

The Insolvency Act 1986

**Administrator's progress report**Name of Company  
Miracle Retail LimitedCompany number  
03184569In the  
Leeds High Court of Justice

[full name of court]

Court case number  
517 of 2007(a) Insert full name(s) and  
address(es) of  
administrator(s)

We, Martin Gilbert Ellis of Grant Thornton UK LLP, 30 Finsbury Square, London  
EC2P 2YU and David Michael Riley of Grant Thornton UK LLP, 4 Hardman Square, Spinningfields,  
Manchester, M3 3EB

joint administrators of the above company attach a progress report for the period

(b) Insert dates

from

25 April 2009

to

24 October 2009

Signed

*Martin Gilbert*

Joint Administrator

Dated

*26/10/2009***Contact Details:**

You do not have to give any contact information in  
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COMPANIES HOUSE

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Our Ref MGE/JCR/TZW/PMC/PF7

To the Creditors

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29 October 2009



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Dear Sir or Madam

**Miracle Retail Limited ("Miracle") - In Administration  
In the Leeds High Court of Justice - No 507 of 2007**

**1 Introduction**

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 May 2010.

I am now in a position to present a further progress report in this matter, for the period 25 April 2009 to 24 October 2009. 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.

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**

The company's statutory details are as follows:

Registered Number	03184569
Registered Office	30 Finsbury Square, London, EC2P 2YU
Former Trading Address	9 Taylors Court, Parkgate, Rotherham, S62 6NU

**3 Progress Report**

**Receipts and Payments**

Since my last report, the only charge incurred was in respect of bank charges totalling £6. Interest of £12 has been received on funds held in the Administration accounts.

Chartered Accountants

Member firm within 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.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.

**Property**

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. The landlord remains unwilling to accept such a surrender.

There are no further non-domestic rates liabilities accruing against the company.

**Trading**

As previously reported, I traded the company while a sale of the group was progressed. Miracle ceased to trade on 4 August 2007.

The trading period incurred a loss of £125,727 after apportioning head office costs of £20,528 as per Appendix II.

The inter-company loans shown will not be repaid since there are insufficient funds to allow this. 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..

**Secured Creditor**

I have distributed the balance of £250,000 to Barclays Bank Plc under their fixed charge. The secured creditor will suffer an overall shortfall from the group.

**Preferential Creditors**

I have received four preferential claims totalling £5,119 from the Redundancy Payments Office and in respect of employee excess claims. There are insufficient funds to enable a distribution to preferential creditors.

**Unsecured Creditors**

Due to the low level of floating charge realisations, there are insufficient funds to pay a dividend to unsecured creditors in this matter.

**4 Joint Administrators Remuneration and Disbursements**

In accordance with Statement of Insolvency Practice (SIP 9), I attach as Appendix III a summary of my time costs by grade of staff and type of work. This shows total time costs of £171,120 representing 1,119 hours at an average hourly rate of £153. 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 2008 to date.

My remuneration has been agreed by the secured creditor, pursuant to Rule 2.106 (5A) of the Insolvency Act 1986, and accordingly I have drawn fees of £30,000.

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.

Category 1 disbursements of £10,050 have been paid from the Administration

## **5 Other Matters**

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.

A further application was made to extend the Administrations (of all group companies). The court granted my application on 5 November 2008 and the Administration was extended to 23 May 2010.

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.

Should you wish to discuss any matters, please contact Tanja Waack on telephone number 0117 305 725.

Yours faithfully  
for and on behalf of Miracle Retail Limited



pp Martin G Ellis  
Joint Administrator

The affairs, business and property of Miracle Retail Limited are being managed by David Riley 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

	From 07/04/2009 To 12/10/2009	From 24/04/2007 To 12/10/2009
<b>POST APPOINTMENT SALES</b>		
Sales	NIL	264,325.39
	<u>NIL</u>	<u>264,325.39</u>
<b>PURCHASES</b>		
Purchases (1)	NIL	122,425.65
	<u>NIL</u>	<u>(122,425.65)</u>
<b>OTHER DIRECT COSTS</b>		
Direct Labour	NIL	117,500.53
	<u>NIL</u>	<u>(117,500.53)</u>
<b>TRADING EXPENDITURE</b>		
Rents	NIL	90,063.86
Rates	NIL	47,597.59
Utilities	NIL	3,209.20
Banked Floats	NIL	(18,500.00)
Change orders	NIL	510.00
Repairs & Maintenance	NIL	2,088.39
Sundry Expenses	NIL	2,142.05
Petty cash	NIL	1,480.05
Head office costs	NIL	20,528.08
Under/over banking	NIL	1,006.80
	<u>NIL</u>	<u>(150,126.02)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<u>NIL</u>	<u>(125,726.81)</u>

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

	From 07/04/2009 To 12/10/2009	From 24/04/2007 To 12/10/2009
<b>SECURED ASSETS</b>		
Goodwill	NIL	392,000.00
Bank Interest	27.32	3,898.51
	<u>27.32</u>	<u>395,898.51</u>
<b>COSTS OF REALISATION</b>		
Administrators' Fees	NIL	30,000.00
Legal Fees	NIL	9,666.64
Bank Charges	NIL	14.54
Bank charges	5.39	5.39
	<u>(5.39)</u>	<u>(39,686.57)</u>
<b>SECURED CREDITORS</b>		
Chargeholder (1)	NIL	250,000.00
	<u>NIL</u>	<u>(250,000.00)</u>
<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	NIL	4,935.20
Trading Surplus/(Deficit)	NIL	(125,726.81)
	<u>NIL</u>	<u>(21,015.02)</u>
<b>COST OF REALISATIONS</b>		
Specific Bond	NIL	528.00
Administrators' Fees	NIL	3,000.00
Administrators' Disbursements Category 1	NIL	10,049.64
Irrecoverable VAT	(1.13)	814.40
Legal Fees	NIL	4,633.43
Cash Handling charges	NIL	360.53
Bank Charges	4.34	2,550.74
	<u>(3.21)</u>	<u>(21,937.87)</u>
<b>INTERCOMPANY LOANS</b>		
Bitz & Pizzas Ltd	NIL	20,546.06
Out of Town Restaurants Ltd	(106,032.43)	(86,777.36)
City Gourmets Ltd	NIL	3,533.00
Courtlands (Shopping Centres) Ltd	NIL	(560.75)
	<u>(106,032.43)</u>	<u>(63,259.05)</u>
<b>Balance</b>	<u><u>(106,013.71)</u></u>	<u><u>0.00</u></u>

## APPENDIX III

### INTRODUCTION

The following information is provided in connection with the administrators' remuneration and disbursements in accordance with SIP 9.

### AN OVERVIEW OF THE CASE

Further details on matters undertaken are specified in the attached report.

These have primarily involved dealing with the realisation of assets, complying with statutory reporting requirements, and dealing with creditors queries.

### EXPLANATION OF GRANT THORNTON CHARGING AND DISBURSEMENT RECOVERY POLICIES

#### Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown in the schedule below.

Grade	24-Apr-07 to 30-Jun-07 £	1-Jul -2007 to 30-Jun-08	1-Jul-2008 30-Jun-2009	1-Jul-2009 to date
Partner	450.00	460.00	480.00	510.00
Director	370.00	380.00	400.00	420.00
Manager	290.00-340.00	300.00-350.00	315.00 to 365.00	330.00-385.00
Senior Professionals	200.00-240.00	205.00-250.00	215.00 to 260.00	230.00-275.00
Other Junior Professionals	110.00-165.00	115.00-170.00	120.00 to 180.00	125.00-190.00

Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

#### Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with Inland Revenue limits or AA recommended rates.

### NARRATIVE DESCRIPTION OF WORK CARRIED OUT

Full details of the work carried out in the period since I was appointed are set out in the attached report.

The grades of staff used have been appropriate to the task carried out; for example dealing with creditors queries and statutory reporting has been done by an administrator, complex asset realisations has involved more senior staff, including the partners as required.

## **TIME AND CHARGE-OUT SUMMARIES**

A table of time spent and charge-out rates used to date is shown above.

## **CATEGORY 2 DISBURSEMENTS**

Disbursements which are not amenable to precise attribution to individual cases, namely land line telephone and fax calls, postage, stationery and photocopying are charged to creditor voluntary liquidation's at £5.58 per creditor, £3.10 per shareholder and £2.79 per debtor. Where a room is booked at a Grant Thornton office for a meeting of creditors or of a creditors' committee, a charge of £65 is made. VAT is added to disbursement charges as necessary.

No Category 2 disbursements have been paid during the period covered by this report.

## **SUPPORTING DOCUMENTATION**

The following documentation is attached as required by SIP 9:

- a receipts and payments account for the period from 24 April 2007 to date, which is at Appendix II.
- a schedule of charge-out rates which have applied during the reporting period (included above).

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	11,088.84	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	

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