

AM10

Notice of administrator's progress report



Companies House

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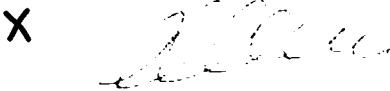
1	Company details	
Company number	05671852	→ Filling in this form Please complete in typescript or in bold black capitals
Company name in full	Temple Finance Limited	
2	Administrator's name	
Full forename(s)	Robert James	
Surname	Harding	
3	Administrator's address	
Building name/number	156 Great Charles Street	
Street	Queensway	
Post town County/	Birmingham	
Region		
Postcode	B33HN	
Country		
4	Administrator's name ①	
Full forename(s)	David Philip	① Other administrator Use this section to tell us about another administrator.
Surname	Soden	
5	Administrator's address ②	
Building name/number	156 Great Charles Street	② Other administrator Use this section to tell us about another administrator.
Street	Queensway	
Post town County/	Birmingham	
Region		
Postcode	B33HN	
Country		

AM10

Notice of administrator's progress report

6	Period of progress report															
From date	d	2	d	5	m	0	m	3	y	2	y	0	y	2	y	2
To date	d	2	d	4	m	0	m	9	y	2	y	0	y	2	y	2

7	Progress report															
<input checked="" type="checkbox"/> I attach a copy of the progress report																

8	Sign and date															
Administrator's signature	Signature  X															
Signature date	d	2	d	4	m	1	m	0	y	2	y	0	y	2	y	2

AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Parth Patel**

Company name **Teneo Financial Advisory Ltd**

Address **156 Great Charles Street**

Queensway

Post town **Birmingham**

County/Region

Postcode

B	3		3	H	N		
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Country

DX

Telephone **+44 121 619 0120**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



The Global CEO Advisory Firm

Court Case Nos. 000878 and 000879 of 2022
High Court of Justice, Business and Property
Courts of England and Wales
Company Numbers: 05671852 and 11443123

Registered Office: c/o Teneo Financial Advisory
Limited, 156 Great Charles Street, Queensway,
Birmingham B3 3HN

Temple Finance Limited (“TFL”) (trading as PerfectHome) Coleshill Retail Limited (“CRL”) (Both in administration) (together “the Companies”)






Progress report to creditors for the period 25 March 2022 to 24 September 2022 pursuant to rules 18.2 to 18.6
inclusive of the Insolvency (England & Wales) Rules 2016 (“the Rules”)

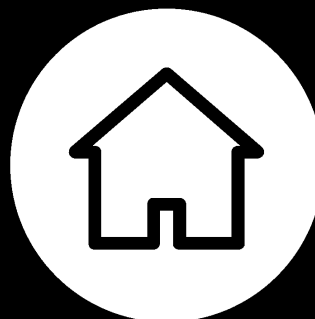
21 October 2022

Robert James Harding and David Philip Soden (“the Joint Administrators”) were appointed Joint Administrators of Temple Finance Limited and Colehill Retail Limited on 25 March 2022 by the director of the Companies. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Teneo Financial Advisory Limited (“Teneo”) are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

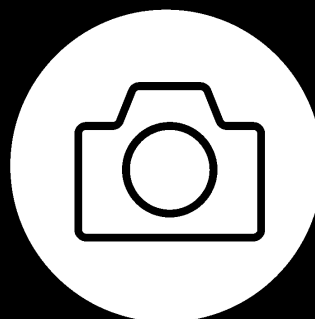
For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), (“the Act”), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally. As stated in the administration appointment documents, these are COMI proceedings (i.e. the centre of main interests is in the UK).

In accordance with The Insolvency (Amendment) (EU Exit) Regulations 2019 (the “Regulations” and as stated in the administration documents these are COMI proceedings (i.e. the centre of main interests is in the UK).

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	Remuneration and expenses	19



Key messages



Key messages

Joint Administrators of the Companies

Robert James Harding

David Phillip Soden

Teneo Financial Advisory Limited

156 Great Charles Street

Queensway

Birmingham

B3 3HN

Contact details

Email: parth.patel@teneo.com

www.ips-docs.com

Tel: +44 121 619 0180

Purpose of administrations	<ul style="list-style-type: none">The purpose of the administrations is to achieve a better result for the Companies' creditors as a whole than liquidations.
Progress of administrations	<p><u>TFL</u></p> <ul style="list-style-type: none">The Joint Administrators have collected outstanding customer receivables due in respect of the outstanding Hire Purchase ("HP") receivables as part of the managed wind down of TFL's business and operations. Funds totalling £3,794k have been collected in respect of HP receivables in TFL to date. Please see page 6 and our funding/trading account on page 13 for further details.A sale of certain HP receivables has been completed. The Joint Administrators are in continued discussions with an interested party for a sale of further tranches of the outstanding customer HP receivables. See page 6 for further details.Amounts totalling c.£6.4k have been realised in TFL in respect of Stock (funds currently held in CRL). Please see page 8 for further details.Amounts totalling c.£324k have been received and held in respect of Ringfenced funds. Please see page 7 for further details. <p><u>CRL</u></p> <ul style="list-style-type: none">We have vacated all three leasehold premises occupied by CRL and offered all leases for consensual surrender. Please see page 8 for further details. <p><u>The Companies</u></p> <ul style="list-style-type: none">Funds totalling c.£4.8k and c.£50.2k have been received in TFL and CRL respectively in relation to pre-payments, pre appointment supplier deposits and refunds. Please see page 7 for more details.Cash at bank of £10.5k and £1.3k has been received in TFL and CRL respectively. Please see page 7 for further details.The Joint Administrators have continued to keep the FCA apprised of progress to ensure regulatory obligations are fulfilled.
Costs	<ul style="list-style-type: none">Our time costs for the period of the report are c.£240k for TFL and c.£148k for CRL. Please see pages 20-22 for further details.We have incurred category 1 third party expenses of c.£110.4k in TFL and c.£12.0k in CRL. We have also incurred category 1 disbursements of c.£1.8k in TFL and c.£0.7k in CRL during the report period. All figures are exclusive of VAT, please see page 10 for further details.
Outstanding matters	<ul style="list-style-type: none">Completion of the managed wind down of TFL's operations and ongoing provision of customer support and services whilst collecting the balance of the HP receivables in TFL.Completion of any further sale(s) in respect of the outstanding HP receivables in TFL.Prepare for and make transfers of HP receivables collections to PerfectHome Capital Limited ("PCL") as appropriate and prepare for and make distributions to Kaluga Investments Sarl ("the Secured Creditor"/"Kaluga") as appropriate in TFL.Completion of VAT and Corporation Tax returns for the Companies.Statutory closing procedures.

Key messages

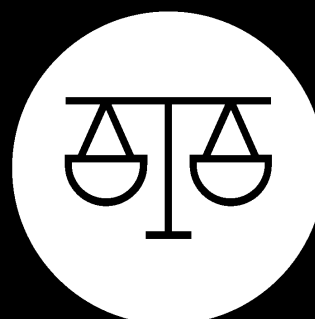
Dividend prospects
Extension to administrations period

- Secured creditor – The Companies' Secured Creditor will not be repaid in full. Please see page 17 for further details.
- Preferential creditors –There will be insufficient floating charge realisations to enable payment of a preferential dividend in TFL. CRL does not have any employees therefore we do not expect any preferential claims. Please see page 17 for further details.
- Secondary Preferential creditor – There will be insufficient floating charge realisations to enable any payment of HMRC's secondary preferential claims in either of the Companies.
- Unsecured creditors – There are no prospects of a distribution for unsecured creditors in either of the Companies. Please see page 17 for further details.
- We intend to request an extension to the period of the administrations for a period of 12 months. Please see page 17 for further details.



Progress of the administrations

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Progress of the administrations Summary

Work done during the report period

Collection of HP receivables

Background

As outlined in our proposals TFL's primary asset is the balance of HP receivables owed to it pursuant to HP agreements entered into by TFL with customers in relation to home furniture, domestic appliances, and televisions and related products.

The beneficial interest in the HP receivables was sold to PerfectHome Capital Limited ("PCL") as part of a refinancing of the business prior to our appointment. In order to ensure sufficient funding was available to continue to collect the outstanding HP receivables and undertake an orderly wind-down of business operations the Joint Administrators entered into a funding agreement with PCL and Kaluga, the terms of which remain confidential.

Whilst we are collecting the HP receivables on behalf of PCL we concluded it would be in the best interests of creditors to continue to execute TFL's orderly wind-down strategy, in order to maximise asset realisations from the collection of the outstanding HP receivables.

TFL has not entered into any new agreements with customers, all existing outstanding agreements with customers remain in place. These continue to be subject to the terms agreed with TFL and continue to be serviced through the usual channels with payments due in line with agreed terms.

Progress during the report period – trading during wind down phase

Since our appointment, c.£3,794k of HP receivables have been collected in TFL. This balance is shown in our trading account at page 13.

We expect that a further £500k to £1,000k may be collected over the next 3 to 6 months.

Sale of business

During the report period, the Joint Administrators explored the feasibility of a sale of the business or all / part of the HP receivables. As outlined in the Joint Administrators' proposals, the Joint Administrators prepared a short teaser document before engaging with eight parties. Six parties proceeded to execute Non Disclosure Agreements ("NDA") and received initial information in respect of the business and the HP receivables.

Parties were invited to submit indicative offers of interest by 4 May 2022. Three proposals were received for different assets of the business. Two parties were progressed to a second phase, with revised offers requested by 25 May 2022.

On 9 September 2022 the sale of a certain tranche of the outstanding HP receivables was executed. Under the terms of the Asset Purchase Agreement ("APA"), consideration was received directly by PCL in respect of the beneficial interest in the HP receivables. The terms of the APA are confidential.

The Joint Administrators and PCL are continuing negotiations with an interested party in respect of potential further sale(s) for further tranche(s) of the outstanding HP receivables.

Funding Agreement

The Funding Agreement was finalised and executed shortly following the appointment of the Joint Administrators. Since our appointment, £610k has been received into TFL's administration bank account under the terms of the Funding Agreement in order to enable payment of initial costs of the wind-down.

The total trading expenses paid in the period of the report are c.£2,698k plus VAT. By agreement with Kaluga, we have also retained HP receivables collections of c.£2,088k (in addition to the £610k received directly by TFL) to settle trading expenses.

These funds are repayable under the Funding Agreement as an expense of the administrations although it is currently unclear whether sufficient funds will be realised from other assets to enable any repayment to be made.

Progress of the administrations Summary

Work done during the report period (continued)

Ringfenced Funds - TFL

A cash balance has been received in respect of Ringfenced Funds in TFL totaling c.£324k during the report period. These funds relate to historic overpayments from customers and are held in a separate bank account. We are liaising with the FCA in respect of how these funds should be treated in the administration. Pending confirmation of the status of these funds they are disclosed separately in the receipts and payments account on page 10.

Currently, c.£0.2k has been repaid in the period of the report respect of customer refunds.

Fixed Charge assets

Cash at Bank – the Companies

Since our appointment, we have received funds totalling c.£10.5k in TFL and c.£1.3k in CRL in relation to cash held and subsequently transferred from the Companies' bank accounts. We have received legal advice that these funds are caught by Kaluga's fixed charge. We do not expect any further realisations in this regard.

Amounts due from HMRC – TFL

TFL's records on appointment detail tax assets of £674k which primarily relate to bad debt relief claims on customer loans. No amounts have been recovered to date and it is unclear what level of recoveries may be made. If any funds are received from HMRC we will take legal advice on the status of these funds in the administration.

Further updates will be provided in future progress reports.

Floating charge assets

Prepayments/Refunds - TFL

In our proposals we stated that on our appointment TFL's records detailed £686k in respect of prepayments, relating to a number of pre-paid expenses and supplier deposits.

We have investigated these balances in the report period and c.£480k had already been accounted for, which relates to the release of c.£400k by the Companies' Merchant Service Provider ("MSP") prior to our appointment and the unwinding of a monthly prepayment of c.£100k for IT services, of which a balance of c.£20k remained for the benefit of the administration on appointment. To date, we have recovered c.£4.8k in TFL. We are reviewing the remaining balances but further recoveries are expected to be limited.

The MSP currently holds £250k of which £100k relates to a pre-appointment deposit (which we consider will be a floating charge asset) and £150k relates to HP receivables collections which were withheld in the first week of the administration appointment.

The final amount that is recoverable depends on the level of customer charge-backs during the wind-down period. Any amounts recovered in respect of retained HP receivables, including the c.£150k referred to above, may need to be treated as funds held on trust for PCL.

Further updates will be provided in future progress reports.

Prepayments / Refunds – CRL

CRL's balance sheet as at February 2022 included a balance of £437k in respect of prepayments relating to rent deposits.

We are liaising with the landlords in respect of the repayment of the deposits but the total amount of recoveries that may be made is unclear.

To date we have recovered prepayments / refunds totalling c.£50.2k in CRL. These relate to c.£45k for non domestic business rates, and other refunds of c.£5k in relation to prepayments.

Further updates will be provided in future progress reports.

Progress of the administrations Summary

Work done during the report period (continued)

Floating charge assets (continued)

Amounts due from HMRC – the Companies

The Companies applied to HMRC to become members of a VAT Group. Prior to our appointment, the Companies submitted VAT returns to HMRC for the period up to 28 February 2022.

As stated overleaf, the majority of the Companies' tax assets relate to bad debt relief on customer loans in TFL. There is a further balance of £67k in CRL which we are continuing to investigate. We are liaising with HMRC to understand the extent to which any pre appointment amounts are recoverable.

A final pre-appointment VAT return for the period 1 March 2022 to 24 March 2022 cannot be submitted until the VAT group position has been resolved. Our specialist VAT team have spent considerable time liaising with HMRC in respect of resolving the VAT Group issues.

Stock – the Companies

At the date of our appointment, the Companies' records showed a stock value of c.£55k, primarily relating to new and used electrical stock.

Certain stock is required by TFL for the ongoing wind-down of the business, in order to replace faulty or damaged products under the terms of customer agreements, as appropriate.

Stock sales realised to date total £6.4k in CRL and £0.1k in TFL, however £6.4k will be transferred from CRL to TFL as we have been advised that the title to the stock was sold by CRL to TFL in February 2022 prior to the Joint Administrators' appointment.

We do not expect any further realisations from this source.

Intercompany balances – the Companies

According to the Company's records, £12,400k is owed to TFL from CRL and £474k is owed to CRL from TFL. We anticipate a net claim owed by CRL to TFL however it is unlikely any dividend will be payable from CRL to unsecured creditors.

Other Matters

Winding down of operations – the Companies

On appointment all 66 employees were retained to support in the collection of the outstanding HP receivables. Since our appointment, 24 employees have been made redundant as their roles were no longer required to support the wind-down process and 14 employees have resigned from the business.

As at 13 October 2022, TFL has 28 employees. There are no employees in CRL.

Leasehold premises - CRL

At the date of appointment, CRL occupied three leasehold office sites in Newcastle, Leeds and Birmingham. Following the Covid-19 pandemic, the majority of the Companies' employees continued to work remotely.

The sites in Newcastle and Birmingham were not required and therefore vacated on appointment. The Companies continued to occupy the Leeds site following our appointment and rent was pre-paid by CRL up to 25 June 2022.

During the report period, TFL's retained staff have cleared the premises of the IT systems and equipment still in use and the Companies' data was moved to new data storage facilities. The keys and the lease to the Leeds site were surrendered informally to the landlord with effect from 23 June 2022. No further costs of occupation were incurred as an expense of the administration.

Liaison with Financial Conduct Authority ("FCA") - the Companies

TFL is an FCA regulated entity. The Joint Administrators continue to liaise with the FCA in order to ensure we continue to fulfil our regulatory obligations.

Progress of the
administrations
Summary

Work done during the report period

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case set-up and management actions, including updating the insolvency website/creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of the Proposals and this progress report;
- Appointment notifications, including notifying the relevant parties of the appointment;
- Confidential report to the Insolvency Service on the directors' conduct;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HMRC in respect of VAT and Corporation Tax matters.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Director Conduct Reports

We have complied with our statutory duty to report on the conduct of the Companies' directors and submitted our confidential reports to the Insolvency Service on 27 June 2022.

Investigations

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

Having completed this review no further avenues of recovery have been identified in either of the Companies.

If you have any information that you feel should be brought to our attention, please contact us in writing using the contact details on the cover page.

Progress of the administrations Summary

Third party costs incurred during the report period

Joint Administrators' – Category 1 Expenses

Category 1 expenses are payments to persons providing the service to which the expense relates and which are neither payment to us, the officeholders, or to an associate of ours. These expenses can be paid out of the estate by us without creditor approval.

The following third party expenses have been incurred during the report period for the Companies:

Trading/funding

- Trading costs of £2,698k have been incurred in TFL. Please see page 13 for further details.

Agents' Costs

- Workplace Professional Limited, who are experienced in this area, have been engaged by us to assist in collecting a historic rates refund owed to CRL and in respect of which they have incurred fees and costs of c.£6.1k plus VAT during the report period, which has been paid. This cost was not anticipated in our proposals but has generated a gross realisation for CRL's administration estate of c.£40.9k.
- Forensic Risk Alliance, who are experienced in this area, have been engaged by us to assist in obtaining a copy of the Companies' records. To date they have incurred costs of c.£3.9k plus VAT in CRL and c.5.4k plus VAT in TFL, which remain unpaid. We do not expect their total costs to exceed c.£22k plus VAT.

Lawyers/Legal Services

- We have instructed Pinsent Masons LLP ("Pinsent Masons"), a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations to advise on the following legal matters and to prepare required legal documentation in relation to:

TFL

- Validity of security review, advice in respect of the security structure and the appointment and statutory filings;
- Prepare / review the Funding Agreement;
- Prepare / review the APA for the HP receivables;
- Regulatory matters within TFL;
- Advice around key supplier contracts; and
- Employment advice.

CRL

- Validity of security review and advice in respect of the security structure and the appointment and statutory filings; and
- Prepare / review the Funding Agreement;

Pinsent Masons' costs incurred, which have not yet been paid, are c.£105k in TFL plus disbursements of c.£16 and c.£2k in CRL plus disbursements of c.£16, all figures are exclusive of VAT.

Payment of Category 1 Expenses

All professional costs and expenses are kept under review and analysed to ensure best value for creditors is being obtained.

Please refer to the receipts and payments account on pages 9 to 11 for details of Category 1 expenses paid to date.

Progress of the administrations Summary

Disbursements – Category 1

Category 1 disbursements are payments to third parties which are initially met by us and then reimbursed to us out of the estate when funds become available, and for which no approval is required. These are summarised in the tables below in respect of each of the Companies:

Category 1 Expenses – TRL

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Mail Redirection	519	519	-	519
Travel	-	80	-	80
Accommodation	-	226	-	226
Subsistence	-	24	-	24
Postage/Couriers	200	-	-	-
Specific Penalty Bond	230	220	-	220
Software	-	421	-	421
Spare Parts*	6,000	352	-	352
Total expenses	6,949	1,842	-	1,842

Category 1 Expenses – CRL

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Mail Redirection	519	519	-	519
Postage/Couriers	200	-	-	-
Specific Penalty Bond	230	220	-	220
Total expenses	949	739	-	739

*Spare parts relate to costs incurred by Teneo staff in buying these items which are then recharged to the estate. A further c.£7k plus VAT has been incurred during the period but not yet recharged. Costs incurred by Teneo relating to the winding down, currently software and spare parts, will not be repaid as expenses of the estate but under the Funding Agreement.

Category 2 Expenses

These are payments out of the estate either:

- to us (as officeholder), for example reimbursement to staff engaged on the case for their mileage costs) or in respect of shared or allocated costs.

These expenses require creditor approval in the same manner as our remuneration and as discussed in further detail on page 17.

Progress of the administrations Receipts and payments

TFL

Temple Finance Limited
Joint Administrators' receipts and payments account
25 March 2022 to 24 September 2022

£	SoA values	Notes	Period	To date
Ringfenced Receipts				
Cash at Bank - Ringfenced Funds			323,879	323,879
Bank Interest Gross		3	56	56
Total Ringfenced receipts			323,935	323,935
Ringfenced Payments				
Customer Refunds		1	204	204
Total Ringfenced payments			204	204
Ringfenced Balance				323,731
Funds held in trust				
Trading surplus	5,559,332	2	1,706,403	1,706,403
Funds held in trust				1,706,403
Fixed Charge Receipts				
Cash at Bank	134,663		10,480	10,480
Bank Interest Gross	-	3	314	314
HMRC VAT	529,854	7	-	-
Total Fixed Charge Receipts			10,794	10,794
Fixed Charge Balance				10,794
Floating Charge Receipts				
Stock	52,360		100	100
Pre-Apprt Refund	-		4,804	4,804
Redress Cheques - Unpaid	-		4	4
Total Floating Charge Receipts	6,276,209		1,732,900	4,909
Floating Charge Payments				
Statutory Advertising			104	104
Bank Charges			562	562
Total Floating Charge Payments			666	666
Floating Charge Balance				4,243
Total Balance				2,045,172
Made up of:				
VAT Receivable		4		178,311
Balance held in fixed charge account		3, 6		1,717,197
Balance held in floating charge account		3		4,243
Ringfenced Customer Funds Bank Account		3		323,731
Trade Creditors		5		(178,311)
Balance in hand				2,045,172

A receipts and payments account together with a separate trading account is provided opposite and on the following page for TFL, detailing the transactions during the report period to 24 September 2022. Please note that we have amended the format of this account since issuing our proposals to more accurately reflect the status of sums received and paid.

Notes to receipts and payments account and trading account

Statement of Affairs

The estimated to realise values are based on amounts stated in TFL's statement of affairs.

1. Ringfenced funds / Customer refunds

These relate to refunds of overpayments on customer agreements and do not currently form part of the administration estate.

2. Trading Surplus

Kaluga is funding trading costs through the Funding Agreement to enable trading to continue whilst the collection of the HP receivables continues and a wind-down is progressed. During the report period, £610k was received in respect of funding and c.£3,794k in respect of HP receivables (beneficial interest is with PCL). The figure of c.£5,559k in the Statement of Affairs relates to the estimated value of the HP receivables. (Please see page 6).

3. Bank interest

All funds were held in interest bearing accounts. The associated corporation tax on interest received will be accounted for to HMRC.

4. VAT

All sums shown on the next page are shown net of VAT, which recoverable or partly recoverable and will be accounted for to HMRC in due course.

5. Accruals

Invoices received are logged, recorded and posted to the cash book on an accrual basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts.

Progress of the
administration
Receipts and payments

TFL

Temple Finance Limited
Joint Administrators' funding/trading account
25 March 2022 to 24 September 2022

£	Notes	Period	To date
Receipts			
Funding (held in trust)	2	610,000	610,000
Customer HP Receivables (held in trust)	2	3,794,427	3,794,427
Total receipts		4,404,427	4,404,427
Payments			
Direct Labour		736,903	736,903
Transfer of funds held in trust	2	939,000	939,000
Telephone		96,789	96,789
Carriage		20,512	20,512
Insurance - Customer Theft & Damage		82,825	82,825
Repairs & Maintenance		92,756	92,756
Other Employee Costs		1,065	1,065
Postage		28,034	28,034
IT Costs		507,827	507,827
Payroll Software		4,627	4,627
Healthcare		2,324	2,324
Payment Facilities		42,080	42,080
Customer Refunds	1	5,036	5,036
Debt Collection Costs		99,821	99,821
Spare Parts		1,236	1,236
Continuity payments		37,188	37,188
Total payments		2,698,023	2,698,023
Trading surplus/(deficit)		1,706,403	1,706,403

Notes to receipts and payments account and trading account (continued.)

6. Funds held in trust

The balance of funds held in trust (the trading surplus) has been retained in the administration fixed charge bank account.

7. HMRC pre appointment refund

Please see page 7 in respect of the status of any pre appointment sums recovered from HMRC.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Progress of the administrations Receipts and payments

CRL

Coleshill Retail Limited Joint Administrators' receipts and payments account 25 March 2022 to 24 September 2022				
£	SoA values	Notes	Period	To date
Fixed Charge Receipts				
Cash at Bank	1,002		1,345	1,345
Total fixed charge receipts			1,345	1,345
Fixed Charge Payments				
Total fixed charge payments			-	-
Fixed Charge Balance				1,345
Floating Charge Receipts				
Stock sales		1	6,405	6,405
Prepayments Refund			5,361	5,361
Bank Interest Gross		2	1	1
Rates Refund			44,873	44,873
HMRC VAT	10,000		-	-
Fixtures & Fittings	8,121		-	-
Total floating charge receipts	19,123		56,641	56,641
Floating Charge Payments				
Repairs & Maintenance			157	157
Agents/Valuers' Fees			6,142	6,142
ICO Renewal			60	60
Statutory Advertising			104	104
Bank Charges			202	202
Total floating charge payments			6,664	6,664
Floating Charge Balance				49,976
Balance				51,321
Made up of:				
VAT Receivable		3		1,280
Fixed Charge Bank Account		2		1,345
Floating Charge Bank Account		2		48,696
Balance in hand				51,321

A receipts and payments account is provided opposite for CRL, detailing the transactions during the report period to 24 September 2022.

Notes to receipts and payments account
Statement of Affairs

The estimated to realise values are based on amounts stated in CRL's statement of affairs.

1. Stock sales

Stock was sold by CRL to TFL in February 2022 prior to the Joint Administrators' appointment, however receipts from stock sales have continued to be received into CRL's bank account. These funds will be transferred into TFL's administration account in due course.

2. Bank interest

All funds were held in interest-bearing accounts. The associated corporation tax on interest received will be accounted for to HMRC.

3. VAT

All sums shown opposite are shown net of VAT, which is recoverable and has been and will continue to be accounted for to HMRC in due course.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Progress of the administrations

Pre-administration costs

Pre administration costs

We included the following statement of pre administration costs in our Proposals:

In the following paragraphs we have provided an explanation of the work carried out by us and by Pinsent Masons and TLT LLP ("TLT") in the period prior to the administrations and which was carried out with agreement of the Companies.

Teneo

In relation to this work our fees and expenses are as follows:

- £71.2k in TFL; and
- £10.1k in CRL which all remains unpaid.

No disbursements were incurred pre appointment. Summary tasks included:

- Liaising with lawyers in relation to preparation and signing of appointment documents;
- Liaising with the Secured Creditor in respect of funding and consent to the administrations;
- Liaising with the FCA in TFL to seek consent to the appointment, including agreement of administration strategy and customer communications plan;
- Collating the companies data, financial information and stakeholder records in preparation for an administration appointment;
- Preparing strategies in relation to employee and customer communications;
- Operational planning to ensure no disruption; and
- Considering any immediate tax implications of the administration appointments.

Pinsent Masons

During planning for the administrations, we were assisted by Pinsent Masons, on matters including:

- preparing appointment documentation;
- advising on the Group's security;
- advising on FCA regulatory matters;
- advising on timings; and
- drafting the Funding Agreement in principal for the administration appointments.

In respect of this work, Pinsent Masons incurred £7k of time costs and £0.2k of expenses in TFL and £5.2k of time costs and c.£0.15k of expenses in CRL

TLT

During planning for the administrations, we were also assisted by TLT, on matters including:

- Review of appointment documentation;
- Preparing a review of validity of appointment; and
- Correspondence with the Joint Administrators.

In respect of this work, TLT incurred £2.5k of time costs in each of the Companies.

TLT incurred a small amount of these costs to finalise their work reviewing the validity of our appointments post appointment. However the majority of their work was undertaken pre-appointment and accordingly we are seeking approval for all of their costs as pre-administration expenses.

All figures provided opposite and above are shown exclusive of VAT.

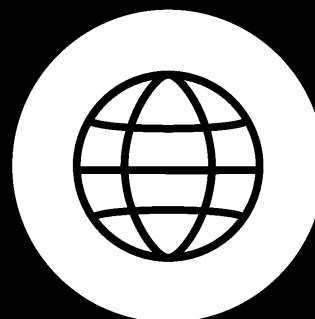
The costs set out above and opposite were all incurred on work undertaken to implement the Companies' administration strategy and statutory purpose.

We have not yet sought approval for these costs, therefore they remain unpaid. Approval will be sought from the Secured Creditor in due course.



Information for creditors

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Information for creditors Outcome

Outcome for creditors

Secured creditor

As detailed in the Proposals, Kaluga was owed c.£39,800k as at the date of the appointments, which is secured by way of fixed and floating charges.

Based on current information we consider it unlikely that any fixed or floating charge distributions will be made to the Secured Creditor in either of the Companies.

Inter group repayments to the Secured Creditor

Recoveries are expected to be made by the Secured Creditor from PCL (primarily from the HP receivables) which will reduce their debt owed by the Companies. However we do not exercise any control over PCL as it is not subject to any insolvency proceedings and accordingly we cannot comment on the position between PCL and the Secured Creditor.

Preferential creditors

Preferential claims consist of amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions.

No preferential claims have been received in TFL, nor are any expected, as all employees are being paid monies owed upon redundancy from TFL, as agreed with the Secured Creditor.

There are no employees in CRL.

Secondary Preferential Debts due to HMRC

Secondary preferential debts are debts due to HMRC in respect of deducted taxes (including VAT, PAYE, student loan repayments, employee NICs and CIS deductions) on insolvency appointments falling on or after 1 December 2020.

We estimate that HMRC may have a secondary preferential claims in respect of VAT, PAYE, student loan repayments, employee NICs and CIS deductions in the Companies. We are unable to provide details of the quantum of these claims as the VAT position in respect of the Companies is still being investigated.

On present information we do not anticipate that sufficient funds will become available to enable such claim to be paid in either TFL or CRL.

Unsecured creditors

Prescribed Part

As detailed in the Proposals, it is unlikely that there will be a prescribed part fund available for distribution to unsecured creditors as it is highly dependent on the level of floating charge asset realisations.

Please note that in accordance with Rule 3.50 the costs associated with the prescribed part (which would chiefly comprise our costs incurred in adjudicating and processing claims) must be paid out of the prescribed part fund.

Unsecured creditors

We have received 64 claims to date for a total of c.£435k in TFL which is broadly in line with the statement of affairs. We have not yet received any claims in CRL from unsecured creditors.

On present information, it is unlikely that sufficient funds will be realised to enable a distribution to be made to the Companies' unsecured creditors (save for any distribution that may be available under the Prescribed Part – see above).

Claims process

As there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received. This work will be performed only once the dividend prospects are certain.

Extensions to the administrations

We intend to request an extension to the period of the administrations for a period of 12 months from 25 March 2023 to enable the winding down of the Companies to be completed.

Exit

As detailed in our Proposals, we consider dissolution to be the most appropriate exit route from administrations because there are no funds to distribute to unsecured creditors in the Companies other than potentially via the Prescribed Part.



Information for
creditors
Statutory information

Statutory information		
	Temple Finance Limited	Coleshill Retail Limited
Registered office	c/o Teneo Financial Advisory Limited 156 Great Charles Street Queensway Birmingham B3 3HN	c/o Teneo Financial Advisory Limited 156 Great Charles Street Queensway Birmingham B3 3HN
Company number	05671852	11443123
Date of appointment	25 March 2022	25 March 2022
Court	In the High Court of Justice, Business & Property Courts of England & Wales	In the High Court of Justice, Business & Property Courts of England & Wales
Court reference	000878 of 2022	000879 of 2022
Company Directors	Andrew Nicholas Russell	Andrew Nicholas Russell

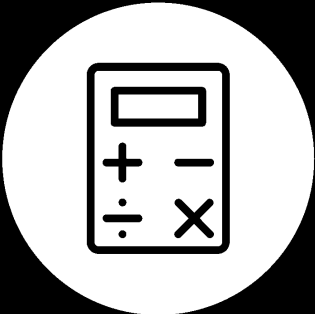




Remuneration and expenses

Joint Administrators' remuneration

20



Remuneration and expenses
Joint Administrators' remuneration

Joint Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.ips-docs.com

Should you require a paper copy, please send your request in writing to us at the address on the cover page and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration has not yet been fixed in either of the Companies. Accordingly, we intend to request that the Secured Creditor fix the basis of our remuneration by reference to time costs in both TFL and CRL. This is in relation to the matters arising in the administrations other than the winding down and collection of the HP receivables.

We intend to agree our remuneration for dealing with the winding down of the Companies and collection of the HP receivables separately with the Secured Creditor. This will not be paid from the floating charge funds, instead being settled from fixed charge asset realisations and funding monies.

Fees drawn to date

No fees have been drawn to date as the basis of our remuneration in each of the Companies has not yet been fixed.

Time costs - analysis of actual against estimate

Please refer to page 18 and 19 where we have updated the Fees Estimates to provide details of our actual time costs for the period of the report and which we have also summarised here:

Our total time costs to 24 September 2022 for TFL are c.£240k made up of 317 hours at a blended charge out rate of £757 per hour across all grades of staff.

Our total time costs to 24 September 2022 for CRL are c.£148k made up of 222 hours at a blended charge out rate of £667 per hour across all grades of staff.

Time spent in relation to the winding down of the Companies and collection of the HP receivables in TFL is not included in our fee estimates, as noted opposite these will be paid by agreement with the Secured Creditor.

Please note that the fees estimates have been revised from those provided in our proposals as those estimates have been exceeded. We do not anticipate that we will seek to draw a fee greater than c.£317k in TFL and c.£183k as provided in our Fees Estimate, once approved by the Secured Creditor.



TFL Fees Estimate and Joint Administrators' time costs for the period of the report and for the entire period of the appointment

All staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs for Report Period		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	5.0	650	3,250	1.6	544	862
	Case supervision	51.6	683	35,226	45.8	686	31,451
	Case reviews	8.4	550	4,617	0.5	967	484
	Case closure matters	8.5	598	5,085	-	-	-
Statutory & compliance	Compliance & IPS diary	13.6	667	9,074	7.4	820	6,068
	Insurance	2.2	786	1,730	1.2	796	955
	General reporting	66.9	777	51,913	44.6	825	36,811
	Statutory meetings	3.0	643	1,930	0.6	650	390
Initial actions	Appointment matters	2.2	900	1,980	2.0	910	1,820
	Notifications	8.6	770	6,598	7.6	773	5,848
Investigations	CDDA reporting	32.0	487	15,575	30.8	489	15,050
	Investigations	6.5	730	4,748	4.5	891	4,008
Total of above categories		208.4	680	141,726	146.5	708	103,746
Taxation	Tax	65.2	949	61,894	55.2	984	54,341
	VAT	57.7	864	49,840	39.4	977	38,505
Asset realisations	Chattel assets	0.3	900	270	0.3	900	270
	Other assets	16.0	826	13,220	3.6	900	3,240
	Property	0.3	900	270	0.3	900	270
Trading	Day 1 control of trading	-	-	-	7.0	900	6,300
Employees	Correspondence	1.0	815	815	-	-	-
	Pensions	0.5	815	408	-	-	-
Correspondence	Creditors	68.8	510	35,083	61.7	495	30,542
	Shareholders	3.4	900	3,060	3.4	900	3,060
Distributions	Secured creditors	5.0	852	4,259	-	-	-
	Secondary preferential creditors	-	-	-	-	-	-
Total fees estimate		426.5	729	310,844	317.4	757	240,273



CRL Fees Estimate and Joint Administrators' time costs for the period of the report and for the entire period of the appointment

All staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs for Report Period and since Appointment		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	20.0	650	13,000	15.8	686	10,854
	Case supervision	48.6	427	20,736	43.8	426	18,671
	Case reviews	8.4	550	4,617	0.3	650	195
	Case closure matters	8.5	598	5,085	-	-	-
Statutory & compliance	Compliance & IPS diary	9.6	640	6,144	4.9	784	3,843
	Insurance	-	-	-	-	-	-
	General reporting	37.5	690	25,885	23.1	774	17,886
	Statutory meetings	3.0	705	2,115	0.6	650	390
Initial actions	Appointment matters	1.6	900	1,440	0.6	900	540
	Securing assets	2.0	775	1,550	-	-	-
	Notifications	8.9	768	6,848	8.3	795	6,595
Investigations	CDDA reporting	19.0	532	10,113	18.6	530	9,855
	Investigations	8.5	741	6,298	0.4	900	360
Total of above categories		175.6	591	103,830	116.4	594	69,190
Taxation	Tax	38.2	891	34,029	31.4	958	30,079
	VAT	25.5	836	21,310	20.7	868	17,975
Asset realisations	Chattel assets	0.3	815	245	0.3	815	245
	Other assets	3.0	872	2,615	15.5	605	9,402
	Property	8.0	744	5,950	11.1	854	9,477
Employees	Pensions	0.5	815	408	-	-	-
Correspondence	Creditors	35.0	442	15,460	26.7	440	11,742
Total fees estimate		286.1	643	183,846	222.2	667	148,109



Remuneration and expenses
Detailed information

Category 2 Expenses

Category 2 Expenses - are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses require creditor approval in the same manner as our remuneration.

Joint Administrators' Category 2 Expenses (including disbursements)

As described on page 11, these are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. Mileage is calculated at the prevailing standard mileage rate of up to 45p at the time when the mileage is incurred.

Specific approval is required before these costs and expenses can be drawn from the administration estates.

No category 2 expenses have been incurred in the report period in the Companies and none are expected.

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.





This document is confidential and prepared solely for your information. Therefore you should not, without our prior written consent, refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

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