

The Insolvency Act 1986

Administrator's progress report

Name of Company Flatbread Cafe Limited	Company number 04062365
In the Newcastle Upon Tyne District Registry (full name of court)	Court case number 1749 of 2010

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

I/We (a)
Steven Philip Ross
RSM Tenon Recovery
Tenon House
Ferryboat Lane
Sunderland
Tyne and Wear
SR5 3JN

Ian William Kings
RSM Tenon Recovery
Tenon House
Ferryboat Lane
Sunderland
Tyne and Wear

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

(b) Insert date

From (b) 19 July 2011	To (b) 18 January 2012
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Signed

Joint / Administrator(s)

Dated

16 January 2012

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

Steven Philip Ross
RSM Tenon Recovery
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SR5 3JN

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

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+44 (0) 191 511 5000
DX Exchange

Company

TUESDAY



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AIQ 17/01/2012 #25
COMPANIES HOUSE
AIQ 14/01/2012 #7
COMPANIES HOUSE

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

Flatbread Cafe Limited (“the Company”) – In Administration

**Joint Administrators’ Final Progress Report
for the period from 19 July 2011 to 18 January 2012**

Issued on: 16 January 2012

Steven Philip Ross and Ian William Kings of RSM Tenon Recovery are the Joint Administrators of the Company and this is their final progress report on the administration of the Company for the period from 19 July 2011 to 18 January 2012 with a summary of the administration as a whole. This report should be read in conjunction with previous progress report/s and the approved Administrators' Proposals

1. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**

2. Joint Administrators' receipts and payment account

A summary of the Joint Administrators' receipts and payments account relating to the Company for the relevant period from 19 July 2011 to 18 January 2012 is attached at **Appendix II**

3. Actions from commencement to the start of this period

Team Valley

Office Furniture, Equipment & Goodwill was sold on 3 September for £50,000 plus vat, payable as follows

As you will recall from the last report, the original Company who purchased the assets was placed into Administration

The position was discussed with the guarantor and considering the resale of the equipment in the current economic climate if recovered under the Retention of Title clause, it was agreed that the overall price would be reduced by £5,000 plus VAT

For the period ending 18 July 2011 £20,000 plus Vat had been received

Newcastle

Plant & Machinery, Equipment & Goodwill was completed on 25 March 2011. The assets were sold for £15,500 plus Vat. £1,550 plus vat payable on completion and the remaining balance payable by 9 consecutive instalments of £1,550 plus vat. A total of £1,550 plus VAT was received at the period ending 18 July 2011

Metro Centre

The assets at the Metro Centre were sold 'for removal' for £2,500 plus vat in the period ended 18 January 2011

4. Actions in this final period

Realisations have been received in full in respect of the sale of assets of the Team Valley

We were contacted by the purchaser of the Newcastle assets who advised that a lot of the equipment needed to be replaced and the fit out costs had been significantly more than anticipated. The purchaser was also struggling to meet the monthly repayments as initially agreed. After reviewing the position the Administrators concluded that it was not in the creditor's best interest to make an application to court to extend the Administration. The costs

associated with the application, to allow the balance of the deferred consideration to be collected exceeded the deferred consideration due

In order to allow the Administration to be concluded we agreed a reduction of £2,500 plus vat of the original sales price. The remaining balance of £11,450 has now been received

5. Investigations

Administrators have a duty to submit confidential reports to the government's Disqualification Unit on the conduct of those persons who acted as directors of the Company in the three year period before the Administration. These have been completed

6. Extension to period of Administration

The Administration was extended with 'creditors consent' for 6 months to allow the deferred consideration for sale of Team Valley and Newcastle assets to be collected to and the purpose of the Administration to be achieved and appropriately concluded

7 Joint Administrators' Proposals

As previously advised the Joint Administrators' proposals for achieving the purpose of the Administration were approved by creditors without modification/s

A further copy is attached at **Appendix IV**

There were no major amendments to, or deviations from, these proposals

8. Liabilities and dividends

8.1 Secured Creditors

HSBC Bank PLC 'HSBC' have debenture created on 19 October 2007 and registered with the Registrar of Companies on 30 October 2007. As at the date of the appointment the indebtedness to HSBC was in the region of £109,902 excluding interest

HSBC have received a total distribution of £17,038.01 under its fixed charge

8.2 Preferential Creditors

The claims so far received are -

	Statement of Affairs £	Claim Received £
Redundancy Payments Service - Employees	17,439.00	19,163.64
claims to arrears of pay and holiday pay		
Employees arrears of pay & holiday pay	<u>321.00</u>	<u>388.31</u>
	<u>17,760.00</u>	<u>19,551.95</u>

There is no prospect of a dividend to preferential creditors in this case

8.3 Floating charge creditors

HSBC will have a claim under its floating as it will not be repaid in full from fixed charged realisations

There is no prospect of a dividend to floating charge creditors in this case

8.4 Unsecured creditors and the Prescribed Part

The prescribed part will not apply as the Company's net Property will be less than £10,000. As such, there will be no dividend payable to the unsecured creditors in this case

9. Joint Administrators' Remuneration, Disbursements and Expenses

Basis of remuneration and disbursements

As a result of the agreement of the Administrators' proposals, the Joint Administrators' proposals relating to their remuneration and disbursements were approved. This provided for the Joint Administrators to be remunerated with reference to time properly spent in dealing with matters in the administration and that disbursements would be drawn in accordance with the tariff outlined in **Appendix III**.

The secured creditors and 50% of the preferential creditors have authorised the Administrators to draw remuneration up to £40,000 plus Vat

Remuneration charged and drawn in the period

The Joint Administrators' time costs were charged (exc VAT) as follows

For this period 19 July 2011 to 18 January 2012	£9,432 00
Since appointment on 19 July 2010 to 18 July 2011	£44,108 40
Total	£53,540.40

In accordance with Statement of Insolvency Practice 9, attached at **Appendix III** is a breakdown of these time costs

Time costs drawn are as follows

In this period 19 July 2011 to 18 January 2012	£18,234 10
Since appointment on 19 July 2010 to 18 July 2011	£15,000 00
Total	£33,234.10

Disbursements incurred and drawn

The Joint Administrators' disbursements incurred during the period of this report and those reimbursed in the period are summarised below. Details are in the attached **Appendix III**.

No category 2 disbursements have been charged nor will be recovered in this matter

Category 1 disbursements for this period 19 July 2011 to 18 January 2012	Incurred £nil	Paid £635.48
Category 1 disbursements since appointment on 19 July 2010 to 18 July 2011	£635.48	£nil
Total	£635.48	£635.48

Expenses (professional advisors) charged and drawn in the period

The following professional advisors have been instructed in this matter

<i>Professional Advisor</i>	<i>Nature of Work</i>	<i>Fee Arrangement</i>
James Sutherland (Auctioneers) Limited	Professional Valuers	Fixed Fee
E-Financial Management	Accountants Assistance with Payroll	Fixed Fee
Ward Hadaway Solicitors	Solicitors sale agreement	Time Cost Basis
Storeys SSP	Rates Rebate	Percentage of realisations

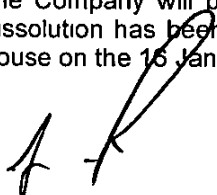
The choice of professionals was based on perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the Administrators' fee arrangement with them. Details of the costs incurred and paid by the Joint Administrators in relation to administration expenses for the period are also attached at **Appendix III**.

Creditors' Guide to Fees and statement of creditors' rights

Creditors have a right to request further information from the Administrators and additionally have a right to challenge the Administrators' remuneration and expenses time limits apply. Details can be found in the document 'Remuneration Guidelines Administration (post 6 April 2010)' which you can access and download at <http://www.rsmtenton.com/creditorguides>. Alternatively a copy is available free of charge upon request from the address above.

10. End of Administration

The Company will be automatically dissolved three months after the Notice of Moving from Administration to Dissolution has been filed by the Registrar of Companies. The relevant documentation was sent to Companies House on the 16 January 2012.



Ian W Kings and Steven P Ross

Joint Administrators

*Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales
The affairs, business and property of the Company are being managed by the Administrators*

Appendix I

Company Information

Company Name	Flatbread Cafe Limited
Previous Name	The Flat Bread Company Limited
Company Number	04062365
Date of Incorporation	30 August 2000
Trading Address	Unit 14, Octavian Way, Team Valley Industrial Estate, Gateshead, NE11 9YG 69-75 High Bridge Street, Newcastle upon Tyne, NE1 6BX Unit M11/M12 The Studio, Yellow Mall, Metro Centre, Gateshead, NE11 9XG
Current Registered Office	Tenon House, Ferryboat Lane, Sunderland, Tyne and Wear SR5 3JN
Former Registered Office	Unit 10 Bearl Farm, Stocksfield, Northumberland, NE43 7AJ
Principal Trading Activity	Food outlet

Appointment details

Joint Administrators' name and address	Steven Philip Ross of RSM Tenon Recovery, Tenon House, Ferryboat Lane, Sunderland, Tyne and Wear, SR5 3JN and Ian William Kings of RSM Tenon Recovery Tenon House, Ferryboat Lane, Sunderland, Tyne and Wear, SR5 3JN
Date of appointment	19 July 2010
Court Name and Reference	Newcastle Upon Tyne 1749 of 2010
Appointment made by	Directors
Actions of Joint Administrators	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone

Appendix II – Receipts and Payments account

Note

Prescribed Part – Such a fund will not apply as the Company's net property is estimates to be less than £10,000

Flatbread Cafe Limited - In Administration

Joint Administrators Receipts and Payments Accountant for the period

Receipts	Statement of Affairs £	19 July 2010 - 18 January 2011		19 January 2011 - 18 July 2011		19 July 2011 - 18 January 2012		Total	
		Fixed charge £	Floating Charge £	Fixed charge £	Floating Charge £	Fixed charge £	Floating Charge £	Fixed charge £	Floating Charge £
Balance c/f		0.00	0.00	5,000.00	12,508.63	2,500.00	2,360.32	0.00	0.00
Assets sale - Team Valley	18,995	5,000.00	15,000.00	2,500.00	2,500.00	9,500.00	10,500.00	17,000.00	28,000.00
Assets sale - Metro Centre			2,500.00					0.00	2,500.00
Assets sale - Newcastle					3,100.00	5,500.01	4,400.00	5,500.01	7,500.00
Contribution towards legal fees							1,000.00	0.00	1,000.00
Rates refund	497		497.40		270.80		1,315.09	0.00	2,083.29
Petty cash			27.15					0.00	27.15
Utility refund			2.65					0.00	2.65
Bank Interest Gross			0.93		10.89		2.46	0.00	14.28
	19,492	5,000.00	18,028.13	2,500.00	5,881.69	15,000.01	17,217.55	22,500.01	41,127.37
									63,627.38

Payments

HSBC Bank Plc				5,000.00		12,038.01		17,038.01	0.00	17,038.01
Administrators remuneration					15,000.00	2,500.00	15,734.10	2,500.00	30,734.10	33,234.10
Validation of debenture and other general legal advice						500.00	1,500.00	500.00	1,500.00	2,000.00
Legal advice and costs - Sale agreement Newcastle						2,462.00		2,462.00	0.00	2,462.00
Legal advice and costs - Sale agreement Team Valley										
Specific Bond			5,519.50					0.00	5,519.50	5,519.50
Travel expenses							158.00	0.00	158.00	158.00
Agents fees							300.40	0.00	300.40	300.40
Statutory advertising							1,728.77	0.00	1,728.77	1,728.77
Re-direction of mail							75.60	0.00	75.60	75.60
Oath fee					30.00		77.88	0.00	77.88	77.88
Corporation tax								0.00	30.00	30.00
Accountants fees							3.12	0.00	3.12	3.12
		0.00	5,519.50	5,000.00	16,030.00	17,500.01	19,577.87	22,500.01	41,127.37	1,000.00
										63,627.38
Balance in hand		5,000.00	12,508.63	2,500.00	2,360.32	0.00	0.00	0.00	0.00	0.00

Appendix III – Information relating to the Joint Administrators' Fees and Expenses

Appendix III

Flatbread Cafe Limited

Information relating to the Joint Administrators' Fees and Expenses

1. Explanation of Administrators' charging and disbursement recovery policies

1.1. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

	Prior to 1 May 2010	From 1 May 2010	From 8 February 2011
	£	£	£
Director and licensed Insolvency Practitioner	225-280	225-280	225-280
Manager	160-215	160-230	200-250
Other senior professionals	110-205	110-220	110-230
Assistants and support staff	50-140	50-140	50-140

Secretarial and support staff are not charged to the cases concerned, being accounted as an overhead of RSM Tenon Recovery.

1.2. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2.

Category 1- disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Recovery and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case, (including business mileage up to HMRC approved rate for cases commenced before 1 November 2011). Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements include elements of shared or allocated costs incurred by RSM Tenon Recovery and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, all business mileage (for cases commencing on or after 1 November 2011), internal room hire and internal storage.

2. Description of work carried out

Section 4 of this appendix outlines the time costs to date in relation to activities undertaken during this period
These can be summarised as follows

2.1. Pre-appointment

Time spent in this category comprises the activities required to obtain an Administration order

2.2. Administration and planning

This includes the following activities which have been undertaken

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Reviewing available information to determine appropriate strategy,
- > Maintaining bank accounts,
- > 6 monthly progress review of the case

2.3. Investigations

The time spent includes

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,
- > Completion of statutory returns to the Insolvency Service

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff

2.4. Realisation of assets

Staff of different levels were involved in the above activities depending upon the experience required

2.5. Creditors

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Recording creditor claims
- > Reporting to creditors,
- > Meetings of creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims,

3. Time and charge out summary

For the period 19 July 2010 to 18 January 2012, a total of 278 62 hours have been spent at an average charge out rate of £192 16 bringing the total cost to date to £53,540 40 As agreed with the Secured Creditors and 50% of the preferential creditors £33,234 10 has been drawn to date

The table below shows details of the time costs charged (exc VAT) in the current period

Classification of work function	Insolvency Practitioner/ Director/ Associate Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	7 00	63 50	30 12		100 62	17,772 40	176 63
Investigations		3 00	3 00		6 00	840 00	140 00
Realisation of assets	25 00	80 90	3 20		109 10	23,556 00	215 91
Trading							
Creditors	6 00	28 60	28 30		62 90	11,372 00	180 79
Total hours	38 00	176 00	64 62		278 62	53,540 40	192 16
Total fees claimed £						33,234 10	

4 Disbursements

Disbursements incurred during the period of this report and cumulatively, and those reimbursed in the period and cumulatively to end of current period, are detailed below

Disbursements	Incurred £	This period Paid £	Previous period Incurred £	Previous period Paid £	Incurred £	Cumulatively Paid £
<i>Category 1</i>						
Statutory advertising	-	75 60	75 60	-	75 60	75 60
Bond premium	-	158 00	158 00	-	158 00	158 00
Postage	-	77 88	77 88	-	77 88	77 88
Court Fees	-	30 00	30 00	-	30 00	30 00
Courier Costs	-	294 00	294 00	-	294 00	294 00
Total	-	635.48	635.48	-	635 48	635.48

The above costs exclude VAT

No category 2 disbursements have been charged to this matter

5. Professional advisors and expenses

The Joint Administrators have incurred administration expenses in connection with the instruction of the parties shown below. Expenses incurred during the period of this report and cumulatively, and those paid in the period and cumulatively to end of current period are detailed.

Name & Activity	Incurring £	This period Paid £	Incurring £	Year 1 Paid £	Incurring £	Cumulatively Paid £
James Sutherland (Auctioneers) Limited	-	-	1,400 00	1,400 00	1,400 00	1,400 00
E Financial Management – Assistance with payroll	-	-	1,000 00	1,000 00	1,000 00	1,000 00
Ward Hadaway LLP – Legal Fees	4,462 00	4,462 00	5,519 50	5,519 50	9,981 50	9,981 50
Storeys SSP – Assistance with reclaiming rates refund	328 77	328 77	-	-	328 77	328 77
Total	4,790.77	4,790.77	7,919.50	7,919.50	12,710.27	12,710.27

The above costs exclude VAT