

The Insolvency Act 1986

Administrator's progress report

Name of Company

Cadwalader (Ice Cream) Limited

Company number

01808766

In the
High Court of Justice, Cardiff District Registry
(full name of court)Court case number
225 of 2015(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Richard Michael Hawes
Deloitte LLP
5 Callaghan Square
Cardiff
CF10 5BTMatthew James Cowlshaw
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

administrator(s) of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 30 April 2016

(b) 29 October 2016

Signed

Joint / Administrator(s)

Dated

25.10.16

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

Dominic Criscione
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COMPANIES HOUSE



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26/10/2016

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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

Deloitte.

Cadwalader (Ice Cream) Limited (in administration) ("the Company")

Court Case No 225 of 2015
High Court of Justice, Cardiff
District Registry
Company Number 01808766

Registered Office: c/o Deloitte LLP, 5 Callaghan Square, Cardiff CF10 5BT

Final progress report to creditors pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 (as amended) ("the Rules").

Richard Michael Hawes and Matthew James Cowlshaw ("the Joint Administrators") were appointed Joint Administrators of Cadwalader (Ice Cream) Limited on 30 October 2015 by the Company's directors. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

25 October 2016

Contacts

Joint Administrators of the Company

Richard Michael Hawes

Mathew James Cowlishaw

Deloitte LLP

5 Callaghan Square

Cardiff

CF10 5BT

Contact details

Email dcorscione@deloitte.co.uk

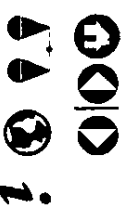
Website

www.deloitte.com/uk/cadwalader

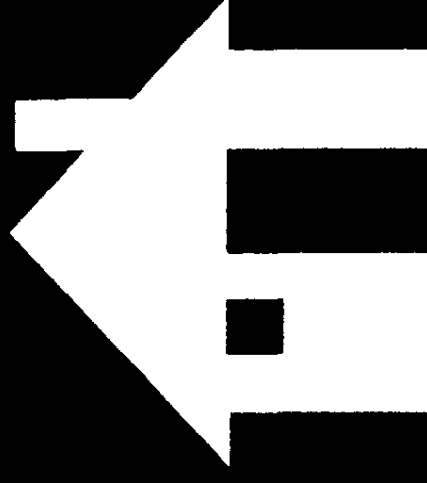
Tel 0121 695 5260

Key messages

	Commentary
Purpose of administration	The purpose of the administration was to achieve a better result for the Company's creditors as a whole than a liquidation
Achievement of the Joint Administrators' proposals	- Trading ceased on 30 October 2015 when the business and assets were sold to Cadwaladers (Cardiff) Limited, Cadwaladers (Retail) Limited and Robbik Property Limited (together "the Purchasers") - We realised £700,000 in respect of the Company's two freehold properties - We realised £150,000 in respect of the Company's goodwill, fixtures and fittings and stock
Costs	- The basis of our remuneration was fixed by the secured creditor on a time costs basis as set out in our fees estimate - Our actual time costs are £166,446 against our estimated total times costs of £149,816. We have drawn fees of £74,000 and the balance will written off. Please refer to Page 10 for further details
Outcome for Creditors	- Secured creditor – The secured creditor was paid £765,000 leaving a shortfall of c £935,000 - Preferential and unsecured creditors – There were insufficient floating charge realisations to enable a distribution to the preferential and unsecured creditors
Extension to and end of the administration period	- The period of the administration was not extended - The Company will exit administration pursuant to paragraph 84 of Schedule B1 to the Act. The necessary form has been lodged with the Registrar of Companies and the Company will be dissolved three months from its registration



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Summary Proposals

Steps taken

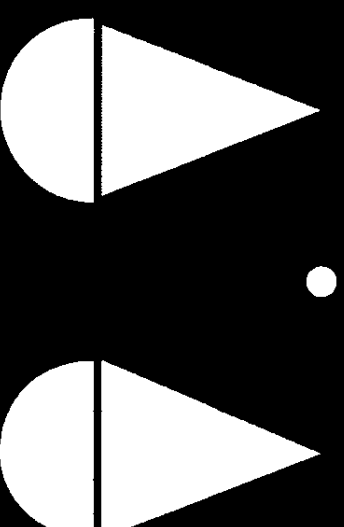
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Costs

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Receipts and payments

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Summary Proposals

Steps taken

The Joint Administrators' proposals

Our proposals were deemed approved on 9 December 2015, following the expiration of 8 business days from the date of issue of our proposals, in accordance with Rule 2.37 of the Rules

Revisions to proposals

There were no amendments to the proposals

Extensions to the administration

It was not necessary to extend the period of the administration

Steps taken during the administration

Statutory tasks

During the period of our appointment, we have carried out the following tasks, which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature

- Case set-up and management actions including the insolvency website for the case, setting up electronic filing systems and regular diary reviews to ensure compliance matters are dealt with accordingly,
- Statutory reports were issued to creditors and filed with the relevant parties, including Companies House,
- Appointment notifications consisting of statutory forms and letters were prepared and issued to the Company's c 110 creditors and filed with the relevant parties, including Companies House,
- CDDA reporting requirements were met and our confidential report was filed as detailed opposite,
- One case review was completed and a closing review will be completed one month after closure,
- Cashiering functions including the preparation of monthly bank account reconciliations and issuing cheques for c £850k of payments, and

- Closing preparation tasks were completed including closure of case files and settling of final costs

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors

Investigations

No further avenues of recovery were identified as result of our investigations

Sale of business and realisation of assets

A sale of the Company's property, trade and other assets was achieved and a breakdown is provided on page 5

Creditors

Employees – There were more employee related queries to deal with than initially expected at the point of writing the proposals. Many of these queries were in relation to the completion of forms and information regarding the transfer of contracts

Unsecured creditors – There have been a number of claims received from the Company's c 110 creditors. These claims have been logged but not agreed

No distributions have been made to the preferential or unsecured creditors and further information in relation to these claims can be found on page 8

Case specific matters

Corporation Tax – Higher costs were incurred in completing the Company's Corporation Tax returns due to the complexity of the sale. Three sets of Tax computations were required for the twelve months of administration

Further information relating to these costs are provided on page 10



Summary Proposals

Costs

Sale of business and realisation of assets

Freehold Properties – As detailed in our previous reports, the contracts for the sale of the two freehold properties were exchanged on 30 October 2015, with completion on 29 January 2016. An initial deposit of £35,000 was received on 3 November 2015, with the final balance of £665,000 being received on 29 January 2016.

In total, £700,000 was received in relation to the Company's freehold properties.

Goodwill and Chattel assets – Cadwaladers (Cardiff) Limited and Cadwaladers (Retail) Limited purchased the trade and other assets of the Company for £150,000. £40,000 was received on completion, with an initial £35,000 deferred consideration being received on 23 March 2016 and a further £37,500 deferred consideration being received on both 29 April 2016 and 29 July 2016.

Leasehold Property – The Purchasers were granted Tenancies at Will for five leasehold properties for a period of three months, whilst consent was obtained from the relevant landlords for the assignment of the leases. Deferred consideration totalling £75,000 was received upon the successful assignment of the five leases to the Purchaser.

The total deferred consideration received of £150,000 has been apportioned between goodwill (£80,000), fixtures and fittings (£34,000) and stock (£36,000).

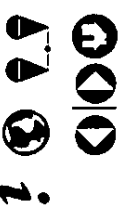
Retention of Title – We received one retention of title claim which has been dealt with accordingly and passed over to the Purchasers.

Cost of the work done during the administration

The total costs and expenses incurred during the period of our appointment are detailed below.

- **Legal Costs** – As previously reported, we instructed lawyers to assist in the following matters
 - Advice in relation to placing the Company into administration and conducting a validity of appointment review – Blake Morgan LLP, a commercial law firm, were instructed to provide advice and assistance in preparing and lodging the administration appointment documents and review the validity of our appointment.
 - Their initial estimated fee for so doing was £4,000 plus VAT. In total, they have billed £3,771 plus VAT.
 - Geldard's LLP, a commercial law firm with experience in commercial property, were instructed to deal with relevant legal matters and to prepare required legal documentation in relation to the properties and sale of assets.
 - Initially they estimated their fee would be £6,000 plus VAT. In total, they have billed £3,504 plus VAT.
- **Insurance of Assets** – Costs of £170 relating to insurance cover for the period ending at the completion of the sale of business were paid.
- **Our remuneration and expenses** – Further information on these costs are provided on pages 10 – 12.

All costs have been paid, as shown in the receipts and payments account on page 6.



Summary Proposals

Receipts and payments

Joint Administrators' receipts and payments account 30 October 2015 to 29 October 2016

£	SoA values	Notes	Period	To date
Receipts				
Freehold property	700,000		-	700,000
Goodwill	80,000		35,000	80,000
Fixtures & Fittings	34,000		-	34,000
Stock	36,000		2,500	36,000
Refunds - Utilities			-	92
Insurance Refund			-	48
Bank Interest Gross			36	136
Total receipts	850,000		37,536	850,276

Payments				
Distribution to chargeholder	1	80,000		765,000
Administrators' Fees	2	44,000		74,000
Administrators' Expenses	2	1,723		1,723
Legal Fees		-		7,271
Legal Disbursements		-		4
Statutory Advertising	2	85		85
Insurance of Assets		-		170
Bank Charges			3	13
Storage Costs	2	2,010		2,010
Total payments		127,821		850,276

Balance				-
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Made up of				
RBS NIB Current A/C	3			-
Balance in hand				-

A receipts and payments account is provided opposite, detailing the transactions in the final period of the administration since our last report to 29 October 2016, and also summarising the transactions for the entire period of the administration

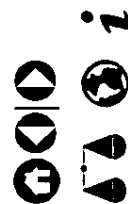
Notes to receipts and payments account

Note 1 – Distributions totalling £765,000 were made to the secured creditor under the terms of their Fixed Charge security previously granted by the Company. These distributions were made as follows

- £685,000 on 4 February 2016,
- £40,000 on 26 May 2016, and
- £40,000 on 30 August 2016

Note 2 – The secured creditor approved the Joint Administrators' remuneration and expenses on a time costs basis on 21 December 2015. Please refer to page 10 of the report for more details

Note 3 – All funds were held in an interest bearing account. The associated Corporation Tax on interest received has been accounted for to HM Revenue & Customs





Information for creditors

Outcome

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Information for creditors

Outcome for creditors

Secured creditors

The Company records show HSBC Bank Plc, in its capacity as secured creditor, was owed circa £1,700k at the date of our appointment

Three distributions totalling £765,000 were made to the secured creditor under the terms of their Fixed Charge security granted by the Company

There were insufficient asset realisations to repay the secured creditor in full, leaving a shortfall of c £935k

Preferential creditors

A number of employees were made redundant by the Company's directors prior to our appointment, giving rise to a number of potential preferential claims

We received seven preferential claims totalling c £3,600, however no claims were agreed as there were no funds available for distribution to preferential creditors

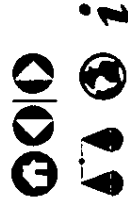
Prescribed part and unsecured creditors

Insufficient funds were realised to enable a dividend to be paid to the unsecured creditors

End of the administration

As the Company had no property for distribution to its creditors, notice of move to dissolution on Form 2.35B was sent for filing at Companies House on 25 October 2016

The Company will be deemed to be dissolved 3 months from the date of its registration



i Remuneration and expenses

Joint Administrators' remuneration 10

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Remuneration and expenses

Joint Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at

www.deloitte.com/uk/cadwalader

A paper copy will be provided free of charge on request to us at the address on Page 1 of this report

Administrators' remuneration

Basis of remuneration

The basis of our remuneration was fixed on 21 December 2015, by the secured creditor, by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration as set out in the fees estimate, plus VAT thereon

Time costs incurred

A copy of our Fees Estimate, detailing the work that we anticipated would need to be undertaken on this case for the duration of the appointment, together with estimates of the likely cost and amount of time that each part of that work will take to complete is provided on Page 11

We have also updated the Fees Estimate to provide details of our actual time costs

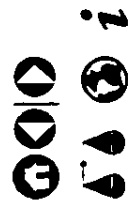
- For the period since our last report which went up to 29 April 2016, and
 - for the duration of the appointment to 24 October 2016
- As can be seen, our total time costs are £166,446 made up of 426.7 hours at an average charge out rate of £390.01 across all grades of staff

There were higher than expected time costs incurred in relation to various matters, as discussed below

Tax – As a result of the sale of the freehold property and receipt of deferred consideration, there were a larger number of Corporation Tax period returns required than initially expected

Property – Due to the complex terms of some of the Company's leases, legal issues in relation to the lease assignments had taken longer than expected to resolve. In addition, the level of time needed to complete the sale of the two freehold properties, as well as the surrender of remaining leases was underestimated

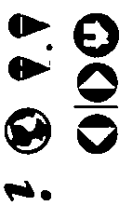
Employees – There were more employee related queries to deal with than initially expected at the point of writing the proposals. Many of these queries were in relation to the completion of the statutory forms and information regarding the transfer of contracts



Fees Estimate and Joint Liquidators' time costs for the period 30 October 2015 to 29 October 2016

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity	Anticipated hours	Avg Rate £/h	Anticipated time costs (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)	Hours incurred to date	Avg Rate £/h	Time costs incurred to date (£)	
Administrative activities*	Cashiering	24.6	393	9,661	12.9	341	4,393	23.4	331	7,720
	Case supervision	33.2	380	12,620	36.7	400	14,654	59.8	449	26,833
	Case reviews	8.4	319	2,676	5.0	245	1,226	5.5	268	1,476
	Case closure matters	-	-	0	1.5	430	645	1.5	430	645
Statutory & compliance*	Compliance & FPS diary	9.6	360	3,456	9.1	375	3,413	14.8	359	5,317
	Insurance	11.5	422	4,855	-	-	0	1.5	486	729
	General reporting	63.1	364	22,973	24.5	327	7,983	60.5	362	21,873
	Regulatory & other legislation	4.4	360	1,584	-	-	0	1.0	220	220
Initial actions*	Court applications	4.2	532	2,233	-	-	0	-	-	0
	Appointment matters	13.0	516	6,703	-	-	0	1.5	760	1,140
	Securing assets	36.0	494	17,770	-	-	0	6.0	500	3,000
	Notifications	55.5	354	19,620	-	-	0	47.4	380	18,009
Investigations	CDDA reporting	18.0	343	6,170	-	-	0	15.5	347	5,377
	Investigations	8.5	399	3,390	-	-	0	2.5	500	1,250
Taxation*	Tax	3.7	325	1,202	57.3	358	20,502	59.1	360	21,262
	VAT	9.9	295	2,918	4.8	255	1,224	4.8	255	1,224
Asset realisations	Property	5.0	529	2,645	11.5	523	6,010	39.0	490	19,116
	Retention of title	-	-	0	-	-	0	0.5	220	110
Employees	Sale of business	-	-	0	-	-	0	1.5	760	1,140
	Consultation	-	-	0	-	-	0	0.5	760	380
Correspondence	Correspondence	25.2	348	8,772	-	-	0	42.9	335	14,372
	Pensions	1.0	335	335	-	-	0	-	-	0
Distributions	Creditors	27.6	396	10,926	0.3	220	66	23.7	391	9,274
	Press & media queries	1.3	587	739	-	-	0	1.0	500	500
Total	Secured creditors	2.8	545	1,526	-	-	0	-	-	0
	Unsecured creditors	2.9	335	972	-	-	0	-	-	0
	Unsecured creditors	27.6	220	6,072	-	-	0	12.9	425	5,481
		396.9	377	149,816	163.5	367.7	60,115	426.7	390.1	166,446



Remuneration and expenses

Detailed information

Disbursements

Our disbursements are in line with estimates provided in the proposals and are summarised below

Category 1 disbursements

£ (net)	Value	Paid	Unpaid
Travel	7	7	-
Statutory Bonding	230	230	-
Postage/Couriers	161	161	-
Misc Expenses	50	50	-
Total expenses	448	448	-

Category 2 disbursements

£ (net)	Value	Paid	Unpaid
Mileage	775	775	-
Website set up	500	500	-
Total disbursements	1,275	1,275	-

Mileage costs not anticipated in our initial estimate have been incurred in relation to visits to the Company's premises

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

Our disbursements have been recovered in full

Creditors' right to request information

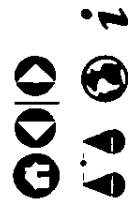
Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2.47(1)(fa) and 2.48A of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 2.109(4) of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2.109 of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.



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