

# 2.17B

The Insolvency Act 1986

## Statement of administrator's proposals

Name of Company Paramount Limited	Company number 01934366
In the High Court of Justice, Chancery Division Companies Court (full name of court)	Court case number 10242 of 2011

(a) Insert full name(s) and address(es) of administrator(s)

We (a)  
Matthew David Smith  
Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA

Nicholas Guy Edwards  
Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA

\*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 17 January 2012

Signed



Joint / Administrator(s)

Dated

17/1/12

### 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 researchers of the public record

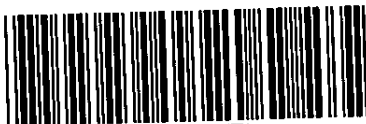
Will Stone  
Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA

Tel 0207 303 7371

DX Number

DX Exchange

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



\*A11D7WZT\*

A17 26/01/2012 #66

COMPANIES HOUSE

A49 19/01/2012 #77

COMPANIES HOUSE

THURSDAY

Form 2.21B

Rule 2.37

Creditor's request for a meeting

Name of Company  Chez Gerard Restaurants Limited	Company number  07656817
In the High Court of Justice, Chancery Division, Companies Court  (full name of court)	Court case number  10244 of 2011

(a) Insert full name and  
address of the creditor  
making the request

I (a)

(b) Insert full name and  
address of registered  
office of the company

request a meeting of the creditors of (b)  
Chez Gerard Restaurants Limited  
Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3TR

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the  
request (if any) and their  
claims in the  
administration if the  
requesting creditor's claim  
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of  
concurrence

(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e)

Signed

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Dated

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Form 2.21B

Rule 2.37

Creditor's request for a meeting

Name of Company Craftbutton Limited	Company number 04905213
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 10243 of 2011

(a) Insert full name and address of the creditor making the request

I (a)

(b) Insert full name and address of registered office of the company

request a meeting of the creditors of (b)  
Craftbutton Limited  
Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3TR

(c) Insert amount of claim  
(d) Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the requesting creditor's claim is below the required 10%

My claim in the administration is (c)  
(d)

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the purpose of the meeting

The purpose of the meeting is (e)

Signed

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Dated

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Form 2.21B

Rule 2.37

Creditor's request for a meeting

Name of Company Paramount Limited	Company number 01934366
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 10242 of 2011

(a) Insert full name and  
address of the creditor  
making the request

I (a)

(b) Insert full name and  
address of registered  
office of the company

request a meeting of the creditors of (b)  
Paramount Limited  
Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3TR

(c) Insert amount of claim  
(d) Insert full name(s) and  
address(es) of creditors  
concurring with the  
request (if any) and their  
claims in the  
administration if the  
requesting creditor's claim  
is below the required 10%

My claim in the administration is (c)  
(d)

concur with the above request, and I attach copies of their written confirmation of  
concurrence

(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e)

Signed

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Dated

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Form 2.21B

Rule 2.37

Creditor's request for a meeting

Name of Company Paramount Restaurants Limited	Company number 05155347
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 10240 of 2011

(a) Insert full name and  
address of the creditor  
making the request

I (a)

(b) Insert full name and  
address of registered  
office of the company

request a meeting of the creditors of (b)  
Paramount Restaurants Limited  
Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3TR

(c) Insert amount of claim  
(d) Insert full name(s) and  
address(es) of creditors  
concurring with the  
request (if any) and their  
claims in the  
administration if the  
requesting creditor's claim  
is below the required 10%

My claim in the administration is (c)  
(d)

concur with the above request, and I attach copies of their written confirmation of  
concurrence

(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e)

Signed

\_\_\_\_\_

Dated

\_\_\_\_\_

Form 2.21B

Rule 2.37

Creditor's request for a meeting

Name of Company  Caffe Uno Brasseries Limited	Company number  05622071
In the High Court of Justice, Chancery Division, Companies Court  (full name of court)	Court case number  10245 of 2011

(a) Insert full name and  
address of the creditor  
making the request

I (a)

(b) Insert full name and  
address of registered  
office of the company

request a meeting of the creditors of (b)  
Caffe Uno Brasseries Limited  
Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3TR

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the  
request (if any) and their  
claims in the  
administration if the  
requesting creditor's claim  
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of  
concurrence

(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e)

Signed

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Dated

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Rule 2.37

Creditor's request for a meeting

Name of Company Groupe Chez Gerard Restaurants Limited	Company number 02006409
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 10241 of 2011

(a) Insert full name and address of the creditor making the request

I (a)

(b) Insert full name and address of registered office of the company

request a meeting of the creditors of (b)  
Groupe Chez Gerard Restaurants Limited  
Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3TR

(c) Insert amount of claim  
(d) Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the requesting creditor's claim is below the required 10%

My claim in the administration is (c)  
(d)

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the purpose of the meeting

The purpose of the meeting is (e)

Signed

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Dated

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**Rule 2 72 PROOF OF DEBT - GENERAL FORM**  
**Chez Gerard Restaurants Limited - In Administration**  
**and in the matter of The Insolvency Act 1986**  
**Date of Administration 23 November 2011**

**Form 4.25**

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	



**Rule 2 72 PROOF OF DEBT - GENERAL FORM**  
**Craftbutton Limited - In Administration**  
**and in the matter of The Insolvency Act 1986**  
**Date of Administration 23 November 2011**

**Form 4 25**

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

**Rule 2 72 PROOF OF DEBT - GENERAL FORM**  
**Paramount Limited - In Administration**  
**and in the matter of The Insolvency Act 1986**  
**Date of Administration 23 November 2011**

**Form 4 25**

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
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9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

**Rule 2 72 PROOF OF DEBT - GENERAL FORM**  
**Paramount Restuarants Limited - In Administration**  
**and in the matter of The Insolvency Act 1986**  
**Date of Administration 23 November 2011**

Form 4 25

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
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9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

**Rule 2.72 PROOF OF DEBT - GENERAL FORM**  
**Caffe Uno Brasseries Limited - In Administration**  
**and in the matter of The Insolvency Act 1986**  
**Date of Administration 23 November 2011**

**Form 4.25**

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Rule 2 72 PROOF OF DEBT - GENERAL FORM

Form 4 25

Groupe Chez Gerard Restaurants Limited - In Administration  
and in the matter of The Insolvency Act 1986  
Date of Administration 23 November 2011

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
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7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
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9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Time costs for the period 21/11/2011 to 31/12/2011

Dormant entities  
(In Administration)

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate #/Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
<b>Administration and Planning</b>									
Casefiling and Statutory Filing	0.3	239	2.0	730	-	-	2.3	969	421.09
Case Supervision, Management and Closure	-	-	1.2	702	0.2	54	1.4	756	540.00
Initial Actions (e.g. Notification of Appointment, Securing Assets)	1.0	795	5.6	3,276	11.0	1,980	17.6	6,051	343.81
General Reporting	-	-	-	-	-	-	-	-	-
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	1.3	1,034	8.8	4,708	11.2	2,034	21.3	7,776	365.05
<b>Investigations</b>									
Investigations	-	-	-	-	-	-	-	-	-
Reports on Directors' Conduct	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Trading</b>									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Realisation of Assets</b>									
Book Debts	-	-	-	-	-	-	-	-	-
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Creditors</b>									
Employees	-	-	-	-	-	-	-	-	-
Preferential	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	-	-	-	-
Unsecured	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Other Matters Include</b>									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>TOTAL HOURS &amp; COST</b>	1.3	1,034	8.8	4,708	11.2	2,034	21.3	7,776	365.05

TOTAL FEES DRAWN TO DATE

0

Caffe Uno Brasseries Limited  
(In Administration)

Time costs for the period 21/11/2011 to 31/12/2011

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
<b>Administration and Planning</b>									
Cashiering and Statutory Filing	0.2	1.19	58.9	27,948	2.8	756	61.9	28,823	466.01
Case Supervision, Management and Closure	5.0	3,975	9.1	4,518	3.0	673	17.1	9,165	537.55
Initial Actions (e.g. Notification of Appointment, Securing Assets)	1.0	795	5.2	3,042	9.0	1,620	15.2	5,457	359.01
General Reporting	-	-	-	-	-	-	-	-	-
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	6.2	4,889	73.2	35,507	14.8	3,049	94.1	43,445	461.69
<b>Investigations</b>									
Investigations	-	-	-	-	-	-	-	-	-
Reports on Directors' Conduct	-	-	-	-	-	-	-	-	-
<b>Trading</b>									
Day 1 Control of Trading	-	-	18.8	7,924	-	-	18.8	7,924	422.60
Ongoing Trading	-	-	173.2	75,127	-	-	173.2	75,127	433.88
Monitoring Trading	12.0	9,540	23.1	12,282	-	-	35.1	21,822	621.70
Closure of Trade	12.0	9,540	50.8	29,549	-	-	50.8	29,549	581.67
	12.0	9,540	265.8	124,881	-	-	277.8	134,421	483.88
<b>Realisation of Assets</b>									
Book Debts	-	-	1.3	592	-	-	1.3	592	455.00
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	4.5	2,633	-	-	4.5	2,633	585.00
Retention of Title	-	-	8.0	4,680	-	-	8.0	4,680	585.00
Sale of Business / Assets	17.5	13,913	20.0	11,700	-	-	37.5	25,613	683.00
Third Party Assets	17.5	13,913	33.8	19,604	-	-	51.3	33,517	653.34
<b>Creditors</b>									
Employees	-	-	5.9	2,154	7.0	1,890	12.9	4,044	313.45
Preferential	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-
Shareholders	-	-	24.1	14,099	1.5	338	25.6	14,436	563.91
Unsecured	-	-	30.0	16,252	8.5	2,228	38.5	18,480	479.99
<b>Other Matters Include</b>									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	12.2	11,895	-	-	-	-	12.2	11,895	975.00
Tax and VAT	12.2	11,895	-	-	-	-	12.2	11,895	975.00
	47.9	40,237	402.8	196,244	23.3	5,276	473.9	241,757	510.14
<b>TOTAL HOURS &amp; COST</b>									

TOTAL FEES DRAWN TO DATE

0

**Groupe Chez Gerard Restaurants Limited  
(In Administration)**

**Time costs for the period 21/11/2011 to 31/12/2011**

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
<b>Administration and Planning</b>									
Cashiering and Statutory Filing	0.2	119	47.1	22,333	2.4	648	49.7	23,100	465.25
Case Supervision, Management and Closure	-	-	9.7	4,791	2.2	504	11.9	5,295	444.92
Initial Actions (e.g. Notification of Appointment, Securing Assets)	1.0	795	5.5	3,156	8.0	1,440	14.5	5,391	373.06
General Reporting	-	-	-	-	-	-	-	-	-
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	1.2	914	62.3	30,279	12.6	2,592	76.0	33,785	444.54
<b>Investigations</b>									
Investigations	-	-	-	-	-	-	-	-	-
Reports on Directors' Conduct	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Trading</b>									
Day 1 Control of Trading	-	-	20.5	9,308	-	-	20.5	9,308	454.02
Ongoing Trading	-	-	284.4	133,281	-	-	284.4	133,281	468.64
Monitoring Trading	14.0	11,130	-	-	-	-	14.0	11,130	795.00
Closure of Trade	-	-	49.2	28,782	-	-	49.2	28,782	585.00
	14.0	11,130	354.1	171,371	-	-	368.1	182,501	495.79
<b>Realisation of Assets</b>									
Book Debts	-	-	5.7	2,594	-	-	5.7	2,594	455.00
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	21.5	12,578	-	-	21.5	12,578	585.00
Retention of Title	-	-	6.7	3,920	-	-	6.7	3,920	585.00
Sale of Business / Assets	16.0	12,720	20.1	11,759	-	-	36.1	24,479	678.07
Third Party Assets	-	-	-	-	-	-	-	-	-
	16.0	12,720	54.0	30,849	-	-	70.0	43,569	622.41
<b>Creditors</b>									
Employees	-	-	5.0	1,825	8.0	2,160	13.0	3,985	306.54
Preferential	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-
Shareholders	-	-	0.6	351	1.5	338	2.1	689	327.86
Unsecured	-	-	5.6	2,176	9.5	2,498	15.1	4,674	309.50
	-	-	-	-	-	-	-	-	-
<b>Other Matters Include</b>									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	11.7	11,408	-	-	-	-	11.7	11,408	975.00
	11.7	11,408	-	-	-	-	11.7	11,408	975.00
	-	-	-	-	-	-	-	-	-
<b>TOTAL HOURS &amp; COST</b>	42.9	36,172	476.0	234,674	22.1	5,090	540.9	275,936	510.14

**TOTAL FEES DRAWN TO DATE**

**0**



The preparation for the Administration was focused on the trading companies, which were GCGRL and CUBL. A large part of the time was spent in preparation of the prepackaged sale of parts of the business, which were largely held by GCGRL. A review of the sites over which the Joint Administrators would be appointed was also undertaken in order to prepare to continue to trade the businesses post appointment.

The Joint Administrators propose that, if their pre appointment time costs are approved by the Secured Lenders and preferential creditors that they will draw their fees in the following proportion in order to reflect the amount of work carried out for each entity:

GCGRL	75%	£50,340
CUBL	25%	<u>£16,780</u>
		<u>£67,120</u>

The Joint Administrators' pre appointment fees remain unpaid at the date of this report.

## **5 Analysis of expenses incurred**

The Joint Administrators are not seeking to recover any pre appointment expenses incurred.

## STATEMENTS OF PRE-ADMINISTRATION COSTS

Pursuant to Rule 2.33(2)(ka) of the Insolvency (Amendment) Rules 2010

### 1 General

Pre-Administration Costs are defined as the fees charged and expenses incurred by the Joint Administrators (or other person qualified to act as such) before the Companies entered into Administration but with a view to them doing so

This Statement gives a detailed analysis of the Pre-Administration Costs for the Companies incurred by the Joint Administrators

### 2 Approval

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Act, that is payment out of the Prescribed Part, therefore, approval of the unpaid Pre-Administration costs will be sought in accordance with Rule 2.67A(3)(b) of the Rules, which is outlined as follows

Determination of whether and to what extent the unpaid Pre-Administration Costs are approved for payment shall be

- By the approval of each Secured Lender of the Company, or
- If the Joint Administrators have made, or intend to make, a distribution to preferential creditors, by the approval of
  - each Secured Lender of the Company, and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval

The Secured Lenders of GCGRL and CUBL and the requisite majority of preferential creditors will be asked to approve payment of the unpaid Pre-Administration Costs, as detailed below

### 3 Analysis of time incurred

The time incurred by the Joint Administrators and their staff for the pre-appointment period from 14 November 2011 to 22 November 2011 are summarised in the table below

	Partners & Directors		Managers		Assistants & Support Staff		Total		Average Hourly Rate
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	
Preparation for Administration	7 5	£5,963	121 8	£61,157	-	-	129 3	£67,120	£519 10
Total fees claimed	7 5	£5,963	121 8	£61,157	-	-	129 3	£67,120	
Drawn to date								£0	

**SUMMARISED DIRECTORS' STATEMENT OF AFFAIRS  
CHEZ GERARD RESTAURANTS LIMITED (IN ADMINISTRATION)**

	<b>Book Value £</b>	<b>Estimated to Realise £</b>
<b>Summary of Assets</b>		
Assets subject to a fixed charge	1	-
Assets subject to a floating charge	4,000,000	-
Uncharged assets	-	-
Estimated total assets available for preferential creditors	<u>4,000,001</u>	<u>-</u>
<b>Liabilities</b>		
Preferential creditors		-
Estimated (deficiency)/ surplus as regards preferential creditors		<u>-</u>
Estimated prescribed part of net property where applicable (to carry forward)		-
Estimated total assets available for floating charge holders		<u>-</u>
Debts secured by floating charges		-
Estimated (deficiency)/surplus of assets after floating charges		<u>-</u>
Estimated prescribed part of net property where applicable (brought down)		-
Total assets available to unsecured creditors		<u>-</u>
Unsecured non preferential claims (excl shortfall to floating chargeholders)		960,078
Estimated deficiency as regards non preferential creditors (excluding any shortfall to floating chargeholders)		<u>(960,078)</u>
Shortfall to floating chargeholders (brought down)		26,380,325
Estimated deficiency as regards creditors		<u>(27,340,403)</u>
Issued and called up capital		4,000,000
Estimated total deficiency as regards members		<u>(31,340,403)</u>

**SUMMARISED DIRECTORS' STATEMENT OF AFFAIRS**  
**CRAFTBUTTON LIMITED (IN ADMINISTRATION)**

	<b>Book Value £</b>	<b>Estimated to Realise £</b>
<b>Summary of Assets</b>		
Assets subject to a fixed charge	51,572,965	-
Assets subject to a floating charge	17,843,250	-
Uncharged assets	-	-
Estimated total assets available for preferential creditors	<u>69,416,215</u>	<u>-</u>
<b>Liabilities</b>		
Preferential creditors		-
Estimated (deficiency)/ surplus as regards preferential creditors		<u>-</u>
Estimated prescribed part of net property where applicable (to carry forward)		-
Estimated total assets available for floating charge holders		<u>-</u>
Debts secured by floating charges		-
Estimated (deficiency)/surplus of assets after floating charges		<u>-</u>
Estimated prescribed part of net property where applicable (brought down)		-
Total assets available to unsecured creditors		<u>-</u>
Unsecured non preferential claims (excl shortfall to floating chargeholders)		12,277,617
Estimated deficiency as regards non preferential creditors (excluding any shortfall to floating chargeholders)		<u>(12,277,617)</u>
Shortfall to floating chargeholders (brought down)		26,380,325
Estimated deficiency as regards creditors		<u>(38,657,942)</u>
Issued and called up capital		22,839,567
Estimated total deficiency as regards members		<u>(61,497,509)</u>

**SUMMARISED DIRECTORS' STATEMENT OF AFFAIRS  
PARAMOUNT LIMITED (IN ADMINISTRATION)**

	<b>Book Value £</b>	<b>Estimated to Realise £</b>
<b>Summary of Assets</b>		
Assets subject to a fixed charge	12,700,000	-
Assets subject to a floating charge	-	-
Uncharged assets	-	-
Estimated total assets available for preferential creditors	<u>12,700,000</u>	<u>-</u>
<b>Liabilities</b>		
Preferential creditors		-
Estimated (deficiency)/ surplus as regards preferential creditors		<u>-</u>
Estimated prescribed part of net property where applicable (to carry forward)		-
Estimated total assets available for floating charge holders		<u>-</u>
Debts secured by floating charges		-
Estimated (deficiency)/surplus of assets after floating charges		<u>-</u>
Estimated prescribed part of net property where applicable (brought down)		-
Total assets available to unsecured creditors		<u>-</u>
Unsecured non preferential claims (excl shortfall to floating chargeholders)		3,598,834
Estimated deficiency as regards non preferential creditors (excluding any shortfall to floating chargeholders)		<u>(3,598,834)</u>
Shortfall to floating chargeholders (brought down)		26,380,325
Estimated deficiency as regards creditors		<u>(29,979,159)</u>
Issued and called up capital		4,157,690
Estimated total deficiency as regards members		<u>(34,136,849)</u>

**SUMMARISED DIRECTORS' STATEMENT OF AFFAIRS  
PARAMOUNT RESTAURANTS LIMITED (IN ADMINISTRATION)**

	<b>Book Value £</b>	<b>Estimated to Realise £</b>
<b>Summary of Assets</b>		
Assets subject to a fixed charge	20,795,455	-
Assets subject to a floating charge	-	-
Uncharged assets	-	-
Estimated total assets available for preferential creditors	20,795,455	-
<b>Liabilities</b>		
Preferential creditors		-
Estimated (deficiency)/ surplus as regards preferential creditors		-
Estimated prescribed part of net property where applicable (to carry forward)		-
Estimated total assets available for floating charge holders		-
Debts secured by floating charges		-
Estimated (deficiency)/surplus of assets after floating charges		-
Estimated prescribed part of net property where applicable (brought down)		-
Total assets available to unsecured creditors		-
Unsecured non preferential claims (excl shortfall to floating chargeholders)		21,588,782
Estimated deficiency as regards non preferential creditors (excluding any shortfall to floating chargeholders)		(21,588,782)
Shortfall to floating chargeholders (brought down)		26,380,325
Estimated deficiency as regards creditors		(47,969,107)
Issued and called up capital		1
Estimated total deficiency as regards members		(47,969,108)

**SUMMARISED DIRECTORS' STATEMENT OF AFFAIRS  
CAFFE UNO BRASSERIES LIMITED (IN ADMINISTRATION)**

	<b>Book Value £</b>	<b>Estimated to Realise £</b>
<b>Summary of Assets</b>		
Assets subject to a fixed charge	3,346,753	3,677,000
Less fixed charged creditors		(3,677,000)
Assets subject to a floating charge	15,234,989	343,346
Uncharged assets	-	-
Estimated total assets available for preferential creditors	<u>18,581,742</u>	<u>343,346</u>
<b>Liabilities</b>		
Preferential creditors		24,893
Estimated (deficiency)/ surplus as regards preferential creditors		<u>318,453</u>
Estimated prescribed part of net property where applicable (to carry forward)		66,691
Estimated total assets available for floating charge holders		<u>251,762</u>
Debts secured by floating charges		251,762
Estimated (deficiency)/surplus of assets after floating charges		<u>-</u>
Estimated prescribed part of net property where applicable (brought down)		66,691
Total assets available to unsecured creditors		<u>66,691</u>
Unsecured non preferential claims (excl shortfall to floating chargeholders)		15,126,344
Estimated deficiency as regards non preferential creditors (excluding any shortfall to floating chargeholders)		<u>(15,059,653)</u>
Shortfall to floating chargeholders (brought down)		22,451,563
Estimated deficiency as regards creditors		<u>(37,511,216)</u>
Issued and called up capital		34,872,964
Estimated total deficiency as regards members		<u>(72,384,180)</u>

**SUMMARISED DIRECTORS' STATEMENT OF AFFAIRS**  
**GROUPE CHEZ GERARD RESTAURANTS LIMITED (IN ADMINISTRATION)**

	<b>Book Value £</b>	<b>Estimated to Realise £</b>
<b>Summary of Assets</b>		
Assets subject to a fixed charge	4,598,513	10,420,000
Less fixed charged creditors		(10,420,000)
Assets subject to a floating charge	8,475,188	480,883
Uncharged assets	-	-
Estimated total assets available for preferential creditors	<u>13,073,701</u>	<u>480,883</u>
<b>Liabilities</b>		
Preferential creditors		71,128
Estimated (deficiency)/ surplus as regards preferential creditors		<u>409,755</u>
Estimated prescribed part of net property where applicable (to carry forward)		84,951
Estimated total assets available for floating charge holders		<u>324,804</u>
Debts secured by floating charges		324,804
Estimated (deficiency)/surplus of assets after floating charges		<u>-</u>
Estimated prescribed part of net property where applicable (brought down)		84,951
Total assets available to unsecured creditors		<u>84,951</u>
Unsecured non preferential claims (excl shortfall to floating chargeholders)		10,182,146
Estimated deficiency as regards non preferential creditors (excluding any shortfall to floating chargeholders)		<u>(10,097,195)</u>
Shortfall to floating chargeholders (brought down)		15,635,521
Estimated deficiency as regards creditors		<u>(25,732,717)</u>
Issued and called up capital		15,992,000
Estimated total deficiency as regards members		<u>(41,724,717)</u>



**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT  
 CHEZ GERARD RESTAURANTS LIMITED (IN ADMINISTRATION)  
 FROM 23 NOVEMBER 2011 TO 31 DECEMBER 2011**

	<i>Notes</i>	<b>Total (£)</b>
<b>RECEIPTS</b>		0
<b>PAYMENTS</b>		0
<b>BALANCE IN HAND</b>		<u><b>NIL</b></u>

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT  
CRAFTBUTTON LIMITED (IN ADMINISTRATION)  
FROM 23 NOVEMBER 2011 TO 31 DECEMBER 2011**

	<i>Notes</i>	<b>Total (£)</b>
<b>RECEIPTS</b>		0
<b>PAYMENTS</b>		0
<b>BALANCE IN HAND</b>		<u><b>NIL</b></u>

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT  
PARAMOUNT LIMITED (IN ADMINISTRATION)  
FROM 23 NOVEMBER 2011 TO 31 DECEMBER 2011**

	<i>Notes</i>	<b>Total (£)</b>
<b>RECEIPTS</b>		0
<b>PAYMENTS</b>		0
<b>BALANCE IN HAND</b>		<u><b>NIL</b></u>

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT  
PARAMOUNT RESTAURANTS LIMITED (IN ADMINISTRATION)  
FROM 23 NOVEMBER 2011 TO 31 DECEMBER 2011**

	<i>Notes</i>	<b>Total (£)</b>
<b>RECEIPTS</b>		0
<b>PAYMENTS</b>		0
<b>BALANCE IN HAND</b>		<u><b>NIL</b></u>

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT  
CAFFE UNO BRASSERIES LIMITED (IN ADMINISTRATION)  
FROM 23 NOVEMBER 2011 TO 31 DECEMBER 2011**

	<b>Notes</b>	<b>Total (£)</b>
<b>RECEIPTS</b>		
Sales		108,267
Rental Income		4,549
Trust monies		112,446
Leasehold Property	Argyll Street	10,000
Leasehold Property	Kensington	1
Leasehold Property	St John's Wood	96,599
Immovable fixtures	Argyll Street	124,999
Immovable fixtures	Kensington	34,998
Goodwill	Argyll Street	690,000
Goodwill	Kensington	10,000
Stock	Argyll Street	4,544
Stock	Kensington	5,654
Rent/SC/insurance refund	St John's Wood	2,990
Rent/SC/insurance refund	Argyll Street	9,190
Rent/SC/insurance refund	Kensington	3,931
Chattels	St John's Wood	50,000
Chattels	Argyll Street	124,998
Chattels	Kensington	34,998
Miscellaneous assets	Argyll Street	3
Miscellaneous assets	Kensington	3
Book Debts		86,175
Bank Interest Gross		481
Groupe Chez Gerard - Inter-Comp		137,587
VAT Payable		29,320
		<b>1,681,733</b>
<b>PAYMENTS</b>		
Direct Labour	1	(456,496)
Indirect Labour		(4,434)
Entertainment		(1,200)
Food and beverage		(598)
Accrued holiday pay		(7,616)
Legal fees	Kensington and Argyll Street	(7,255)
Legal fees	Cambridge	(3,417)
Legal fees	St John's Wood	(3,892)
Head Office- Lease/HP payments		(1,007)
Head Office- IT Support and Maintenance		(436)
Customer deposits		(475)
VAT Receivable		(4,039)
		<b>(490,865)</b>
<b>BALANCE IN HAND</b>		<b>1,190,868</b>

**Notes**

1 Direct labour includes arrears of wages and service charges paid to restaurant employees

**JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT  
GROUPE CHEZ GERARD RESTAURANTS LIMITED (IN ADMINISTRATION)  
FROM 23 NOVEMBER 2011 TO 31 DECEMBER 2011**

	<i>Notes</i>	<b>Total (£)</b>
<b>RECEIPTS</b>		
Sales		409,602
Gratuities		32,120
Miscellaneous Income		214
Trust Monies		137,554
Cash at Bank		3,950
Immovable fixtures	Leeds	5,000
Goodwill	Leeds	1
3rd Party Funds		13,880
Sale of business deposits	Chez Gerard	900,000
Stock	Chez Gerard	40,000
Stock	Leeds	2,994
Licence Fees	Chez Gerard	111,195
Chattels	Leeds	2,000
Misc Assets	Leeds	5
Book Debts		125,839
Bank Interest Gross		489
Employee Pension Deductions		25
VAT Payable		17,549
		<b>1,802,417</b>
<b>PAYMENTS</b>		
Direct Labour	1	(431,226)
Indirect Labour		(28,892)
Rent, service charge and insurance		(11,824)
Food and beverage		(71)
Accrued holiday pay		(58,434)
Head Office - Payroll Processing Costs	2	(1,007)
Head Office - IT Maintenance & Support	2	(20,702)
Head Office - Contractors	2	(20,593)
Property retention	Chez Gerard	(100,000)
Customer deposits	Chez Gerard	(65,034)
Caffe Uno - Inter-Company Account		(137,587)
		<b>(875,370)</b>
<b>BALANCE IN HAND</b>		<b>927,047</b>

*Notes*

- 1 Direct labour includes arrears of wages and service charges paid to restaurant employees  
2 Head office costs include costs incurred on behalf of Caffe Uno Brasseries Limited

**FINANCIAL INFORMATION  
CRAFTBUTTON LIMITED (IN ADMINISTRATION)**

**Audited Statutory  
Accounts  
for 79 weeks to  
2 January 2011  
£'000**

**Audited Statutory  
Accounts  
for 53 weeks to  
29 June 2009  
£'000**

**Summary Profit and Loss Account**

Turnover		-
Cost of Sales		-
Gross Profit		-
Gross profit Margin %		0.00%
Administrative Expenses		(3,268)
Operating Loss		(3,268)
Loss on disposal of fixed assets		-
Loss on ordinary activities before interest		(3,268)
Interest payable and similar charges		-
Loss on ordinary activities before tax		(3,268)
Tax on loss		-
Loss for period		(3,268)

**Summary Balance Sheet**

Fixed Assets		
Investments	15,700	29,686
	15,700	29,686
Current Assets		
Debtors	2,908	-
	2,908	-
Total Assets	18,608	29,686
Creditors falling due within one year	(25,578)	(2,604)
Creditors falling due after one year	(2,000)	-
Total Liabilities	(27,578)	(2,604)
Net Assets	(8,970)	27,082

FINANCIAL INFORMATION  
PARAMOUNT LIMITED (IN ADMINISTRATION)

	Audited Statutory Accounts for 79 weeks to 2 January 2011 £'000	Audited Statutory Accounts for 53 Weeks to 28 June 2009 £'000
<b><u>Summary Profit and Loss Account</u></b>		
Turnover	-	-
Cost of Sales	-	-
Gross Profit	-	-
Gross profit Margin %	0 00%	0 00%
Administrative Expenses	(8,786)	-
Operating Loss	(8,786)	-
Loss on disposal of fixed assets	-	-
Loss on ordinary activities before interest	(8,786)	-
Interest payable and similar charges	-	-
Loss on ordinary activities before tax	(8,786)	-
Tax on loss	-	-
Loss for period	(8,786)	-
<b><u>Summary Balance Sheet</u></b>		
Fixed Assets		
Investments	12,700	17,892
	12,700	17,892
Current Assets		
Debtors		3,500
Other	9	9
	9	3,509
Total Assets	12,709	21,401
Creditors falling due within one year	(2,805)	(2,711)
Creditors falling due after one year	-	-
Total Liabilities	(2,805)	(2,711)
Net Assets	9,904	18,690



**FINANCIAL INFORMATION  
PARAMOUNT RESTAURANTS LIMITED (IN ADMINISTRATION)**

	<b>Audited Statutory Accounts for 79 weeks to 2 January 2011 £'000</b>	<b>Audited Statutory Accounts for 53 Weeks to 28 June 2009 £'000</b>
<b><u>Summary Profit and Loss Account</u></b>		
Turnover	-	-
Cost of Sales	-	-
Gross Profit	-	-
Gross profit Margin %	0 00%	0 00%
Administrative Expenses	(3,500)	-
Operating Loss	(3,500)	-
Loss on disposal of fixed assets	-	-
Loss on ordinary activities before interest	(3,500)	-
Interest payable and similar charges	-	-
Loss on ordinary activities before tax	(3,500)	-
Tax on loss	-	-
Loss for period	(3,500)	-

**Summary Balance Sheet**

Fixed Assets		
Investments	5,295	5,295
	5,295	5,295
Current Assets		
Debtors	-	3,500
	-	3,500
Total Assets	5,295	8,795
Creditors falling due within one year	(8,795)	(8,795)
Creditors falling due after one year	-	-
Total Liabilities	(8,795)	(8,795)
Net Assets	(3,500)	-

**FINANCIAL INFORMATION**  
**CAFFE UNO BRASSERIES LIMITED (IN ADMINISTRATION)**

	<b>Audited Statutory Accounts for 79 weeks to 2 January 2011 £'000</b>	<b>Audited Statutory Accounts for 53 Weeks to 28 June 2009 £'000</b>
<b><u>Summary Profit and Loss Account</u></b>		
Turnover	41,332	34,570
Cost of Sales	(24,034)	(20,086)
Gross Profit	17,298	14,484
Gross profit Margin %	41.85%	41.90%
Administrative Expenses	(36,772)	(21,020)
Operating Loss	(19,248)	(6,339)
Loss on disposal of fixed assets	(1,863)	(362)
Loss on ordinary activities before interest	(21,111)	(6,701)
Interest receivable	-	21
Interest payable	(3)	-
Loss on ordinary activities before tax	(21,114)	(6,680)
Tax on loss	-	-
Loss for period	(21,114)	(6,680)

**Summary Balance Sheet**

Fixed Assets		
Tangible Assets	3,763	9,167
Intangible Assets	1,588	9,567
	5,351	18,734
Current Assets		
Stock	355	658
Debtors	1,036	2,631
Other	1,305	4,647
	2,696	7,936
Total Assets	8,047	26,670
Creditors falling due within one year	(1,890)	(5,544)
Creditors falling due after one year	(33,121)	(27,756)
Provisions	(1,266)	(486)
Total Liabilities	(36,277)	(33,786)
Net Assets	(28,230)	(7,116)

**FINANCIAL INFORMATION**  
**GROUPE CHEZ GERARD RESTAURANTS LIMITED (IN ADMINISTRATION)**

	<b>Audited Statutory Accounts for 79 weeks to 2 January 2011 £'000</b>	<b>Audited Statutory Accounts for 53 Weeks to 28 June 2009 £'000</b>
<b><u>Summary Profit and Loss Account</u></b>		
Turnover	42,676	34,857
Cost of Sales	(23,225)	(18,970)
Gross Profit	19,451	15,887
Gross profit Margin %	45 58%	45 58%
Administrative Expenses	(36,311)	(16,357)
Operating Loss	(16,860)	(470)
Loss on disposal of fixed assets	(417)	(569)
Loss on ordinary activities before interest	(17,277)	(1,039)
Interest payable and similar charges	(21)	(20)
Loss on ordinary activities before tax	(17,298)	(1,059)
Tax on loss	264	125
Loss for period	(17,034)	(934)

**Summary Balance Sheet**

Fixed Assets		
Tangible Assets	4,882	9,123
Intangible Assets	149	237
	5,031	9,360
Current Assets		
Stock	452	545
Debtors	774	8,387
Other	8	13
	1,234	8,945
Total Assets	6,265	18,305
Creditors falling due within one year	(8,770)	(9,937)
Creditors falling due after one year	(7,592)	-
Provisions	(1,630)	(3,061)
Total Liabilities	(17,992)	(12,998)
Net Assets	(11,727)	5,307

## STATUTORY INFORMATION

<b>Company Name</b>	<b>Paramount Limited</b>	<b>Craftbutton Limited</b>	<b>Chez Gerard Restaurants Limited</b>
<b>Previous Names</b>	Silver Bear P L C	-	SRS Newco Limited
<b>Proceedings</b>	Administration	Administration	Administration
<b>Court</b>	High Court of Justice, Chancery Division	High Court of Justice, Chancery Division	High Court of Justice, Chancery Division
<b>Court Reference</b>	10242 of 2011	10243 of 2011	10244 of 2011
<b>Date of Appointment</b>	23 November 2011	23 November 2011	23 November 2011
<b>Joint Administrators</b>	Matthew David Smith and Nicholas Guy Edwards Deloitte LLP PO Box 810 66 Shoe Lane London EC4A 3WA	Matthew David Smith and Nicholas Guy Edwards Deloitte LLP PO Box 810 66 Shoe Lane London EC4A 3WA	Matthew David Smith and Nicholas Guy Edwards Deloitte LLP PO Box 810 66 Shoe Lane London EC4A 3WA
<b>Registered office Address</b>	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
<b>Company Number</b>	1934366	4905213	7656817
<b>Incorporation Date</b>	29 July 1985	19 September 2003	03 June 2011
<b>Company Secretary</b>	-	-	-
<b>Bankers</b>	NatWest Bank	NatWest Bank	NatWest Bank
<b>Auditors</b>	-	BDO LLP	-
<b>Appointment by</b>	The Directors, under Paragraph 22 of Schedule B1 of the Act	The Directors, under Paragraph 22 of Schedule B1 of the Act	The Directors, under Paragraph 22 of Schedule B1 of the Act
<b>Directors at date of Appointment</b>	Simon G Rowe  Stephen R Smith	Simon G Rowe  Stephen R Smith	Simon G Rowe  Stephen R Smith
<b>Directors' Shareholdings</b>	None	None	None

## STATUTORY INFORMATION

<b>Company Name</b>	<b>Groupe Chez Gerard Restaurants Limited</b>	<b>Caffe Uno Brasseries Limited</b>	<b>Paramount Restaurants Limited</b>
<b>Previous Names</b>	Groupe Chez Gerard Limited	Gordon Op Co Limited	-
<b>Proceedings</b>	Administration	Administration	Administration
<b>Court</b>	High Court of Justice, Chancery Division	High Court of Justice, Chancery Division	High Court of Justice, Chancery Division
<b>Court Reference</b>	10241 of 2011	10245 of 2011	10240 of 2011
<b>Date of Appointment</b>	23 November 2011	23 November 2011	23 November 2011
<b>Joint Administrators</b>	Matthew David Smith and Nicholas Guy Edwards Deloitte LLP PO Box 810 66 Shoe Lane London EC4A 3WA	Matthew David Smith and Nicholas Guy Edwards Deloitte LLP PO Box 810 66 Shoe Lane London EC4A 3WA	Matthew David Smith and Nicholas Guy Edwards Deloitte LLP PO Box 810 66 Shoe Lane London EC4A 3WA
<b>Registered office Address</b>	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
<b>Company Number</b>	2006409	5622071	5155347
<b>Incorporation Date</b>	03 April 1986	14 November 2005	16 June 2004
<b>Company Secretary</b>	-	-	-
<b>Bankers</b>	NatWest Bank	NatWest Bank	NatWest Bank
<b>Auditors</b>	BDO LLP	BDO LLP	-
<b>Appointment by</b>	The Directors, under Paragraph 22 of Schedule B1 of the Act	The Directors, under Paragraph 22 of Schedule B1 of the Act	The Directors, under Paragraph 22 of Schedule B1 of the Act
<b>Directors at date of Appointment</b>	Simon G Rowe Stephen R Smith	Simon G Rowe Stephen R Smith	Simon G Rowe Stephen R Smith
<b>Directors' Shareholdings</b>	None	None	None

<b>Caffe Uno Brasseries Limited</b>	<b>Court Case No 10245 of 2011</b>
<b>Groupe Chez Gerard Restaurants Limited</b>	<b>Court Case No. 10241 of 2011</b>
<b>Chez Gerard Restaurants Limited</b>	<b>Court Case No 10244 of 2011</b>
<b>Craftbutton Limited</b>	<b>Court Case No. 10243 of 2011</b>
<b>Paramount Limited</b>	<b>Court Case No. 10242 of 2011</b>
<b>Paramount Restaurants Limited</b>	<b>Court Case No. 10240 of 2011</b>

**All in Administration (together the "Companies")**

**JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO  
PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)**

**17 January 2012**

**Matthew David Smith and Nicholas Guy Edwards**  
**Joint Administrators of the Companies**  
**Deloitte LLP**  
**PO Box 810**  
**66 Shoe Lane**  
**London EC4A 3WA**

**Matthew David Smith and Nicholas Guy Edwards were appointed Joint Administrators of the Companies on 23 November 2011. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability.**

**Disclaimer Notice**

- This Statement of Proposals ("Proposal" or "Proposals") has been prepared by Matthew David Smith and Nicholas Guy Edwards, the Joint Administrators of the Companies solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) to lay before creditors a statement of their proposals for achieving the purposes of the Administrations 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 Proposal 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 any of the Companies listed above.
  - Any estimated outcomes for creditors included in this Proposal 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 Proposal for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) does so at their 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 Proposal.
- The Joint Administrators act as agents for the Companies and contract without personal liability. The appointments of the Joint Administrators are personal to them and to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this Proposal or the conduct of the Administrations.
- All licensed insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

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- 1 **Statutory Information**
2. **Financial Information for the Companies**
- 3 **Joint Administrators' Receipts and Payments accounts as at 31 December 2011**
- 4 **Summarised Directors' Statements of Affairs**
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## ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"Act"	Insolvency Act 1986 (as amended)
"BBL"	Blanc Brasseries Limited
"Secured Lenders"	The Royal Bank of Scotland plc, HSBC Bank plc and Barclays Bank plc
"c"	Circa/approximately
"CBL"	Craftbutton Limited (in administration)
"CGRL"	Chez Gerard Restaurants Limited (in administration)
"Companies" or "Paramount Group"	Comprising the companies in Administration, which are CUBL, GCGRL, CGRL, CBL, PL and PRL
"Court"	High Court of Justice, Chancery Division, Companies Court
"CUBL"	Caffe Uno Brasseries Limited (in administration)
"Deloitte"	Deloitte LLP
"Dormant Companies"	PRL, PL, CBL and CGRL
"GCGRL"	Groupe Chez Gerard Restaurants Limited (in administration)
"Joint Administrators"	Matthew David Smith and Nicholas Guy Edwards of Deloitte
"NDA"	Non disclosure agreement
"PL"	Paramount Limited (in administration)
"Prescribed Part"	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986 (as amended)
"PRL"	Paramount Restaurants Limited (in administration)
"QFCH"	Qualifying Floating Charge Holder
"RPO"	The Redundancy Payments Office
"ROT"	Retention of Title
"Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)



## **1. BACKGROUND**

### **1.1. Introduction**

This report is prepared pursuant to Paragraph 49 of Schedule B1 of the Act, which requires the Joint Administrators to provide creditors with details of their proposals to achieve the purpose of the Administrations

To assist the creditors and enable them to decide on whether or not to vote for the adoption of the proposals, the following information is included in the report

- background of the Group, and
- the circumstances giving rise to the appointment of the Joint Administrators

As there are insufficient funds for any of the Companies to make a distribution to the unsecured creditors other than a Prescribed Part distribution, a fund set aside for the benefit of unsecured creditors by virtue of Section 176A(2)(a) of the Act, and in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, the Joint Administrators will not be convening creditors' meetings for any of the Companies, unless required to do so

Should creditors of any of the Companies, whose total debts amount to at least 10% of the total debts of that specific Company, wish to request a meeting be held they should complete the attached Form 2.21B (Appendix 8) and return it within the deadline stated

In the event no request (in the prescribed manner) is received within 8 business days of issue of this statement, the proposals will be deemed approved and notices will be filed at Companies House

For the purposes of this report, we will refer to the Companies by the abbreviations set out on the previous page, and all together as the Companies

### **1.2 Background**

The principal activity of the Companies was the management of restaurants, trading under the brand names of Chez Gerard, Brasserie Gerard, Livebait and Bertorelli. At the date of appointment the Companies operated 32 Restaurants with approximately 689 employees

Groupe Chez Gerard Restaurants Limited and Caffè Uno Brasseries Limited were both trading companies which held the restaurant leases and employed the restaurant staff

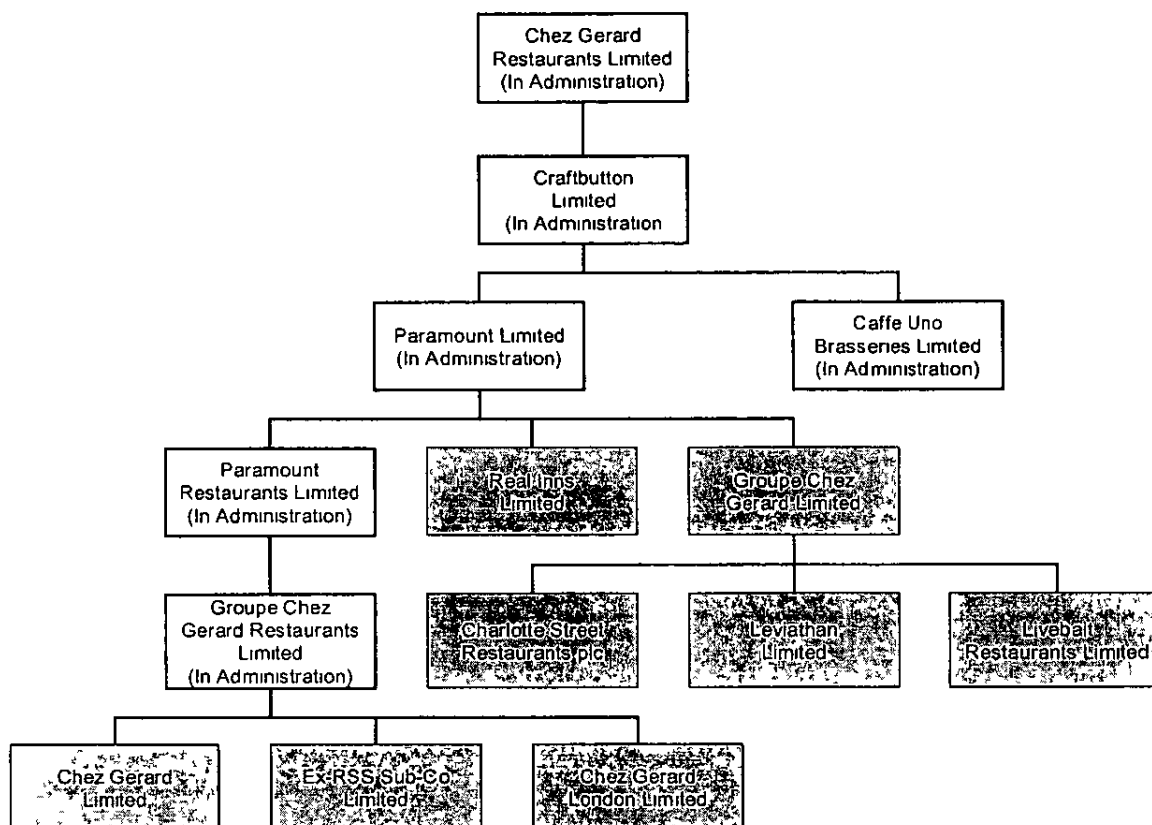
GCGRL had eight Chez Gerard Restaurants, four Livebait restaurants and one Brasserie Gerard restaurant. It was also the employer of the 21 head office staff

CUBL had 17 Brasserie Gerard restaurants and two Bertorelli restaurants

The remaining four Companies in Administration that are the subject of this report, namely Chez Gerard Restaurants Limited, Craftbutton Limited, Paramount Limited and Paramount Restaurants Limited, are dormant holding companies, which acted as guarantors and held some leases

## Paramount Group Structure

The diagram below shows all companies in the Paramount Group including the Companies which are the subject of this report. The other Group companies, which are all dormant, are not currently subject to insolvency proceedings.



## 13 Overview of Financial Information

Extracts from the audited accounts of the Companies are shown in Appendix 2

The accounts of GCGRL, CUBL, PRL, PL and CBL are shown for the 79 weeks to 2 January 2011 and 53 weeks to 28 June 2009. However, profit and loss account for CBL for the 79 weeks to 2 January 2011 have only been provided on a consolidated basis, and so have not been included. No information is available in respect of Chez Gerard Restaurants Limited as this company was only incorporated in June 2011 and no statutory accounts had yet been filed.

Please note that this information has not been verified by the Joint Administrators or by Deloitte.

#### **1 4 Management and Employees**

As at 23 November 2011, the Companies employed 689 staff, as follows

CUBL	344
GCGRL	<u>345</u>
	<u>689</u>

Statutory information on the Companies, including details of the Directors and Company Secretary, Bankers & Shareholders is provided at Appendix 1

## **2 THE CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS**

### **2.1 Events prior to the Administration**

Since 2006, the Paramount Group has suffered from a decline in trading which led to a number of restaurant disposals and, in June 2009, a financial restructuring of the business was undertaken which resulted in a debt for equity swap and the Royal Bank of Scotland plc, HSBC Bank plc and Barclays Bank plc, being the Paramount Group's Secured Lenders, taking 100% ownership of the Paramount Group

The performance of the Paramount Group continued to deteriorate during 2009 as the UK economy was hit by recession which particularly impacted the hospitality industry

In 2010, Christie & Co was instructed by the Paramount Group to market the group for sale, however, the sale process did not result in a sale being completed due to a lack of suitable bids

In August 2011 the Paramount Group appointed Deloitte to remarket the business with a view to achieving a sale of the group as a going concern. Despite a rigorous marketing exercise, no offers were received for the whole group as a going concern and the directors therefore decided to pursue sales of businesses and assets on a piecemeal basis. Further detail regarding the sale process is provided below

In light of the prevailing supplier pressure and shortage of available cash to fund trading outside of an Administration, on 23 November 2011 Matthew David Smith and Nicholas Guy Edwards were appointed Joint Administrators of the Companies by their directors

### **2.2 Details of the Appointment of the Joint Administrators**

Matthew David Smith and Nicholas Guy Edwards, of Deloitte were appointed Joint Administrators of the Companies by the Companies' Directors on 23 November 2011, following the filing of a Notice of Appointment of Administrators by the Directors

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division, Companies Court (case numbers 10240, 10241, 10242, 10243, 10244 and 10245 of 2011)

For the purposes of Paragraph 100(2) of Schedule B1 of the Act the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly or severally

### **2.3 Purpose of the Administrations**

The purpose of an Administration under The Enterprise Act 2002 is split into three parts

- 1 To rescue a company as a going concern (in other words a restructuring which keeps the actual entity intact)

- 2 If the first purpose is not reasonably practicable (or the second purpose would clearly be better for the creditors as a whole), then the Joint Administrators must perform their functions with the objective of achieving a better result for creditors than would be obtained through an immediate liquidation of the company. This would normally envisage a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation).
- 3 If neither of the first two parts of the purpose are reasonably practicable, the Joint Administrators must perform their functions with the objective of realising property in order to make a distribution to secured and/or preferential creditors as applicable.

The Companies had significant secured and unsecured creditor liabilities and therefore a restructuring of these creditors would have been required to meet the first objective. It was apparent that there was insufficient value placed on the Companies' assets by third parties in order to effect a restructuring of the Companies' considerable debt and the Joint Administrators concluded that the first option was not possible to achieve.

Accordingly, the purpose of the Administrations was to achieve a better result for creditors than would be obtained through an immediate liquidation of the Companies. The purpose of the Administrations has been achieved through a number of sales of the businesses and assets of the Companies as discussed in Section 3.2.

#### **2.4. Electronic communication with creditors**

In an effort to reduce the costs of the Administrations, all communications with creditors, including updates and progress reports, are posted onto a website, which has been set up specifically for this purpose. The web address is [www.deloitte.com/uk/paramountrestaurants](http://www.deloitte.com/uk/paramountrestaurants).

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All creditors' statutory notices will be retained on the website for 3 months after being uploaded to the site.

### **3 THE MANNER IN WHICH THE AFFAIRS OF THE COMPANIES HAVE BEEN MANAGED AND FINANCED AND WILL CONTINUE TO BE MANAGED AND FINANCED IF THE JOINT ADMINISTRATORS' PROPOSALS ARE APPROVED**

#### **3.1. Introduction**

Following an initial assessment of the Companies' businesses, consideration of the extensive marketing process that had been undertaken and the offers received for the businesses prior to the Companies entering into administration, the Joint Administrators decided upon the following strategy upon their appointment

- Enter into an agreement to sell the entire estate of eight Chez Gerard restaurants owned by GCGRL (together with the Chez Gerard brand and related business and assets) to Blanc Brasseries Limited, and
- Allow the majority of the Companies' other restaurants to continue to trade in the short term whilst attempting to sell the remaining businesses as going concerns

This reflected the following reasoning

- Five offers capable of completion had been received by GCGRL for one or more of the Chez Gerard restaurants, but the bid accepted from Blanc Brasseries Limited was the highest received, in addition to being an offer for the entire Chez Gerard estate,
- The Joint Administrators considered that a period of trading the Chez Gerard brand and restaurants in administration would be unlikely to attract improved offers, especially given the extent of marketing undertaking in both 2010 and 2011 (please see below),
- The Joint Administrators were aware of interest in the Companies' other restaurants prior to their appointment and wished to progress indicative offers that the Companies had received for a number of these remaining restaurants,
- Continuing to trade would enable going concern sales of restaurants, which would be likely to maximise value and preserve most jobs, and
- The majority of the Companies' restaurant portfolio was expected to generate positive contribution during December 2011. Therefore the Joint Administrators could trade the restaurants profitably, subject to having sufficient stock in the business, whilst going concern sales were pursued

Immediately on appointment, the Joint Administrators' staff advised the Companies' employees of their appointment and began the task of stabilising the business operations and securing the Companies' assets

The Joint Administrators' staff commenced a dialogue with other important stakeholders in the business, including the Companies' key food and beverage suppliers and charge card transaction facilitator. As a consequence of this, the Joint Administrators' staff were successful in re-establishing major supply lines

In addition to overall control of the administration process, teams were set up to deal with

- Continuing trading, monitoring trading cash flows and maintaining key supply lines,

- Sale of business,
- Lease and property issues,
- Creditor queries,
- Employee matters, and
- Statutory and compliance duties

### 3.2. Sales of the Businesses

#### 3.2.1 Marketing and sales process

A six month marketing process was conducted by Christie & Co in 2010, which did not result in any offers deemed acceptable by management and the Secured Lenders. In August 2011 Deloitte was instructed by the Paramount Group and its Secured Lenders to market its businesses for sale, and conducted a three month sales and marketing process over the period to November 2011.

The marketing process initially sought to maximise value by selling the Paramount Group as a whole, or alternatively the businesses and assets through a small number of transactions. However, due to the nature and value of offers received, a piecemeal disposal of the restaurants was the only viable solution and it was agreed this should be pursued further.

The key stages of the 2011 Deloitte marketing process included:

- **Preparation of an information pack** – An information pack was prepared by Deloitte with support from the Paramount Group. The pack included high level financial and property information on a site by site basis appropriate for bidders to form a view on their level of interest and provide indicative offers.
- **An initial, no-names approach** – Potential bidders were approached on a no-names basis. Those bidders who expressed an interest in the potential investment opportunity were taken forward.
- **Provision of NDAs** – Subsequent to the no-names conversation with bidders, NDAs were sent out and signed by the potential purchasers.
- **Release of the Information Pack** – On receipt of a signed NDA the Information Pack was released to the prospective bidders.
- **Release of a process letter** – A process letter was sent with the Information Pack and provided information on the proposed timing of the transaction.
- **Access to a data room** – An electronic data room was set up for the marketing process by Deloitte and Paramount Group's lawyers, Wallace LLP. This data room was updated and utilised as a central part of the process.

Deloitte had discussions with a total of twenty eight parties, in addition to which eight parties were approached separately by the Companies directors.

### **3.2.2 Sale of Chez Gerard Restaurants**

The Chez Gerard brand received five offers capable of completion for one or more of the Chez Gerard restaurants. The bids received ranged from £0.8 million for one Chez Gerard site to an offer of £9.0 million received from Blanc Brasseries Limited for all eight of these units. An initial offer received from another interested party was equivalent to £8.5 million for the eight Chez Gerard sites, however, the bidder was unable to sufficiently progress its bid which was, in any event, less than the bid accepted from Blanc Brasseries Limited.

The Paramount Group's directors and Secured Lenders assessed these offers and concluded that a sale to BBL offered the best value for each site acquired, in addition to being an offer for the entire Chez Gerard estate of eight restaurants.

The Joint Administrators entered into this transaction shortly after their appointment on 23 November 2011 and received a non-refundable deposit of £790,000. The balance of consideration will be payable following the assignment of the Chez Gerard leases from GCGRL to BBL.

### **3.2.3 Sale of Brasserie Gerard, Livebait and Bertorelli Restaurants**

Prior to the Companies entering administration, an offer had been received for a significant number of the Companies' remaining restaurants. However, this potential purchaser withdrew its interest in October 2011. The Joint Administrators would have considered a sale of all or substantially all of the Brasserie Gerard, Livebait and Bertorelli restaurants in a single transaction. However, ultimately no offers capable of completion were received for such a transaction.

In light of this, the Joint Administrators continued their negotiations with potential purchasers who retained an interest in a sale of certain businesses and assets of the Companies with a view to achieving sales of parcels of restaurants where feasible.

To date the Joint Administrators have concluded the following separate transactions to sell the following restaurants as going concerns:

- The Cobham, Sevenoaks and Marlborough Brasserie Gerard restaurants to Prezzo Plc,
- The Argyll Street Bertorelli and High Street Kensington Brasserie Gerard restaurants to Spaghetti House Limited,
- The Livebait in Leeds to SPG Restaurants Limited,
- The Cambridge Brasserie Gerard restaurant to Tasty plc,
- The Mincing Lane Bertorelli restaurant to Camino (Mincing Lane) Limited,
- The Newbury Brasserie Gerard restaurant to La Tasca Restaurants Limited, and
- The Belsize Park Brasserie Gerard restaurant to Whitbread plc



In addition, the Joint Administrators have also assigned the lease of the St John's Wood Brasserie Gerard restaurant to Chesterton Humberts on a vacant possession basis

The Joint Administrators closed the Companies' other restaurants as it became uneconomic to trade them, with the final closures made on 3 January 2012

The Joint Administrators continue to progress negotiations to sell the Companies' remaining properties with a view to extracting maximum value from the remaining assets of the Companies. Due to the ongoing nature of these negotiations, it is not appropriate to provide details of the range of offers received at this stage

## 4 DIRECTORS' STATEMENTS OF AFFAIRS

### 4.1 Introduction

Statements of Affairs have been submitted by the Directors of the Companies, as at 23 November 2011, summaries of which are attached at Appendix 4

In accordance with the standard format of the Statement of Affairs form, no provision has been made in the Statements of Affairs for the costs of the Administrations (including agents, legal and other professional fees)

The Joint Administrators have not carried out any work of the nature of an audit on the information

There are a number of different classes of creditors within the Companies. These include

- **Secured creditors** They have fixed and floating charge debenture security across all of the Companies and as such are paid in priority to other creditors. This priority is subject to payments to preferential creditors and unsecured creditors under the Prescribed Part (see section 4.5). Further details of the Companies' security are set out in section 4.3
- **Preferential creditors** These relate to specific employee wage arrears, holiday pay and certain pension contributions and are paid in priority to unsecured creditors out of net floating charge realisations before the Prescribed Part and before payment to the secured floating chargeholder
- **Unsecured creditors** They rank behind secured and preferential creditors and receive any surplus available from net realisations

The Joint Administrators have not included the full lists of creditors which accompany the Statements of Affairs in view of the fact that the information runs to many pages. However, copies of this information will be sent to creditors on request, either by post or by e-mail

### 4.2 Notes to the Directors' Statements of Affairs

The directors' have stated the following

- The net book values have been taken from the Companies' management accounts prepared as at 23 November 2011,
- The estimated to realise values are based on the directors' understanding of the offers for the businesses received by the Joint Administrators,
- There was a cross guarantee in place between CBL, as borrower, and the Companies. The Companies' total bank indebtedness at the date of appointment was £26.4 million,
- No provision has been made in the Statements of Affairs for the costs of the Administrations (including agents, legal and professional fees), and
- The directors have assumed in the Statements of Affairs that all leasehold realisations are subject to the Secured Lenders' fixed charges. However, the Joint Administrators are currently reviewing the extent of the secured claims

There were also a number of inter-company debts between the various Companies. The directors have assumed any inter-company balances will be irrecoverable.

#### **4.3. Secured Lenders**

The Companies' secured Bank debt at the date of the appointment of the Joint Administrators, and as set out in the directors' Statements of Affairs, can be summarised as follows:

	£m
Term loans	25.0
Overdraft	1.4
	<u>26.4</u>

#### **4.4. Preferential Claims**

Preferential claims relating to employee deductions to be submitted to the RPO are expected to be c £71k and c £25k in the Administrations of GCGRL and CUBL respectively. These have been included in the directors' Statements of Affairs.

The Joint Administrators are not aware of preferential claims in any of the other Companies.

#### **4.5. The Prescribed Part**

By virtue of Section 176A(2)(a) of the Act, the Joint Administrators must make a Prescribed Part of a company's net property available for the satisfaction of unsecured debts. Net property is the amount of a company's property which would, but for this section, be available for the holders of floating charges created by the company.

The Prescribed Part applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

At present it is envisaged that a Prescribed Part will be available in both GCGRL and CUBL. In addition, a Prescribed Part may become available in CGRL and CBL. No Prescribed Part is expected in either PL or PRL.

The amount of the Prescribed Part is dependent on the outcome of the remaining asset realisations, so at present no estimate can be provided.

#### **4.6 Unsecured Claims**

The total value of unsecured creditors' claims in the Paramount Group, as at 23 November 2011 per the directors' Statements of Affairs (excluding any shortfall to floating charge holders), is £63.7 million. Please refer to Appendix 4 for a breakdown by company.

There will not be sufficient realisations from floating charge assets to fully repay the Secured Lenders. Accordingly, we do not expect any funds to be available to pay a dividend to the unsecured creditors of any of the Companies other than a distribution under the Prescribed Part as noted above.

#### **4.7. Creditors' Meetings**

As the Joint Administrators do not expect any funds will be available to the unsecured creditors, other than by virtue of a Prescribed Part distribution as detailed above, meetings of creditors will not be held. A request in the prescribed manner that the Joint Administrators call a meeting can be made by creditors representing 10% or more of the total debts of the Company in question (individually or jointly). Creditors wishing to submit this request should complete the attached Form 2.21B and return it to the Joint Administrators no later than 27 January 2012.

## **5 PRE-ADMINISTRATION COSTS**

### **5 1. Introduction**

A Statement of Pre-Administration costs is provided at Appendix 5

Pre-Administration costs are defined as the remuneration charged and expenses incurred by the Joint Administrators (or other person qualified to act as such) before the companies entered into Administration but with a view to its doing so

The Joint Administrators have unpaid Pre-Administration costs totalling £67,120, which were incurred in respect of work undertaken in the preparation of the Administrations. The Joint Administrators will only seek to recover their Pre-Administration costs from GCGRL and CUBL, the only two trading companies

### **5 2. Approval of costs**

There will be no funds available to the unsecured creditors of either GCGRL or CUBL other than by virtue of Section 176A(2)(a) of the Act, that is payment out of the Prescribed Part, therefore, approval of the unpaid Pre-Administration costs will be sought in accordance with Rule 2.67A(3)(b) of the Rules, which is outlined below

Determination of whether and to what extent the unpaid Pre-Administration costs are approved for payment shall be

- By the approval of each Secured Lender of GCGRL and CUBL, and
- preferential creditors whose debts amount to more than 50% of the preferential debts of GCGRL and CUBL, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval

## **6 JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES**

### **6 1 Introduction**

There will be no funds available to any of the Companies' unsecured creditors other than by virtue of a Prescribed Part, therefore, fixing the basis of the Joint Administrators' remuneration will be approved in accordance with Rule 2 106(5A) of the Rules, which is outlined as follows

Where the Joint Administrators have made a statement under Paragraph 52(1)(b) of Schedule B1 of the Act, the basis of the Joint Administrators' remuneration may be fixed by approval of

- each Secured Lender, or
- if the Joint Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval

#### **6 1 1 GCGRL and CUBL**

The Secured Lenders and preferential creditors will be asked to approve the basis of the Joint Administrators' remuneration, which will be on the basis of the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT

#### **6 1 2 CBL, CGRL, PRL and PL**

The Secured Lenders will be asked to approve the basis of the Joint Administrators' remuneration, which will be on the basis of time properly given by the Joint Administrators' and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT

In line with Paragraph 52(1)(b) of Schedule B1 of the Act outlined above there is no requirement for unsecured creditors to pass a resolution in respect of the Joint Administrators' remuneration

The Joint Administrators' time costs incurred to 31 December 2011 are as follows

<b>Entity</b>	<b>Total Hours</b>	<b>Total Cost</b>
GCGRL	540 9	£275,935 50
CUBL	473 9	£241,757 00
Dormant Companies	21 3	£7,775 50
	<u>1,036 1</u>	<u>525,468 00</u>

Time costs incurred in relation to the Dormant Companies have been shown in a joint analysis at Appendix 6. At present none of these entities have any assets, and so the Joint Administrators will not be in a position to recover their time costs in relation to any of these four entities.

Full analyses of our time costs are shown at Appendix 6. The work has been categorised into the following task headings and sub categories:

- **Administration and Planning** includes such tasks as case planning and set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions
- **Realisation of Assets** includes such tasks as identifying and securing assets, dealing with the sale of business, property issues, activities in relation to other fixed assets, stock, debtors, investments and any related legal issues
- **Trading** includes tasks such as planning, strategy, managing day one site visits and corresponding with suppliers and customers
- **Creditors** include such tasks as creditor set up, communication and meetings, reviewing and agreeing preferential and unsecured claims, retention of title issues, corresponding with Secured Lenders, reviewing and obtaining advice in relation to security granted to the Bank. Also, dealing with trade creditors, dealing with customer creditors, employee issues, and submitting documentation to HM Revenue & Customs
- **Other matters** include employee related issues, VAT and corporation tax issues

The range of charge out rates for the separate categories of staff are based on our 2011 and 2012 charge out rates as summarised below. Manager rates include all grades of assistant manager.

Grade	2011 rates (£)	2012 rates (£)
<b>Partners/Directors</b>	560 to 895	585 to 920
<b>Managers</b>	280 to 670	295 to 700
<b>Assistants and Support Staff</b>	175 to 280	185 to 295

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Drivers Jonas Deloitte may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

With regard to the Administrations of GCGRL and CUBL, the Joint Administrators have used Deloitte VAT specialists to advise on VAT matters, which has resulted in an hourly charge out rate of £975 an hour for VAT matters.

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.

With effect from 1 January 2012, charge out rates were increased by an average 5% and the charge out rate bandings have been amended, where applicable, to reflect this change.

"A Creditors' Guide to Administrators' Remuneration" is available for download at [www.deloitte.com/uk/sip-9-england-and-wales](http://www.deloitte.com/uk/sip-9-england-and-wales). Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on the front of this report and this will be provided to you at no cost.

## 6.2 Joint Administrators' Expenses

A summary of the Joint Administrators' expenses (excluding VAT if applicable) which relate to direct expenses such as travel are set out below. Please note that the Joint Administrators' expenses for mileage are calculated by reference to mileage properly incurred by the Joint Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (presently up to 45p per mile).

Nature of expenses	Total £
Travel	280 80
Communication Costs	46 54
Subsistence	309 39
Stationary	196 89
Courier Services	85 00
	<u>918 62</u>
Administrators' Bordereau	
Dormant Companies	80 00
GCGRL	1,280 00
CUBL	1,280 00
<b>Total Expenses</b>	<b><u>3,558 62</u></b>

With the exception of the Joint Administrators' Bordereau costs, all expenses have been incurred in the course of trading the restaurants within GCGRL and CUBL. Most of the trading activity since the date of Administration has occurred for the restaurants held within CUBL, so the Joint Administrators propose that the expenses are split between the two companies in the proportion CUBL 70% and GCGRL 30%.

The Joint Administrators' Bordereau will only be charged to the company to which it specifically relates. Therefore, the Joint Administrators propose that the expenses are apportioned as follows:



<b>Entity</b>	<b>Proportion</b>	<b>Amount</b>
GCGRL	30%	1,555 59
CUBL	70%	1,923 03
PRL	N/A	20 00
PL	N/A	20 00
CL	N/A	20 00
CGRL	N/A	20 00
		<u>3,558 62</u>

At present there are no assets available in any of the Dormant Companies to pay any expenses

### **6.3. Other Professional Costs**

To advise on appropriate legal matters and to prepare required legal documentation (including business sale agreements) the Joint Administrators instructed SNR Denton UK LLP and Wallace LLP, firms of lawyers with the appropriate expertise and experience in dealing with these types of Administrations

### **6 4. 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 the Joint Administrators to provide additional information regarding remuneration or expenses to that already supplied within this document. 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

### **6 5. 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), challenging the amount or the basis of remuneration which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within 8 weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules

## 7 OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

### 7.1 Directors' conduct

As part of their statutory duties, the Joint Administrators will consider the conduct of the Directors and any person they consider a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure and will submit a confidential report to the Insolvency Service, a division of the Department for Business, Innovation and Skills

As part of their investigations the Joint Administrators will consider, among other matters, the following

- statutory compliance issues,
- misfeasance or breach of duty, and
- antecedent transactions (including transactions at an under value and preferences)

Creditors who wish to draw any matters to the attention of the Joint Administrators should write to the Joint Administrators at the address given on the front of this report

### 7.2 SIP13 (E&W) – Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), details of the Company's transactions with connected parties during the period of this report and the two years prior to our appointment are provided below

Date	Details of transaction	Sales / (Purchases) (£)	Name of counterparty	Connection
May 2011 to November 2011	Provision of director and cash management services	£259,298	Icknield Limited	Steve Smith, a director of the Companies, is a director and owner of Icknield Limited
June 2010 to November 2011	Provision of interim financial director services	£273,175	Amethyst Financial Limited	Simon Rowe, a director of the Companies, is a director and owner of Amethyst Financial Limited
30 November 2011	Sale of the fixtures, fittings and stock within the Livebait Leeds restaurant	£10,000	SBG Restaurants Limited	William Rollason, a former director of the Companies within the last three years, is a director of SBG Restaurants Limited

We have reviewed these transactions and are of the opinion that they were carried out on an arms' length basis and, in the case of the offer accepted by the Joint Administrators from SBG Restaurants Limited for the assets of the Livebait Leeds restaurant, represented the best price for those assets

### **7.3. Exit Routes from Administrations**

In accordance with the provisions of the Act incorporated by the Enterprise Act 2002, all Administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the creditors

There are several exit routes which are available to the Joint Administrators such as,

- filing a notice in Court and with the Registrar of Companies confirming that the purpose of Administration has been sufficiently achieved, or
- in the event that the Company has no property the Joint Administrators may notify the Registrar of Companies to that effect at which time the appointment of the Joint Administrators ceases and three months following that date the company is deemed to be dissolved

In addition the Joint Administrators could propose to place some or all of the Companies into Creditors' Voluntary Liquidation, Compulsory Liquidation or a Company Voluntary Arrangement

The exit route chosen in relation to the Companies will largely depend on the circumstances of each Administration. At present the Joint Administrators anticipate that the Companies will either be dissolved or placed into Creditors' Voluntary Liquidation

As there is not expected to be a distribution to unsecured creditors (other than via the Prescribed Part), the Joint Administrators will seek their discharge from liability to the Secured Lenders and preferential creditors, where applicable, in accordance with paragraphs 98 and 99 of Schedule B1 of the Act

### **7.4 EC Regulations**

As stated in the Administration Order in respect of the Companies, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation

### **7.5 Third Party Assets**

Should you believe that you own items that may have been present at the Companies former trading premises please contact the Joint Administrators as soon as possible

**8. STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)**

<b>Caffe Uno Brasseries Limited</b>	<b>Court Case No 10245 of 2011</b>
<b>Groupe Chez Gerard Restaurants Limited</b>	<b>Court Case No 10241 of 2011</b>
<b>Chez Gerard Restaurants Limited</b>	<b>Court Case No. 10244 of 2011</b>
<b>Craftbutton Limited</b>	<b>Court Case No. 10243 of 2011</b>
<b>Paramount Limited</b>	<b>Court Case No 10242 of 2011</b>
<b>Paramount Restaurants Limited</b>	<b>Court Case No. 10240 of 2011</b>

**All in Administration (each being “a Company” and together being “the Companies”)**

The Joint Administrators' proposals are as follows

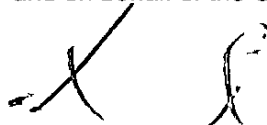
- 1 the Joint Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all Administration expenses,
- 2 the Joint Administrators continue with their enquiries into the conduct of the Directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of the Companies,
- 3 the Joint Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors (if applicable) against each of the Companies unless the Joint Administrators conclude, in their reasonable opinion, that a Company will have no assets available for distribution,
- 4 the Joint Administrators be authorised to distribute funds to the secured and preferential creditors (if applicable) as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of each Company so determine, at meetings of creditors, a Creditors Committee be appointed in respect of each or any Company comprising of not more than five and not less than three creditors of that Company or Companies,
- 6 that, in respect of each Company, the Creditors' Committee, if one is appointed, be asked to agree that the basis of the Joint Administrators' remuneration to be fixed by reference to the time properly given by the Joint Administrators' and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT, and asked to agree the Joint Administrators' expenses,
- 7 that, if a Creditors' Committee is not appointed, the secured and preferential creditors (where applicable) of each Company shall be asked to fix the basis of the Joint Administrators' remuneration in accordance with Rule 2 106(5A)(a), to be fixed by reference to the time properly given by the Joint Administrators' and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT. In addition those creditors shall also be asked to agree the Joint Administrators' expenses of which the Joint Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Joint Administrators and their staff

in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred, plus VAT where applicable,

- 8 that, if a Creditors' Committee is not appointed, the Joint Administrators' Pre Administration Costs as detailed in Appendix 5 of the Joint Administrators' Proposals be approved and that the Joint Administrators be authorised to draw their Costs, plus VAT, from the Administrations' estates,
- 9 that, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most cost effective steps to formally conclude the Administrations. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 10 that, if each or any of the Companies were to be placed into CVL, the Joint Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4 174 of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time given in attending to matters arising in the Liquidations. As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2 117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
- 11 in the absence of Creditors' Committees, the Secured Lenders, and preferential creditors where applicable, of each Company agree that the Joint Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Joint Administrators' filing their final report to creditors and vacating office

Yours faithfully

For and on behalf of the Companies



Matt Smith and Nick Edwards  
Joint Administrators of the Companies  
Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London EC4A 3BQ

**Matthew David Smith and Nicholas Guy Edwards were appointed Joint Administrators of the Companies on 23 November 2011. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability.**

**All licensed Insolvency Practitioners of Deloitte are licensed in the UK to act as Insolvency Practitioners**