

# AM22

## Notice of move from administration to creditors' voluntary liquidation



Companies House

WEDNESDAY



A05 11/04/2018 #103  
COMPANIES HOUSE

### 1 Company details

Company number 0 7 2 9 7 4 8 3  
Company name in full CUTIS DEVELOPMENTS LIMITED

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Court details

Court name IN THE HIGH COURT OF JUSTICE

Court case number 1 4 4 5 O F 2 0 1 6

### 3 Administrator's name

Full forename(s) MARK  
Surname SUPPERSTONE

### 4 Administrator's address

Building name/number RESOLVE PARTNERS LIMITED  
Street 22 YORK BUILDINGS  
JOHN ADAM STREET  
Post town LONDON  
County/Region  
Postcode W C 2 N 6 J U  
Country UK

AM22

Notice of move from administration to creditors' voluntary liquidation

**5 Administrator's name ①**

Full forename(s) SIMON

Surname HARRIS

**① Other administrator**

Use this section to tell us about another administrator.

**6 Administrator's address ②**

Building name/number RESOLVE PARTNERS LIMITED

Street 22 YORK BUILDINGS

JOHN ADAM STREET

Post town LONDON

County/Region

Postcode W C 2 N 6 J U

Country UK

**② Other administrator**

Use this section to tell us about another administrator.

**7 Appointor/applicant's name**

Give the name of the person who made the appointment or the administration application.

Full forename(s) DOMINIC

Surname PERKS (A DIRECTOR)

**8 Proposed liquidator's name**

Full forename(s) MARK

Surname SUPPERSTONE

Insolvency practitioner number 9 7 3 4

**9 Proposed liquidator's address**

Building name/number RESOLVE PARTNERS LIMITED

Street 22 YORK BUILDINGS

JOHN ADAM STREET

Post town LONDON

County/Region

Postcode W C 2 N 6 J U

Country UK

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**10 Proposed liquidator's name<sup>①</sup>**

Full forename(s)	SIMON											
Surname	HARRIS											
Insolvency practitioner number	1	1	3	7	2							

**① Other liquidator**

Use this section to tell us about another liquidator.

**11 Proposed liquidator's address<sup>②</sup>**

Building name/number	RESOLVE PARTNERS LIMITED											
Street	22 YORK BUILDINGS											
	JOHN ADAM STREET											
Post town	LONDON											
County/Region												
Postcode	W	C	2	N		6	J	U				
Country	UK											

**② Other liquidator**

Use this section to tell us about another liquidator.

**12 Period of progress report**

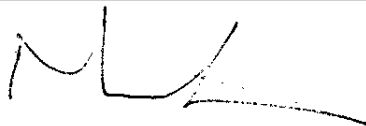
From date	<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7				
To date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8				

**13 Final progress report**☒ I have attached a copy of the final progress report.**14 Sign and date**

Administrator's signature

Signature

X



X

Signature date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8				
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### 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 RUPAL PARMAR

Company name RESOLVE PARTNERS LIMITED

Address 22 YORK BUILDINGS

JOHN ADAM STREET

Post town LONDON

County/Region

Postcode W C 2 N 6 J U

Country

DX

Telephone 020 7702 9775



### 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 and dated 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)

**Cutis Developments Limited  
In Administration (the Company)**

**Administrators' final progress report  
for the period 15 September 2017 to 23 March 2018**

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## 1. INTRODUCTION

As you may be aware, Simon Harris and Mark Supperstone were appointed as Administrators of the Company on 4 April 2016. This report is the Administrators' fourth and final report on the progress of the Administration and should be read in conjunction with the Administrators' disclosure in accordance with Statement of Insolvency Practice 16 (SIP16) and proposals dated 11 April 2016, together with the Administrators' progress reports dated 20 October 2016 and 14 March 2017 and 9 October 2017 (copies of which are available on request to this office, free of charge).

This Administrators' final progress report covers the period 15 September 2017 to 23 March 2018 (the Reporting Period). However it also covers matters dealt with throughout the course of the administration.

Please find attached the statutory information relating to the Company at **Appendix I**.

## 2. SUMMARY OF THE ADMINISTRATORS' PROPOSALS

The following proposals were approved at a meeting of creditors of the company by correspondence, held on 28 April 2016:

- (a) The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration by:
  - (i) Realising the Company's assets and distributing the same as deemed appropriate
  - (ii) Selling the Company's assets and recovering rent deposits at such time(s) on such terms as is considered appropriate;
  - (iii) Investigating and, if appropriate, pursuing any claims the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
  - (iv) Doing all such things and generally exercising all powers as Administrators as is considered desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) The Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered, or
- (c) The Administration will end by placing the Company into Creditors' Voluntary Liquidation, and it is proposed that Simon Harris and Mark Supperstone are appointed Joint Liquidators of the Company and that we be authorised to act either jointly or separately in undertaking our duties as Liquidator. Creditors may nominate a different person(s) as the proposed liquidator(s), but you must make the nomination(s) at any time after you receive these proposals, but before they are approved. Information about the approval of the proposals is set out below, or
- (d) The Administration will end by the presentation of a winding up petition to the Court for the compulsory liquidation of the Company, and propose that Simon Harris and Mark Supperstone are appointed Joint Liquidators of the Company by the Court, or
- (e) The Administrators be remunerated by reference to time properly spent by the Administrators and their staff in dealing with matters relating to the Administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. Details of the current charge out rates are outlined in Appendix V of the Administrators' proposals dated 11 April 2016.
- (f) The Administrators be authorised to draw category two expenses as outlined in Appendix V of the Administrators' proposals dated 11 April 2016.
- (g) The Administrators be discharged from liability in respect of any act of theirs 14 days after they cease to be Administrators of the Company.

### 3. STEPS TAKEN DURING THE ADMINISTRATION

As formerly reported, the Administrators decided that it was not appropriate to continue the business of the Company and that an immediate sale of the Company's business and certain assets was the best way to achieve the objective of the Administration. As a result, on 4 April 2016, the Administrators concluded a sale of the Company's business and certain assets to Biosupplements Limited (BL or the Purchaser).

Since the Administrators' appointment the following actions have been taken (not exhaustive):

- On 4 April 2016, the Administrators completed a pre-packaged sale of the Company's business and certain assets to BL
- Attended the Company's premises excluded as part of the sale of the Company's business and certain assets (the Excluded Premises) to advise employees of their termination or transfer of employment
- Written to all employees to advise of the transfer or termination of their employment
- Written to the Company's pre-appointment bankers, HSBC Bank plc (HSBC) to seek recovery of the cash at bank
- Liaised with the Purchaser regarding access to the Excluded Premises
- Instructed an agent, Lambert Smith Hampton (LSH) to assist with granting access to the Excluded Premises
- Contacted the landlords at the Excluded Premises regarding the Purchaser's attendance to remove assets acquired
- Liaised with the Company's pre-appointment auditors, KPMG LLP
- Corresponded with the Company's pre-appointment solicitors, Charles Russell Speechleys LLP (CRS)
- Drafted and issued the Administrators' disclosure in accordance with SIP 16 and proposals to creditors dated 11 April 2016
- Monitored receipt of the licence fee (the Licence Fee) due in accordance with the licence to occupy (the Licence) granted to the Purchaser for its ongoing occupation at the Company's various premises (the Premises)
- Liaised with landlords in respect of payment of rent and service charges for the Purchaser's ongoing occupation at the Premises
- Liaised with the Purchaser and landlords regarding assignment of certain leases
- Reviewed and amended lease assignment documents in respect of certain of the Premises
- Agreed extensions to the period of the Purchaser's occupation under additional licences to occupy
- Reviewed a draft share purchase agreement relating to the sale of the Company's shareholding in a subsidiary
- Liaised with Pitmans LLP (Pitmans) throughout in relation to post completion sale matters, drafting a share sale agreement relating to the Company's shareholding in a subsidiary and property related matters, including, but not limited to, lease assignment documents and matters relating to the granting of additional licences to occupy
- Issued informal surrenders of leases to landlords in respect of certain of the Premises and the Excluded Premises
- Completed a distribution of 100 pence in the pound to the Company's preferential creditors
- Instructed agents, PCA, to assist with recovery of rates refunds (where applicable)
- Remitted the deductions for PAYE and NI contributions from the preferential creditor dividend to HM Revenue & Customs (HMRC)



- Instructed accountants, Saffrey Champness (SC), to prepare the Company's post administration tax returns and submit the same to HMRC
- Liaised with creditors regarding claims and enquiries
- Taken steps to finalise the Administration
- Concluded the Administration and delivered the relevant form to place the Company into Creditors' Voluntary Liquidation (CVL) to the Registrar of Companies, and
- Addressed statutory duties associated with this Administration.

#### 4. OUTCOME OF THE ADMINISTRATION

The Administrators have achieved objective (b) by 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).

Objective (b) has been achieved by completing the sale of the Company's business and certain assets. Furthermore, the sale has allowed for 85 jobs to be saved and reduced creditor claims as the Purchaser agreed to honour pre-paid customer deposits. In addition, the sale has allowed for the assignment of certain of the Company's leases thereby further increasing the assets available for creditors. The sale of the business and certain assets excluded, amongst other things, the Company's rent deposits; on assignment of leases the rent deposits were returned to the Company. In a liquidation scenario it is considered that the Company's landlords would have sought to forfeit leases, accordingly the recoverability of rent deposits would have been significantly diminished.

The sale of the Company's business and certain assets and recovery of other assets of the Company excluded from the sale, including rent deposits has now been concluded. The Company will exit Administration and be placed into Creditors' Voluntary Liquidation to allow for a dividend to be declared to non-preferential unsecured creditors in the subsequent liquidation.

#### 5. RECEIPTS AND PAYMENTS

The Administrators' receipts and payments account for the Reporting Period is attached at **Appendix II**. Please note the balance held will be transferred to the Liquidation bank account shortly.

#### 6. ASSETS

##### Sale of business

On 4 April 2016, shortly following Administration, a sale of the Company's business and certain assets was completed to BL (company number 09325297), for £105,000 (the Consideration). The Consideration was received in full on completion.

A summary of the assets sold and the amount payable for each asset class is detailed below:

Description	Consideration received £
Plant, furniture and equipment	67,500
Goodwill	2,500
Names	2,500
Intellectual property	2,500
Software	2,500
Stock	7,500
Work in progress	2,500
Contracts	10,000
Database	2,500
Rent prepayment	5,000
	<u>105,000</u>

In addition to the Consideration, the Purchaser paid £2,050 as an "access fee" towards the costs of accessing the Excluded Premises.

As part of the sale, BL agreed to honour existing pre-appointment treatment obligations for customers who had already paid for treatment courses. The Company's records indicated this liability totals between £528,000 and £2 million.

The Purchaser also took on 85 employees thereby reducing preferential and unsecured creditor claims.

As previously reported, the Purchaser is an associated company by way of Dominic Perks' common directorship and shareholding in the Company and BL.

Further details of the transaction were provided in the Administrators' disclosure in accordance with SIP 16 and proposals to creditors dated 11 April 2016.

#### **Cash at bank**

Following the Administrators' appointment, the Company's financial controller was instructed to transfer the majority of the Company's cash at bank held at HSBC to the Administration bank account. The Administrators wrote to HSBC requesting the transfer of the remaining balance.

HSBC advised it held approximately £15,000 by way of cash security in respect of credit cards issued to the Company. The credit card indebtedness totalled £14,054 and HSBC exercised its right of offset to satisfy the credit card liability.

Total cash balances recovered total £48,005 (including cash balances recovered from float held at the Company's sites). No further recoveries are anticipated from this source.

#### **Investments**

The Company's balance sheet indicates investments in its subsidiaries, Proskin Clinics Limited (PCL) and Cutis Developments (Bluewater) Limited (CDBL). Please note the sale of the Company's business and certain assets excluded the investments in its subsidiaries.

PCL is a dormant entity and was placed into Creditors' Voluntary Liquidation (now closed). Ben Woodthorpe, Simon Harris and Mark Supperstone of ReSolve were appointed as Liquidators of PCL. Mr Woodthorpe acted as the lead liquidator of PCL. As a result of the liquidation no recoveries were received from this source.

CDBL held a lease at one of the sites operated by the Company. As previously advised, the Administrators liaised with the Purchaser regarding it acquiring the Company's shareholding in CDBL. A draft share purchase agreement was issued to the Purchaser, however the sale did not completed and the Purchaser withdrew from the sale.

Following the Purchaser's withdrawal from the proposed sale share, CDBL was placed into CVL (now closed). Ben Woodthorpe and Simon Harris of ReSolve were appointed as Liquidators of CDBL. Again, Mr Woodthorpe acted as the lead liquidator of CDBL. No recoveries are anticipated from this source.

#### **Book debts**

The Company's management balance sheet indicates debtors of £2,527.

On review of a schedule of book debts the majority relate to accrued income from point of sale credit/debit card transactions. These sums are included in the cash at bank figure recovered from the Company's pre-appointment bankers as reported above. Accordingly, no further recoveries are anticipated.

#### **Unpaid share capital**

The Company's management accounts indicate unpaid share capital of £1,000. The Administrators wrote to the Company's shareholder who had unpaid share capital requesting payment of same. Payment was received in full.

### **Prepayments**

The Company's management balance sheet indicated prepayments of £44,060.

The prepayments predominately relate to leased equipment charges and business rates and are not considered be recoverable. No further recoveries are anticipated.

### **Rent deposits**

As outlined earlier in this report, certain assets were excluded from the sale of the Company's business and certain assets, including rent deposits. The Company's records indicate rent deposits advanced of £140,928.

In accordance with the terms of the sale, the Purchaser was granted licences to occupy seven of the Company's 11 premises from which it intended to continue to trade.

During the licence period the Purchaser entered into negotiations with the landlords with a view to assigning the leases. Due to delays in agreeing assignments of leases, it was necessary to grant the Purchaser additional licences to occupy the Premises to finalise same.

It should be noted that certain of the Premises had pre-appointment rent arrears. As a result landlords sought to deduct pre-appointment rent arrears from the deposits held, thereby reducing the overall sum recoverable.

The Purchaser successfully assigned several of the Company's leases, bringing total rent deposit recoveries in the Administration to £47,108. The Purchaser has now assigned all the Company's leases that it wishes to assign; accordingly no further recoveries are anticipated from properties subject to the licences to occupy.

### **Rates refunds**

The Administrators instructed agent, PCA, to access and assist with recoveries of any rates refunds due to the Company and give consideration to submitting business rates appeals, where necessary.

Rates refunds totalling £1,843 have been received to date. Further recoveries are unlikely.

### **Accrued income**

The Company's balance sheet indicates accrued income of £6,082.

Accrued income relates to point of sale credit/debit card transactions. The card transactions automatically credit the Company's pre-appointment bank account and funds received are included in the cash at bank funds detailed earlier in this report. No further sums are anticipated to be received.

The Administrators are not aware of any further assets to recover.

## **7. DIVIDENDS**

### **Secured creditors**

The records held at Companies House show that the Company has no current charges over its assets.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (that is, the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

### **Preferential creditors**

The Statement of Affairs anticipated £1,800 in preferential creditors.

The Redundancy Payments Office submitted a preferential claim totaling £1,439. Employee balancing claims totaling £1,732 were anticipated, bringing total preferential claims to £3,171.

On 19 January 2017, a first and final distribution to preferential creditors of £3,171, being 100 pence in the pound, was completed. Please note the above includes deductions of PAYE and National Insurance.

### Non-preferential unsecured creditors

The Statement of Affairs included unsecured creditors with an estimated total liability of circa £1.3million. The Administrators have received claims from creditors totalling circa £972,000. Please note no adjudication on creditors' claim has been completed.

It appears likely that a dividend will be declared to non-preferential unsecured creditors and accordingly the Company will be subsequently placed into Creditors' Voluntary Liquidation to facilitate the distribution. The duly appointed liquidator will write further to creditors in that regard.

## 8. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

The Administrators 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. The Administrators took into account the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. There were no matters that justified further investigation in the circumstances of this appointment.

Within six months of the Administrators' appointment, the Administrators are required to submit a confidential report to the Department of Business, Energy and Industrial Strategy to include any matters which have come to their attention during the course of their work which may indicate that the conduct of any past or present director would make him/her unfit to be concerned with the management of a company. The Administrators confirm that their report has been submitted.

## 9. PRE-ADMINISTRATION COSTS

On 28 April 2016 the Administrators' pre-appointment fees totalling £48,241 (£10,000 of which had been paid prior to Administration) were approved by creditors.

The Administrators' pre-appointment fees have been drawn in full.

## 10. ADMINISTRATORS' REMUNERATION

The Administrators' remuneration was previously authorised at a meeting of creditors, by correspondence, on 28 April 2016 to be drawn on a time cost basis.

The Administrators' time costs during the Reporting Period amount to £5,235, representing 19 hours' work at an average charge out rate of £278 per hour, bringing cumulative time costs to £134,484.

The Administrators have drawn total remuneration in the Administration of £95,758. The Administrators anticipate drawing the balance of their remuneration (subject to the fee estimate) in the subsequent liquidation.

As outlined in the Administrators' proposals dated 11 April 2016, the Administrators' fee estimate totalled £98,153 of time costs being incurred during the course of this Administration. The Administrators' fee estimate has been exceeded due to complexities in completing lease assignments, including granting additional licences to occupy the Premises in order to recover rent deposits. The Administrators propose to seek an increase in their fee estimate for the additional time incurred during the Administration and the subsequently appointed Liquidators will write to creditors outlining a fee estimate for the additional work completed in the Administration and for conduct of the subsequent liquidation in due course.

A schedule of the Administrators' charge out rates, disbursement policy and a narrative description of the work undertaken in the Administration to date, together with the time costs incurred during the Reporting Period is attached as **Appendices III and IV**.

The relevant creditor's guide to Administrators' Fees can be found under the heading Creditor Guides on my website at <http://www.resolvegroupuk.com/resources/>. Please note there are different versions of the guides, and in this case you should refer to the version for insolvencies after 1 October 2015. A hard copy can be obtained on request, free of charge, from this office.

## 11. ADMINISTRATORS' EXPENSES

The Administrators' expenses during the Reporting Period amount to £131, bringing cumulative Administrators' expenses to £1,654.

Of the total, £906 was incurred in respect to category two disbursements. The Administrators confirm the basis of charging category two disbursements was approved by creditors on 28 April 2016:

A schedule of the Administrators' expenses is detailed below:

	<b>CATEGORY 1</b>	<b>CATEGORY 2</b>	<b>TOTAL</b>	<b>PAID TO DATE</b>	<b>OUTSTANDING</b>
	<b>Cost (£)</b>	<b>Cost (£)</b>	<b>Cost (£)</b>	<b>Cost (£)</b>	<b>Cost (£)</b>
Bonding	375	-	375	375	-
Insolv Fee	110	-	110	110	-
Subsistence	7	-	7	7	-
Travel	232	-	232	232	-
Postage		906	906	775	131
IT Support	25	-	25	25	-
	<b>749</b>	<b>906</b>	<b>1,654</b>	<b>1,524</b>	<b>131</b>

The Administrators have drawn expenses of £1,524 in this matter. The balance of the Administrators' expenses will be drawn in the subsequent liquidation.

### Professional advisors

A schedule of the professional advisors and their fees are detailed below:

<b>Professional advisor</b>	<b>Nature of work</b>	<b>Fee arrangement</b>	<b>Amount (£)</b>	<b>Paid (£)</b>	<b>Outstanding (£)</b>
Pitmans	Solicitors	Time costs	39,490**	8,000	-
Saffrey Champness	Accountancy	Time costs	4,250	4,250	-

\* Please note the above does not include disbursements

\*\* Please note certain sums were billed and paid directly by the Purchaser. Pitmans have agreed to write off the balance of its fees.

#### *Pitmans LLP*

Pitmans have assisted with drafting lease assignment documents, corresponding with the Purchaser's solicitor and landlords solicitors, drafting and completing various licences to occupy and draft a share purchase agreement, together with providing legal advice throughout the Administration.

#### *Saffrey Champness*

SC were instructed to prepare the Company's post appointment tax returns and submit the same to HMRC.

## 12. FURTHER INFORMATION AND COMPLAINTS

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the 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 the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the 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.

Should you have any comments or complaints regarding this Administration, please contact Cameron Gunn in the first instance. If you consider that we have not dealt with your comment or complaint appropriately, you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within ReSolve not involved in the Administration. A request for a review can be made in writing to the Compliance Manager, ReSolve Partners Limited, 22 York Buildings, John Adam Street, London, WC2N 6JU or by email to [simon.harris@resolvegroupuk.com](mailto:simon.harris@resolvegroupuk.com).

If you still feel that you have not received a satisfactory response then you may be able to make a complaint to the Complaints Gateway operated by the Insolvency Service. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email

[ip.complaints@insolvency.gsi.gov.uk](mailto:ip.complaints@insolvency.gsi.gov.uk), or you may phone 0845 602 9848. The Complaints Gateway will in turn determine if such complaint should be addressed by Mr Harris' and Mr Woodthorpe's regulatory body.

### 13. SUMMARY

The Administration is now complete. In accordance with the Administrators' proposals the case will proceed into Creditors' Voluntary Liquidation, where a distribution to the non-preferential unsecured creditors will be made.

Should you have any queries in relation to this matter please do not hesitate to Rupal Parmar of this office.

Yours faithfully  
For and on behalf of  
Cutis Developments Limited



Mark Supperstone  
Joint Administrator

***For enquiries regarding this correspondence please contact:***

Contact name: Rupal Parmar  
Phone number: 020 7702 9775  
Email: [Rupal.Parmar@resolvegroupuk.com](mailto:Rupal.Parmar@resolvegroupuk.com)

The affairs, business and property of the Company are being managed by the joint administrators.  
Principals: Partners, Directors and staff acting as administrators, administrative receivers or supervisors act as agents of the company over which they are appointed at all times and without personal liability.  
Cameron Gunn, Mark Supperstone, Simon Harris and Ben Woodthorpe are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

APPENDIX I

STATUTORY INFORMATION

Company name:	Cutis Developments Limited
Previous name:	-
Company number:	07297483
Date of incorporation:	28 June 2010
Trading addresses:	6 Lower Grosvenor Place, London SW1 W0EN (Head office) Unit WVU03, Lower Level, West Village, Bluewater, Kent 101A High Street, Esher, Surrey, KT10 9QE Unit 28, West 12 Shopping Centre, London, W12 1st Floor Rear Consulting Room, 100 Harley Street, London, W1G 7JA Units 16 & 17, One Exchange Square, Broadgate, London, EC2 Basement of Building 24 Welbeck Street, Welbeck Hospital, 27 Welbeck Street, London, W1G 8EN Unit No. 6 Earls Way, Intu Eldon Square, Eldon Square Shopping Centre, Newcastle upon Tyne Unit 1.99, MetroCentre, Swalwell, Tyne and Wear 101 High Street, Guildford, GU1 3DP 49-50 The Strand, London, WC2N 5LL 508-520 Oxford Street, London, W1C 1NB
Current registered office:	c/o ReSolve Partners Limited 22 York Buildings London WC2N 6JU
Former registered office:	Rainmaking Loft International House 1 St Katharine's Way St Katharine Docks London E1W 1TW
Principal trading activity:	Other beauty treatments
<b>Appointment details</b>	
Date of appointment:	4 April 2016
Appointment made by:	The directors of the Company
Court name and reference:	High Court of Justice, 1445 of 2016

Administrators appointed:	Mark Supperstone Simon Harris	Insolvency Practitioner Number: Insolvency Practitioner Number:	9734 11372
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ReSolve Partners Ltd  
22 York Buildings  
London  
WC2N 6JU

Paragraph 100(2) statement: Any act required or authorised under any enactment to be done by an administrator may be done by any or all of the Administrators acting jointly or alone

#### Officers of the Company

Directors:	Appointed	Resigned
Mats Anders Stigzelius	28 June 2010	-
Tina Maree Kilmister-Blue	3 July 2014	-
Kevin Lyon	18 June 2014	16 April 2016
Dominic Anthony Charles Perks	29 July 2010	-
Carsten Kolbek	28 June 2010	18 June 2014

<b>Company secretary:</b> Mats Anders Stigzelius	28 June 2010	-
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#### Share capital

##### Authorised

306,825 ordinary shares 1p each  
595 ordinary A shares 1p each  
86,806 ordinary B shares 1p each

*Source: Annual return dated 28 June 2015*

#### Charges

None



APPENDIX II

RECEIPTS AND PAYMENTS ACCOUNT

SUMMARY OF ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT  
FOR THE PERIOD 4 APRIL 2016 TO 23 MARCH 2018

	Estimated to Realise - Estimated financial position	04-Apr-16 to 14-Sep-17	15-Sep-17 to 23-Mar-18	Total Receipts/ Payments To Date
	£	£	£	£
<b>RECEIPTS</b>				
Plant, furniture and equipment	67,500	67,500	-	67,500
Goodwill	2,500	2,500	-	2,500
Names	2,500	2,500	-	2,500
Intellectual property	2,500	2,500	-	2,500
Software	2,500	2,500	-	2,500
Stock	7,500	7,500	-	7,500
Work in progress	2,500	2,500	-	2,500
Contracts	10,000	10,000	-	10,000
Database	2,500	2,500	-	2,500
Rent prepayment	5,000	5,000	-	5,000
Access fee	2,050	2,050	-	2,050
Cash at bank	29,000	48,005	-	48,005
Investments	Uncertain	-	-	-
Leased Equipment	Uncertain	-	-	-
Debtors	Uncertain	-	-	-
Unpaid Share Capital	Uncertain	1,000	-	1,000
Prepayments	Uncertain	-	-	-
Rental Deposit	Uncertain	47,108	-	47,108
Licence to occupy fee	Uncertain	5,000	-	5,000
Accrued Income	Uncertain	-	-	-
Licence fee	-	267,659	-	267,659
Rates refund	-	1,843	-	1,843
	<b>136,050</b>	<b>477,665</b>	<b>-</b>	<b>477,665</b>
<b>PAYMENTS</b>				
Advertising (pre-appointment)	-	175	-	175
Administrators' fees	-	95,758	-	95,758
Administrators' expenses	-	1,524	-	1,524
Administrators' pre-appointment fee	-	38,241	-	38,241
Agent's fees (pre-appointment)	-	15,400	-	15,400
Legal fees (pre-appointment)	-	18,219	-	18,219
Legal fees	-	8,000	-	8,000
Storage costs	-	305	101	407
Statutory advertising	-	231	-	231
Insurance of assets	-	1,818	-	1,818
Bank charges	-	88	10	98
Agents disbursements	-	2,322	-	2,322
Legal disbursements	-	15	-	15
Professional fees	-	369	-	369
Accountancy fees	-	2,000	2,250	4,250
Rents payable	-	226,087	-	226,087
Service charge	-	29,792	-	29,792
Preferential creditors	-	2,705	-	2,705
PAYE and NIC	-	466	-	466
		<b>443,514</b>	<b>2,361</b>	<b>445,875</b>
<b>Balance (receipts less payments)</b>				<b>31,790</b>

<b>Represented by</b>	
Administration current account - non interest bearing	26,266
VAT receivable	5,524
<b>TOTAL CASH IN HAND</b>	<b>31,790</b>

Mark Supperstone  
Joint Administrator

## APPENDIX III

### ADMINISTRATORS' CHARGE OUT RATES, DISBURSEMENT POLICY AND NARRATIVE

#### Administrators' charge out rates

The Administrators are remunerated on a time cost basis. Charge-out rates used are appropriate to the skills and experience of a member of staff and the work that they perform. Time is recorded in six minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

The hourly charge-out rates used on this case are as follows. Please note that the rates increased on 1 January 2016:

Staff grade	Rate per hour from 1 January 2016 (£)
Principal	510
Director	415
Senior Manager	395
Manager	340
Assistant Manager	305
Senior Administrator	255
Administrator	195
Junior Administrator	145

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Partners Limited.

#### Disbursement policy

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling (non-mileage), postage, statutory advertising and other expenses made on behalf of the assignment.

Indirect charges (Category 2 disbursements) require separate approval and the basis of charging these is as follows:

- Photocopying 20 pence per sheet
- Mileage 45 pence per mile

#### Narrative of work carried out:

##### Administration and Planning

###### *Case planning*

- Review and storage of Company records
- Case planning and administration

###### *Cashiering*

- Maintaining the Administrators' cash book
- Payment of Administration expenses
- Liaising with landlords regarding invoicing

*Compliance and technical*

- Non statutory appointment notification matters

*General administration*

- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on Insolv
- Preparing reports to members and creditors
- Liaising with Administrators' accountants regarding post appointment tax matters

Creditors

*Preferential*

- Dealing with distribution to preferential creditors
- Updating internal creditor information on Insolv
- Adjudicating on preferential creditor claims

*Unsecured*

- Dealing with creditor correspondence and telephone calls
- Preparing reports to creditors
- Maintaining creditor information on Insolv

*Employees*

- Discussions with employees regarding entitlements
- Maintaining creditor information on Insolv
- Dealing with creditor correspondence and telephone calls
- Calculation of employee estimated balancing claims

Investigations

*General investigation*

- Review and storage of books and records
- Conduct investigations into suspicious transactions
- Correspondence with the director and his solicitor regarding investigations
- Analysis of financial information, including bank statement analysis (transcribed into Excel)
- Review books and records to identify any transactions or actions an Administrator may take against a third party in order to recover funds for the benefit of creditors

*D Returns*

- Prepare a return pursuant to the Company Directors Disqualification Act
- Correspondence with the Department of Business Innovation and Skills
- Submission of return to the Department of Business Innovation and Skills

*Other investigations*

- Liaising with the Company's bookkeeper regarding delivery of records
- Liaising with storage agent regarding collection and delivery of records

Realisation of Assets

*Book debts*

- Dealing with recovery of unpaid share capital

*Sale of business / assets*

- Liaising with Lambert Smith Hampton Limited regarding the Company's assets and sale of same
- Liaising with Pitmans regarding the sale of assets generally
- Review and amendments to draft share purchase agreement

*Property – freehold and leasehold*

- Correspondence with Purchaser regarding lease assignments
- Monitoring receipt of licence fee
- Issuing reminders of payment of licence fee and/or demands for same
- Concluding the license to occupy upon final lease assignment
- Review and amendments to lease assignment documentation
- Correspondence with landlords regarding lease assignments
- Liaising with Pitmans regarding assignments of leases and return of rent deposits

*Other assets*

- Liaising with the purchaser regarding other assets generally

Statutory

*Statutory paperwork / form preparation*

- Statutory form preparation
- Dealing with statutory issues required under the Insolvency Act 1986, the Insolvency Rules 1986 and the Statements of Insolvency Practice

*Filing documents with CH / Court*

- Filing documents with the Registrar of Companies and Court

*Reporting to creditors*

- Reporting to members, creditors, employees and other stakeholders
- Drafting Administrators' six month report

Comments on narrative

Some of the above work (administration and planning, creditors, investigations and statutory matters) do not give direct financial benefit to the creditors, but the Administrators have to undertake it in order to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that they must follow.

*Prospective disclosure:*

- What work will be done
  - Statutory requirements including filing documentation with Companies House.
- Why it is necessary
  - Ensure good compliance and governance of the case, whilst also complying with the Administrators' statutory obligations, and
  - Move the Company from Administration to Liquidation
- How much it will cost (both fees and expenses)
  - It is considered that further time costs of £750 will be incurred (not including time in the subsequent liquidation), plus expenses of £100.
- "Whether it is anticipated that the work will provide a financial benefit to creditors and if so what anticipated benefit (or if the work provides no direct financial benefit, but is required by statute)"

- The above matters will progress the closure of the Administration to place the Company into Liquidation which in turn will then allow for a distribution to unsecured creditors. However, certain of the tasks (i.e. administration and planning, creditors, investigations and statutory matters) are not considered to result in a financial benefit but are required under statute.

*Retrospective disclosure:*

- What work has been done
  - Drafted and issued the Administrators' disclosure in accordance with statement of insolvency practice 16 and the Administrators' proposals
  - Drafted and issued progress reports to creditors
  - Drafted and issued extension progress reports to creditors
  - Liaised with the director regarding investigation matters
  - Conducted investigations into the Company's affairs
  - Reported on the directors conduct to the Department for Business, Energy and Industrial Strategy
  - Recovered debtor sums due to the Company
  - Completed a sale of the Company's business and certain assets to the Purchaser
  - Liaised with the Purchaser regarding post completion matters
  - Managed the receipt of the licence fee due under various licences to occupy
  - Reviewed and negotiated additional licences to occupy
  - Reviewed and completed various lease assignments
  - Instructed solicitors to assist with various lease assignments
  - Liaised with various landlords and their solicitors
  - Recovered rent deposits due to the Company
  - Realised unpaid share capital
  - Recovered rates refunds due to the Company
  - Liaised with the Company's pre-appointment bankers
  - Recovered cash at bank
  - Instructed accountants to prepare and file the Company's post appointment tax returns
  - Corresponded with creditors, where necessary
  - Continued administration and planning tasks, including, but not limited to, periodic case reviews and internal compliance matters,
  - Cashiering matters, and
  - Statutory requirements including reporting to creditors and filing documentation with Companies House.
- Why it was necessary
  - Certain of the above matters saw the recovery of funds to the Company's estate or sought to recover sums for the benefit of the estate, and
  - Ensured good compliance and governance of the case, whilst also complying with the Administrators' statutory obligations.
- How much it has cost (both fees and expenses)
  - The above has resulted in time costs of £134,484 and expenses of £1,654.
- "Whether the work has provided a financial benefit to creditors and if so what benefit (or if the work provided no direct financial benefit, but is required by statute)"
  - Certain of the above matters have resulted in or sought to recover funds for the benefit of the Company's estate. Thereby resulting in funds being available for preferential creditor. It is anticipated that as a result of recoveries funds will also be available to unsecured creditors. However, certain of the tasks (i.e. administration and planning, creditors, investigations and statutory matters) are not considered to result in a financial benefit but are required under statute.

APPENDIX IV

ADMINISTRATORS' TIME COSTS SUMMARY

Administrators' time costs for the Reporting Period:

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration & Planning									
Case planning / monitoring	0.20	102.00	2.00	680.00	0.80	156.00	3.00	938.00	312.67
Cashiering	0.10	51.00	0.80	272.00	0.20	39.00	1.10	362.00	329.09
General administration	-	-	4.00	1,360.00	-	-	4.00	1,360.00	340.00
	0.30	153.00	6.80	2,312.00	1.00	195.00	8.10	2,660.00	328.40
Creditors									
Unsecured	-	-	0.20	68.00	0.20	29.00	0.40	97.00	242.50
	-	-	0.20	68.00	0.20	29.00	0.40	97.00	242.50
Statutory									
Reporting to creditors	0.40	204.00	4.30	1,462.00	5.60	812.00	10.30	2,478.00	240.58
	0.40	204.00	4.30	1,462.00	5.60	812.00	10.30	2,478.00	240.58
Total hours and cost	0.70	357.00	11.30	3,842.00	6.80	1,036.00	18.80	5,235.00	278.46

Administrators' cumulative time costs:

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration & Planning									
Case planning / monitoring	1.30	586.00	5.80	1,968.50	18.10	4,483.50	25.20	7,038.00	279.29
Cashiering	0.40	204.00	29.10	9,763.00	6.00	1,019.00	35.50	10,986.00	309.46
Compliance / technical	0.50	200.00	-	-	-	-	0.50	200.00	400.00
General administration	2.70	1,377.00	44.40	14,373.00	23.40	6,764.00	70.50	22,514.00	319.35
	4.90	2,367.00	79.30	26,104.50	47.50	12,266.50	131.70	40,738.00	309.32
Creditors									
Preferential	0.70	357.00	1.50	510.00	0.40	78.00	2.60	945.00	363.46
Unsecured	7.00	3,328.00	46.20	14,945.00	18.10	4,533.50	71.30	22,806.50	319.87
Employees	-	-	2.00	620.50	12.40	2,862.00	14.40	3,482.50	241.84
	7.70	3,685.00	49.70	16,075.50	30.90	7,473.50	88.30	27,234.00	308.43
Investigations									
General investigation	-	-	2.20	688.50	1.40	357.00	3.60	1,045.50	290.42
D returns	-	-	1.50	510.00	7.80	1,989.00	9.30	2,499.00	268.71
Other investigation	-	-	2.90	961.50	0.50	127.50	3.40	1,089.00	320.29
	-	-	6.60	2,160.00	9.70	2,473.50	16.30	4,633.50	284.26
Realisation of Assets									
Book debts	-	-	0.30	102.00	3.70	943.50	4.00	1,045.50	261.38
Sale of business / assets	0.10	40.00	37.00	12,293.00	1.20	306.00	38.30	12,639.00	330.00
Property - freehold and leasehold	0.50	255.00	-	-	-	-	0.50	255.00	510.00
Other assets	13.70	6,671.50	48.50	16,152.50	10.70	2,728.50	72.90	25,552.50	350.51
	14.30	6,966.50	85.80	28,547.50	15.60	3,978.00	115.70	39,492.00	341.33
Statutory									
Statutory paperwork / form completion	0.50	200.00	2.50	762.50	6.60	1,683.00	9.60	2,645.50	275.57
Filing documents with CH / Court	-	-	0.30	91.50	-	-	0.30	91.50	305.00
Reporting to creditors	5.50	2,387.00	48.40	15,441.00	10.10	1,821.50	64.00	19,649.50	307.02
	6.00	2,587.00	51.20	16,295.00	16.70	3,504.50	73.90	22,386.50	302.93
Total hours and cost	32.90	15,605.50	272.60	89,182.50	120.40	29,696.00	425.90	134,484.00	315.76