to assist in publicising the insolvency. For example, publicising may assist in bringing the insolvency event to the attention of unknown creditors or parties who may be interested in purchasing the business or assets. Press agents have the knowledge and expertise to determine how best to publicise matters and are more effective than the office holders or their staff would be.

Casework Assistance

SFP has staff with the knowledge and experience to deal with all tasks which are required to be undertaken on insolvency cases. That said, there are certain tasks which do not require the level of knowledge and experience which the majority of SFP's staff hold, yet these tasks take a material amount of time to complete. These matters include, but are not limited to, preparatory work to assist with an office holder's investigations as well as tasks associated with the closure of a case. External parties have cost-effective systems in place to deal with tasks of this nature in bulk and may be engaged to assist in certain matters.