

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company
Baker & Spice Limited

Company number
03039351

In the High Court Chancery Division Compan (full name of court)

Court case number
11205 of 2009

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

I/We (a)
Geoffrey Paul Rowley
Vantis Business Recovery Services
PO Box 2653
66 Wigmore Street
London
W1A 3RT

Nicholas Hugh O'Reilly
Vantis Business Recovery Services
PO Box 2653
66 Wigmore Street
London
W1A 3RT

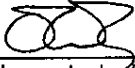
administrator(s) of the above company attach a progress report for the period

(b) Insert date

From
(b) 20 August 2009

To
(b) 19 February 2010

Signed


 Joint / Administrator(s)

Dated

19/2/2010

Contact Details*

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

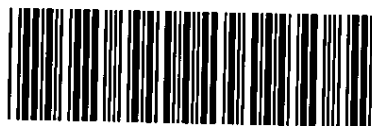
The contact information that you give will be visible to searchers of the public record

Geoffrey Rowley
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020 7467 4264
DX Exchange
Oxford Circus North

SATURDAY



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When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



Baker & Spice Limited (In Administration)

Report to creditors pursuant to
Rule 2.110 of the Insolvency Rules 1986

19 February 2010

FRIDAY

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19/02/2010
COMPANIES HOUSE

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Baker & Spice Limited (in Administration)
Report to creditors pursuant to Rule 2.110 of the Insolvency Rules 1986

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1 Glossary and disclaimers

The Company	Baker & Spice Limited (In Administration)
The Joint Administrators	Geoffrey Paul Rowley, licensed by the Insolvency Practitioners Association & Nicholas Hugh O'Reilly, licensed by the Insolvency Practitioners Association of Vantis Group Ltd, 66 Wigmore Street, London, W1U 2SB
The Bank/Barclays	Barclays Bank PLC, 1 Churchill Place, London, E14 5HP
TUPE	Transfer of Undertakings (Protection of Employment)
SPA	Sale and Purchase Agreement

The references in this report to sections, paragraphs or rules are to the Insolvency Act 1986 ("IA 86"), Schedule B1 of the Insolvency Act 1986 ("Sch B1") and the Insolvency Rules 1986 ("IR 86")

The Joint Administrators act as agents of the Company and without personal liability

The affairs, business and property of the Company are being managed by Geoffrey Paul Rowley and Nicholas Hugh O'Reilly who were appointed Joint Administrators on 20 February 2009

2. Introduction

I write further to my appointment as Joint Administrator of the Company, with Nicholas O'Reilly, to provide my final report on the progress of the administration under Rule 2 110 of the Insolvency Rules 1986

In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the appointment of the Joint Administrators included a declaration that during the period of the administration they may act jointly or concurrently as the Administrators of the Company

This report should be read in conjunction with my previous communications in this matter

Statutory information about the Company and the Joint Administrators is attached as Appendix A

3. The Administrators' Proposals

The Joint Administrator's proposals in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 to achieve the purpose of the administration - this being to obtain a better result for creditors as a whole than would be likely if the company were wound up (without first being in administration) are attached at appendix B

Based on information available, the Joint Administrators considered that the company had insufficient property to enable a distribution to be made to unsecured creditors. They were therefore not required to call a creditors' meeting pursuant to Paragraph 51 of Schedule B1 of the Insolvency Act 1986 to consider their proposals for achieving the purpose of the administration, unless requested to do so by creditors whose debts amount to at least 10% of the total debts of the company. No such request was received and thus, in accordance with Rule 2 33(5) of the Insolvency Rules 1986, the proposals set out at Appendix B are deemed to have been approved by the creditors

However the basis on which the Administrators' remuneration was to be calculated required the approval of all secured creditors in accordance with the rule 2 106(5A)(a) of the Insolvency Rules 1986

4. Progress of the Administration

I attach at Appendix C an abstract of my receipts and payments covering the period 21 August 2009 to 19 February 2010 and the 20 February 2009 to 19 February 2010

4.1 Sale of Business and Assets

As detailed in my previous report the sale of the business and certain assets (comprising Goodwill, Intellectual Property, Trademarks, customer contracts, unencumbered plant & machinery/fixtures & fittings/equipment and stock) to Spice Bakery Limited (a wholly unconnected third party) as a going concern completed on the day of the appointment of the Joint Administrators. The total consideration of £625,000 plus the licence fee (as regards occupying certain of the leasehold premises) was paid to the Administrators' solicitor's client account on completion. The net sale proceeds were subsequently paid to the Administration estate

4.2 Employees

All staff were transferred to Spice Bakery Ltd under the TUPE Regulations 2006 following the sale of the business and assets as a going concern

4.3 Premises

Spice Bakery Ltd continued to occupy the leasehold trading premises under licence. The SPA stated that the buyer would use its reasonable endeavours to seek an assignment of the leases to the properties that they were occupying - all such leases have now been assigned to Spice Bakery Ltd. Rent deposits of £34,685.41 have been recovered from these transactions.

The leases in respect of the two premises excluded from the SPA have been surrendered to the landlords.

4.4 Stock and Retention of Title

As previously indicated all Reservation of Title claims are to be dealt with by Spice Bakery Limited. My staff have liaised with the purchasers on the reservation of title claims received.

4.5 Debtors

The debtors were specifically excluded from the sale to Spice Bakery Ltd. A firm of collection agents were instructed to collect the debtors on the Joint Administrators behalf and collected £27,767 before costs.

5 Creditors

5.1 Estimated Outcome for Secured Creditors

The Bank holds a debenture created on 22 May 1995 containing fixed and floating charges. At the date of appointment the bank was owed £867,485.

The bank has received a distribution of £10,001 under its fixed charge and £603,377 under the floating charge.

The bank will suffer a shortfall of £254,107.

5.2 Estimated Outcome for Preferential Creditors

As all staff were transferred to Spice Bakery Ltd under the TUPE regulations 2006. Following the sale of the business and assets as a going concern, I did not expect to receive any preferential claims.

I received claims from former employees that were subsequently made redundant by Spice Bakery Ltd following the transfer. The claims were passed to the Redundancy Payments Office for adjudication given the transfer following the sale of the business as a going concern. The Redundancy Payments Office rejected these claims and they fall to Spice Bakery Limited.

There were therefore no preferential claims in the administration.

5.3 Estimated Outcome for Unsecured Creditors

Claims have been received from unsecured creditors in the region of £844k.

As advised in my previous reports, a dividend was not available to unsecured creditors due to the level of secured liabilities.

5.4 Prescribed part for unsecured creditors

The Joint Administrators considered the possibility of a prescribed part for unsecured creditors under S176A of the Insolvency Act 1986. The prescribed part was not appropriate in this case because the charge held by Barclays was dated prior to 15 September 2003.

6 Statutory matters

6.1 Administrators' Remuneration

As the Joint Administrators made a statement under Paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 they were not required to hold a meeting of creditors to approve their proposals. As there is no creditors committee and there was no fee resolution passed at a meeting of creditors the basis of the Administrators' remuneration was agreed in accordance with Rule 2.106(5A)(a) of the Insolvency Rules 1986. The basis of the administrator's remuneration drawn to date has been agreed by Barclays as the secured creditor as there were no preferential creditors in the administration when the initial remuneration was drawn.

223.45 hours have been spent on this case to date, giving a total of £58,207 charged to the Administration. Remuneration of £35,000 has been drawn to date with consent of Barclays. An analysis of the time charged, showing different grades of staff and the type of work undertaken, is attached at Appendix D.

6.2 Exit of the Administration

As there are insufficient assets to enable a distribution to the unsecured creditors, the Joint Administrators will file the requisite form with the Registrar of Companies to move the company to dissolution in accordance with the Joint Administrator's proposals.

If you have any queries about this report or the progress of the administration, please do not hesitate to contact Alistair Holt-Thomas at this office.



Geoffrey Rowley
Joint Administrator
Licensed by Insolvency Practitioners Association

BAKER & SPICE LIMITED (IN ADMINISTRATION)**Statutory Information**

Court in which administration proceedings were brought	High Court, Chancery Division, Companies Court
Court reference number	11205 of 2009
Administrators	Geoffrey Paul Rowley and Nicholas Hugh O'Reilly, Vantis, 66 Wigmore St, London W1U 2SB
Appointor	Barclays Bank PLC, 1 Churchill Place, London, E14 5HP
Date of incorporation	29 March 1995
Company number	3039351
Registered office	66 Wigmore St, London W1U 2SB
Previous registered office	Harben House, Harben Parade, Finchley Road, London, NW3 6LH
Directors	Yael Mejia, Jane O'Riordan, Honor Chapman, Sarah-Jane Curtis
Company secretary	Yael Mejia

The directors and company secretary have the following shareholdings in the company -

Name	Shares	Type	Percentage shareholding
Yael Mejia	60	Ordinary	60%
Capricorn Ventures International Ltd	40	Ordinary	40%

It is considered that the EC Regulations will apply and the proceedings will be the main proceedings as defined in Article 3 of the EC Regulation. The company is registered and traded in the UK and its management and administrative functions are controlled by UK based officers thus its centre of main interest is in the UK.


THE INSOLVENCY ACT 1986

**STATEMENT OF THE PROPOSALS OF THE JOINT ADMINISTRATORS OF BAKER & SPICE LIMITED
(IN ADMINISTRATION)**

PURSUANT TO PARAGRAPH 49(1) OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986

- 1 These are the proposals of Geoffrey Paul Rowley and Nicholas Hugh O'Reilly, the Joint Administrators of BAKER & SPICE LIMITED pursuant to paragraph 49(1) of schedule B1 to the Insolvency Act 1986
- 2 The Joint Administrators think that objective a) of the administration, as detailed in paragraph 3(1) of Schedule B1 of the Insolvency Act 1986, will not be achieved due to the level of the company's historic liabilities. As such, it is envisaged that objective b), achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration) will be achieved though the sale of the business and certain assets as a going concern.
- 3 The Joint Administrators propose that:
 - a) they will continue to realise the assets of the company
 - b) following a reasonable period of time to achieve proposal (a), and if they think that the company has sufficient property to permit a distribution to its unsecured creditors, they will send notice to the Register of Companies in accordance with paragraph 83 of schedule B1 of the Insolvency Act 1986 for the company to be placed in Creditors Voluntary Liquidation. The proposed Liquidators are to be Geoffrey Paul Rowley and Nicholas Hugh O'Reilly of Vantis
 - c) if they think the company has no property which might permit a distribution to its unsecured creditors, they will send a notice to the Registrar of Companies in accordance with paragraph 84 of schedule B1 to the Insolvency Act 1986 and three months after the filing of the notice the company will be deemed to be dissolved having given due consideration to point (b) above
 - d) the Joint Administrators' fees be agreed on a time cost basis in accordance with their charge out rates applicable from time to time plus disbursements which may include an element of shared or allocated costs and also disbursements and expenses directly incurred during the course of the administration be recovered, and may be drawn when the Administrators deem necessary
 - e) The term of the administration may be extended by six months prior to the one year anniversary, if deemed necessary by the Administrators.

Dated this 8 April 2009


Nicholas O'Reilly
Joint Administrator

Licensed by the Insolvency Practitioners Association

**The Joint Administrators act as agents of the company and without personal liability.
The affairs, business and property of the company are being managed by Geoffrey Paul Rowley
and Nicholas Hugh O'Reilly who were appointed Joint Administrators on 20 February 2009.**

Baker & Spice Limited (in Administration)
Joint Administrators' Abstract Of Receipts And Payments
To 19 February 2010

	21/08/2009 - 19/02/2010			20/02/2009 - 19/02/2010		
	Fixed Charge £	Floating Charge £	Total £	Fixed Charge £	Floating Charge £	Total £
RECEIPTS						
Goodwill	-	-	-	1	-	1
Intellectual Property	-	-	-	10,000	-	10,000
Plant & Machinery	-	-	-	-	509,998	509,998
Stock	-	-	-	-	105,000	105,000
Contracts	-	-	-	-	1	1
Book Debts	-	-	-	-	27,767	27,767
Rent Deposits	-	32,799	32,799	-	34,685	34,685
Bank Interest Gross	-	91	91	-	136	136
Rates refund	-	1,924	1,924	-	2,420	2,420
	<u>-</u>	<u>34,814</u>	<u>34,814</u>	<u>10,001</u>	<u>680,007</u>	<u>690,008</u>
PAYMENTS						
Chargeholder - Barclays Bank	-	113,378	113,378	10,001	603,377	613,378
Administrators' Remuneration	-	15,778	15,778	-	35,000	35,000
Administrators' Disbursements	-	153	153	-	688	688
Payroll firm costs	-	-	-	-	350	350
Agents/Valuers Fees	-	3,541	3,541	-	8,541	8,541
Legal Fees	-	2,663	2,663	-	24,671	24,671
Debt collection fees	-	-	-	-	6,942	6,942
Corporation Tax	-	41	41	-	41	41
Storage Costs	-	117	117	-	117	117
Statutory Advertising	-	-	-	-	124	124
Bank Charges	-	75	75	-	155	155
	<u>-</u>	<u>135,746</u>	<u>135,746</u>	<u>10,001</u>	<u>680,007</u>	<u>690,008</u>
Balances in Hand	<u>-</u>	<u>(100,932)</u>	<u>(100,932)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>34,814</u>	<u>34,814</u>	<u>10,001</u>	<u>680,007</u>	<u>690,008</u>

BAKER & SPICE LIMITED (IN ADMINISTRATION)
Analysis of time costs
for the period 20 February 2009 to 11 February 2010

Appendix D

Time costs							
Classification of work	Partner	Manager	Other senior professionals	Assistants & support staff	Total hours	Time cost	Total average cost
Admin & Planning	1 00	23 80	43 90	13 20	81 90	21,418 50	261 52
Investigations	-	-	-	-	-	-	-
Realisation of Assets	3 50	1 00	59 10	-	63 60	16,380 00	257 55
Trading	-	-	-	-	-	-	-
Creditors	6 50	2 00	69 45	-	77 95	20,409 00	261 82
Case Specific Matters	-	-	-	-	-	-	-
Total	11 00	26 80	172 45	13 20	223 45	58,207 50	
Total fees claimed						35,000 00	

Disbursements	
Category 1	688 28

Charge out rates with effect from 1/05/08

Grade	£/h
Partner	360-445
Manager	260-310
Other senior professionals	160-210
Assistants and support staff	140-163

Charge out rates with effect from 1/11/08

Grade	£/h
Partner	395-495
Manager	295-350
Other senior professionals	160-250
Assistants and support staff	140-250

Examples of work

Admin & Planning

Case planning
Administrative Set-up
Appointment Notification
Maintenance of records
Statutory reporting

Investigations

SIP 2 - A Liquidator's Investigation into the affairs of an insolvent company
Company Directors Disqualification Act 1986
Antecedent transactions

Realisation of Assets

Identifying, insuring and securing assets
Retention of title
Property Business and asset sales
Debt collection

Trading

Management of operations
Accounting for trading
Ongoing employee issues

Creditors

Communication with creditors
Creditors claims (including employees and other preferential creditors)

Case Specific Matters