

The Insolvency Act 1986

**Notice of move from
administration to dissolution****2.35B**

Name of Company

Cardenrich Limited

Company number

04110471

In the
Chancery Division, Bristol District Registry

(full name of court)

Court case number

194 of 2012

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

We

(a) R K Grant
AlixPartners Services UK LLP
35 Newhall Street
Birmingham
B3 3PUS Wilson
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB(b) Insert name and
address of the
registered office of
companyhaving been appointed administrators of (b) Cardenrich Limited, Zolfo Cooper, The Zenith Building,
26 Spring Gardens, Manchester, M2 1AB(c) Insert date of
appointment

on (c) 16 February 2012

(d) insert name of
applicant/
appointer

by (d) Nationwide Building Society Plc

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986
apply

We attach a copy of the final progress report

Signed

Joint Administrators

Dated

9 August 2016

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
formJenna Carr
AlixPartners
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

Tel Number +44 (0) 161 838 4500

The contact information that
will be put
putWhen 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

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Administrators' Final Progress Report for the period 16 February 2012 to 4 August 2016

Cardenrich Limited
In Administration

9 August 2016 ✓

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1 Why this report has been prepared

- 1 1 As you will be aware Ryan Grant and Simon Wilson (the **Administrators**) were appointed on 16 February 2012
- 1 2 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which a company entered into administration and every subsequent period of six months. This progress report covers the period 12 June 2016 to 4 August 2016 (the **Period**) and should be read in conjunction with all previous reports
- 1 3 This report has been prepared in accordance with rule 2.110 of the Insolvency Rules 1986
- 1 4 All matters in this Administration have now been finalised and the purpose of this report is to provide a final update on the progress of the Administration, including details of assets realised during the Period, details regarding the Administrators' fees and the outcome for each class of creditor. For details of the exit route please see section 5
- 1 5 Details of the Administrators' fees and disbursements incurred are detailed at Appendices C and D
- 1 6 More information relating to the Administration process, Administrators' fees and creditors' rights can be found on AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received
- 1 7 If you require a hard copy of this report or have any queries in relation to its contents or the Administration generally, please contact Conor Kelly on 0161 838 4518, by email at creditorreports@alixpartners.com, or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB

2 Summary of information for creditors

Estimated dividend for creditors

| Description | Estimated debt £ | Likely level of return £ |
|---------------------|------------------|--------------------------|
| Secured creditor | 29.5 million | Nil |
| Unsecured creditors | 719,942 | Nil |

Notes:

The Company's sole asset was a property known as Brunel House located at 2 Fitzalan Road, Cardiff, CF24 0EB (**Brunel House**). Brunel House was subject to fixed and floating charges granted in favour of Nationwide Building Society Plc (**Nationwide**). At the date of appointment, Nationwide was owed £29.5 million, interest and charges have continued to accrue on this amount.

On 9 December 2014, Cerberus Global Investors (**Cerberus**) purchased the debt owed to Nationwide and the security is now held by Cerberus. Nationwide and Cerberus are hereafter referred to as the **Lenders**.

Please note that the net proceeds totalling £25.1 million available from asset realisations have been distributed directly to the Lenders from the LPA Receivers (as detailed in section 3.5). There are no funds available from the Administration.

The estimated level of the Company's unsecured debt has been taken from the claims received to date. As the Lenders have not been repaid in full and there are no floating charge assets, there are no funds available to pay a dividend to unsecured creditors.

3 Progress of the Administration

- 3 1 Attached at Appendix B is the Administrators' Receipts and Payments Account for the Period, together with a Cumulative Account for the period since appointment. All costs incurred by the Administrators have been paid in full.
- 3 2 As detailed in section 2, monies available from asset realisations have been distributed directly to Cerberus from the LPA Receivers, after taking account of the associated costs. As such, monies relating to the management and sale of Brunel House are not reflected on the Receipts and Payments Account at Appendix B.
- 3 3 In addition to their statutory objective, the Administrators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Administrators have set out information in respect of the progress of these duties in addition to that of the realisation of assets and distribution of available funds. The detail provided is intended to provide users of this report with information to allow them to understand how the Administrators' fees and expenses as set out in Appendices C and D have been incurred.

Brunel House

- 3 4 As detailed in the previous report dated 6 July 2016, a sale of Brunel House completed on 18 March 2016, realising £16.5 million.
- 3 5 Following the completion of the sale, Philip Matthews and Edward Starling of Wedlake Bell LLP (the **LPA Receivers**) reconciled the service charge account they manage and finalised the holding costs associated with the property for the period up to the date of sale. Following the completion of this exercise a final distribution was remitted to Cerberus.
- 3 6 Since the last report, the Administrators have completed all remaining statutory duties and finalised the tax returns. There is a VAT refund due from HMRC totalling £32,481. A VAT Trust Deed has been completed which enables the final sum due from HMRC to be paid to AlixPartners, as trustees, after the Administrators and LPA Receivers have ceased to act. Upon receipt of the refund, AlixPartners will forward the balance to Cerberus in full.

Contribution to costs

- 3 7 As the proceeds from the sale and net rental income have been paid directly to the Lenders from the LPA Receivers, there are no monies available in the Administration to discharge costs. During the Period, a final contribution of £6,306 was received from Cerberus to cover all closure costs of the Administration, including the Administrators' final fees.

Administration (including statutory reporting)

- 3 8 The Administrators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986. These include preparing bi-annual and final reports to creditors, advising of the progress of the Administration, liaising with HMRC to determine the final position in respect of corporation tax, VAT and other taxes that may be owed by or to the Company, and for filing tax returns for the duration of the Administration.
- 3 9 In order to ensure the matters of the Administration were progressed efficiently, the Administrators had a duty to conduct periodic case reviews and complete case checklists. In addition, the Administrators' treasury function also complied with cash accounting requirements including raising payments, processing journal vouchers and posting receipts, preparing bank reconciliations and statutory returns.

- 3 10 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex. Where the costs of statutory compliance and reporting to creditors exceeds the initial estimate, it will generally be because the duration of the case has been longer than expected, due to for example protracted realisation of assets, and therefore additional periodic reports have had to be prepared and distributed to stakeholders.

Creditors (claims and distribution)

- 3 11 The Lenders are the only creditors to receive any monies from the realisation of the Company's assets. All distributions have been paid by the LPA Receivers and no monies are available directly from the Administrators, other than the VAT refund detailed at section 3.6. Further details can be found in section 4.

4 Outcome for creditors

Secured creditor – Nationwide Building Society plc and Cerberus Global Investors

- 4 1 The Company granted fixed and floating charges to Nationwide on 25 September 2007. At the date of appointment Nationwide was owed approximately £29.5 million (excluding interest and charges) under its security. Nationwide sold its debt to Cerberus on 9 December 2014.
- 4 2 As detailed in section 2, the monies available from asset realisations have been distributed directly to the Lenders from the LPA Receivers. A total of £25.1 million has been distributed to the Lenders during the course of the Administration, resulting in a shortfall of 4.4 million.
- 4 3 A final payment of £32,481 will be paid to Cerberus upon receipt of the VAT refund from HMRC.

Preferential creditors

- 4 4 The Company did not have any employees, therefore there are no preferential creditors.

Unsecured Creditors' Fund

- 4 5 Where there is a floating charge which was created on or after 15 September 2003, the Administrators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'Prescribed Part'.
- 4 6 As the Company has no floating charge assets, there are no funds available for the creation of such fund, therefore, no dividend has been paid to unsecured creditors.

5 What happens next

Exit route

Dissolution of the Company

- 5 1 The Company has no property to permit a distribution to its unsecured creditors. The Administrators will therefore file a notice, together with their final progress report, at court and with the Registrar of Companies for dissolution of the Company. The Administrators will send copies of these documents to the Company and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.

Discharge from liability

- 5 2 As approved by the secured creditor on 2 August 2016, the Administrators will be discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointment as Administrators ceases to have effect.

Creditors' rights

- 5 3 Within 21 days of the receipt of the report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors), may request in writing that the Administrators provide further information about their fees or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 5 4 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors), may, within eight weeks of receipt of this progress report, make an application to court on the grounds that the basis fixed for the Administrators' fees is inappropriate, or that the fees or the expenses incurred by the Administrators as set out in this progress report are excessive.

Appendix A. Statutory information

Company information

| Company name | Cardenrich Limited |
|--------------------------|---|
| Registered number | 04110471 |
| Registered office | The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB |
| Former registered office | c/o Wedlake Bell, 52 Bedford Street, London, WC1R 4LR |
| Court details | High Court of Justice, Chancery Division, Bristol District Registry |
| Court reference | 194 of 2012 |

Appointor's information

| Name | Address | Position |
|---------------------------------|---|----------------------------------|
| Nationwide Building Society Plc | Nationwide House, Pipers way, Swindon, SN38 1NW | Qualifying floating chargeholder |

Administrators' information

| Name | Address | IP number | Name of authorising body |
|------------------|--|-----------|--------------------------------------|
| Simon Wilson | The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB | 008963 | Insolvency Practitioners Association |
| Ryan Kevin Grant | c/o AlixPartners, 35 Newhall Street, Birmingham, B3 3PU | 009637 | Insolvency Practitioners Association |

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

Extension of Administration

The Administration was extended for a period of six months with the consent of Nationwide to 15 August 2013. The Administration was subsequently extended for three consecutive 12 month periods (i.e. to 15 August 2014, 15 August 2015 and 15 August 2016) with the approval of the court. The Administration will now end on or before 15 August 2016.

Appendix B. Receipts and Payments Account for the period 12 June 2016 to 4 August 2016 and a Cumulative Account for the period since appointment

| | Period £ | Cumulative £ |
|---------------------------------------|----------------|-----------------|
| Fixed charge assets | | |
| Receipts | | |
| Contribution to costs | 6,306 | 53,975 |
| Bank interest | - | 6 |
| | 6,306 | 53,981 |
| Payments | | |
| Administrators' fees | 6,234 | 48,162 |
| Category 1 disbursements | | |
| Company search | - | 1 |
| Telephone | - | 16 |
| Statutory advertising | - | 76 |
| Postage | - | 37 |
| Storage | 59 | 59 |
| Specific penalty bond | - | 10 |
| Category 2 disbursements | | |
| Photocopying and printing | 13 | 183 |
| Legal fees | - | 5,329 |
| Bank charges | 8 | 8 |
| Corporation tax | - | 100 |
| | (6,314) | (53,981) |
| Balance of fixed charge assets | (8) | - |

Please note that the Company had no directors at the date of appointment and therefore a Statement of Affairs has not been completed for comparative purposes

Appendix C. Administrators' fees and disbursements

Fees

A copy of 'A Creditors' Guide to Administrations' can be downloaded from AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>) If you would prefer this to be sent to you in hard copy please contact the Administrators and they will forward a copy to you

As detailed in section 3.7, as there are no asset realisations in the Administration, Nationwide and subsequently Cerberus have provided funds to discharge the costs of the Administration. This includes Administrators fees totalling £48,162

Administrators' details of time spent to date

The Administrators' time costs for the Period are £6,441. This represents 23 hours at an average rate of £276 per hour. Detailed below is a time analysis for the Period which provides details of the costs incurred by area of activity.

| | Employee grade (hours) | | | | £ | | Average rate per hour |
|--------------------------------------|------------------------------|---------------------------------------|---------------------|--------------------------|----------------|-----------------|-----------------------|
| | Managing director / director | Associate director / senior associate | Associate / analyst | Junior analyst / support | Hours incurred | Cost incurred | |
| Administration and planning | | | | | | | |
| Statutory duties | 0.1 | | | | 0.1 | 43.00 | 430 |
| Case administration | | 0.4 | 1.0 | | 1.4 | 408.00 | 291 |
| Accounting and treasury | 1.7 | 0.6 | 6.4 | | 8.7 | 2,565.00 | 295 |
| Realisation of assets – fixed charge | | | | | | | |
| Sale of assets | | | 0.2 | | 0.2 | 62.00 | 260 |
| Asset accounting and administration | | | 0.9 | 0.2 | 1.1 | 101.00 | 82 |
| Creditors | | | | | | | |
| Reporting to creditors | 0.7 | 1.7 | 9.1 | | 11.5 | 3,194.00 | 278 |
| Secured creditors | | | 0.2 | | 0.2 | 52.00 | 260 |
| Totals | 2.5 | 2.7 | 17.9 | 0.2 | 23.3 | 6,441.00 | 276 |

A cumulative time analysis from the date of the Administrators' appointment to the end of the Period is set out below.

| | Employee grade (hours) | | | | £ | | Average rate per hour |
|---|------------------------------|---------------------------------------|---------------------|--------------------------|----------------|------------------|-----------------------|
| | Managing director / director | Associate director / senior associate | Associate / analyst | Junior analyst / support | Hours incurred | Cost incurred | |
| Administration and planning | | | | | | | |
| Planning | | 0.3 | 0.8 | 0.2 | 1.3 | 361.50 | 232 |
| Strategy and control | 5.1 | 14.7 | 5.6 | 0.6 | 26.0 | 8,605.50 | 331 |
| Statutory duties | 1.2 | 1.7 | 7.0 | 3.8 | 13.7 | 3,232.50 | 236 |
| Case administration | 0.7 | 3.5 | 16.4 | 7.4 | 28.0 | 6,425.00 | 230 |
| Accounting and treasury | 2.5 | 8.1 | 22.9 | 25.9 | 60.4 | 12,376.50 | 208 |
| Internal documentation | 0.3 | 0.1 | 2.5 | 2.2 | 5.1 | 1,009.00 | 198 |
| Investigations | | | | | | | |
| Director conduct reports | 0.3 | 0.2 | 1.2 | 0.7 | 2.4 | 653.00 | 230 |
| Internal documentation | | | | 0.4 | 0.4 | 46.00 | 115 |
| Realisation of assets – fixed charge | | | | | | | |
| Asset realisation strategy | | 1.5 | 0.5 | 0.6 | 2.6 | 733.00 | 282 |
| Asset identification and valuation | | | 1.4 | 0.9 | 2.3 | 487.50 | 212 |
| Sale of assets | | 0.5 | 2.9 | 0.6 | 4.0 | 967.50 | 247 |
| Recovery of assets | | | 0.5 | 0.6 | 1.1 | 235.00 | 181 |
| Dealing with third party assets | | | 0.2 | 0.4 | 0.6 | 96.00 | 165 |
| Asset accounting and administration | 0.3 | | 1.0 | 4.7 | 6.0 | 962.00 | 164 |
| Realisation of assets – floating charge | | | | | | | |
| Asset realisation strategy | | 0.5 | | | 0.5 | 157.50 | 315 |
| Sale of assets | | | 0.2 | | 0.2 | 46.00 | 230 |
| Recovery of assets | 0.2 | 0.2 | 0.2 | 3.6 | 4.4 | 704.50 | 160 |
| Asset accounting and administration | | | 0.9 | 0.6 | 1.7 | 174.00 | 102 |
| Creditors | | | | | | | |
| Creditor claims | | | | 0.2 | 0.2 | 23.00 | 115 |
| Debtor litigation | 1.6 | | | | 1.6 | 712.00 | 445 |
| Reporting to creditors | 5.7 | 10.1 | 50.5 | 7.0 | 82.3 | 21,949.50 | 256 |
| Secured creditors | 0.6 | 5.2 | 4.5 | 0.2 | 10.5 | 3,309.50 | 315 |
| Unsecured creditors | 0.1 | 0.2 | 0.9 | 2.0 | 3.2 | 668.50 | 178 |
| Totals | 18.6 | 46.8 | 129.1 | 63.2 | 257.7 | 62,821.50 | 244 |

Details of the progress of the Administration, together with an explanation of why the work was undertaken are set out in section 3.

Administrators' disbursements

Category 1 disbursements of £199 have been drawn on account and category 2 disbursements of £183 have been drawn from the funds contributed by Cerberus

Appendix D. Additional information in relation to the Administrators' fees

Policy

Detailed below is AlixPartners's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

Staff allocation and the use of sub-contractors

The Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a managing director, a vice president or a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Administrators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, time spent by their treasury department in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The Administrators have not utilised the services of any sub-contractors in this case.

Professional advisors

On this assignment the Administrators have used the professional advisors listed below. The Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

| Name of professional advisor | Basis of fee arrangement |
|--------------------------------------|-------------------------------|
| Burgess Salmon LLP (legal advice) | Hourly rate and disbursements |
| Addleshaw Goddard LLP (legal advice) | Hourly rate and disbursements |

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case, eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Administrators and their staff will also be chargeable.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include

- photocopying – charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying,
- printing – charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour, and
- business mileage for staff travel - charged at the rate of 45 pence per mile

Charge-out rates

A schedule of AlixPartners' charge-out rates for this assignment effective from 1 February 2016 is detailed below. Time is charged by managing directors and case staff in units of six minutes.

| Description £ | Rates from 1 February 2016 |
|---------------------------|-------------------------------|
| Managing director 1 | 490 |
| Managing director 2 | 450 |
| Director | 430 |
| Vice president* | 370 |
| Associate | 260 |
| Analyst | 240 |
| Junior analyst | 150 |
| Senior treasury associate | 170 |
| Treasury associate | 110 |
| Treasury analyst | 85 |
| Support | 85 |

* As a result of a project to consolidate the staffing grades of AlixPartners Services UK LLP with the wider AlixPartners firm, the Associate Director grade has been retitled as Vice President. No changes have been made to the rates charged per grade as a result of this project.