

# AM10

## Notice of administrator's progress report



Companies House



please  
at  
eshouse

### 1 Company details

Company number 0 6 5 0 6 9 7 9

Company name in full Smoke Club Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Stephen Paul

Surname Grant

### 3 Administrator's address

Building name/number 2nd Floor Regis House

Street 45 King William Street

Post town London

County/Region

Postcode E C 4 R 9 A N

Country

### 4 Administrator's name ①

Full forename(s) Meghan

Surname Andrews

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 2nd Floor Regis House

Street 45 King William Street

Post town London

County/Region

Postcode E C 4 R 9 A N

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

AM10

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**6** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 0	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0

**7** Progress report

☒ I attach a copy of the progress report

**8** Sign and date

Administrator's  
signature

Signature

X 

X

Signature date	<sup>d</sup> 0	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
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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 **Meghan Andrews**

Company name **Wilkins Kennedy**

Address **2nd Floor Regis House**

**45 King William Street**

Post town **London**

County/Region

Postcode **E C 4 R 9 A N**

Country

DX

Telephone **0207 403 1877**



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Smoke Club Limited t/a 'Cable' and 'Relay' – In Administration**

**Progress Report to Creditors**

**For The Period: 10 February 2020 to 9 August 2020**

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## **APPENDICES**

- A** Receipts and Payments Account from 10 February 2020 to 9 August 2020, including a Cumulative Receipts and Payments Account for Period from 10 August 2016 to 9 August 2020
- B** Explanation of Time Charging, Disbursement and Provision of Services Regulations Policies

## **1 Introduction**

Anthony Malcolm Cork and Stephen Paul Grant were appointed as Joint Administrators of Smoke Club Limited ("the Company") on 10 August 2016 upon JSO Financial Services Limited, as a qualifying floating chargeholder, filing a "Notice of Appointment of an Administrator" in accordance with Paragraph 14 of Schedule B1 of the Insolvency Act 1986. The Administration is registered in the High Court of Justice, reference number 4692 of 2016.

Please note that on 5 June 2020, Anthony Malcolm Cork was replaced by way of Court Order as Joint Administrator by Meghan Andrews (IP Number: 24110) of Wilkins Kennedy, 2<sup>nd</sup> Floor Regis House, 45 King William Street, London, EC4R 9AN following his departure from Wilkins Kennedy.

The Company's former trading address was 33 Bermondsey Street, London, SE1 3JW and it previously traded as 'Cable' and 'Relay'. The registered office of the Company is 2<sup>nd</sup> Floor Regis House, 45 King William Street, London, EC4R 9AN. The Company's registered office prior to Administration was c/o Wise & Co, The Old Star, Church Street, Princes Risborough, Buckinghamshire, HP27 9AA and its registered number is 06506979.

The Joint Administrators are required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the period from 10 February 2020 to 9 August 2020 ("the Period") and should be read in conjunction with the Joint Administrators' proposals and any previous progress reports issued in this matter.

Information about the way that the Joint Administrators' use and store personal data on insolvency appointments can be found on our website using the following link:- [www.wilkinskennedy.com/services/advisory/insolvency/insolvency-privacy-notice/](http://www.wilkinskennedy.com/services/advisory/insolvency/insolvency-privacy-notice/). If you are unable to download this, please contact us and a hard copy will be provided to you.

## **2 Progress of the Administration**

You may recall that the statutory objective being pursued in the Administration was to rescue the business as a going concern. In addition to the pursuance of this statutory objective, the Administrators have duties imposed by insolvency and other legislation, some of which may not provide any financial benefit to creditors.

This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrators under other related legislation.

Creditors will note that following an application to Court in the Period, the Administration has been extended to 10 August 2022, by which point it is hoped that the claim against Network Rail will have been finalised and the statutory objective achieved.

At Appendix A is the Receipts and Payments Account covering the Period, which includes a cumulative Receipts and Payments Account from the date of Administration to 9 August 2020.

You will note that funds of £2,339.86 are held in the Administration bank account held with Metro Bank plc. I can confirm that the account has been reconciled to the bank statements and is non-interest bearing.

### ***Administration (including statutory compliance & reporting)***

As noted above, the Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation, which will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

The following work has been undertaken in this respect in the Period:

- Preparation and circulation of the Joint Administrators' progress report to creditors for the period ended 9 February 2020.
- Assisting the solicitors with collating the information required to prepare the witness statement and application to the Court for the extension of the Administration.

Further details of the work completed in relation to the Joint Administrators' statutory obligations, and other general administration tasks can be found at Appendix B.

### ***Realisation of Assets***

#### ***Other Refunds***

On 12 February 2020, a cheque in the amount of £117.24 was received from the Company's former bankers, NatWest Bank plc, in relation to a refund of bank charges previously charged on the Company's accounts in error.

#### ***Network Rail Claim***

The only outstanding asset to be dealt with in the Administration is the Company's claim against Network Rail. Details of the background to the claim have been provided in previous progress reports.

Mr Robert Doyle continues to fund the costs associated with pursuing the claim against Network Rail and the Joint Administrators are in regular contact with him regarding the progress of the claim. It is not proposed to disclose any further information about the claim at this stage so as not to prejudice the ongoing proceedings, however full details will be provided in due course.

It is considered that the work the Joint Administrators and their staff have undertaken to date will bring a financial benefit to creditors and ultimately, will enable the statutory purpose of the Administration to be achieved.

### ***Creditors (claims and distributions)***

Further information on the anticipated outcome for creditors in this case can be found at section 4 of this report. The Joint Administrators are not only required to deal with correspondence and claims from unsecured creditors, but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture. Separate reporting has not been required in this case.

The above work will not necessarily bring any financial benefit to creditors generally, however the Joint Administrators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a

company has, the more time and cost will be involved by the Joint Administrators in dealing with those claims.

### ***Investigations***

You may recall from the first progress report to creditors that some of the work the Joint Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 ("CDDA 1986") and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that can be pursued for the benefit of creditors.

The report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted within six months of the Administration. The contents of this report are confidential.

Since the last progress report we would advise that no further asset have come to our attention that may be pursued for the benefit of creditors.

### ***Outstanding Matters***

The following matters remain to be dealt with in the Administration:

- The Joint Administrators will continue to monitor the claim against Network Rail;
- The submission of post-Administration VAT and Corporation Tax returns;
- Preparation and circulation of the Joint Administrators' six monthly progress reports to creditors;
- Such action as may be required to deal with creditors' claims upon concluding the claim against National Rail;
- The preparation of periodic case reviews, including a closure review once the Administration is ready to be closed; and
- The circulation of a final report to creditors upon all matters in the Administration being finalised.

## **3 Joint Administrators' Remuneration**

The Joint Administrators' remuneration was authorised by the unsecured creditors to be drawn as a fixed amount of £10,000.00 plus VAT with an additional amount of £1,500.00 plus VAT payable for each additional year or part year that the Administration remained open after the initial 12 months.

As part of the funding agreement with Mr Robert Doyle, it has been agreed that he will meet these costs until such time as funds become available in the Administration. The Joint Administrators are entitled to be paid £14,500.00 plus VAT for the costs incurred up to 9 August 2020, and fees of £11,500.00 plus VAT have been paid to date.

### Joint Administrators' Expenses

We have incurred expenses to 9 August 2020 of £428.98 plus VAT of which £13.34 plus VAT was incurred in the Period. Details of the expenses incurred to date are set out below:

<i>Type of Expense</i>	<i>Expenses Incurred</i>		<i>Expenses Outstanding</i>	<i>Estimated Future Expenses</i>
	<i>This Period</i>	<i>Total</i>		
Postage	£2.69	£74.08	£13.73	£13.45
Stationery*	£0.65	£8.90	£1.95	£3.25
Statutory Advertising	-	£146.00	-	£86.65
IT Administration Fee	-	£110.00	-	-
Specific Bond	£10.00	£90.00	£70.00	-
<b>Total</b>	<b>£13.34</b>	<b>£428.98</b>	<b>£85.68</b>	<b>£103.35</b>

\* This is the only Category 2 disbursement charged in the Administration.

Of the expenses incurred, £85.68 remains unpaid at the date of this report.

### Professional Fees

The following agents and professional advisors have been used in the Administration:

<i>Professional Advisor</i>	<i>Nature of Work</i>	<i>Fee Arrangement</i>
Coyle White Devine	Assistance in making an application to court to extend the term of the Administration (2017). <sup>1</sup>	Time Costs - £2,092.00 plus VAT Disbursements - £155.00 Counsel's Fees - £450.00 plus VAT
Coyle White Devine	Assistance in making an application to court to extend the term of the Administration (2018). <sup>2</sup>	Time Costs - £1,500.00 plus VAT Disbursements - £95.00 Counsel's Fees - £600.00 plus VAT
Coyle White Devine	Assistance in making an application to court to extend the term of the Administration (2020). <sup>3</sup>	Time Costs - £3,000.00 plus VAT Disbursements - £95.00 Counsel's Fees - £600.00 plus VAT

Note 1 - Per the terms of the court order, 50% of these costs will be drawn from the Administration funds however, presently the whole balance has been funded by Mr Robert Doyle.

Note 2 – Per the terms of the court order, none of these costs will be drawn from the Administration funds. The costs have therefore been funded by Mr Robert Doyle.

Note 3 – Per the terms of the court order, the costs of the application will be treated as an expense in the Administration and will be drawn from the Administration funds in due course. These costs remain outstanding however, will be funded by Mr Robert Doyle until such time as there are sufficient funds available in the Administration.

Further legal fees will be incurred by the solicitors in respect of pursuing the legal action against Network Rail. These legal fees will be funded by Mr Robert Doyle in the first instance, who will be reimbursed any fees paid from realisations achieved as a result of the legal action being funded.

The choice of professionals is based on the perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

A “Creditors Guide to Administrators’ Fees” is available at the following internet link [www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/](http://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/). A hard copy of this document is available free of charge upon request to my office.

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Administrators’ remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Administrators’ fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

#### **4 Estimated Outcome for Creditors**

##### **Secured Creditors**

The following charges are registered at Companies House and were showing as outstanding immediately prior to the date of Administration:-

<i>Name of Chargeholder</i>	<i>Type of Charge</i>	<i>Date Created</i>	<i>Date Registered</i>
JSO Financial Services Limited ("JSO")	Floating	8 August 2016	9 August 2016
Kaymont Finance Limited ("KFL")	Fixed and Floating	15 April 2013	29 April 2013

At the date of Administration, JSO had an outstanding liability of £2,340.00 and a formal claim has been received in this sum.

As creditors have previously been advised, KFL have an outstanding debt due to them of £3,128,890.00 however following a review of their security documentation at the outset of

the Administration it was determined that this was not valid and as such their claim in the Administration is unsecured.

#### *Prescribed Part*

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company granted a floating charge over its assets to a lender on or after 15 September 2003. This is known as the Prescribed Part of the net property. A Company's net property is that left after paying the preferential creditors and the costs of the Administration, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property up to a maximum of £600,000.

Since the floating charge over the Company's assets was created after 15 September 2003 the prescribed part provisions do apply in this case. As the quantum of the Company's assets is not yet known, it is not possible to estimate the value of the Company's net property or Prescribed Part.

#### Preferential Creditors

No preferential claims are expected to be received and none have been received in the Administration to date.

#### Unsecured Creditors

The Statement of Affairs detailed that the Company had 4 unsecured creditors with claims totalling £3,456,374.76. To date, 7 unsecured creditor claims have been received totalling £5,865,826.51.

There are no scheduled creditors who have not submitted claims and 3 claims totalling £2,404,456.73 have been received from creditors who were not listed on the Statement of Affairs.

#### Dividend Prospects

Claims have not been reviewed or agreed for dividend purposes since there are insufficient available funds to declare a dividend to any class of creditor at this time.

As Joint Administrators, we do not have the power to declare and pay a dividend to the unsecured creditors without first obtaining a court order to do so and therefore we do not intend to review or agree the claims until such time as the realisation of assets has been concluded and such an order has been obtained.

## **5 Ending the Administration**

The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

It is anticipated that the Company will exit Administration by the Joint Administrators' filing a Notice of End of Administration stating that the purpose of the Administration has been achieved.

## **6 Creditors' Rights**

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrators, as set out in this progress report, are excessive.

## **7 Next Report**

The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised they wish to extend it.



**Meghan Andrews**  
**Joint Administrator**

## **Appendix A**

**Receipts and Payments Account from 10 February 2020 to 9 August 2020, including a Cumulative  
Receipts and Payments Account for Period from 10 August 2016 to 9 August 2020**

**Smoke Club Limited t/a 'Cable' and 'Relay'**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 10/02/2020 To 09/08/2020 £	From 10/08/2016 To 09/08/2020 £
	ASSET REALISATIONS		
	Bank Interest Gross	NIL	3.62
	Cash at Bank	NIL	2,156.73
	Other Refunds	117.24	117.24
	Contribution to Costs	NIL	16,735.30
NIL	WIP - Recoverable Professional Fees	NIL	NIL
		117.24	19,012.89
	COST OF REALISATIONS		
	Legal Fees	NIL	4,892.00
	Joint Administrators' Expenses	NIL	343.30
	Joint Administrators Fees	NIL	11,500.00
		NIL	(16,735.30)
	FLOATING CHARGE CREDITORS		
(3,131,230.00)	Floating Charge Creditor	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(329,504.79)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
(3,460,734.79)		117.24	2,277.59
	REPRESENTED BY		
	Bank 1 Current		2,339.86
	Vat Payable		(62.27)
			2,277.59

## **Appendix B**

### **Explanation of Time Charging, Disbursement and Provision of Services Regulations Policies**

## Fees Recovery Policy

1 January 2017 to 2 December 2018	£	3 December 2018 to date	£
Partners	410.00 - 460.00	Partners	430.00 - 470.00
Directors/Managers	230.00 - 360.00	Directors/Managers	210.00 - 390.00
Senior Administrators	145.00 - 200.00	Administrators	110.00 - 210.00
Administrators	100.00 - 160.00	Junior/Trainee Administrators	95.00 - 200.00
Junior/Trainee Administrators	50.00 - 110.00	Cashiers/Secretaries	60.00 - 100.00
Cashiers/Secretaries	75.00 - 90.00		

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), in cases where remuneration is based either solely or in part on a time cost basis the charge out rates detailed above are applicable to this appointment exclusive of VAT. Rates are normally reviewed on an annual basis and adjustments made accordingly where deemed appropriate. Time is recorded in 6 minute units by each staff member working on the case.

In all cases a description of the routine work undertaken by category is detailed as follows:

### 1. Administration and planning

- Preparing documentation and dealing with the formalities of appointment.
- Dealing with all routine correspondence.
- Maintaining physical case files and electronic case details.
- Reviewing the ongoing progression of case files.
- Arranging the collection and storage of Company records.
- Ensuring an appropriate case bordereau is in place.
- Case planning and administration.

### 2. Investigations

- Review of the Company's books and records.
- Preparation of returns / reports pursuant to the Company's Directors Disqualification Act 1986.
- Conduct investigations into any suspicious transactions.
- Reviewing the books and records to identify any transactions or actions that the officeholder may take in order to recover funds for the benefit of creditors.

### 3. Realisation of assets

- Identifying, securing and obtaining sufficient insurance in respect of Company assets.
- Dealing with any retention of title or other third party claims.
- Debt collection functions.
- Negotiating and completing property, business and asset sales.
- Liaising with the Company's former bankers to realise cash at bank.
- Monitoring legal position with regards to the Network Rail Claim.

### 4. Cashiering

- Managing case bank accounts.

- Maintaining case cash books.

## 5. Creditors

- Dealing with creditor correspondence and telephone conversations.
- Maintaining creditor information and claims (including those submitted by secured and unsecured creditors).

## 6. Statutory

- Statutory notifications and advertising.
- Convening and holding meetings of members and creditors where appropriate.
- Preparing reports to members and creditors.
- Filing of statutory documents with the Registrar of Companies and/or the court.

### **Explanation of Officeholders Disbursement Recovery Policy**

SIP 9 also requires that the office holder provide a statement of the officeholder's policy in relation to the recharging of disbursements. SIP 9 defines disbursements as either Category 1 or Category 2 disbursements, further details of which are below.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements will generally comprise costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs.

#### Charging and disbursement recovery policy

Category 1 disbursements are recoverable without approval, and will be recovered by the office holder as they are incurred.

Category 2 disbursements do require approval, and should be identified and subject to approval by those responsible for approving remuneration. SIP 9 provides that, the office holder may make a separate charge for expenses in this category, provided that:-

- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation and allocation; it will be persuasive evidence of reasonableness, if the resultant charge to creditors is in line with the cost of external provision; and
- the basis of the proposed charge is disclosed and is authorised by those responsible for approving his remuneration.

Payments to outside parties in which the officeholder or his firm or any associate (as defined by Section 435 of the Insolvency Act 1986) has an interest should be treated as category 2 disbursements.

The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Photocopying	5 pence per sheet
Mileage	45 pence per mile
Meeting Room	£50

Category 2 disbursements are recovered by the office holder in accordance with the above guidance.

### **Provision of Services Regulations**

When carrying out all professional work relating to an insolvency appointment, Insolvency Practitioners are bound by the Insolvency Code of Ethics.

To comply with the Provision of Services Regulations, some general information about Wilkins Kennedy, including our complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, is available on our website using the following link: [www.wilkinskennedy.com/services/advisory/insolvency/provision-service/](http://www.wilkinskennedy.com/services/advisory/insolvency/provision-service/).