

# AM10

## Notice of administrator's progress report



Companies House

THURSDAY



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08/02/2018

#333

COMPANIES HOUSE

### 1 Company details

Company number 06013980

Company name in full Import Fashion Solutions Limited  
(formerly trading as "Moda in Pelle")

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Howard

Surname Smith

### 3 Administrator's address

Building name/number KPMG LLP

Street 1 Sovereign Square

Sovereign Street

Post town Leeds

County/Region

Postcode LS14DA

Country

### 4 Administrator's name ①

Full forename(s) Jonathan Charles

Surname Marston

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number KPMG LLP

Street 1 Sovereign Square

Sovereign Street

Post town Leeds

County/Region

Postcode LS14DA

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

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Notice of administrator's progress report

**6** Period of progress report

From date	d	1	d	1	m	0	m	7	y	2	y	0	y	1	y	7
To date	d	1	d	0	m	0	m	1	y	2	y	0	y	1	y	8

**7** Progress report

☒ I attach a copy of the progress report

**8** Sign and date

Administrator's  
signature

Signature

X

*Harold Smith*

X

Signature date

d	0	d	7	m	0	m	2	y	2	y	0	y	1	y	8
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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

Daniel O'Neill

Company name

KPMG LLP

Address

1 Sovereign Square

Sovereign Street

Post town

Leeds

County/Region

Postcode

L S 1 4 D A

Country

DX

Telephone

Tel +44 (0) 113 231 3575



**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.



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# Joint Administrators' progress report for the period 11 July 2017 to 10 January 2018

Import Fashion Solutions  
Limited (formerly trading as  
"Moda in Pelle") - in  
Administration

7 February 2018

# Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://kpmg.com/uk/importfashionsolutions>. We hope this is helpful to you.

**Please also note that an important legal notice about this progress report is attached (Appendix 8).**

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# 1 Executive summary

- This progress report covers the period from 11 July 2017 to 10 January 2018.
- Immediately following our appointment, a pre-packaged sale of the business and certain assets of the Company was completed to 123 Retail Limited. As part of this sale all employees transferred to the Purchaser under TUPE regulations. The sale was part of a number of concurrent pre-packaged sales of the business and assets of related companies which completed simultaneously. Please refer to our Proposals for further information.
- During the Period, we have continued to realise the Company's Concession Debts, of which £5,440 has been realised in the Period and £301,501 has been received to date. We do not anticipate any material future realisations (Section 2 - Progress to date).
- At the date of our appointment the Secured Creditor, Brightlark Limited, was owed approximately £853,000 according to the Director's Statement of Affairs. A total of £438,200 has been distributed to the Secured Creditor from across the Group, of which £244,000 has been distributed from the Company. This includes £14,000 distributed to Brightlark during the Period. At present, it is unlikely that the Secured Creditor will make a full recovery on its lending to the Group (Section 3 - Dividend prospects and dividends paid).
- Following our appointment, we were made aware that a number of employees were made redundant in the period preceding our appointment. We are currently collating claims, and the value of preferential claims is currently estimated to be £34,585. Preferential creditors will receive a dividend of 100 pence in the pound, although the timing is currently uncertain (Section 3 - Dividend prospects and dividends paid).
- At present, we anticipate there will be insufficient realisations to enable a distribution to unsecured creditors, other than via a Prescribed Part distribution, pursuant to section 176A of the Insolvency Act 1986 (Section 3 - Dividend prospects and dividends paid).
- We have not drawn any remuneration or disbursements in the Period (Section 4 – Joint Administrators' remuneration, disbursements and pre-administration costs).
- During the Period, the Secured Creditor and preferential creditors granted a 12-month extension to the period of the administration. The administration is now due to expire on 10 January 2019.
- Once all outstanding matters have been dealt with in the administration, it is anticipated that the Company will be moved to dissolution (Section 5 – Future strategy).
- Please note: you should read this progress report in conjunction with our previous progress report and proposals issued to the Company's creditors which can be found at <http://www.kpmg.com/uk/importfashionsolutions>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Howard Smith  
Joint Administrator



## 2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

### 2.1 Strategy and progress to date

#### Strategy

Immediately upon our appointment, a number of concurrent sales of the business and assets of the Group were completed. Please refer to our Proposals and previous progress report for further details.

Our strategy continues to be to realise the assets excluded from the pre-packaged sale, notably Concession Debts, whilst also carrying out our statutory duties, and distributing to creditors where appropriate (see Section 3).

A condition of the Purchaser's offer was to collect outstanding Concession Debts for a fee of 20% of gross realisations. Given its relationship with customers, it was determined that this would likely enhance collections, and improve the level of returns to creditors. To date, £301,501 has been collected.

*During the Period, the Secured Creditor and preferential creditors granted a 12-month extension to the period of the administration. The administration is now due to expire on 10 January 2019.*

### 2.2 Asset realisations

Realisations during the Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the Period are provided below.

#### Concession Debts

At the date of our appointment, the book value of the Company's debtors, per the statement of affairs, was £346,060.

Concession Debts collected to date total £301,501, of which £5,440 was collected during the Period. We do not anticipate any material further realisations.

#### Cash at Bank

In accordance with the terms of the sale to the Purchaser it retained the benefit of all sales that occurred after 6 January 2017. We undertook a reconciliation which showed £30,522 was due to the Purchaser. This amount was previously included within cash at bank, and has now been repaid to the Purchaser during the Period.

Please refer to our Proposals for further details.

#### Investigations

We have continued to review the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.





## 2.3 Costs

Payments made in this Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the Period are provided below.

### Debt Collection Costs

The Purchaser has assisted in the collection of the Company's Concession Debts, given the Purchaser's relationship with customers. This was a condition of the Purchaser's offer and, under the terms of the sale agreement, a collection fee of 20% of gross debtor collections is payable by the Company to the Purchaser.

During the Period debt collection fees of £1,088 have been paid to the Purchaser.

### Legal Fees and Disbursements

Clarion has advised us on matters arising in the administration, which has included providing advice on leasehold property issues and contesting an application by a petitioning creditor for costs following appointment. During the Period, disbursements of £175 were paid to Clarion.

Additionally, pre-administration costs of £22,500 have been paid to Clarion in the Period for work undertaken prior to placing the Company into Administration. Pre-administration legal costs of £38,050 were previously approved by the Secured Creditor and preferential creditors; accordingly, £15,550 remains outstanding.

### Agents' Fees and Disbursements

During the Period, agents' fees of £250 and disbursements of £597 were paid to Sanderson Weatherall for providing us with advice on realising the Company's remaining tangible assets, notably a vehicle excluded from the pre-pack sale.

Pre-administration agents' costs of £3,000 have also been paid to Sanderson Weatherall during the Period. These costs were approved by the Secured and preferential creditors with our Proposals.

### Insurance of Assets

During the Period, £542 was paid to Willis Towers Watson for insuring assets excluded from the pre-pack sale, notably a vehicle and a leasehold tenancy held by the Company.

## 2.4 Schedule of expenses

We have detailed the costs incurred during the Period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the Period but have not yet been paid are provided below.

### Joint Administrators' fees and disbursements

During the Period, we have incurred time costs of £56,542 and disbursements of £222. We have not drawn any remuneration to date. Further details about our time costs are outlined in Appendix 6.



## Legal fees and disbursements

Clarion continues to provide general legal assistance and has unpaid time costs for the Period totalling £4,828.

Addleshaw Goddard has incurred time costs of £319 during the Period for ongoing legal advice.

# 3 Dividend prospects and dividends paid

## 3.1 Secured creditor

As outlined in our Proposals, Brightlark is the Company's sole secured creditor by virtue of a debenture dated 14 October 2014. Brightlark is also the sole secured creditor of the other companies within the Group. According to the Director's statement of affairs, Brightlark was owed £853,000 by the Group upon appointment of the Joint Administrators.

During the Period, we have distributed £14,000 from the Company to Brightlark, of which £6,000 was a fixed charge distribution and £8,000 was a floating charge distribution. The table below details all distributions made to Brightlark from the Group during the Period, and to date, which totals £438,200.

Company	Distributions during the Period		Distributions to Date		Total (£)
	Fixed Charge (£)	Floating Charge (£)	Fixed Charge (£)	Floating Charge (£)	
Import Fashion Solutions Limited	6,000	8,000	85,000	145,000	244,000
Moda (CD) Limited	1,000	-	20,000	150,000	171,000
Direct Footwear (UK) Limited	5,000	-	15,000	-	20,000
MIP (Yarn) Limited	800	-	-	-	800
Moda in Pelle Properties (14) Limited	800	-	-	-	800
Moda in Pelle Properties (34) Limited	800	-	-	-	800
Moda in Pelle Properties (53) Limited	800	-	-	-	800
<b>Total</b>	<b>15,200</b>	<b>8,000</b>	<b>120,000</b>	<b>295,000</b>	<b>438,200</b>

It is unlikely that Brightlark will make a full recovery on its lending to the Group.

## 3.2 Preferential creditors

Following our appointment, we were made aware that a number of employees were made redundant in the period preceding our appointment. We are currently collating claims, and the value of preferential claims is currently estimated to be £34,585.

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100 pence in the pound, although the timing is currently uncertain until all claims are agreed.

## 3.3 Unsecured creditors

At present, we anticipate there will be insufficient realisations to enable a distribution to unsecured creditors, other than via a Prescribed Part distribution, pursuant to section 176A



of the Insolvency Act 1986. The timing and quantum of the Prescribed Part distribution is currently uncertain.

We will write to all unsecured creditors when we have completed the realisation of assets and payment of associated costs.

## **4 Joint Administrators' remuneration, disbursements and pre-administration costs**

### **4.1 Joint Administrators' remuneration and disbursements**

#### *Time costs*

From 11 July 2017 to 10 January 2018, we have incurred time costs of £56,542. These represent 193 hours at an average rate of £293 per hour.

#### *Disbursements*

During the Period, we have incurred disbursements of £222. None of these have yet been paid.

#### *Additional information*

We have attached a revised fee estimate at Appendix 4. Our time costs have exceeded our previous estimate because of the reasons outlined under each of the categories in Appendix 4.

We have attached a revised expenses estimate at Appendix 5. The level of book debt collection commission payable to the Purchaser, and the amount of insurance payable in the Period, has been lower than anticipated.

We have attached (Appendix 6) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the Period. We have also attached our charging and disbursements policy.

### **4.2 Pre-administration costs**

We disclosed the following pre-administration costs in our Proposals:



Pre-administration costs					
	Disclosed unpaid costs (£)	Approved (£)	Paid in the previous period (£)	Paid in the Period (£)	Outstanding (£)
Clarion fees and disbursements	38,050	38,050	-	22,500	15,550
Addleshaw Goddard fees and disbursements	1,733	1,733	1,733	-	-
Metis fees	1,550	1,550	1,550	-	-
Sanderson Weatherall fees	3,000	3,000	-	3,000	-
<b>Total</b>	<b>44,333</b>	<b>44,333</b>	<b>3,283</b>	<b>25,500</b>	<b>15,550</b>

We have received approval from the Secured and preferential creditors to pay all of these pre-administration costs as an expense of the administration.

## 5 Future strategy

### 5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- finalising the collection of any outstanding debts due to the Company, and realising all other remaining assets;
- making distributions to secured, preferential and unsecured creditors (where appropriate);
- finalising the level of costs payable in the administration and arranging payment of these costs;
- obtaining tax and VAT clearance for the administration;
- fulfilling all statutory duties in the administration, prior to exit by an appropriate exit route;
- dealing with all other matters arising in the administration.

### 5.2 Extension of the administration

During the Period the Secured and preferential creditors granted a 12 month extension to the period of the administration.

The administration is currently due to end on 10 January 2019.

### 5.3 Future reporting

We will provide a further progress report within one month of 7 August 2018 or earlier if the administration has been completed prior to that time.

## Appendix 1 Statutory information

### Company information

Company name	Import Fashion Solutions Limited (formerly trading as "Moda in Pelle")
Date of incorporation	29 November 2006
Company registration number	06013980
Present registered office	c/o KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA

### Administration information

Administration appointment	The administration appointment granted in High Court of Justice, Chancery Division, Leeds District Registry, 45 of 2017
Appointor	QFC – Brightlark Limited
Date of appointment	11 January 2017
Joint Administrators' details	Howard Smith and Jonny Marston
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £195,000. Estimated Prescribed Part is £42,000. The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3).
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	10 January 2019



## Appendix 2 Joint Administrators' receipts and payments account

Import Fashion Solutions Limited (formerly trading as "Moda in Pelle") - in Administration

### Abstract of receipts & payments

Statement of affairs (€)		From 11/07/2017 To 10/01/2018 (€)	From 11/01/2017 To 10/01/2018 (€)
<b>FIXED CHARGE ASSETS</b>			
1.00	Insurance claim	NIL	1.00
2.00	Shares and investments	NIL	2.00
1.00	Customer Lists & Contracts	NIL	1.00
	Included Sales Receipts	NIL	1.00
99,997.00	Goodwill & Intellectual property	NIL	99,997.00
	Bank interest, gross	8.81	17.67
		<u>8.81</u>	<u>100,019.67</u>
<b>FIXED CHARGE COSTS</b>			
	Pre-admin legal fees	(500.00)	(500.00)
	Bank charges	(20.00)	(60.00)
	Pre-Admin Agents Fees	NIL	(1,550.00)
		<u>(520.00)</u>	<u>(2,110.00)</u>
<b>FIXED CHARGE CREDITORS</b>			
(853,000.00)	Fixed charge creditor	(6,000.00)	(91,000.00)
		<u>(6,000.00)</u>	<u>(91,000.00)</u>
<b>ASSET REALISATIONS</b>			
10,000.00	Computer Equipment	NIL	10,000.00
22,500.00	Furniture & equipment	NIL	22,500.00
21,000.00	Motor vehicles	NIL	24,600.00
15,307.00	Stock	NIL	15,307.00
276,848.00	Concession debts	5,440.00	301,500.58
	Cash at bank	(30,521.53)	120,808.24
		<u>(25,081.53)</u>	<u>494,715.82</u>
<b>OTHER REALISATIONS</b>			
	Bank interest, gross	193.59	345.82
	Third party funds received	30,521.53	30,521.53
	Sundry refunds	NIL	272.55
		<u>30,715.12</u>	<u>31,139.90</u>
<b>COST OF REALISATIONS</b>			
	Repayment of third party funds	(30,521.53)	(30,521.53)
	Land registry search	NIL	(11.00)
	Agents' disbursements	(597.45)	(597.45)
	Statement of affairs work	NIL	(4,000.00)



**Import Fashion Solutions Limited (formerly trading as "Moda in Pelle") - in Administration**

**Abstract of receipts & payments**

Statement of affairs (£)		From 11/07/2017 To 10/01/2018 (£)	From 11/01/2017 To 10/01/2018 (£)
	Pre-Admin Agents Fees	(3,000.00)	(3,000.00)
	Debt collection costs	(1,088.00)	(60,300.13)
	Agents'/Valuers' fees	(250.00)	(250.00)
	Pre-admin Legal Fees	(22,000.00)	(23,733.00)
	Legal fees	NIL	(1,500.00)
	Legal disbursements	(175.00)	(176.65)
	IT Costs	NIL	(450.00)
	Re-direction of mail	NIL	(175.00)
	Statutory advertising	NIL	(207.00)
	Insurance of assets	(542.30)	(542.30)
	Bank charges	(60.00)	(120.00)
		<u>(58,234.28)</u>	<u>(125,584.06)</u>
	PREFERENTIAL CREDITORS		
(65,088.00)	Employees' wage arrears	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	FLOATING CHARGE CREDITORS		
(753,000.00)	Floating charge	(8,000.00)	(153,000.00)
		<u>(8,000.00)</u>	<u>(153,000.00)</u>
	UNSECURED CREDITORS		
(1,072,190.00)	Trade & expense	NIL	NIL
(244,346.00)	Employees	NIL	NIL
(1,100,000.00)	Banks/Institutions	NIL	NIL
(1,600,000.00)	Non-preferential VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(5,241,968.00)</b>		<b><u>(67,111.88)</u></b>	<b><u>254,181.33</u></b>
	REPRESENTED BY		
	Floating ch. VAT rec'able		18,832.84
	Fixed charge current		6,809.67
	Floating charge current		241,859.57
	Fixed charge VAT rec'able		410.00
	Floating ch. VAT control		(13,420.75)
	Fixed charge VAT control		(310.00)
			<u><b>254,181.33</b></u>



## Appendix 3      Schedule of expenses

Schedule of expenses (11/07/2017 to 10/01/2018)			
Expenses (£)	Incurred and paid in the Period (£)	Incurred in the Period not yet paid (£)	Total (£)
<b>Cost of realisations</b>			
Joint Administrators' fees and disbursements	0.00	56,764.73	<b>56,764.73</b>
Legal fees and disbursements	0.00	5,146.50	<b>5,146.50</b>
Debt collection costs	1,088.00	0.00	<b>1,088.00</b>
Bank charges	80.00	0.00	<b>80.00</b>
<b>TOTAL</b>	<b>1,168.00</b>	<b>61,911.23</b>	<b>63,079.23</b>

Please note that there is a difference of £57,586 between the payments made during the Period (per the Receipts and Payments account) and the expenses incurred and paid in the Period (as per the schedule of expenses). This is due to the fact that some of the payments made in the Period relate to expenses incurred in a prior period.

### Requests for further information and right to challenge our remuneration and expenses

#### Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

#### Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Daniel O'Neill at KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA.





## Appendix 4 Joint Administrators' revised fee estimate

Estimated time costs for the engagement						
	Approved total fees – Proposals (£)	Estimated total fees – 1 <sup>st</sup> Progress Report (£)	Time Costs to date – SIP 9 (£)	Revised estimated Total hours	Revised estimated Time cost (£)	Revised estimated average hourly rate (£)
<b>Administration &amp; planning</b>						
Bankrupt/Director/Member	2,385.00	2,385.00	2,102.75	9.00	2,385.00	265.00
Cashiering	11,835.00	11,835.00	13,517.50	57.00	17,135.00	300.61
General	16,620.00	16,620.00	13,457.00	48.00	16,620.00	346.25
Statutory and compliance	39,515.00	39,515.00	37,081.00	140.00	49,955.00	356.82
Tax	19,735.00	30,360.00	38,009.00	121.00	42,015.00	347.23
<b>Creditors</b>						
Creditors and claims	28,950.00	70,100.00	69,214.35	319.00	100,100.00	313.79
Committees	-	-	-	-	-	-
Employees	19,170.00	34,740.00	31,813.50	110.00	34,740.00	315.82
<b>Investigation</b>						
Directors	6,590.00	6,590.00	15,885.00	53.50	16,815.00	314.30
Investigations	24,500.00	24,500.00	7,021.25	21.00	7,240.00	344.76
<b>Realisation of assets</b>						
Asset Realisation	30,625.00	30,625.00	25,426.25	91.00	30,625.00	336.54
<b>Trading</b>						
Trading	-	-	-	-	-	-
<b>Total</b>	<b>199,925.00</b>	<b>267,270.00</b>	<b>253,527.60</b>	<b>969.50</b>	<b>317,630.00</b>	<b>327.62</b>

Although our estimated time costs are likely to exceed our initial fee estimate included in our Proposals, we are not seeking a decision for further fees as it is unlikely that there will be sufficient funds in the administration to settle these in full. In the event that circumstances of the administration change, we reserve the right to revert to the Secured Creditor and preferential creditors, unsecured creditors or the Court.

Due to unanticipated further work dealing with the Company's tax and VAT matters, obtaining information in order to assess preferential creditor claims, as well as additional time required to finalise asset realisations and make distributions to the various classes of creditors (as applicable) an extension to the administration was required. Accordingly, we anticipate our overall expected time costs will increase as the administration will remain open for a longer period.

### Cashiering

We have incurred more time costs, to date, undertaking cashiering tasks than we initially anticipated. This has included maintaining separate administration bank accounts, bank reconciliations and processing a large number of transactions during the administration. We anticipate future cashiering costs will be incurred in settling administration costs, and distributing to creditors (as applicable), as well as completing other general cashiering matters.

### Statutory and compliance

Due to the matters detailed above the administration has been extended for a further 12 month period. We will incur further time complying with our statutory obligations and preparing the administration for closure in due course.

### Tax

As detailed above, our time costs have increased as a result of further work relating to VAT and dealing with pre-administration tax matters. Our future work will involve, but not be limited, submitting VAT returns for the post appointment period, and obtaining tax clearance from HMRC in due course.



## Creditors and claims

We have incurred more time liaising with creditors than anticipated, and also in compiling our reports to creditors. As the administration has been extended, we will continue to liaise with creditors, in accordance with our statutory obligations, which include but are not limited to further periodic creditor reporting. Further anticipated work will also include agreeing preferential and unsecured creditor claims, and making distributions (as applicable) to creditors.

## Directors

The amount of time required for our statutory investigations into the actions of the Company's Director, and corresponding with the Director, has exceeded our initial estimates; however, time costs relating to investigations have been lower than first estimated.



## Appendix 5 Joint Administrators' revised expenses estimate

### Summary of Expenses from appointment

Expenses	Total for Administration			
	Initial Estimates (£)	Paid to date (£)	Future costs (£)	Total (£)
<b>Fixed charge costs</b>				
Officeholders' Fees & Disbursements	2,525	-	2,525	2,525
Pre-administration Agents' Costs	1,550	1,550	-	1,550
Pre-administration Legal Costs	-	500	-	500
Agents' Fees & Disbursements	500	-	-	-
Legal Fees & Disbursements	2,000	-	1,250	1,250
Bank charges	80	60	60	120
<b>Floating charge costs</b>				
Officeholders' Fees & Disbursements	197,400	-	197,400	197,400
Pre-administration Agents Costs	3,000	3,000	-	3,000
Pre-administration Legal Costs	39,783	23,733	15,500	39,233
Agents' Fees & Disbursements	2,000	847	-	847
Legal Fees & Disbursements	10,000	1,677	9,000	10,667
Debt Collection Costs	67,527	60,300	-	60,300
Statutory Advertising	275	207	68	275
Mail Redirection	350	175	-	175
Storage Costs	5,000	-	4,000	4,000
Bank Charges	100	120	100	220
Insurance	1,500	542	-	542
IT Costs	-	450	-	450
Land Registry Searches	-	11	-	11
Statement of Affairs Work	-	4,000	-	4,000
<b>TOTAL</b>	<b>333,590</b>	<b>97,172</b>	<b>229,903</b>	<b>327,075</b>



## Appendix 6 Joint Administrators' charging and disbursements policy

### Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ("SIP 9") produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Daniel O'Neill on 0113 231 3785.

### Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

### Table of charge-out rates

Charge-out rates (£) for: Restructuring	
Grade	From 01 Nov 2016 £/hr
Partner	625
Director	560
Senior Manager	510
Manager	425
Senior Administrator	295
Administrator	215
Support	131

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.



## Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

**Category 1 disbursements:** These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

**Category 2 disbursements:** These are costs that are directly referable to the appointment in question but not a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements (excluding VAT) during the period 11 July 2017 to 10 January 2018.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Printing		32.40		NIL	32.40
Postage		190.08		NIL	190.08
<b>Total</b>		<b>222.48</b>		<b>NIL</b>	<b>222.48</b>

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

The Category 2 disbursements have not been approved.

Narrative of work carried out for the period 11 July 2017 to 10 January 2018

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"><li>■ posting information on a dedicated web page;</li><li>■ preparing statutory receipts and payments accounts;</li><li>■ obtaining approval from the Secured Creditor and preferential creditors for a 12-month extension of the administration;</li><li>■ ensuring compliance with all statutory obligations within the relevant timescales.</li></ul>
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Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> <li>■ monitoring and reviewing the administration strategy;</li> <li>■ briefing of our staff on the administration strategy and matters in relation to various work-streams;</li> <li>■ regular case management and reviewing of progress, including regular team update meetings and calls;</li> <li>■ meeting with management to review and update strategy and monitor progress;</li> <li>■ reviewing and authorising junior staff correspondence and other work;</li> <li>■ reviewing matters affecting the outcome of the administration;</li> <li>■ allocating and managing staff/case resourcing and budgeting exercises and reviews;</li> <li>■ liaising with legal advisors regarding the various instructions;</li> <li>■ complying with internal filing and information recording practices, including documenting strategy decisions.</li> </ul>
Reports to debenture holders	<ul style="list-style-type: none"> <li>■ providing written and oral updates to representatives of Brightlark regarding the progress of the administration and case strategy.</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>■ preparing and processing vouchers for the payment of post-appointment invoices;</li> <li>■ creating remittances and sending payments to settle post-appointment invoices;</li> <li>■ reconciling post-appointment bank accounts to internal systems;</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>■ working initially on tax returns relating to the periods affected by the administration;</li> <li>■ analysing VAT related transactions;</li> <li>■ reviewing the Company's duty position to ensure compliance with duty requirements;</li> <li>■ dealing with post appointment tax compliance.</li> </ul>
General	<ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9.</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>■ reviewing outstanding debtors and management of debt collection strategy;</li> <li>■ liaising with Company credit control staff and communicating with debtors;</li> <li>■ liaising with the Purchaser regarding debtor recoveries.</li> </ul>
Open cover insurance	<ul style="list-style-type: none"> <li>■ ensure appropriate cover in place;</li> <li>■ assessing the level of insurance premiums.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>■ dealing with queries from employees regarding various matters relating to the administration and their employment;</li> <li>■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments;</li> <li>■ communicating and corresponding with HM Revenue and Customs;</li> <li>■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office;</li> <li>■ managing claims from employees.</li> </ul>
Pensions	<ul style="list-style-type: none"> <li>■ collating information and reviewing the Company's pension schemes;</li> <li>■ calculating employee pension contributions and review of pre-appointment unpaid contributions;</li> <li>■ ensuring compliance with our duties to issue statutory notices;</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ updating the list of unsecured creditors;</li> <li>■ responding to enquiries from creditors regarding the administration and submission of their claims;</li> <li>■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</li> <li>■ arranging distributions to the Secured creditors;</li> <li>■ drafting our progress report.</li> </ul>
Investigations/ directors	<ul style="list-style-type: none"> <li>■ reviewing pre-appointment transactions.</li> </ul>

## Time costs

### SIP 9 –Time costs analysis (11/07/2017 to 10/01/2018)

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Cashiering			
General (Cashiering)	13.35	3,654.25	273.73
Reconciliations (& IPS accounting reviews)	1.50	636.00	424.00
General			
Books and records	0.50	107.50	215.00
Fees and WIP	4.75	1,333.75	280.79
Statutory and compliance			
Checklist & reviews	10.55	2,864.25	271.49
Strategy documents	5.10	2,023.50	396.76
Tax			
Initial reviews - CT and VAT	1.00	425.00	425.00
Post appointment corporation tax	37.75	12,247.25	324.43
Post appointment VAT	12.30	4,413.00	358.78
<b>Creditors</b>			
Creditors and claims			
General correspondence	23.65	5,745.25	242.93
Pre-appointment VAT / PAYE / CT	2.70	796.50	295.00
Secured creditors	7.65	2,645.75	345.85
Statutory reports	42.00	11,990.50	285.49
Employees			
Correspondence	4.40	946.00	215.00
Pension funds	14.20	3,053.00	215.00
<b>Investigation</b>			
Investigations			
Correspondence re investigations	1.00	510.00	510.00
Mail redirection	0.25	73.75	295.00
Review of pre-appt transactions	1.50	772.00	514.67
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	2.90	1,049.00	361.72
Debtors	3.55	927.25	261.20
Insurance	1.00	255.00	255.00
Leasehold property	0.25	73.75	295.00
<b>Total in period</b>	<b>192.85</b>	<b>56,542.25</b>	<b>293.19</b>



**SIP 9 –Time costs analysis (11/07/2017 to 10/01/2018)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
Brought forward time (appointment date to SIP 9 period start date)	647.05	196,985.35	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	192.85	56,542.25	
Carry forward time (appointment date to SIP 9 period end date)	839.90	253,527.60	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.





## Appendix 7      Glossary

<b>Addleshaw Goddard</b>	Addleshaw Goddard LLP
<b>Brightlark/ Secured Creditor</b>	Brightlark Limited
<b>Company</b>	Import Fashion Solutions Limited (formerly trading as "Moda in Pelle") - in Administration
<b>Concession Debt</b>	Debts due to the Company from concessions operated in department stores
<b>Director</b>	Mr Stephen Andrew Buck
<b>Group</b>	The Company together with;  Direct Footwear (UK) Limited – in Administration  Moda (CD) Limited – in Administration  MIP (Yarm) Limited – previously in Administration, now in Dissolution  Moda in Pelle Properties (14) Limited – previously in Administration, now in Dissolution  Moda in Pelle Properties (34) Limited – previously in Administration, now in Dissolution  Moda in Pelle Properties (53) Limited – previously in Administration, now in Dissolution
<b>Joint Administrators/we/our/us</b>	Howard Smith and Jonny Marston
<b>KPMG</b>	KPMG LLP
<b>Period</b>	11 July 2017 to 10 January 2018



<b>Proposals</b>	Our Proposals as circulated on 17 February 2017
<b>Purchaser</b>	123 Retail Limited (formerly Retailer Bath 024 Limited)
<b>Sanderson Weatherall</b>	Sanderson Weatherall LLP
<b>TUPE</b>	Transfer of Undertakings (Protection of Employment) Regulations 2006.

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

## Appendix 8 Notice: About this report

This report has been prepared by Howard Smith and Jonny Marston, the Joint Administrators of Import Fashion Solutions Limited (formerly trading as "Moda in Pelle") – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

*This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.*

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Howard Smith is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

Jonathan Charles Marston is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.



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