

The Insolvency Act 1986

Administrator's progress report

Name of Company Breeze House Holdings Limited	Company number 06409051
In the High Court of Justice, Chancery Division, Leeds District Registry (full name of court)	Court case number 1273 of 2013

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

I/We (a)
Adrian Peter Berry
Deloitte LLP
1 City Square
Leeds
West Yorkshire
LS1 2AL

Clare Boardman
Deloitte LLP
1 City Square
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administrator(s) of the above company attach a progress report for the period

(b) Insert date

From (b) 9 October 2013	To (b) 8 April 2014
----------------------------	------------------------

Signed


 Joint / Administrator(s)

Dated

16/4/14

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

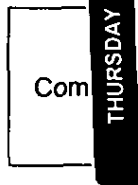
The contact information that you give will be public

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X Number

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



Breeze House Holdings Limited **Court Case No. 1273 of 2013**
BHC1 Limited (formerly Breeze House Company Limited) **Court Case No. 1246 of 2013**
- Both in Administration (together "the Companies")

**SIX MONTHLY PROGRESS REPORT TO CREDITORS FOR THE PERIOD TO 8 APRIL
2014 PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986 AND THE
INSOLVENCY (AMENDMENT) RULES 2010**

15 April 2014

This report has been prepared for the sole purpose of updating the Creditors for information purposes. The report may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by Creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Adrian Peter Berry and Clare Boardman were appointed Joint Administrators of Breeze House Holdings Limited and BHC1 Limited (formerly Breeze House Company Limited) on 9 October 2013. 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 Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

Adrian Berry and Clare Boardman
Joint Administrators of the Companies – both in Administration
Deloitte LLP
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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"the Administrators"	The Joint Administrators, Adrian Peter Berry and Clare Boardman of Deloitte
"the Bank"	The Co-operative Bank plc
"BHC1"	BHC1 Limited (formerly Breeze House Company Limited) (in Administration)
"BHHL"	Breeze House Holdings Limited (in Administration)
"the Companies"	BHC1 Limited (formerly Breeze House Company Limited) and Breeze House Holdings Limited (both in Administration)
"Corble"	Corble Designs Limited
"the Court"	High Court of Justice, Chancery Division, Leeds District Registry
"Deloitte"	Deloitte LLP
"DWF"	DWF LLP
"EOS"	Estimated Outcome Statement
"H&S"	Health & Safety
"Management"	Stephen Barker & Christopher Peck
"RoT"	Retention of Title
"RPO"	The Redundancy Payments Office
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"Sanderson Weatherall"	Sanderson Weatherall LLP
"Secured creditors"	The Co-operative Bank plc and Andrew Peck
"Shareholders"	Stephen Barker, Christopher Peck, Cameron Varley and Lee Wojtkiw
"Site"	Sunnyhills Road, Barnfields Industrial Estate, Leek, Staffordshire, ST13
"SIP2 (E&W)"	Statement of Insolvency Practice 2 (England & Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)
"SofA"	Statement of Affairs
"SPA"	Sale and Purchase Agreement
"TUPE"	Transfer of Undertakings (Protection of Employment) Regulations

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 2.47 of the Rules to provide creditors with an update on the progress of the Administration of the Companies since our first report to creditors dated 18 November 2013

Given the information previously provided to creditors in our first report to creditors, we have not included detailed background information in respect of the Companies and have focused on progress of the Administrations subsequent to that report

The Administrators' proposals deemed approved following the issue of a notice under Paragraph 52(1) of Schedule B1 of the Act on 18 November 2013 and the expiry of 8 business days thereafter are detailed in section 2.1 below

A schedule of statutory information in respect of the Companies is attached at Appendix 1

1.2 Details of the appointment of the Administrators

Adrian Peter Berry and Clare Boardman, of Deloitte were appointed Administrators of the Companies by the Directors of the Companies on 9 October 2013 following the filing of Notices of Appointment of Administrators by the Directors

The Court having conduct of the proceedings is High Court of Justice, Chancery Division, Leeds District Registry (case numbers 1246 and 1273 of 2013)

For the purposes of Paragraph 100(2) of Schedule B1 of the Act the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly or severally

1.3 Electronic communication with creditors

In an effort to reduce the costs of the Administration, all communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose. The web address is www.deloitte.com/uk/breezehouse

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All creditors' statutory notices will be retained on the website until its closure 3 months from the Administration being brought to a close.

Please therefore ensure that you review the website regularly for updates and further notices and reports

2. ADMINISTRATORS' PROPOSALS

2.1 Introduction

As previously reported to creditors, the Administrators concluded that the Companies had significant secured and unsecured creditor liabilities and therefore a restructuring of these creditors would have been required to meet the first objective. It was apparent that there was insufficient value placed on the Companies' assets by third parties in order to affect a restructuring of the Companies considerable debt and the Administrators concluded that the first option was not possible to achieve.

Consequently, the Administrators have performed their functions in relation to the Companies with the objective set out in Paragraph 3 (1) (b) of Schedule B1 of the Act, which is to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Companies.

The Administrators' proposals in order to achieve this objective, which, as noted above, were deemed approved following the issue of a notice under Paragraph 52(1) of Schedule B1 of the Act on 18 November 2013 and the expiry of 8 business days thereafter are as follows:

- 1 the Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all Administration expenses,
- 2 the Administrators continue with their enquiries into the conduct of the Directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of the Companies,
- 3 the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless the Administrators conclude, in their reasonable opinion, that the Companies have no assets available for distribution,
- 4 the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of each of the Companies so determine, at meetings of creditors, a Creditors Committee be appointed in respect of each or any of the Companies comprising of not more than five and not less than three creditors of that Company or Companies,
- 6 that, if a Creditors' Committee is not appointed, the secured and preferential creditors of each Company shall be asked to fix the basis of the Administrators' remuneration in accordance with Rule 2.106(5A)(a), to be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed plus VAT. In addition those creditors shall also be asked to agree the Administrators' expenses of which the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage.

rate used by Deloitte at the time when the mileage is incurred, plus VAT where applicable,

- 7 that, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administrations. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 8 that, if each or any of the Companies were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4.174A of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed plus VAT, and asked to agree the Administrators' expenses. As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2.117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the Proposals are approved by creditors. For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
- 9 in the absence of Creditors' Committees, the secured and preferential creditors of each Company agree that the Administrators be discharged from liability per Paragraph 98 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors and vacating office.

2.2 Amendments to proposals

There were no amendments to the proposals.

2.3 Progress on and achievement of the approved proposals

We have summarised below the progress and current status in respect of each of the approved proposals.

Proposal	Current status
1	The Administrators are continuing to settle any expenses properly incurred since appointment on 9 October 2013 to the date of sale to Corble. Whilst the majority of assets have now been realised by the Administrators, a number of small book debts are still being pursued by the Administrators' staff.
2	Enquiry into the conduct of the Director of the Companies is complete with returns submitted to the Insolvency Service on 20 March 2014. The contents of this report are confidential.
3	The Secured creditors' claims have been agreed at £1.56m (BHHL) and £265k (BHC1) and Preferential creditor claims in BHC1 have been estimated at £45k as detailed in Sections 4.1 and 4.2 respectively.

	The Administrators have concluded that there will be insufficient funds to pay unsecured creditor claims and have therefore not incurred the costs of adjudicating these claims
4	The Administrators have distributed £70,000 to the Bank
5	No creditors' committees were appointed
6	The basis of the Administrators' remuneration has been approved by the Secured and Preferential Creditors, fixed by reference to time properly given by the Administrators and their staff in attending to matters arising in the Administration. The Administrators' time costs and expenses will be calculated at the prevailing standard rate use by Deloitte
7	Not deemed appropriate at present
8	Not deemed appropriate at present
9	Not deemed appropriate at present

Further information in respect of the realisation of assets, the status of liabilities and the estimated outcome for creditors is contained in the following sections of this report

3. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT AND ESTIMATED OUTCOME STATEMENT

3.1 Introduction

Attached at Appendix 2 is an abstract Receipts and Payments account covering the period from 9 October 2013 to 8 April 2014, in accordance with SIP7 (E&W)

An EOS as at 8 April 2014 is attached at Appendix 3

In this section, we have summarised the main asset realisations during the 6 month period and an estimation of those assets yet to be realised, together with details of costs incurred but as yet unpaid

3.2 Sale of business

The Companies' marketing strategy and identification of potential purchasers was based on the following

- parties who had previously expressed an interest in the Companies,
- competitor analysis,
- potential purchasers identified by the Directors (who have significant industry experience),
- parties identified with the assistance of Sanderson Weatherall and Deloitte colleagues, and
- the Companies' advisors reviewed potential interested parties from their network and available research resources

As a result of the above research, 39 potentially interested parties were identified, contacted and provided with the Information Memorandum once a non-disclosure agreement had been signed. An offer deadline of midday on 18 October 2013 was set. Professional advice was subsequently taken in the preparation of the Information Memorandum and the management of the sale of business process. We contacted 39 parties, with the following outcome

- 28 parties confirmed that they were not interested,
- One party was issued with a NDA agreement which was not returned, and
- 10 signed a Non-Disclosure Agreements, been provided with an Information Memorandum and were made aware of the deadline for receipt of indicative offers

Two parties requested an extension to the deadline to visit site in order to assist with composing their offers. As such the offer deadline was extended to 22 October 2013. Four offers were received from interested parties for differing aspects of the business and assets

We compared the various offers in conjunction with forced sale realisable valuations (following advice from Sanderson Weatherall). On 24 October 2013, an agreement was signed for the purchase of the businesses and assets of the Companies by Corble

The detailed terms of the sale and purchase agreement are confidential. The Administrators can confirm however, that the sum of £162,500 was agreed and can be split as follows for the assets purchased from BHC1

	£
Business Intellectual Property	1
Commercial Records and Customer Lists	1
Computer System	1
Fixtures and Fittings	2,994
Goodwill	100,000
Information Technology	1
Motor Vehicles	500
Plant and Machinery	19,000
Premises	1
Customer Contracts	1
Stock and the Work in Progress	40,000
Total	162,500

As at the date of appointment the Companies owned a quantity of tangible assets including plant and machinery, fixtures and fittings, stock and other items. These were located at the Site. An independent valuer, Sanderson Weatherall, completed an inventory and valuation of all assets.

10 suppliers claimed RoT and attended Site to complete stock counts. We have been in contact with the suppliers, have received documentation from them and reviewed the validity or otherwise of their claims.

Nevertheless the goods referred to were sold subject to any RoT claim to Corble and there was no value attributed to the RoT stock sold in the breakdown above. In some cases Corble have reached a commercial settlement with suppliers to purchase the RoT stocks.

In addition, Corble have made a contribution of £746 towards employee costs of those who transferred under TUPE.

3.3 Other Asset realisations

Trade Debtors

At the date of appointment debtors were £20,430, relating to Gazebo sales prior to the appointment of Administrators. £5,012 has been received to date and Corble are assisting the Administrators' staff with the collection of the remaining debtors.

Prepayment of Shows

The Companies prepaid for a number of trade shows. There is no method to recover these prepayments.

Directors' loan repayment

The Companies' independent accountant finalised the management accounts up to 9 October 2013. A sum of £2,957 was payable from Stephen Barker, this has now been settled in full.

Stock Realisations

It was concluded that it would not be possible to trade the BHC1 business profitably within the constraints of an Administration process as the business is seasonal and given the significant

H&S risks for the Administrators the factory was mothballed in the short term and manufacturing ceased whilst a sales process for the business could be run

However, the Administrators' staff were able to complete the installation of 2 completed Gazebos and supply furniture to customers to generate realisations as follows

Realisations (£)	Gazebo Installation	Muddy Furniture
Gazebo Realisations	12,175 00	-
Muddy Furniture Realisations	-	3,980 00
	12,175 00	3,980 00
Direct costs		
Gazebo Installation Costs	(1,435 00)	-
Muddy Furniture Production Costs	-	(275 00)
Vehicle Hire, tolls and haulage	(451 43)	-
Fuel costs	(291 89)	-
Misc costs	(20 28)	-
Admin Support	(500 00)	-
	(2,698 60)	(275 00)
Net realisations	9,476 40	3,705 00

3.4 Estimated future realisations

The Administrators staff continue to seek to realise trade debtors with the assistance of Corble

3.5 Estimated outcome for creditors

The EOS included at Appendix 3 details that the Secured creditors will suffer a large shortfall on their lending and that Preferential creditors will receive a small distribution

After discharging the costs of the Administration, there will not be sufficient realisations from floating charge assets to fully repay the Secured creditors. Accordingly, we do not expect any funds to be available to pay a dividend to the unsecured creditors of any of the Companies

4. DISTRIBUTIONS TO CREDITORS

4.1 Secured creditors

The Companies' secured debt at the date of the appointment of the Administrators, and as set out in the SofA, can be summarised as follows

BHHL	£
Co-operative Bank plc - Term loan	880,000
Andrew Peck	675,000
Total	1,555,000
BHC1	£
Co-operative Bank plc - Overdraft	265,682
Total secured lending	<u>1,820,682</u>

The Secured creditors will not be paid in full The estimated recovery to the Bank is £70,000 as detailed at Appendix 3

4.2 Preferential creditors

Preferential claims relating to arrears of wages and holiday pay of the employees are scheduled at £45,000 per the SofA On present information there is likely to be a small distribution to preferential creditors

4.3 Prescribed Part

Please note that there have been no significant floating charge realisations on the Companies and so no Prescribed Part is currently envisaged

4.4 Unsecured creditors

The Unsecured creditors' position as at 9 October 2013 per the Directors' SoA (excluding any shortfall to floating charge holders) is £757,650 63 split as follows

Creditor category	£
Trade creditors	405,211 43
Deposits received	123,779 95
HMRC	220,524 52
Accruals	7,129 35
Directors loan accounts	1,005 38
	<u>757,650 63</u>

After discharging the costs of the Administrations, there will not be sufficient realisations from floating charge assets to fully repay the Bank Accordingly, we do not expect any funds to be available to pay a dividend to the Unsecured creditors of either of the Companies

5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

5.1 Extensions to the initial appointment period

The Administrators do not anticipate that it will be necessary to seek an extension of the administrations beyond the end of the initial period of their appointment

5.2 Investigations

As part of the Administrators' statutory duties, an investigation into the conduct of the Companies' Directors was completed. In this regard, a confidential report was submitted to the Insolvency Service on 20 March 2014

5.3 SIP2 – Initial Assessment of Potential Recoveries

As part of our duties as Administrators, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment included enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

Having completed this review, we identified no further avenues of recovery.

If you have any information that you feel we should be made aware of in relation to the above, please contact us as a matter of urgency.

5.4 Exit

In accordance with the provisions of the Act incorporated by the Enterprise Act 2002, all Administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the creditors.

There are several exit routes which are available to the Administrators such as

- an application to Court,
- filing a notice in Court and with the Registrar of Companies confirming that the purpose of Administration has been sufficiently achieved, or
- in the event that the Company has no property remaining to be realised the Administrators may notify the Registrar of Companies to that effect at which time the appointment of the Administrators ceases and three months following that date the company is deemed to be dissolved.

In addition the Administrators could propose to place the Companies into Creditors' Voluntary Liquidation, a Compulsory Liquidation or a Company Voluntary Arrangement. Reference will be made in the resolutions within this report as to the exit route most suitable to the circumstances of each Administration.

The exit route chosen in relation to the Companies will largely depend on the circumstances of each Administration. The Administrators will provide an update on this in the next report to creditors.

If there is a distribution to unsecured creditors (other than via the PP), the Administrators are discharged from liability in respect of any action of theirs as Administrators pursuant to Paragraph 98(1) of Schedule B1 of the Act upon registration of the notice given pursuant to Paragraph 84 of Schedule B1 of the Act. Where there will be no distribution to unsecured creditors, the Administrators will seek their discharge from the secured creditor.

5.5 SIP13 (E&W) – Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), we confirm that there have been no transactions with connected parties during the period of this report or in the two years prior to our appointment.

5.6 EC Regulations

As stated in the Administration Order in respect of the Companies, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

6. PRE-ADMINISTRATION COSTS

There are no Pre-Administration costs in this matter and therefore the Administrators shall not be seeking a resolution from secured or preferential creditors to approve such costs

7. ADMINISTRATORS' REMUNERATION AND EXPENSES

7.1 Administrators' Remuneration

7.1.1 Basis of Remuneration

The basis of the Administrators' remuneration was fixed by the secured and preferential creditors of BHC1 as follows

- (i) By reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT

7.1.2 Remuneration

As detailed at Appendix 4, during the past 6 month period the Administrators have charged total remuneration in BHC1 of £146,864 50 made up of 412 60 of hours at an average charge out rate of £355 95 across all grades of staff, this time is charged in six minute increments. Of this sum, a total of £65,000 has been drawn and paid as indicated in the Receipts and Payments account at Appendix 2. The Administrators have agreed with the Bank that they will cap their fees in the Administration of BHC1 to £75,000.

As detailed at Appendix 4, during the past 6 month period the Administrators have charged total remuneration in BHHL of £12,113 50 made up of 26 70 of hours at an average charge out rate of £453 69 across all grades of staff, this time is charged in six minute increments. As there are no asset realisations anticipated in BHHL, the Administrators' intend to write off the time costs incurred in relation to that Company.

The work has been categorised into the following task headings and sub categories

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashiering and accounting
- **Investigations** includes investigating the Company's affairs and in particular any antecedent transactions and also reporting on the conduct of its directors
- **Realisation of Assets** includes identifying, securing and insuring assets, sale of business, transition of contracts, property issues, disposal of stocks, collection of debts, realisation of other fixed assets
- **Trading** includes planning, identifying strategy, preparation of trading forecasts, monitoring of performance against the forecasts, managing operations, dealing with supplier and landlord issues to ensure continuity of operations, accounting and employees (including pensions and other staff benefits)
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, secured and employee claims
- **Case specific matters** include VAT and taxation matters

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Administrators at the address on the front of this report and this will be provided to you at no cost

Expenses

The Administrators' direct expenses for the period of this report are as follows

Expenses (£)	09/10/13 to 08/04/14		Paid to date	Remains unpaid
	BHHL	BHCL		
Accommodation	-	308 04	308 04	-
Bonding	20 00	230 00	230 00	20 00
Business calls	-	62 41	62 41	-
Mileage	-	299 85	299 85	-
Off Street Parking	-	1 67	1 67	-
Postage/ courier services	-	358 70	352 85	5 85
Statutory advertising	-	223 85	223 85	-
Subsistence-Costs Incurred	-	190 18	190 18	-
Taxi	-	20 00	20 00	-
Total	20 00	1,694.70	1,688 85	25 85

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

As there are no asset realisations anticipated in BHHL, the Administrators intend to write off the 3rd party expenses incurred in relation to BHHL

7.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2013 charge out rates as summarised below. Manager rates include all grades of assistant manager

Grade	2013 rates £ per hour
Partners & Directors	605 to 950
Managers	305 to 720
Assistants & Support Staff	155 to 305

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Drivers Jonas Deloitte may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical 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

Charge out rates have not changed since those advised as at 1 September 2012 These will be subject to review from 1 September 2014

7.3 Other professional costs

As previously advised, DWF were instructed by the Administrators to advise on appropriate legal matters In addition, Sanderson Weatherall, a firm of chattel agents, were instructed by the Administrators to undertake inventories and valuations of stock, plant and equipment, fixtures and fittings and other chattel assets where appropriate The professional costs to date are summarised in the table below All professional costs are reviewed and analysed before payment is approved

Name of lawyer/ agent (£)	Net	VAT	Gross
DWF	12,181 00	2,436 20	14,617 20
Sanderson Weatherall	1,617 00	323 40	1,940 40
Total	13,798 00	2,759 60	16,557.60

7.4 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 the Administrators 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 2 47(1)(fa) and 2 48A of the Rules

7.5 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 2 109(4) of the Rules), reducing the amount or the basis of remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules

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

BREEZE HOUSE HOLDINGS LIMITED & BHC1 LIMITED (FORMERLY BREEZE HOUSE COMPANY LIMITED) (BOTH IN ADMINISTRATION)

STATUTORY INFORMATION

Company Name	Breeze House Holdings Limited	BHC1 Limited
Previous Names	L & P 191 Limited (until 14 March 2008)	Breeze House Company Limited (until 17 March 2014) The Breeze House Company Limited (until 28 July 2003) Sandwich Club Limited (until 27 March 1997) Bien Mange Limited (until 19 April 1996)
Proceedings	In Administration	In Administration
Court	High Court of Justice, Chancery Division, Leeds District Registry	High Court of Justice, Chancery Division, Leeds District Registry
Court Reference	Case number 1273 of 2013	Case numbers 1246 of 2013
Date of Appointment	9 October 2013	9 October 2013
Joint Administrators	Adrian Peter Berry and Clare Boardman c/o Deloitte LLP, 1 City Square Leeds, West Yorkshire, LS1 2AL	Adrian Peter Berry and Clare Boardman c/o Deloitte LLP, 1 City Square Leeds, West Yorkshire, LS1 2AL
Registered office Address	c/o Deloitte LLP, 1 City Square Leeds, West Yorkshire, LS1 2AL	c/o Deloitte LLP, 1 City Square Leeds, West Yorkshire, LS1 2AL
Company Number	06409051	03150039
Incorporation Date	25 October 2007	23 January 1996
Company Secretary	Stephen Barker	Stephen Barker
Bankers	Co-operative Bank plc	Co-operative Bank plc
Auditors	Howsons Accountants Limited	Howsons Accountants Limited
Appointment by	The Directors	The Directors
Directors at date of Appointment	Stephen Barker Christopher Peck James Barker	Stephen Barker Christopher Peck
Directors' Shareholdings	Stephen Barker 120,000 Ord A £1 Christopher Peck 15,000 Ord B £1 Cameron Varley 7,500 Ord C £1 Lee Wojtkiw 7,500 Ord C £1	Fully owned by BHHL

BREEZE HOUSE HOLDINGS LIMITED (IN ADMINISTRATION)

ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE 6 MONTHS FROM 9 OCTOBER 2013 TO 8 APRIL 2014

RECEIPTS (£)	NBV at 09/10/13	SoA estimate	09/10/13 to 08/04/14
Investment in subsidiary	4,479,957 00	-	-
	<u>4,479,957 00</u>	-	-
PAYMENTS			
Bank loan (Secured)	880,000 00	-	-
Andrew Peck (Secured)	675,000 00	-	-
Share capital	150,000 00	-	-
	<u>1,705,000 00</u>	-	-
Balances in Hand			-

BHC1 LIMITED (FORMERLY BREEZE HOUSE COMPANY LIMITED) (IN ADMINISTRATION)

ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE 6 MONTHS FROM 9 OCTOBER 2013 TO 8 APRIL 2014

RECEIPTS (£)	NBV at 09/10/13	SoA estimate	09/10/13 to 08/04/14		
			Fixed charge	Floating charge	Total
Goodwill	575,000 00	120,000 00	100,000 00	-	100,000 00
Gazebo Realisations	-	-	-	12,175 00	12,175 00
Muddy Furniture Realisations	-	-	-	3,980 00	3,980 00
Directors Loan Account	-	-	-	2,957 31	2,957 31
Leasehold Property	-	-	-	1 00	1 00
Plant & Machinery	46,000 00	20,000 00	-	19,000 00	19,000 00
Fixtures & fittings	6,000 00	1,000 00	-	2,994 00	2,994 00
Motor Vehicles	5,000 00	-	-	500 00	500 00
Commercial Records and Customer List	-	-	-	1 00	1 00
Stock/WIP	208,000 00	42,000 00	-	40,000 00	40,000 00
Book Debts	20,000 00	15,000 00	-	5,011 84	5,011 84
Business & Intellectual Property	-	-	-	1 00	1 00
Customer contracts	-	-	-	1 00	1 00
Computer System	-	-	-	1 00	1 00
Information Technology	-	-	-	1 00	1 00
Contribution to staff costs	-	-	-	745 61	745 61
Prepayments	53,000 00	-	-	-	-
Debt from Interco	2,661,000 00	-	-	-	-
Bank interest	-	-	-	23 25	23 25
VAT Payable	-	-	-	3,171 00	3,171 00
	3,574,000 00	198,000 00	100,000 00	90,564 01	190,564 01
PAYMENTS					
Bank overdraft (Secured)	265,682 34	-	70,000 00	-	70,000 00
Preferential creditors	45,000 00	-	-	-	-
Unsecured creditors	757,650 63	-	-	-	-
Share capital	100 00	-	-	-	-
Wages & Salaries	-	-	-	2,715 20	2,715 20
PAYE & NIC	-	-	-	865 56	865 56
Administrators fees	-	-	15,000 00	50,000 00	65,000 00
Administrators expenses	-	-	-	1,688 85	1,688 85
Legal Fees	-	-	5,000 00	7,181 00	12,181 00
Gazebo Installation Costs	-	-	-	1,435 00	1,435 00
Muddy Furniture Production Costs	-	-	-	275 00	275 00
Accounts Preparation	-	-	-	220 00	220 00
IT Services	-	-	-	350 00	350 00
Payroll Services	-	-	-	275 00	275 00
Vehicle Hire, tolls and haulage	-	-	-	451 43	451 43
Fuel costs	-	-	-	291 89	291 89
Misc costs	-	-	-	20 28	20 28
Agents fees	-	-	-	1,500 00	1,500 00
Agents expenses	-	-	-	117 00	117 00
Admin Support	-	-	-	500 00	500 00
Postage & Redirection	-	-	-	25 75	25 75
Utilities	-	-	-	928 77	928 77
Insurance of assets	-	-	-	836 55	836 55
Bank charges	-	-	16 20	23 98	40 18
VAT Receivable	-	-	4,000 00	12,615 78	16,615 78
	1,068,432 97	-	94,016 20	82,317 04	176,333 24
Balances in Hand			5,983 80	8,246 97	14,230 77

BHC1 LIMITED (FORMERLY BREEZE HOUSE COMPANY LIMITED) (IN ADMINISTRATION)

ADMINISTRATORS' ESTIMATED OUTCOME STATEMENT AS AT 8 APRIL 2014

£000's	Notes	Estimate as at 18 November 2013
Fixed Charge Assets		
Investment/Goodwill	1	100,000 00
less Administrators Fees	2	(25,000 00)
less Solicitors Fees	3	(5,000 00)
Total Fixed Charge Realisations		70,000 00
less Amount owed to Co-op		(1,145,682 34)
Deficit due to Co-op		(1,075,682 34)
Deficit due to Andrew Peck		(675,000 00)
Floating Charge Assets		
Stock	1	40,000 00
Plant & Machinery	1	19,000 00
Furniture and Fittings	1	2,994 00
Motor Vehicles	1	500 00
Other sale of business consideration	1	6 00
Net Gazebo realisations	4	9,476 40
Net Muddy furniture realisations	5	3,705 00
Book Debts	6	8,500 00
Directors loan repayment	7	2,957 31
Total Floating Charge Realisations		87,138 71
Floating Charge Costs		
Administrators Fees	2	(50,000 00)
Administrators Disbursements	2	(2,000 00)
Solicitors Fees	3	(7,500 00)
Agents Fees	8	(1,617 00)
General Administration Costs	9	(3,729 88)
Insurance costs	10	(2,500 00)
Utilities cost	11	(2,000 00)
Contingency	12	(3,000 00)
Total Floating Charge Costs		(72,346 88)
Net Floating Charge Realisations		14,791 83
less Preferential Creditors	13	(45,000 00)
		-
less Prescribed Part		-
Funds Available to Floating Charge Holder		-
less Deficit to Co-op under Fixed Charge		(1,075,682 34)
Fund Available to Unsecured Creditors		-
Total amount for Co-op fixed charge		70,000 00
Total amount for Co-op floating charge		-
Potential return to Co-op		70,000 00
Potential return to Andrew Peck		-

Source: Management Information

Notes

- 1 Per SPA, asset split agreed with Corble in relation to Sale of business
- 2 Estimated Administrators costs and expenses based on similar engagements
- 3 DVF - Quote to deal with legal matters
- 4 Installation of two Gazebos less direct costs
- 5 Delivery of Muddy Furniture less direct costs
- 6 £5k collected to date, estimate to collect further £3.5k of debts
- 7 Directors loan account settled in full
- 8 Sanderson Weatherall - Invoice for inventory and valuation advice
- 9 Direct administration including staff wages IT support & web services
- 10 Willis - Estimate of insurance costs
- 11 Estimate of utility costs, c£900 paid to date
- 12 General contingency
- 13 Estimated preferential claims

BREEZE HOUSE HOLDINGS LIMITED (IN ADMINISTRATION)

ADMINISTRATORS' TIME COSTS FOR THE PERIOD 9 OCTOBER 2013 TO 8 APRIL 2014

	Partners & Directors	Managers	Assessors & Support	TOTAL	Average Hourly Rate (£)
	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning					
Cashiering and Statutory Filing	0.20	170.00	0.70	346.50	573.89
Case Supervision, Management and Closure	4.00	2,580.00	-	-	576.46
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	-	-	-
General Reporting	-	-	2.00	800.00	400.00
Liaison with Other Insolvency Practitioners	-	-	-	-	-
	4.20	2,750.00	2.70	1,146.50	530.32
Investigations					
Investigations	-	-	-	-	-
Reports on Directors' Conduct	-	-	2.00	930.00	465.00
	-	-	2.00	930.00	465.00
Trading					
Day 1 Control of Trading	-	-	3.50	1,627.50	465.00
Ongoing Trading	-	-	-	-	-
Monitoring Trading	-	-	-	-	-
Closure of Trade	-	-	-	-	-
	-	-	3.50	1,627.50	465.00
Realisation of Assets					
Book Debts	-	-	2.00	610.00	305.00
Other Assets (e.g. Stock)	-	-	-	-	-
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-
Retention of Title	-	-	3.50	752.50	215.00
Sale of Business / Assets	-	-	-	-	-
Third Party Assets	-	-	5.50	1,362.50	247.73
Creditors					
Employees	-	-	-	-	-
Preferential	-	-	-	-	-
Secured	-	-	-	-	-
Shareholders	-	-	6.50	3,022.50	465.00
Unsecured	-	-	6.50	3,022.50	465.00
Other Matters Include					
Litigation	-	-	-	-	-
Pensions	-	-	1.50	1,087.50	725.00
Tax and VAT	-	-	1.50	1,087.50	725.00
	-	-	-	-	-
TOTAL HOURS & COST	4.20	2,750.00	21.70	9,176.50	453.89
TOTAL FEES DRAWN TO DATE				0.00	

BHC1 LIMITED (BREEZE HOUSE COMPANY LIMITED) (IN ADMINISTRATION)

ADMINISTRATORS' TIME COSTS FOR THE PERIOD 9 OCTOBER 2013 TO 8 APRIL 2014

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning									
Cashiering and Statutory Filing	0.15	127.50	10.50	4,837.50	5.40	1,519.50	16.05	6,484.50	404.02
Case Supervision, Management and Closure	3.00	1,835.00	27.50	8,621.50	2.80	767.00	33.30	11,323.50	342.10
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	34.00	11,570.00	-	-	34.00	11,570.00	340.29
General Reporting	-	-	12.50	5,812.50	1.00	195.00	13.50	8,007.50	445.00
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	3.15	2,062.50	84.50	30,841.50	9.00	2,481.50	96.65	35,385.50	366.12
Investigations									
Investigations	-	-	-	-	-	-	-	-	-
Reports on Directors' Conduct	-	-	4.00	1,700.00	-	-	4.00	1,700.00	425.00
	-	-	4.00	1,700.00	-	-	4.00	1,700.00	425.00
Trading									
Day 1 Control of Trading	-	-	30.50	9,417.50	-	-	30.50	9,417.50	308.77
Ongoing Trading	-	-	27.50	8,112.50	-	-	27.50	8,112.50	295.00
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-
	-	-	58.00	17,530.00	-	-	58.00	17,530.00	302.24
Realisation of Assets									
Book Debts	-	-	12.00	5,340.00	-	-	12.00	5,340.00	445.00
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	56.00	15,540.00	0.75	142.50	56.75	15,682.50	276.34
Sale of Business / Assets	14.00	9,030.00	40.00	14,850.00	17.50	3,412.50	71.50	27,292.50	381.71
Third Party Assets	-	-	-	-	-	-	-	-	-
	14.00	9,030.00	108.00	35,730.00	18.25	3,555.00	140.25	48,315.00	344.49
Creditors									
Employees	-	-	53.00	18,420.00	-	-	53.00	18,420.00	347.55
Preferential	-	-	1.50	457.50	-	-	1.50	457.50	305.00
Secured	-	-	8.00	3,720.00	-	-	8.00	3,720.00	465.00
Shareholders	-	-	-	-	-	-	-	-	-
Unsecured	-	-	26.50	10,562.50	-	-	26.50	10,562.50	398.58
	-	-	89.00	33,160.00	-	-	89.00	33,160.00	372.58
Other Matters Include									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	0.70	633.50	17.95	8,758.75	6.05	1,381.75	24.70	10,774.00	436.19
	0.70	633.50	17.95	8,758.75	6.05	1,381.75	24.70	10,774.00	436.19
TOTAL HOURS & COST	17.85	11,728.00	361.45	127,720.25	33.30	7,418.25	412.60	146,864.50	355.95
TOTAL FEES DRAWN TO DATE									65,000.00