

# AM10

## Notice of administrator's progress report



Companies House

SATURDAY



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30/03/2019

#211

COMPANIES HOUSE

### 1 Company details

Company number 06506979

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 EC4R9AN

Country

### 4 Administrator's name ①

Full forename(s) Anthony Malcolm

Surname Cork

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 EC4R9AN

Country

② Other administrator  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d	1	d	0	m	0	m	8	y	2	y	0	y	1	y	8
To date	d	0	d	9	m	0	m	2	y	2	y	0	y	1	y	9

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*[Handwritten Signature]*

X

Signature date

d	2	d	9	m	0	m	3	y	2	y	0	y	1	y	9
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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 **Swedana Lobo**

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  
("the Company")**

**Progress Report to Creditors**

**For the Period: 10 August 2018 to 9 February 2019**

Wilkins Kennedy  
2nd Floor Regis House  
45 King William Street  
London  
EC4R 9AN

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## **1. Introduction**

Anthony Malcolm Cork and I were appointed as Joint Administrators of the Company on 10 August 2016 upon JSO Financial Services Limited, as a qualifying floating chargeholder, filing a “Notice of Appointment of an Administrator” at the High Court of Justice in accordance with Paragraph 14 of Schedule B1 of the Insolvency Act 1986. The appointment permitted the Joint Administrators to take any actions required either jointly or alone and I can confirm that we act as agents of the Company and contract without personal liability.

On 7 August 2017, the County Court at Central London ordered that the term of office of the Administrators be extended pursuant to paragraph 72(2)(a) of Schedule B1 of the Insolvency Act 1986 for a period of twelve months to 10 August 2018. On 8 August 2018, the same court ordered that the term be further extended for a period of twenty-four months to 10 August 2020.

This report has been prepared for the purpose of updating the creditors on the progress of the Administration. The report is private and confidential and 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.

My full report is provided below and should be read in conjunction with my proposals dated 4 October 2016 and my previous progress reports. My proposals contain full details of the circumstances leading to my appointment. A summary of the information contained in this progress report is provided below:

- The work in relation to the Company’s claim against Network Rail remains ongoing and funding has been secured in relation to the costs of pursuing that claim.
- My statutory investigations have been completed and my report on the directors’ conduct submitted to the Insolvency Service.
- I have received a number of claims that were not included on the schedule of creditors circulated in the proposals dated 4 October 2017 which will need to be adjudicated upon.
- As the Administration was not completed prior to the extended end of the Administration period on 10 August 2018, an order that the Administration be extended until 10 August 2020 was obtained from the Court.

Statutory information concerning the Company is attached at Appendix I.

## **2. Purpose and Progress of the Administration**

The Joint Administrators must perform their functions with the objective of:

- a) rescuing the Company as a going concern; or
- b) achieving a better result for the Company’s creditors as a whole than would be likely if the Company were wound up (without first being in administration); or
- c) realising property in order to make a distribution to one or more secured or preferential creditors.

It is still considered that objective (a) will be achieved as a result of the Company’s claim against Network Rail.

### Term of Administration

The Administration was due to come to an automatic end on 10 August 2017. As the purpose of the Administration was not going to be able to be achieved by that date, an application was made to the court to request an extension to the time period of the Administration. On 7 August 2017, the Court ordered that the Administration be extended for the period of 12 months until 10 August 2018.

As the purpose of the Administration was still unable to be achieved by this extended date, a further application was made and on 8 August 2018, the Court ordered that the Administration be extended for a further period of 24 months until 10 August 2020.

### Proposals

My detailed proposals as Administrator were submitted to creditors on 4 October 2016 and the proposals were approved without modification on 19 October 2016.

### Actions Following Appointment

Following my appointment, in addition to carrying out my statutory duties, notifications and investigations, my primary initial task was to obtain sufficient information to determine the strategy in respect of the proposed compensation claim against Network Rail in order to determine the potential quantum of any such compensation, whether the action would be pursued by the Administration or the right to pursue the action sold to a third party. Following a number of meetings with parties connected to the Company with knowledge of the proposed claim, it has subsequently been determined that the action will be pursued by me following receipt of an offer to fund the costs of doing so.

I have otherwise dealt with various queries received since my appointment as Joint Administrator, reported to creditors in line with the statutory requirements and obtained a 12 month extension to the term of the Administration. I have also realised cash at bank funds and submitted the relevant confidential report to the Secretary of State following the conclusion of my initial investigations.

## **3. Receipts and Payments Account**

A summary of my receipts and payments from the date of Administration on 10 August 2016 to 9 February 2019 which schedules the asset realisations along with the costs incurred in realising such assets, is attached at Appendix II.

You will note that funds of £1,786.72 are held in the Administration bank account held with Metro Bank Plc. I can confirm that the account is interest bearing and has been reconciled to the bank statements.

## **4. Asset Realisations**

The company ceased to trade in May 2013 when bailiffs entered the trading premises and took possession as part of the local redevelopment plans by Network Rail. Owing to the time period between ceasing to trade and the date of Administration the Company had no chattel assets and at the date of the Administration there was only a small balance held in the Company's bank account. Details of which have been provided previously.

The only outstanding asset to be dealt with in the Administration is the Company's claim against Network Rail. I have provided details of the background to the claim in previous reports but in summary, Network Rail as landlord of the Company's trading premises in the railway arches at London Bridge evicted the Company from these premises as part of the work to redevelop London Bridge station, despite their assurances to the Company when they took on the lease that they wouldn't be affected by the redevelopment plans.

Creditors will recall that Mr Robert Doyle, who is the ultimate beneficiary of the Company's shares made an offer to fund the costs associated with pursuing the claim against Network Rail and a strategy for dealing with the claim has been formulated. Further details regarding the claim, the work undertaken in relation to the claim and the costs of this work will be provided when it is appropriate to do so.

## 5. Creditors' Claims and Dividend Prospects

### Secured Creditors

The following charges are registered at Companies House and were showing as outstanding immediately prior to my appointment.

<b>Name of Chargeholder</b>	<b>Type of Charge</b>	<b>Date Created</b>	<b>Date Registered</b>
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

As at the date of my appointment, JSO had an outstanding liability of £2,340.00 and a formal claim has now been received in this sum.

As creditors have previously been advised, KFL have an outstanding debt owed 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 gave 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

The only preferential creditors of an insolvent company are the former employees in respect of arrears of wages, holiday pay and unpaid pension contributions (up to certain statutory limits) and the Redundancy Payments Office ("RPO") for payments made from the National Insurance Fund in this respect.

No preferential claims are expected to be received and none have been received in the Administration to date. It should be noted that whilst claims have been received from former employees of the Company, due to the time elapsed since the Company ceased to trade and my appointment and the nature of the employment contracts, none of the claims received are considered to contain elements that could be claimed preferentially. Further consideration in this respect will be given to the claims when there are sufficient funds to declare and pay a dividend to such creditors.

### Unsecured Creditors

I have received claims from seven unsecured creditors totalling £5,865,826.51. There are no scheduled creditors who have not submitted claims. Three 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 Administrator, I 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 I do not intend to review or agree the claims until such time as the realisation of assets has been concluded and such a court order has been obtained.

## **6. Investigations**

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I considered in particular transactions which took place at the time of and immediately prior to the Company ceasing to trade.

As previously advised, from my review of the Company's books and records held, I did not highlight any matters that required further investigation however, a number of concerns were raised by creditors which warranted investigation. My work in this regard has now largely concluded due to the lack of available evidence to substantiate the claims but in the event that creditors are able to provide such documentation or further information comes to my attention, I reserve my position generally in relation to these investigations and will revisit them if appropriate.

Within six months of my appointment, I was required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make them unfit to be concerned with the management of the Company. I confirm that my report has been submitted.

## 7. Expenditure

### Pre-Administration Remuneration

I was instructed by JSO as qualifying floating chargeholder to assist them in placing the Company into Administration. It was agreed that they would pay my pre-appointment fees for this assistance, capped at £2,000.00 plus VAT. These fees have been paid by JSO outside of the Administration and as such I have not sought any approval from the unsecured creditors in this respect.

### Joint Administrators' Remuneration

My remuneration was authorised by unsecured creditors within the proposals on 19 October 2016 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 remains open after the initial 12 months.

This fee includes my work on the initial statutory formalities, preparation of the Joint Administrators' proposals, completing the statutory investigations, making any further enquiries required in relation to issues identified as part of the investigations, realising the Company's assets including the cash at bank balance and information regarding the Network Rail claim and arranging for the payment of the creditors in order that the objective of the Administration may be achieved. A description of the routine work undertaken in the administration is set out at Appendix III.

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. I am entitled to be paid £11,500.00 plus VAT for the fees up to 9 August 2018 but at the date of this report, those fees remain outstanding.

A "Creditors Guide to Administrators' Fees" is available at the following internet link [www.r3.org.uk/index.cfm?page=1210](http://www.r3.org.uk/index.cfm?page=1210). Please note that there are different versions of the guide and in this case you should refer to Version 3. 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.

Smoke Club Limited t/a 'Cable' and 'Relay' - In Administration  
Progress Report to Creditors  
For the Period: 10 August 2018 to 9 February 2019

Joint Administrators' Expenses

I have incurred expenses to 9 February 2019 of £343.30 plus VAT of which £9.00 plus VAT was incurred in the period since 10 August 2018. Details of the expenses incurred to date are set out below:

<i>Type of Expense</i>	<i>Category</i>	<i>Expenses incurred</i>		<i>Expenses Outstanding</i>
		<i>This Period</i>	<i>Total</i>	
Postage	1	£8.35	£60.35	£29.44
Stationery	2	£0.65	£6.95	£2.50
Statutory Advertising	1	-	£146.00	-
IT Administration Fee	1	-	£110.00	-
Specific Bond	1	-	£20.00	-
		£9.00	£343.30	£31.94

Of the expenses incurred, £31.94 remains outstanding 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).	Time Costs £2,092.00 plus VAT Disbursements £155.00 Counsel's Fees £450.00 plus VAT (Total £2,092.00 plus VAT included in above schedule of expenses). <sup>1</sup>
Coyle White Devine	Assistance in making an application to court to extend the term of the Administration (2018).	Time Costs and disbursements to be confirmed. Counsel's Fees £750.00 plus VAT <sup>2</sup>

Note 1 - Per the terms of the court order, 50% of these costs incurred will be drawn from the Administration funds and the balance will either be funded or written off.

Note 2 – Per the terms of the court order, none of these costs incurred will be drawn from the Administration funds. The costs will therefore be funded or written off.

All professional fees incurred to date remain outstanding.

Further legal fees will be incurred by Excelsior Solicitors in respect of pursuing the legal action regarding the compensation due to the Company from 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.

**8. Conclusion**

The Administration will remain open until the Network Rail claim pursued, the purpose of the Administration has been achieved and Company is able to exit Administration.

Should you require any further information relating to the Administration of the Company please do not hesitate to contact Swedana Lobo on 0207 403 1877 or at [swedana.lobo@wilkinskennedy.com](mailto:swedana.lobo@wilkinskennedy.com).



**Stephen Paul Grant**  
**Joint Administrator**

## Company Information

Company name: Smoke Club Limited  
Previous name: -  
Trading style: "Cable" and "Relay"  
Company registration number: 06506979  
Date of incorporation: 18 February 2008  
Current registered office: Bridge House, London Bridge, London, SE1 9QR  
Former registered office: c/o Wise & Co, The Old Star, Church Street, Princes Risborough, Buckinghamshire, HP27 9AA  
Trading addresses: 33 Bermondsey Street, London, SE1 3JW  
Principal trading activity: Music production and events

## Appointment Details

Date of appointment: 10 August 2016  
Appointment made by: Qualifying Floating Chargeholder – JSO Financial Services Limited  
Court name and reference: High Court of Justice Number 4692 of 2016  
Administrators' appointed: Stephen Paul Grant (IP Number: 008929) and Anthony Malcolm Cork (IP Number: 009401)  
Actions of Administrators: Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

EC Regulations apply. The proceedings are main proceedings as defined by Article 3 of the EC Regulation.

## Officers of the Company

Directors:	<u>Appointed</u>	<u>Resigned</u>
Mr Chester King	1 October 2012	-
Mr Jeremy O'Neill	10 October 2015	-
Mr Ryan Ashmore	16 July 2012	8 October 2015
Mr Philip Doyle	9 January 2012	10 September 2015
Mr Euan Johnston	18 February 2008	10 November 2014
Mr Steve Canueto	16 July 2012	9 May 2013

Company Secretary: There is no company secretary.

Shareholding: The Company's authorised share capital is 100 ordinary shares of £1.00 each which have been issued and are held solely by Kaymont Finance Limited.

## Charges

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

**Smoke Club Limited t/a 'Cable' and 'Relay' - In Administration**  
**Joint Administrators' Abstract of Receipts & Payments**

**From 10 August 2016 to 9 February 2019**

<b>S of A</b>	<b>As Previously Advised</b>	<b>10/08/2018 to 09/02/2019</b>	<b>Total</b>
<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>RECEIPTS</b>			
- Cash at Bank	2,156.73	-	2,156.73
- Bank Interest Gross	3.09	0.53	3.62
-	2,159.28	0.53	2,160.35
<b>PAYMENTS</b>			
Stationery	4.45	-	4.45
Statutory Advertising	146.00	-	146.00
Postage	30.91	-	30.91
IT Administration Fee	110.00	-	110.00
Specific Bond	20.00	-	20.00
Vat Receivable	62.27	-	62.27
	373.63	-	373.63
<b>CASH IN HAND (INTEREST BEARING)</b>	<b>1,785.65</b>	<b>0.53</b>	<b>1,786.72</b>

### **APPENDIX III**

#### **EXPLANATION OF TIME CHARGING, DISBURSEMENT AND PROVISION OF SERVICES REGULATIONS POLICIES**

## **Explanation of Officeholders Time Charging Policy**

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the charge out rates detailed on the previous page 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. A description of the routine work undertaken which time will be recorded for 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.

### **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 creditors, employees and other preferential 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 LLP, including our complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, is available on our website using the following link: <http://www.wilkinskennedy.com/services/wk-restructuring-recovery/provision-of-service-regulations/>