

The Insolvency Act 1986

**Administrator's progress report**

Name of Company Miracle Retail Limited	Company number 03184569
In the Leeds High Court of Justice <small>[full name of court]</small>	Court case number 507 of 2007

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

I, Martin Gilbert Ellis  
Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2P 2YU

administrator of the above company attach a progress report for the period

(b) Insert dates	from 24 April 2008	to 24 October 2008
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Signed Martin G. Ellis  
Joint Administrator

Dated \_\_\_\_\_

**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 on the public record.

	Tel
DX Number	DX Lchange

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



AIQ  
24/10/2008  
COMPANIES HOUSE

41

FRIDAY



# Grant Thornton

Our Ref MGE/JCR/TZW/CSR/-

To the Creditors

TUESDAY

A04

14/10/2008

COMPANIES HOUSE

303

1 October 2008

Dear Sirs

## Recovery and Reorganisation

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## Miracle Retail Limited - In Administration ("Miracle")

### 1 INTRODUCTION

- 1.1 Simon Peter Bower and David Michael Riley were appointed Joint Administrators of the above company by the directors on 24 April 2007. On 31 July 2008 Martin Gilbert Ellis replaced Simon Peter Bower as Joint Administrator. The Court granted an extension of this Administration to 23 October 2008 and a further extension of 6 months is now being applied for.
- 1.2 I am now in a position to present a further progress report in this matter, for the period 24 April 2008 to date. I enclose Form 2.24B together with an account of my receipts and payments for the period of the report in accordance with Rule 2.47 of the Insolvency Rules 1986 at Appendix I.
- 1.3 In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them.

### 2 STATUTORY INFORMATION

- 2.1 The company's statutory details are as follows:

Registered number 003184569

Registered office 30 Finsbury Square, London, EC2P 2YU

Former trading address 9 Taylors Court, Parkgate, Rotherham, S62 6NU

- 2.2 Miracle is one of a number of companies that form the Out of Town Group which traded food and beverage retail outlets across England and Wales.

#### Chartered Accountants

Member firm of Grant Thornton International Ltd

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No. OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP. A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

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### **3     PROGRESS REPORT**

#### **Receipts and Payments**

##### **Legal Fees**

- 3 1     Since my last report, legal fees totalling £4,667 have been paid to DLA Piper, in respect of their work on the extension of this Administration and other general matters

##### **Property**

- 3 2     Per my last report, six of Miracle's trading units were closed. I have surrendered leases at two further properties, leaving two leases, both for sites in the Lowry Centre, Manchester to be surrendered. At present, the landlord is unwilling to accept such a surrender.
- 3 3     No further rates liabilities are due in respect of the company's units.

##### **Trading**

- 3 4     As previously reported, I traded the company while a sale of the group was progressed. Miracle Retail ceased to trade on 4 August 2007.
- 3 5     The trading period incurred a loss of £105,198 after apportioning head office costs of £24,892 as per Appendix II.
- 3 6     The inter-company loans shown will not be repaid since there are insufficient funds to allow this. However, all preferential claims have now been paid in full and any surplus floating charge funds are due to the secured creditor under their floating charge over the whole group (excluding Mall Ice Cream Limited) so this does not affect their overall position.

##### **Preferential Claims**

- 3 7     I have now received preferential claims of £5,119 from the Redundancy Payments Office and employee excess claims.
- 3 8     There are insufficient funds to enable a distribution to preferential creditors.

##### **Unsecured Claims**

- 3 9     Due to the low level of floating charge realisations, there will not be a distribution to unsecured creditors in this matter.

##### **Secured Creditor**

- 3 10    I have made total distributions of £250k to Barclays Bank plc from fixed charge realisations, and a further distribution is anticipated to be made.
- 3 11    It is expected the secured creditor will suffer an overall shortfall from the group.

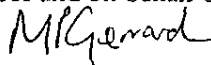
### **Administrators' Costs**

- 3 12 My remuneration has been agreed by the secured creditor, pursuant to Rule 2 106 (5A) of the Insolvency Act 1986
- 3 13 In accordance with Statement of Insolvency Practice (SIP 9), I attach as Appendix III and Appendix IV a summary of my time costs to date by grade of staff and type of work. This shows total time costs of £157,225 representing 1,060 hours at an average hourly rate of £148. Following the merger with Robson Rhodes in July 2007, the firm's internal systems were subsequently modified and as such I no longer have access to previous records. Therefore, I attach the original summary of my time costs to 23 April 2008 and a further summary reflecting costs since 24 April to date.
- 3 14 With the consent of the secured creditor, I have drawn fees to date of £33,000.
- 3 15 Although there are insufficient funds in this Administration to draw my fees in full, a proportion may be recovered from other group companies as agreed by the secured creditors.
- 3 16 Category 1 disbursements of £10,042 have been paid from the Administration.

### **Other Matters**

- 3 17 An Administration is for an initial period of one year. As I had yet to resolve all the issues which had arisen during the Administration, I applied to court to have the Administration (of all group companies) extended for a further six months. My application was granted on 18 April 2008 and the Administration was extended until 23 October 2008.
- 3 18 A further application is currently being made to extend the Administrations (of all group companies) for a further six months. Formal notice of the extension will be sent in due course.
- 3 19 My next report will be due in a further six months from the anniversary of my appointment or at the end of the Administration, whichever is sooner.

Yours faithfully  
for and on behalf of Miracle Retail Limited



ff Martin Ellis  
Joint Administrator

The affairs, business and property of Miracle Retail Limited are being managed by David Ruky and Martin Ellis, appointed as Joint Administrators on 24 April 2007 and 31 July 2008.

**Appendix II**

**Miracle Retail Limited**  
**(In Administration)**  
**Joint administrators' Trading Account**

	<b>From 24/04/2008 To 01/10/2008</b>	<b>From 24/04/2007 To 01/10/2008</b>
POST APPOINTMENT SALES		
Sales	NIL	264,325 39
PURCHASES		
Purchases (1)	1,000 00	122,425 65
OTHER DIRECT COSTS		
Direct Labour	409 00	117,500 53
TRADING EXPENDITURE		
Rents	1,275 23	90,063 86
Rates	NIL	47,597 59
Utilities	255 32	3,209 20
Banked Floats	NIL	(18,500 00)
Change orders	13,698 00	510 00
Repairs & Maintenance	NIL	2,088 39
Sundry Expenses	NIL	2,142 05
Petty cash	NIL	1,480 05
Under/over banking	124 80	1,006 80
	<u>(15,353 35)</u>	<u>(129,597 94)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b><u>(16,762.35)</u></b>	<b><u>(105,198.73)</u></b>

**Miracle Retail Limited**  
**(In Administration)**  
**Joint administrators' Abstract of Receipts & Payments**

	From 24/04/2008 To 01/10/2008	From 24/04/2007 To 01/10/2008
<b>SECURED ASSETS</b>		
Goodwill	NIL	392,000 00
Bank Interest	717 38	3,087 90
	<u>717 38</u>	<u>395,087 90</u>
<b>COSTS OF REALISATION</b>		
Administrators' Fees	NIL	30,000 00
Legal Fees	4,666 64	9,666 64
Bank Charges	8 76	14 54
	<u>(4,675 40)</u>	<u>(39,681 18)</u>
<b>SECURED CREDITORS</b>		
Chargeholder (1)	NIL	250,000 00
<b>ASSET REALISATIONS</b>		
Chattel assets	NIL	4,000 00
Stock	NIL	10,033 00
Cash in transit	NIL	58,306 18
Refunds	NIL	27,439 67
Bank Interest Gross	35 68	4,285 26
Trading Surplus/(Deficit)	<u>(16,762 35)</u>	<u>(105,198 73)</u>
	<u>(16,726 67)</u>	<u>(1,134 62)</u>
<b>COST OF REALISATIONS</b>		
Specific Bond	NIL	528 00
Administrators' Fees	NIL	3,000 00
Administrators' Disbursements Category 1	NIL	10,042 10
Legal Fees	NIL	4,633 43
Cash Handling charges	NIL	360 53
Bank Charges	26 09	2,528 85
	<u>(26 09)</u>	<u>(21,092 91)</u>
<b>INTER COMPANY LOANS</b>		
	5,879 23	22,245 30
	<u>(14,831.55)</u>	<u>105,424.49</u>
<b>REPRESENTED BY</b>		
Fixed Current A/c		3,465 06
Fixed Deposit A/c 30 04 08		95,000 00
Floating Current A/c		17 77
VAT input tax (fixed)		816 66
Vat control account (fixed)		6,125 00
		<u>105,424.49</u>

MIRACLE RETAIL LIMITED

APPENDIX III

Summary of Administrators Time Costs to 23 April 2008

ACTIVITY	Partner Hours	Manager Hours	Senior Hours	Administrator Hours	Support Hours	Total COST Hours	£	Avg £/H
Administration & Planning	7 91	8 37	4 44	10 08	7 35	38 15	8,001 39	209 73
Creditors	1 20	13 68	4 02	38 54	12 67	70 11	11,088 64	158 16
Investigations	0	0	0	0 61	0	0 61	104 32	171 02
Realisations	5 38	46 56	5 23	68 12	0 06	125.35	21,395 27	170 68
Trading	3 84	182 10	48 87	466 62	0 32	701 75	96,327 55	137 27
Treasury & Cashiering	7 58	0 74	5 42	7 78	85 78	107 30	16,003 11	149 14
TOTAL HOURS	25 91	251 45	67 98	591 75	106 18	1,043 27		
							£ 152,920.28	146 58
							TOTAL TIME COSTS	

Standard SIP 9 Classification										Appendix IV	
Miracle Retail Limited											
TO DATE											
From 24 April 2008 to date											
	Partner		Manager		Senior		Admin/Support		Total		Average hourly rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning (incl statutory reporting)	3 90	1 418	9 17	1 899	0 10	14	0 00	0	13 17	3 331	253
Realisation of Assets Property plant vehicles etc (incl HP leasing and third party)	0 00	0	0 30	65	0 00	0	0 00	0	0 30	65	217
Trading	0 00	0	1 45	324	0 00	0	0 00	0	1 45	324	223
Chargeholders (incl bank reporting)	1 10	393	0 00	0	0 00	0	0 00	0	1 10	393	357
Preferential creditors	0 00	0	0 00	0	0 10	14	0 00	0	0 10	14	140
Unsecured creditors	0 00	0	0 80	141	0 00	0	0 00	0	0 80	141	176
Legal	0 10	37	0 00	0	0 00	0	0 00	0	0 10	37	370
<b>Grand Total</b>	<b>5 10</b>	<b>1,848</b>	<b>11 72</b>	<b>2,429</b>	<b>0 20</b>	<b>28</b>	<b>0 00</b>	<b>0</b>	<b>17 02</b>	<b>4,305</b>	<b>253 00</b>