

AM03

Notice of administrator's proposals



Companies House

SATURDAY



A07 *A8D10X03* 31/08/2019 #447
COMPANIES HOUSE

1 Company details

Company number 07627429
Company name in full Cabana Restaurants Limited

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

2 Administrator's name

Full forename(s) Stephen John
Surname Absolom

3 Administrator's address

Building name/number 15 Canada Square
Street Canary Wharf
Post town London
County/Region
Postcode E14 5GL
Country

4 Administrator's name

Full forename(s) William James
Surname Wright


① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number 15 Canada Square
Street Canary Wharf
Post town London
County/Region
Postcode E14 5GL
Country

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

AM03
Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7	Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕  ✕</div>	
Signature date	<div><div><div>d</div><div>2</div><div>d</div><div>7</div></div><div><div>m</div><div>0</div><div>m</div><div>8</div></div><div><div>y</div><div>2</div><div>y</div><div>0</div><div>y</div><div>1</div><div>y</div><div>9</div></div></div>	

AM03

Notice of Administrator's Proposals



Presenter information

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Contact name	Jannice Adofo
Company name	KPMG LLP
Address	15 Canada Square Canary Wharf
Post town	London
County/Region	
Postcode	E 1 4 5 G L
Country	
DX	
Telephone	Tel +44 (0) 20 7311 1000



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- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



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The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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Joint Administrators' proposals

Cabana Restaurants Limited -
in Administration

27 August 2019

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is attached (Appendix 9).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+CJ806A5412.html>. We hope this is helpful to you.

Please also note that an important legal notice about this statement of proposals is attached (Appendix 9).



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1 Executive summary

- The Company operated eight South American casual dining restaurants in the UK. The Company was exposed to a number of the well documented challenges facing the UK casual dining market at present, including increasing competition and cost pressures.
- The directors appointed us - Steve Absolom and Will Wright – as Joint Administrators of the Company on 16 August 2019 (Section 2 - Background and events leading to the administration).
- Following our appointment we completed two pre-packaged transactions:
 - we sold the business and assets of four leasehold sites, the goodwill and intellectual property of the Company to Fired Up One Limited ('FUL').
 - the leasehold interest and associated assets of one of the leasehold sites were sold to Hache Trading Limited ('HTL').

Both purchasers are connected parties and wholly owned subsidiaries of Hush Brasseries Limited ('Hush') (Section 3 - Strategy and progress of the administration to date).

- The three remaining trading sites that were not acquired as part of these transactions were closed immediately following appointment (Section 3 – Strategy and progress of the administration to date).
- The Secured Creditor, HSBC Bank UK Plc ('the Bank'), will likely suffer a shortfall in respect of the funding provided to the Company (Section 4 - Dividend prospects).
- There are not expected to be sufficient funds to enable a distribution to the preferential creditors (Section 4 - Dividend prospects).
- There are not expected to be sufficient funds to enable a distribution to the unsecured creditors (Section 4 - Dividend prospects).
- The Proposals will be deemed approved eight business days following the delivery to creditors (Section 6 – Approval of proposals).
- We propose that our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate and charge-out rates provided. We will seek approval for our remuneration from the Secured Creditor (Section 7 - Joint Administrators' remuneration, disbursements and pre-administration costs).
- We anticipate the most likely exit route will be dissolution (Section 5 - Ending the administration).
- This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 8 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



Steve Absolom
Joint Administrator

2 Background and events leading to the administration

2.1 Background information

The Company was founded in 2011 in response to demand for a premium South American casual dining restaurant. At the date of appointment the business operated from eight restaurants in the UK, the majority of which were based in London with three sites in Southampton, Manchester and Newcastle, the latter of which has not traded since January 2018. Please refer to the SIP 16 disclosure at Appendix 7 for more information on the background of the Company.

The Company's statutory directors are its two founders, along with Jonathan Lander, a non-executive director (the 'Directors'). At the time of our appointment there are more than 70 shareholders of the Company.

We are not currently aware of any connected party transactions in the two years prior to the administration although our investigations into the affairs of the Company are ongoing as outlined in Section 3.2.

2.2 Funding and financial position of the Company

The Company has a net turnover of approximately £10.0 million and employed 224 staff at the date of appointment.

The Company was funded by:

- the Bank through an overdraft facility and a term loan. This lending was secured by way of first ranking fixed and floating charges over the assets of the Company, created on 20 July 2011. At the date of administration, the Bank was owed approximately £0.3 million;
- the loan noteholders, through a second ranking secured loan, totalling approximately £1.5 million; and
- the shareholders through a variety of unsecured loans and equity investment.

The following charges were also registered at Companies House:

- Four legal mortgages, all in favour of the Bank;
- A debenture granted in favour of Jonathan Rodgers and Stuart Roden as security trustees (together, the "Security Trustees") for the holders of the secured loan notes of the Company dated 17 November 2017; and
- Rent deposit deeds in favour of two of the landlords.

2.3 Events leading to the administration

In the first five years of trading the Company expanded rapidly, opening eleven restaurants. The business, and the casual dining market more widely, experienced a marked slowdown in 2017 which resulted in several of the Company's sites becoming unprofitable. In light of this,

the management team embarked on a 'stabilisation plan' throughout 2018 which involved exiting loss making sites, reducing central costs and moving to a monthly rental model.

Despite efforts to stabilise the business during 2018, the Company continued to face liquidity issues caused by the continued slowdown of the casual dining sector, the onerous lease in Newcastle and the expiry of the Bank's overdraft facility. The Company forecast a funding requirement of up to £0.7 million in August 2019, which it was not able to bridge. The Bank had indicated that no additional facilities would be considered and the current overdraft would not be extended.

In view of the challenging trading environment, the significant ongoing funding requirement and uncertainty around the appetite of key stakeholders to provide further funding to the Company, the directors approached KPMG following their restructuring work in the casual dining sector. On 17 June 2019 KPMG were formally engaged by the Company to explore the sale, refinance and investment options. This marketing exercise is detailed within the SIP 16 memorandum at Appendix 7.

On 12 August 2019 having regard to the financial position of the Company, the directors concluded that it would be in the best interest of creditors to file a notice of intention to appoint administrators.

On 16 August 2019 the directors resolved to appoint Steve Absolom and Will Wright as Joint Administrators. Immediately following their appointment the majority of the business and assets were sold to Fired Up One Limited ('FUL') and Hache Trading Limited ('HTL'), two wholly owned subsidiaries of Hush Brasseries Limited ('Hush'). Hush is connected by way of a common director and shareholders.

At the time of our appointment, we disclosed to the Court details of the work carried out by KPMG up to that time.

We are satisfied that the work carried out by KPMG before our appointment, including the pre-administration work summarised below, has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

2.4 Pre-administration work

The following work was carried out prior to our appointment with a view of placing the Company in administration:

- KPMG negotiated the Sale and Purchase Agreements ('SPA') with the FUL and HTL as part of the exploration of sale process as detailed in our SIP16 memorandum circulated to creditors on 22 August 2019.
- KPMG advised the Company in relation to the administration appointment.
- KPMG liaised with the key stakeholders throughout the sale negotiations.
- Boyes Turner, the Company's legal advisors, assisted in the preparation of the two SPAs.
- Boyes Turner assisted with the preparation and filing of the appointment documents.

It was necessary to undertake this work prior to the Company entering administration in order to facilitate the pre-packaged sales of the Company's business and assets, as an immediate administration appointment would have likely led to a closure of the business, cessation of trade and significant redundancies. Trading the business in administration was not viable due to the envisaged funding requirement, arising from potential ransom creditors and up front running costs, which the Secured Creditor and the shareholders confirmed they would not provide.

We carried out this work with the objective of 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). If a sale agreement could not have been reached and the entire business had been shut down it would have resulted in a worse outcome for creditors.

KPMG's work was carried out under an engagement letter dated 17 June 2019 with the Company.

2.5 Appointment of Joint Administrators

The directors resolved on 16 August 2019 to appoint us as Joint Administrators.

The notice of appointment was lodged at the High Court of Justice on 16 August 2019 and we were duly appointed.

3 Strategy and progress of the administration to date

3.1 Strategy to date

Strategy

In the circumstances, the Joint Administrators are of the opinion that the pre-packaged sale of the business and assets has enabled the objective of achieving a better result for the Company's creditors as a whole.

As detailed in the attached SIP16 memorandum at Appendix 7, the Administrators considered that trading on in administration whilst seeking to sell the business and assets would not result in a higher return to creditors because:

- The market appetite for an acquisition of the business has already been extensively tested;
- The level of realisations after costs from trading during administration would be uncertain;
- A period of trading in administration would lead to increased costs and professional fees; and
- The significant potential funding requirement to meet the trading requirements including up-front costs and ransom creditor payments.

In a complete cessation of trade the expected level of realisations would have been significantly less, which would have had a detrimental effect on creditors, including the employees.

In order to attend to creditors' enquiries following our appointment, a designated mailbox, cabana@kpmg.co.uk, has been set up to enable creditors to submit details of their outstanding claims.

Sale of business

As outlined above, KPMG were engaged in June 2019 to explore the investment, refinancing and sale options available to the business. As part of this process an initial timetable was agreed with the intention of delivering executable options in early August 2019. This timetable was driven by liquidity challenges facing the business.

KPMG's Corporate Finance sector experts compiled a targeted trade buyer list of 27 interested parties. Following approval from the Company, KPMG made contact with all of these parties to provide an outline of the business and the opportunity. A teaser document was also circulated to 116 financial investors. In addition, five inbound expressions of interest were received following coverage in the national media and trade publications (The Sunday Times, MCA and Propel). The process led to six financial parties and 16 trade parties expressing an interest and signing a non-disclosure agreement ('NDA').

The initial deadline for formal expressions of interest was established for the week commencing 29 July 2019. The only offers that were received were from FUL and HTL, two wholly owned subsidiaries of Hush. Immediately following our appointment we completed a pre-packaged sale for the majority of the Company's business and assets to these entities. The purchasers paid the cash consideration (see section 3.2) in full immediately upon completion. In addition to the cash consideration, the purchasers have assumed the obligations arising from the secured loan notes.

Further details on the marketing process are provided in SIP 16 memorandum at Appendix 7, which was made available to creditors on 22 August 2019.

In respect of stock, the Purchasers have agreed to identify, hold and deal directly with suppliers in respect of any stock that is subject to a valid ROT claim. Therefore any creditors who consider that they may have an ROT claim in respect of stock supplied to the Company, should make contact with the Purchasers in the first instance and notify the Administrators accordingly.

As part of the pre-packaged sales, 156 employees transferred to the Purchasers under TUPE provisions.

The only assets not included as part of the pre-packaged sale were any rent deposit sums relating to the properties and the book debts.

Leasehold property

The Administrators have granted FUL and HTL a temporary licence to occupy the five London restaurants in accordance with the terms of the SPA, whilst FUL and HTL enter into lease assignments or new leases with the respective landlords.

The licence to occupy has been provided on a monthly basis, with a licence fee equal to rent and associated costs to be paid to the Company. The Administrators have engaged a property management agent, PHD, to assist with the rent management process.

Closure of three leasehold sites

The pre-packed sales excluded the two trading restaurants in Manchester and Southampton and the site in Newcastle which has not traded since January 2018. Immediately following their appointment the Joint Administrators closed the restaurants in Manchester and Southampton and 68 employees were made redundant.

Independent valuations of the leasehold properties and chattel assets had been obtained prior to our appointment by the SIA Group ('SIA'). The valuations were undertaken by professionally qualified individuals that are RICS certified.

SIA were of the opinion that there is no value in the leasehold interest if offered for sale on a standalone basis, particularly given the significant rent and service charge arrears. We have therefore offered the leases to the respective landlords for surrender by operation of the law.

SIA were of the opinion that the likely cost of realising the chattel assets, including fixtures fittings and restaurant equipment, located at the closed sites would outweigh any potential value that could be achieved. We have therefore abandoned the assets located at these restaurants.

3.2 Asset realisations

Realisations from the date of our appointment to 21 August 2019 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations to date are provided below.

Sale of business

The following Company assets were included in the pre-packaged sales, and consideration was paid in full upon completion:

Asset	Sale to FUL	Sale to HTL
Leasehold interest	£250,001	19,995
Fixtures, fittings and equipment	£55,000	9,998
Stock	£8,000	2,000
Goodwill, trademarks and IP	£1	-
Business intellectual property rights	£1	£1
Business contracts	£1	-
Books and records	£1	£1
Total	£313,005	£31,995

In addition to the cash consideration, the purchasers have assumed the obligations arising from the secured loan notes. On appointment the Security Trustees released the Company from all its obligations, covenants, warranties and undertakings contained in the debenture.

Debtors and prepayments

As mentioned previously, the Company debtors and prepayments were excluded from the transaction. We are in the process of realising these, with the assistance of the purchaser.

Cash at bank

Prior to our appointment the Company operated a bank account with HSBC. We made immediate contact with the Bank to freeze the account and have requested that all funds received post appointment be transferred into our administration bank account.

Cash in transit

The Company provided customers with a number of different payment methods. As a result a proportion of funds were held with merchant credit providers at the date of our appointment. We are in contact with the purchaser and the merchant acquirers to realise and reconcile these funds.

Investigations

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

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Jannice Adofo at KPMG LLP, 15 Canada Square, London E14 5GL, United Kingdom.

3.3 Costs

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 4).

Payments made from the date of our appointment to 21 August 2019 are set out in the attached receipts and payments account (Appendix 2).

4 Dividend prospects

4.1 Secured creditors

We have engaged an independent law firm to undertake a review of the securities held.

The secured creditor position is as follows:

HSBC Bank Plc/the Bank

As outlined above, the Bank provided an overdraft facility and a term loan secured by way of a debenture containing fixed and floating charges over the Company created on 20 July 2011.

The Bank also held four legal mortgages for the following sites: Central Saint Giles, created 8 November 2011; Westfield Stratford City, created 31 January 2012; Islington, created 9 January 2014; Wembley, created 17 October 2014;

At the date of our appointment the Bank was owed circa £0.3 million.



Based on current estimates, we anticipate that the Bank will suffer a shortfall in relation to funding provided to the Company.

The Security Trustees

The Company granted a debenture in favour of Jonathan Rodgers and Stuart Roden as security trustees (together, the "Security Trustees") for the holders of the secured loan notes of the Company dated 17 November 2017.

At the date of our appointment the Security Trustees were owed £1.5 million. The purchasers have assumed the obligations arising from the secured loan notes and the Security Trustees have released the Company from all its obligations, covenants, warranties and undertakings contained in the debenture on appointment.

Rent deposit deeds

The Company granted rent deposit deeds in favour of two landlords for the following leasehold properties: Westfield Stratford City lease, created 31 August 2011; Central Saint Giles lease, created 8 November 2011.

We will contact these landlords and establish the net position regarding the respective rent deposits held.

4.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

Due to Hush making a contribution to the wage arrears of the redundant employees, preferential claims have been mitigated to approximately one week's arrears of pay and any nominal accrued holiday.

Based on current estimates, there will not be a dividend to preferential creditors.

4.3 Unsecured creditors

Based on current estimates, there will not be a dividend to unsecured creditors.

5 Ending the administration

5.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 8 to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be dissolution.

5.2 Discharge from liability

We propose to seek approval from the Secured Creditor that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

Should the circumstances of the administration change, we reserve the right to revert to the preferential and/or unsecured creditors in order to obtain discharge from liability.

6 Approval of proposals

6.1 Deemed approval of proposals

The administrators' proposals will be deemed approved, with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors.

On expiry of eight business days from the date our proposals were delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of creditors request that a decision procedure is convened. Further details of the steps to convene a procedure are detailed below.

6.2 Creditors' right to request a decision

We will use a decision making procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed.

Requests for a decision must be made within eight business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting;

In addition, the expenses of the decision procedure at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a decision, please complete and return the decision requisition form which can be located at: <http://www.insolvency-kpmg.co.uk/case+KPMG+CJ806A5412.html>.

7 Joint Administrators' remuneration, disbursements and pre-administration costs

7.1 Approval of the basis of remuneration and disbursements

We propose to seek approval from the Secured Creditor that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

Agreement to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It is not part of our proposals.

Should the circumstances of the administration change, we reserve the right to revert to the preferential and/or unsecured creditors in order to seek approval for the basis of remuneration and the drawing of Category 2 disbursements.

Time costs

From the date of our appointment to 21 August 2019, we have incurred time costs of £31,828. These represent 84 hours at an average rate of £380 per hour.

Disbursements

We have incurred disbursements of £560 during the period. None of these have been paid.

Additional information

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment to 21 August 2019. We have also attached our charging and disbursements recovery policy.

7.2 Pre-administration costs

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 2.4:

Pre-administration costs			
	Paid (£)	Unpaid (£)	Total (£)
KPMG costs	-	45,980.00	45,980.00
Boyes Turner costs	-	27,258.82	27,258.82
Boyes Turner disbursements	-	198.00	198.00

Total	-	73,436.82	73,436.82
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The payment of unpaid pre-administration costs as an expense of the administration is subject to the same approval as our remuneration, as outlined above. It is not part of our proposals.

8 Summary of proposals

Due to the Company's immediate liquidity crisis and inability to secure additional funding rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the secured creditor where funds allow;
- to make distributions to the preferential and unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Steve Absolom and Will Wright, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Steve Absolom and Will Wright, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;

- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration and pre-administration costs

We propose that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 5 and the charge-out rates included in Appendix 5;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5;
- unpaid pre-administration costs be an expense of the administration.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 1 Statutory information

Company information

Company and Trading name	Cabana Restaurants Limited
Date of incorporation	9 May 2011
Company registration number	07627429
Trading address	8 Lancashire Court, London, W1S 1EY
Previous registered office	8 Lancashire Court, London, W1S 1EY
Present registered office	KPMG LLP, 15 Canada Square, London, E15 5GL
Company Directors	Jamie Barber David Ponte Jonathan Lander
Company Secretary	Not applicable

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD), No 5393 of 2019
Appointor	Directors
Date of appointment	16 August 2019
Joint Administrators	Steve Absolom and Will Wright
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	15 August 2020
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.

Appendix 2 Joint Administrators' receipts and payments account

Cabana Restaurants Limited - in Administration		
Abstract of receipts & payments		
Statement of affairs (€)	From 16/06/2019 To 20/06/2019 (€)	From 16/06/2019 To 20/08/2019 (€)
FIXED CHARGE ASSETS		
Goodwill and intellectual property	6.00	6.00
Leasehold interest	269,996.00	269,996.00
	<u>270,002.00</u>	<u>270,002.00</u>
ASSET REALISATIONS		
Fixtures and fittings	64,998.00	64,998.00
Stock	10,000.00	10,000.00
Cash in transit	1,829.23	1,829.23
Contribution for wages & salaries by Hush	47,766.48	47,766.48
	<u>124,593.71</u>	<u>124,593.71</u>
COST OF REALISATIONS		
Wages & salaries on behalf of Hush	(27,589.74)	(27,589.74)
	<u>(27,589.74)</u>	<u>(27,589.74)</u>
	<u>367,005.97</u>	<u>367,005.97</u>
REPRESENTED BY		
Floating ch. VAT rec'able		147.50
Floating charge current		373,257.47
Floating ch. VAT payable		(2,400.00)
Fixed ch. VAT payable		(3,999.00)
		<u>367,005.97</u>

Appendix 3 Joint Administrators' fees estimate

Estimated time costs for the engagement				
	Narrative	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
Administration & Planning				
Bankrupt/Director/Member				
Cashiering - processing receipts, payments and bank reconciliations	Note 1	41.00	12,580.00	306.83
General - books & records, fees & work in progress	Note 2	32.00	9,585.00	299.53
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	133.00	43,255.00	325.23
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	47.00	15,585.00	331.60
Creditors				
Creditors and claims - general correspondence, notification of appointment, statutory reports	Note 5	225.00	63,385.00	281.71
Employees - correspondence	Note 6	77.00	23,535.00	305.65
Investigations				
Directors - correspondence, statement of affairs, questionnaires	Note 7	30.00	10,220.00	340.67
Investigations - director conduct and affairs of the Company	Note 8	30.00	10,220.00	340.67
Realisation of Assets				
Asset Realisation - including insurance of assets	Note 9	115.00	42,925.00	373.26
Closure of sites	Note 10	50.00	18,120.00	362.40
Total		780.00	249,410.00	319.76

Note 1 – Cashiering

Our anticipated work will involve closing the existing bank accounts, opening a separate administration account, maintaining the account, including bank reconciliations and processing a receipts and payments in the administration.

Note 2 - General

Our work includes collection of the Company's books and records, seeking approval for our fees and expenses as detailed in the Proposals.

Note 3 – Statutory and Compliance

Our work will include notifying the Registrar of Companies and other relevant parties of our appointment, arranging bonding and ensuring compliance with all statutory obligations. Further details are included in the Proposals.

Note 4 – Tax

We have instructed our internal VAT and Tax specialists to review the Company's tax and VAT affairs. We will submit post-administration tax and VAT returns as required.

Note 5 – Creditors and claims

There will be time spent dealing with creditor queries, statutory reporting and dividends

Note 6 – Employees

Our work includes assisting the former employees to complete their claim forms and dealing with any subsequent queries and the agreement and payment of their claims and dividends.

Note 7 – Directors

We will correspond with the Directors in relation to the submission of their statement of affairs and directors questionnaires and general correspondence with the directors of the Company.

Note 8 – Investigations

This work will involve reviewing the Company's affairs, directorship searches, compliance with our statutory duties and submitting director reports and other relevant reports to the Secretary of State. We will also be investigating any transactions or disposals made in the lead up to and/or immediately prior to our appointment.

Note 9 – Asset realisation

This primarily consists of time spent relating to realising the Company's assets, which includes collection of book debts, collection of cash balances from HSBC, dealing with the license to occupy, the insurance of assets, assignment and/or surrender of leases and liaising with landlords with regards to the properties under license.

Note 10 – Site closures

This work involves closing the restaurants excluded from the sale of the business and assets, liaising with the landlords and surrendering the respective leases.

Appendix 4 Joint Administrators' expenses estimate

Summary of Expenses from appointment		
Expenses (£)	Narrative	Initial Estimates (£)
Cost of realisations		
Pre-administration legal fees and disbursements	1	27,456.82
Legal fees	2	7,500.00
Agents fees	3	5,000.00
Statutory advertising	4	500.00
Insurance of assets	5	2,000.00
Other costs	6	3,000.00
TOTAL		45,456.82

Note 1 – Pre-administration legal fees and disbursements

Boyce Turner assisted with the preparation of the various documents required for the sale of the business and assets of the Company to the purchasers.

Note 2 – Legal fees

The fees paid to our post appointment legal advisors will include providing ad-hoc advice as required during the administration as well as confirmation of validity of security. This work will also include advising on the assignment and/or surrender of the leasehold sites.

Note 3 – Agent fees

The fees paid to agents to support the closure of the restaurants excluded from the sale of business. This includes the cost of removing perishables and cleaning the sites.

Note 4 - Statutory advertising

Statutory advertising costs are estimated to be £500 including our statutory requirement to advertise the administration in the London Gazette

Note 5 – Insurance of assets

Insurance costs of the administration are currently estimated to be £2,000 which includes open cover insurance for the first month of the administration and public liability insurance.

Note 6 – Other costs

Other costs predominantly relate to property expenses, mail redirection, storage and bank charges.

Appendix 5 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

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

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

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

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

If you are unable to access this guide and would like a copy, please contact Ria Townson on 020 73118433.

Hourly rates

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

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

Charge-out rates (£) for: Restructuring	
Grade	From 01 Jan 2019 £/hr
Partner	655
Director	590
Senior Manager	535
Manager	445
Senior Administrator	310
Administrator	225
Support	140

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

Policy for the recovery of disbursements

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

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

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

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

Mileage claims fall into three categories:

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

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

We have incurred disbursements of £560 during the period. None of these have been paid.

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

Category 2 disbursements are to be approved in the same manner as our remuneration.

Narrative of work carried out for the period from 16 August 2019 to 21 August 2019

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none">■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences;■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment;■ posting information on a dedicated web page;■ arranging bonding and complying with statutory requirements;■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none">■ formulating, monitoring and reviewing the administration strategy, briefing of our staff on the administration strategy and matters in relation to various work-streams;■ meeting with management to review and update strategy and monitor progress;■ reviewing and authorising junior staff correspondence and other work;■ dealing with queries arising during the appointment;■ reviewing matters affecting the outcome of the administration;■ allocating and managing staff/case resourcing and budgeting exercises and reviews;■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters;■ complying with internal filing and information recording practices, including documenting strategy decisions.

Reports to debenture holders	<ul style="list-style-type: none"> ■ providing updates to representatives of the secured creditors regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ dealing with post appointment tax compliance
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with finance companies in respect of assets subject to finance agreements; ■ liaising with agents regarding the sale of assets.
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases; ■ communicating with landlords regarding rent, property occupation and other issues; ■ performing land registry searches.
Sale of business	<ul style="list-style-type: none"> ■ planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers; ■ seeking legal advice regarding sale of business, including regarding non-disclosure agreements; ■ collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale; ■ dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room; ■ managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties; ■ carrying out sale negotiations with interested parties
Health and safety	<ul style="list-style-type: none"> ■ liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; ■ holding employee briefing meetings to update employees on progress in the administration and our strategy; ■ communicating and corresponding with HM Revenue and Customs; ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; ■ ensuring security of assets held by employees.
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes; ■ ensuring compliance with our duties to issue statutory notices; ■ liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment.

Creditors and claims	<ul style="list-style-type: none">■ drafting and circulating our proposals,■ creating and updating the list of unsecured creditors;■ responding to enquiries from creditors regarding the administration and submission of their claims.
Investigations/ directors	<ul style="list-style-type: none">■ reviewing Company and directorship searches and advising the directors of the effect of the administration;■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies;■ arranging for the redirection of the Company's mail.

SIP 9 –Time costs analysis

SIP 9 –Time costs analysis (09/08/2019 to 15/08/2019)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Pre-Administration sale of business - preparation	98.00	45,980.00	469.18
Total in period	98.00	45,980.00	469.18

SIP 9 –Time costs analysis (16/08/2019 to 20/08/2019)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	1.70	272.00	160.00
Statutory and compliance			
Appointment and related formalities	33.70	11,889.50	352.80
Checklist & reviews	0.30	67.50	225.00
Statutory advertising	0.30	67.50	225.00
Creditors			
Creditors and claims			
General correspondence	1.00	310.00	310.00
Notification of appointment	0.60	267.00	445.00
Statutory reports	18.20	7,892.00	433.63
Employees			
Correspondence	15.05	5,018.00	333.42
Investigation			
Directors			
Directors' questionnaire / checklist	0.80	180.00	225.00
Statement of affairs	0.60	267.00	445.00
Realisation of assets			
Asset Realisation			
Leasehold property	11.50	5,597.50	486.74
Total in period	83.75	31,828.00	380.04

Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	83.75	31,828.00
Carry forward time (appointment date to SIP 9 period end date)	83.75	31,828.00

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

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

Appendix 6 Statement of Affairs, including creditor list

The Directors are due to provide a Statement of the Affairs of the Company by 30 August 2019.

Once received the Statement of Affairs will be filed with the Registrar of Companies. Please note that disclosure of the contents of the Statement of Affairs may be restricted with the Court's permission if it is considered that disclosure would be adverse to the interests of creditors.

As a Statement of Affairs has not been provided, details of the estimated financial position of the Company at the latest practicable date, are given below using the Company's latest financial information provided by the Directors. This information has been extracted from the Company's books and records and we have not carried out anything in the nature of an audit on this information.

Cabana Restaurants Limited (In Administration)
Estimated Financial Position as at 16 August 2019

	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Leasehold	4,102,201	269,996
Rent deposits	73,500	Uncertain
Goodwill	-	4
Total assets subject to fixed charge	4,175,701	270,000
Less. Estimated fixed charge costs		(175,000)
Available for first fixed chargeholder (HSBC)		95,000
Due to Fixed Charge Creditor (HSBC)		(295,000)
Shortfall to fixed charge holder		(200,000)
Assets subject to floating charge:		
Plant, fixtures and kitchen equipment	538,715	65,000
Stocks	204,785	10,000
Sundry debtors	38,581	Uncertain
Prepayments	14,457	Uncertain
Total estimated asset realisations subject to floating chargeholder (HSBC)		75,000
Less floating charge costs (restricted)		(75,000)
Estimated total net recoveries available for preferential, floating charge and unsecured creditors		-
<u>Estimated Liabilities/Shortfalls to creditors</u>		
Estimated shortfall for Preferential creditors	(50,000)	
Estimated shortfall for First Fixed & Floating Charge creditors	(200,000)	
Estimated shortfall for unsecured creditors	(3,106,004)	
Estimated shortfall for shareholders	(883,095)	

Please note that the actual level of asset recoveries and claims against the Company may differ materially from the amounts included in the statement above.

COMPANY TRADE CREDITORS

Name of creditor	Address					Amount of debt (£)
Access UK Ltd	The Old School	Stratford St Mary	Colchester	Essex	CO7 6LZ	576.00
All Emergency Services	Unit 1 Tramsheds	Coomber Way	Croydon	Surrey	CR0 4TQ	376.80
Ambican (UK)	Industrial 220 Ealing Road	Wembley	Middlesex	London	HA0 4QH	2,343.30
Arthur J Gallagher Insurance Brokers Ltd	34 Foundation Street	Ipswich			IP4 1BN	29,158.77
Ashdown Phillips & Partners Ltd	Pippingford Manor	Pippingford Park	Nutley		TN22 3HW	10,659.92
Ashdown Phillips & Partners Ltd	Pippingford Manor	Pippingford Park	Nutley	East Sussex	TN22 3HW	37,124.10
Asset Pest Control Services	Lockheed House Business Park	Unit 1, 222 Green Lane	New Eltham	London	SE9 3TL	2,268.00
Assist Cleaning	41 Mayflower Road	Chafford Hundred	Grays	Essex	RM16 6BE	11,967.40
Auditel	The Old Fire Station	2 Salt Lane	Salisbury		SP1 1DU	5,220.00
Axis Security	River House	Maidstone Road	Sidcup	Kent	DA14 5RH	330.28
Barclays Bank PLC	Gaya Ecotrade Ltd - 20704	Churchill Plaza	Churchill Way	Basingstoke	Hampshire	3,862.79
Barlows	Clifford House	Hampton Heath Institute	Malpas	Cheshire	SY14 8LU	2,726.62
Barry Bros Security	121-123 Praed	London			W2 1RL	795.00
Bibendum Wine Ltd, trading division of Conviviality Group Bidfood	Accounts	113 Regents Park Road		London	NW1 8UR	111,091.11
Black & White	814 Leigh Road	Slough Trading	Slough		SL1 4BD	7,602.07
BOC Limited	Dalton House	60 Windsor Avenue	London	SW19 2RR		261.00
Bookatable Ltd	Custer Service	P.O. Box 12	Priestley Road	Worsley	Manchester	819.24
	5th Floor Elizabeth House	39 York Road	London		SE1 7NQ	981.60
Bray Foods Ltd	Oakland House	21 Hope Carr Road	Leigh	Lancashire	WN7 3ET	3,018.21
Brian Scully	7 Brackenbury Road	London			W6 0BE	405.00
Burpac Ltd	56 Hendon Avenue	London			N3 1UH	2,883.12
Castle Water	1 Boat Brae	Rattray	Blairgowrie		PH10 7BH	8,538.50
Catercraft	Sussex House	Fishersgate Terrace	Portslade	West Sussex	BN41 1PH	22,846.84
CDC Draincare	Unit 1, Chatsworth Industrial Estate	Percy Street	Leeds		LS12 1EL	888.00
Chapman Ventilation Limited	15/20 Woodfield		Welwyn Garden City	Hertfordshire	AL7 1JQ	38,345.37
Chester Edwards Interiors Ltd	CE Interiors Ltd,	Unit 19,	Birch Road	Birmingham	B6 7DD	720.00
Colophon & Lavengro Print Limited	5-7 Atlas Road	Wembley	Middlesex	HA9 0JH		1,056.00
Commerz Real Investmentgesellschaft GmbH	Centre Management Suite	Unit 4006 Ariel Way	Westfield London		W12 7GF	3,000.88
Commerz Real Investmentgesellschaft GmbH	Centre Management Suite	Westfield London	Ariel Way	London		17,500.00
Comtrex Systems Corporation Ltd	2 Gatwick Metro Centre	Sharnbrook Balcombe Road	Horley	Surrey	RH6 9GA	15,584.82
Coniq t/a Codilink UK Ltd	River House	143-145 Farringdon Road	London		EC1R 3AB	178.20
Crown Gas & Crown Records	Bury New Road Heritage House	Heap Bridge 345 Southbury	Bury Enfield	Middlesex	BL9 7HY EN1 1TW	3,253.80 297.28
Cushman & Wakefield LLP Re						117,598.12
D2L Partners LLP	Shire House	Tachbrook Road	Leamington Spa	Warwickshire	CV31 3SF	11,400.00
Dhayan Maintenance Services Limited	Ridge House	Beverley Lane	Kingston Upon Thames		KT2 7EE	6,076.20
Disotto Foods Ltd	26 Park Royal Road	London			NW10 7JW	224.40
DM Houghtons Wholesale Ltd	Unit 44, Silverwing Industrial Estate	Imperial Way	Croydon		CR0 4RR	5,699.56

DTZ Client A/C Re Common Receipts Nat	1 Colmore Square		Birmingham		B4 6AJ	187,861.14
EHL Ltd	Units 7&8 Broadstone Hall Ind Estate	Gregson Road	Reddish	Stockport	SK5 7SS	227.50
Filta Group Ltd	Rugby	Warwickshire			CV21 4PP	3,985.20
First Concept	Concept House	26-32 Grange Avenue		London	N20 8AD	2,528.58
Flamefast Fire Systems Ltd	9 Bruno Close	Park Farm Industrial Estate	Wellingborough	Northants	NN8 6QX	1,079.58
Flow Hospitality Training Ltd	Exchange Tower	7th Floor	Canning Street	Edinburgh	EH3 8EG	821.14
Fluid Hygiene Solutions	Unit 2, Shannon Commercial Centre	Beverley Way	New Malden	Surrey	KT3 4PT	2,819.40
Food Alert Ltd	247-249 Cromwell Road		London		SW5 9GA	2,931.60
Fourth Hospitality						1,302.69
G4S Cash Solutions (UK) Ltd	Carlton House	Carlton Road	Worksop	Nottinghamshire	S81 7QF	722.37
Galeta Ltd	Unit 9b	White Post Lane	Queens Yard	London	E9 5EN	1,355.15
Gary Bluff Projects	7 Brenkley Way	Bleazard Business Park	Seaton Burn	Tyne Wear	NE13 6DS	9,180.00
Greenwich Council	Building Control	Community Safety & Environment	4th Floor, Woolwich Centre	35 Wellington Street, Woolwich	London SE	3,913.22
H&B Foods Limited	44-54 Stewarts Road	London	SW8 4DF			5,198.58
Hammersmith & Fulham (London Borough of)	P O Box 1453		London		W6 9UU	
Head Office Collection Acc /Leeds City Council	P O Box 60		Leeds		LS2 8JR	
Heatcraft (Heating & Ventilation) Ltd	Elizabeth House	50-52 St Richards Road	Brighton		BN41 1PA	1,787.83
Houghtons of London						26,639.25
HUSH	8 Lancashire Court	London	W1S 1EY			4,365.94
I S Neill	22 Boxgrove Avenue	Guildford			GU1 1XG	1,500.00
Iconic Security Ltd	2 Gordon Mansions	96 Streatham High Road	London		SE16 1BS	9,225.00
Identity Signs	Unit 23	North Orbital Commercial Park	St Albans		AL1 1XB	2,286.00
Ingot Canopy & Fan Services	50 Claydon Business Park	Gipping Road	Great Blakenham	Ipswich	IP6 0NL	5,952.00
Jelf Insurance Brokers Ltd	Hillside Court	Bowling Hill	Chipping Sodbury	Bristol	BS37 6JX	4,367.92
JRPRESS	3 Egerton Close	Drayton Fields	Daventry	Northants	NN11 8PE	236.40
KAJS Limited Trading as Flow-Right	Vector House	27 Brownfields	Welwyn Garden City	Herts	AL7 1AN	2,145.28
LB Camden (BRATES)	The London Borough of Camden	Town Hall		London	W1CH 9JE	
LB Newham	Business Rate Section	Newham Dockside	1000 Dockside Road		E16 2QU	
Legal and General West End Offices	Savills	Finsbury Circus House	15 Finsbury Circus	London	EC2M 7EB	10,529.92
Leonti Communications (UK) Ltd	The Loft	1052-1054 High Road	Chadwell Heath	Romford	Essex RM6	938.92
Lewis Golden	40 Queen Anne Street			London	W1G 9EL	4,413.00
Loliss Limited	8 Lancashire Court	Brook Street		London	W1S 1EY	5,000.00
London Borough of Brent Business Rates	PQ Box 425		Wembley	Middlesex	HA9 6SU	
London Environmental Group Services Ltd	Unit C, Chelford Court	Robjohns Road, Widford Industrial Estate	Chelmsford	Essex	CM1 3AG	2,096.33
London Gases	25-29 Stacey Avenue	London			N18 3PE	223.20
London Linen Supply Ltd	6-8 Jackson Way, Great Western Industrial Park	Windmill Lane	Southall	Middx	UB2 4SF	55.46
London Workwear Rental	6-8 Jackson Way	Windmill Lane	Southall	Middlesex	UB2 4SF	3,076.20
LSF Ltd/Land Securities Properties Ltd	5 Strand		London		WC2N 5AF	33,730.32
L'UNICO Ltd	Entrance B	Units 27 & 28 Uplands Business Park	Blackhorse Lane	London	E17 5QJ	7,440.27

Manchester City Council - MCC Receipts Account						3,446.35
Maren Meats Ltd	23-25 Tottenham Lane		London		N8 9DB	66,256.10
Marlowe Fire & Security	Matthew Elliot House	64 Broadway	Salford Quays	Greater Manchester	M50 2TS	1,354.06
Matthew Clark Wholesale Ltd trading division of Conviviality	Whitchurch Lane		Bristol		BS14 0JZ	181.11
Metro Rod	Unit 4C	Chalcroft Business Park	Burnetts Lane West End		SO30 2PA	701.40
Midus Communications Limited	St Andrews Castle	St Andrew Street South	Bury St Edmunds	Suffolk	IP33 3PH	1,190.91
Nella Cutlery South Ltd	Murray House	Murray Road		Orpington	BR5 3QY	370.16
Newcastle City Council (LateNightLevy)	Christine Knox	Newcastle City Council	Room 504, Civic Centre, Barras Bridge	Newcastle Upon Tyne	NE1 8QH	2,624.00
NFS Hospitality Limited	15 Harforde Court	John Tate Road	Foxholes Business Park	Hertford	SG13 7NW	387.86
O'Hara Edible Oils Ltd	Durham House Farm	Hollybush Lane	Denham		UB9 4 HB	30,392.50
Parsley in Time	1-2 Kingside Business Park	Ruston Road	Woolwich	London	SE18 5BX	11,327.26
Penta Foods Limited	30 Wellington Road		Sandhurst	Berkshire	GU47 9AY	36,203.70
Performing Right Society Limited	PRS Payments	2 Pancras Square		London	N1C 4AG	7,384.97
Pickerings Europe Ltd						750.06
Printstore 88 Ltd	41 Richmond Road	Kingston upon Thames			KT2 5BW	203.52
Propeller Communications Ltd	33 Great Queen St	London			WC2B 5AA	600.00
Quills Group Office Supplies Ltd	Spitfire Business Park	Unit 2, 1 Hawker Road	Croydon	Surrey	CR0 4WD	4,451.20
Realm Ltd LDO Wembley Service Charge	The Farmhouse	Farm Road	Street	Somerset	BA16 0FB	18,839.22
Retail Utilities Solutions Ltd	Westfield Shoppingtowns Ltd	71 High Holborn		London	WC1V 6EA	3,795.62
Sally Clarke Bakery Ltd	Unit 12	Barley Shotts Business Park	246 Acklam Road		WC1V 6LF	2,247.50
Savills Management Resources	Belvedere	12 Booth Street	Manchester		M2 4AW	718.46
Savills UK Ltd Management Clients Account	Savills	Finsbury Circus House	15 FinsburyCircus	London	EC2M 7EB	3,389.93
Shield Foods UK Ltd	Unit 3, Chancerygate Business Centre	Chancerygate Way	Off Stonewal Way	South Ruislip	HA4 0JS	4,234.74
Southampton City Council Space Saver Business & Storage Centre	Civic Centre Waterham Storage Park	Southampton Highstreet Road	Waterham	Faversham, Kent	SO14 7LY ME13 9EJ	73.04
SSE Gas/Electricity						13,993.83
Sticky Fingers Food Limited	Basement	29B Edith Road	West Kensington	London	W14 0SU	33,225.22
Stratford City Shopping Centre (No1) GP Ltd	for and on behalf of Stratford City Shopping Centre (No1) LP	Accounts Receivable	PO Box 66775	London	WC1A 9GE	16,341.59
Stratford Utilities Tagvenue Limited	PO Box 66775 4-5 Bonhill St	London		London	WC1A 9GE EC2A 4BX	4,714.01 50.00
The Condiment Company Limited	The Walled Garden	Watgate	West Marden	Nr Chichester	West Susse	3,263.39
Thompsons Contracts (Blackpool) Ltd	Clifton Road	Marton	Blackpool	Lancashire	FY4 4QA	4,242.36
Total Jobs Group Limited	Wellesley Road	Sutton		Surrey	SM2 5NP	1,440.00
Trilogy Beverage Brands Ltd	Laurel House	173 Chorley New Road	Bolton		BL1 4QZ	22,848.85
Tri-Star Packaging & Supplies Ltd	Tri-Star House	Unit 4 The Arena	Mollison Avenue	Enfield	Middlesex	172.16
Urban Planters Chelmsford	Brickhouse Farm	Doddington Road	Pilgrims Hatch	Brentwood, Essex	CM15 0SG	390.00
Urban Planters Franchise Limited	Office 3 The Granary	The Stables Business Park	Mudgley Road	Rooksbridge	Somerset B	355.00

Venue Scanner	Northside House	Cockfosters Parade	Barnet	EN4 9EB	300.00
Viewfax Multimedia Ltd	190 Old Station Road	West Midlands		B92 0HQ	792.00
Wave Utilities (Northumbrian Water)					255.20
WFL Media Ltd	4th floor	86-90 Paul Street	London	EC2A 4NE	893.04
Wizard Cloud Solutions Ltd	Accounts	7 Tollgate Business Park	Tollgate West	Colchester Essex CO3	4,476.08
Workman LLP	4th Floor Minton Place	Station Road	Swindon	SN1 1DA	139,040.98
Zenith Hygiene Group PLC	Zenith House, A1 (M) Business Centre	Dixons Hill Road	Welham Green	Hertfordshire AL9 7JE	11,970.06
The People Pension	Manor Royal		Crawley	West Sussex R10 9QP	4,263.58
HMRC Vat	Vat	HMRC		BX9 1EE	316,789.25
HMRC Paye	Paye/Ni	HMRC		BX5 5BD	183,196.59
Aldermore Bank PLC - C00104592	4th Floor Block D Apex Plaza	Forbury Road	Reading	RG1 1AX	27,440.80
Siemens Financial Services - A8316058	Selton Park	Bells Hill Stoke Pages	Buckinghamshire	SL2 4JS	2,805.80
Aldermore Bank PLC - C00085680	4th Floor Block D Apex Plaza	Forbury Road	Reading	RG1 1AX	8,284.00
Bibby Leasing - 16-01202	7 Airport West Lancaster Way	Warren House Lane	Yeadon Leeds	LS19 7ZA	5,136.36
Arkle Finance - 20453	52-60 Sanders Road	Wellingborough	Northamptonshire	NN8 4BX	6,990.16
Investec - 216360547	Reading International Bus Park		Reading	RG2 6AA	3,332.30
Total					1,855,739.97

COMPANY SHAREHOLDERS

Name of Shareholder	Address (redacted)	No. of shares held	Nominal value
David Alexander		12,245	1,225
Clare Barber		10	1
Elizabeth Barber		62,414	6,241
James Lloyd Barber		292,533	29,253
Roberta Barber		63,423	6,342
Philip Edward Fraser Best		25,000	2,500
James Richard Philip Bidwell		72,504	7,250
Andrew Billett		310,187	31,019
Philip Blackband		40,816	4,082
Michael Blank		1,162,910	116,291
Timothy Iain Boyd		25,000	2,500
Olivier Cajfinger		20,408	2,041
Andrew Cohen		102,040	10,204
Elissa Catherine Coward		25,000	2,500
Elizabeth Detiger		50,000	5,000
The Most Noble Peregrine Andrew Morny Duke of Devonshire		40,816	4,082
Vivek Gandhi		153,990	15,399
Michael John Gibbs		20,408	2,041
Hilary Anne Goldstein		20,408	2,041
Richard Brian Goldstein		73,960	7,396
Ronald Sidney Goldstein		28,316	2,832
Lloyd Daniel Gilman Grossman		100,000	10,000
Vincent Gwilliam		358,820	35,882
Andrew Hall		50,000	5,000
Michael Hall		20,408	2,041
John William Hamson		141,217	14,122
Jack Edward Inglis		73,510	7,351
Jacksonton Ltd		75,000	7,500
Philip Jerome		121,139	12,114
Guy Alan Alexander Joseph		53,996	5,400
Jonathan Edward Lander		148,130	14,813
Nickolas Mark Lestau		238,435	23,844
Martin Lewis		162,874	16,287
Ravi Madlani		13,158	1,316
Stephen Anthony Marks		248,753	24,875
Georges Memmi		157,797	15,780
Alexander Michaelis		25,000	2,500
Ian Neill		102,000	10,200
Casey William Norman		98,637	9,864
Abimbola and Joseph Obozuwa		75,000	7,500
Kevin Ohle		20,408	2,041
Pampus Investment N.V		232,576	23,258
Sonalee Parekh		50,000	5,000
Dipan Patel		33,413	3,341
David Joseph Marcus Blundell Ponte		228,477	22,848
Nickyl Raithatha		75,315	7,532
Narottam Raithatha		97,280	9,728
Minaxi Raithatha		10,204	1,020
Richard Reynolds		20,408	2,041
Nicholas John Ring		10,204	1,020
Stuart Roden		46,053	4,605
Jonathan Andrew Rodgers		168,495	16,850
David Rood		110,000	11,000
Richard T B Roydon		35,265	3,527
Sean and Suzanne Thomas		211,317	21,132
Martin John Ross Saville		30,612	3,061
Joseph Salem Shashou		182,033	18,203
Abimbola Shobande		22,727	2,273
Howard Quentin Spooner		73,510	7,351
Philip James Taylor		25,000	2,500
Sean Thomas		60,307	6,031
Daniel Thompson		14,343	1,434

Jphn Townsend	83,333	8,333
George Thomas Treves	251,216	25,122
Avinash Vazirani	39,474	3,947
Franklin Walding	59,117	5,912
Guy Nicholas Williams	118,907	11,891
Nigel Willam Wray	1,656,664	165,666
James Lloyd Barber	17	2
Jamie Barber and David Ponte	1	0
David Joseph Marcus Blundell Ponte	12	1
Total	8,830,950	883,095

Cabana Restaurants Limited – in Administration SIP 16 memorandum of sale of business

This statement is made in order to comply with the Joint Administrators' responsibilities under Statement of Insolvency Practice ("SIP") 16, the latest version of which is effective from 1 November 2013. Statements of Insolvency Practice are guidance notes issued by the insolvency regulatory authorities with a view to maintaining standards by setting out required practice and harmonising practitioners' approach to particular aspects of insolvency.

SIP 16 concerns arrangements where the sale of all or part of a company's business and assets is negotiated with a Purchaser prior to the appointment of an administrator, who affects the sale immediately on, or shortly after, his appointment. SIP 16 can be located via this link to the R3 website https://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%2016%20Version%203%20Nov%202015.pdf

Background

The entity that is subject to this SIP 16 memorandum for the sale of business and assets is Cabana Restaurants Limited (the 'Company'), which was incorporated on 9 May 2011.

The Company was founded by Jamie Barber and David Ponte in response to the perceived demand for a premium South American casual dining restaurant, with a focus on barbequed meat cuts. The business had a turnover of approximately £10.0 million and employed a total of 224 staff at the date of our appointment. The Company operated from eight restaurants in the UK, the majority of which were based in London with three sites in Southampton, Manchester and Newcastle, the latter of which has not traded since January 2018.

In the first five years of trading the business grew rapidly opening eleven restaurants across the UK. Following the early years of growth, the Company, and the casual dining market generally, experienced a significant slowdown in 2017 which resulted in several of the Company's restaurants becoming loss making. In light of this, the management team embarked on a 'stabilisation plan' throughout 2018 which involved the following:

- negotiating exits from unprofitable sites in Leeds, Islington and Brixton, and a forward commitment in Watford;
- agreeing with landlords a monthly rental model;
- re-gearing the core menu offering with the intention of reversing the declining sales;
- cancelling all prior expansions plans;
- closing a loss-making site in Newcastle with a view of assigning or surrendering the lease;
- significantly reducing the central overhead; and
- attempting to improve the financial performance of all sites

Despite this restructuring exercise the Company continued to face liquidity challenges which management attributed to continued headwinds in the casual dining market, the onerous lease in Newcastle and the failure of an overseas franchisee to make the payments due under a franchise agreement.

Jamie Barber and David Ponte are the statutory directors of the Company, along with Jonathan Lander, a non-executive director (the 'Directors'). There are more than 70 different individual shareholders of the Company and there are no shareholders with significant control. The shareholders funded the business through equity investment and a variety of secured and unsecured loans. The Company was also financed by HSBC Bank Plc ('the Lender') through an overdraft facility and a term loan. This lending was secured by way of first ranking fixed and floating charges over the assets of the Company, created on 20 July 2011. At the date of administration, the Lender was owed approximately £0.3 million.



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The following charges are also registered on Companies House:

- Legal Mortgage created 17 October 2014 (Wembley), Legal Mortgage created 9 January 2014 (Islington), Legal Mortgage created 31 January 2012 (Westfield Stratford City), Legal Mortgage 8 created 8 November 2011 (Central Saint Giles), all in favour of HSBC Bank Plc;
- A debenture granted by the Company in favour of Jonathan Rodgers and Stuart Roden as security trustees (together, the "Security Trustees") for the holders of the secured loan notes of the Company dated 17 November 2017; and
- Rent deposit deeds in favour of the landlords of the Central Saint Giles lease created 8 November 2011 and Westfield Stratford City lease created 31 August 2011

Pre-appointment considerations

Prior involvement with the Company

In view of the challenging trading environment, significant funding requirement in August 2019 and uncertainty around the appetite of key stakeholders to provide further funding to the Company, the Directors approached KPMG for support following their restructuring work in the casual dining sector. On 17 June 2019 KPMG were formally engaged to explore the sale, refinance and investment options.

KPMG has had no other relationship with the Company. The Administrators carefully considered the work that was performed by KPMG prior to accepting the appointment and in all of the circumstances concluded that this work did not create a conflict of interest in accepting the appointment.

Other courses of action considered

A review of possible courses of action was undertaken by the Administrators, comparing the likely outcomes from various options including, but not limited to:

- 1) **The Company staying out of an insolvency process, receiving additional funding from the lender, shareholders, directors or a third party source.**

The Company was forecasting a funding requirement of £0.7 million by the end of August 2019. The following sources of finance have been considered:

- **Third party funding:** In light of the funding requirement, KPMG were engaged to conduct an options process to explore the sale, refinance and investment options. Despite the option being available for an interested party to purchase the shares of the Company, no solvent offers for the shares were received as a result of the process (see Marketing of the business and assets section).
- **Shareholders:** The shareholders were contacted during the options process by the Directors requesting them to make contact with KPMG by 24 July 2019 if they were prepared to advance further funds into the Company. No shareholders expressed an interest in providing further financing to the business.
- **Lender:** The Company's primary lender, HSBC Bank Plc, had already indicated to the Company that no additional facilities would be considered and the overdraft facilities would not be extended into the medium term.
- **Directors:** In early 2019, Jamie Barber, David Ponte and two other shareholders made an unsecured loan of £325,000 to assist with the short term liquidity position. The Directors have confirmed that they were not in a position to provide any further personal funding to the Company.

- 2) **Liquidation or Administration – shut down**

A liquidation or shut down in Administration would result in an immediate cessation of trade, which would increase the Company's liabilities and restrict asset realisations.



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The Company's principal assets are its fixtures, fittings and restaurant equipment. Independent valuing agents have advised that realisations from these assets would be low in a shutdown scenario (see Valuation of the business and assets section).

In addition, independent valuing agents have provided advice in a shut down scenario that there would be no likely premium value in the leasehold properties. The costs of realising these assets in a shut-down scenario would likely outweigh any benefit to the administration estate (see Valuation of the business and assets section).

3) Administration – trading on

It is not considered that trading on in administration would provide a better outcome to creditors as a whole. In reaching this conclusion we have considered the following:

- i) The market appetite for an acquisition of the business has already been tested during the marketing process undertaken. We do not consider that a better offer for an acquisition of the business is likely to be achieved from continuing the marketing process in an administration period. In addition the challenges of trading in administration could erode goodwill value in the business;
- ii) Trading in administration is uncertain and there is a significant risk that the overall costs of trading in administration could outweigh the trading receipts, resulting in further losses to creditors;
- iii) A period of trading in administration would have increased the professional fees incurred and likely depleting the funds available to creditors;
- iv) The Company's on-going losses and likely payments to be demanded by suppliers to maintain ongoing supply, may require significant up-front funding for an administrator to continue trading the Company in administration. It was estimated that this funding requirement could be significant. The Administrators approached the Lender to determine whether it would be willing to meet this funding requirement, which it confirmed it would not be in a position to do so;
- v) A high level forecast of likely income and costs in a trading scenario indicated a trading loss, after the associated professional costs. Based on the level of interest received by the early options process, an offer providing sufficient consideration to justify incurring trading losses was not considered likely and therefore it would be to the detriment of creditors as a whole to trade the business.

4) Administration – pre-pack

The pre-packaged sale of certain of the trade and assets of the Company is considered to be the best course of action to maximise the return for creditors. This conclusion has been reached following consideration of the options available (see Marketing of the business and assets section), and in consideration of the following factors:

- Following marketing to 116 financial and 27 trade parties and coverage in the national press, which included online and trade publications, the only offer received for the benefit of the administration, was that received from FUL and HTL ("the Purchasers"):
 - o **Offer 1:** Fired Up One Limited ('FUL') made an offer for such right, title and interest in four of the leasehold premises, the stock, fixtures, fittings and intellectual property of the Company for a total cash consideration of £313,005.
 - o **Offer 2:** Hache Trading Limited ('HTL') made an offer for such right, title and interest in one of the leasehold premises, including all of the fixtures, fittings and stock associated with that premise, for a total cash consideration of £31,995.
 - o **Non Cash considerations:** In addition to the cash consideration, the Purchasers have assumed the obligations arising from the secured loan notes.
- Due to the Company's significant cash constraints and the lack of interest in the business, the sale of the business and assets, with a view to the Purchasers trading on the business as a going



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concern, will result in higher sale proceeds in the administration when compared to anticipated realisations of the assets in a shut-down or trading administration scenario (as advised by independent valuing agents).

- The pre-packaged transaction has resulted in 156 of the employees transferring to the Purchasers, preserving jobs and reducing both the employee related preferential and unsecured claims in the administration.
- The pre-packaged transaction has reduced the number of landlord claims in the administration and achieved a recovery from the goodwill, lease premiums and physical assets

Consultation with major creditors

The Company's secured creditors are HSBC Bank Plc ('the Lender') and the secured loan noteholders, who are represented by two trustees ('the Security Trustees')

The Lender has been regularly consulted with and kept up to date on the Early Options process throughout by the Directors. The Lender has consented to the pre-pack transactions by way of releasing its security.

The Security Trustees, for the secured loan noteholders, have also been regularly consulted with by the Directors.

Marketing of business and assets

As outlined, KPMG were engaged on 17 June 2019 to explore the investment, refinancing and sale options available to the business.

As part of the Early Options process an initial timetable was agreed with the intention of delivering executable options by early August 2019. This timetable was driven by liquidity challenges facing the business as a consequence of the following

- i) the ongoing losses in the underperforming restaurants in Manchester and Southampton,
- ii) the accruing lease liability in Newcastle, and
- iii) the expiration of the Lender's £250,000 overdraft facility

In view of this timetable, KPMG's Corporate Finance sector experts compiled a targeted trade buyer list of 27 interested parties. Following approval from the Company, KPMG made contact with all of these parties to provide an outline of the business and the opportunity. A teaser document was also circulated to 116 financial investors. In addition, five inbound expressions of interest were received following coverage in the national media and trade publications (The Sunday Times, MCA and Propel). Given that reporting of the appointment of KPMG to assess the options for the Company was widely publicised in the press it was not considered necessary to further market the business on the internet

The process led to six financial parties and 16 trade parties expressing an interest and signing a non-disclosure agreement ('NDA'). Following the receipt of the executed NDAs, financial and non-financial information was provided via a virtual data room and management meetings were facilitated with two unconnected parties. Follow up conversations were held with all trade and financial investors during which it was made clear that all parties had the ability to put forward an offer on any basis they considered appropriate. This included an acquisition of the business and assets of the Company in whole or in part. The initial deadline for formal expressions of interest was established for the week commencing 22 July 2019

On 24 July 2019 two offers were received from two wholly owned subsidiaries of Hush Brasseries Limited, Fired Up One Limited ('FUL') and Hache Trading Limited ('HTL'). Hush Brasseries Limited is connected to the Company (see Purchaser and related parties section). In order to protect the integrity of the process and to ensure there were no governance issues arising from any potential conflict of interests, it was agreed that those members of the board participating in the offers from FUL and HTL, would be excluded from any discussions regarding offers received. The independent director, Jonathan Lander, dealt with



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the commercially sensitive negotiations and discussions around these transactions. Offers and process updates prepared as part of the Early Options process were not shared with any of the potentially conflicted directors.

Following two unconnected interested parties entering the process late, the offer deadline was extended until the week commencing 29 July 2019. This extension was granted to provide these parties with sufficient time to undertake their due diligence. These parties ultimately withdrew from the process and no third party offers were received for the business and/or assets.

Following careful review and consideration in conjunction with their advisers, the independent director concluded that the pre-pack offers from the connected parties was the best result for the stakeholders. The Lender and Security Trustees were in agreement and the pre-pack solution was progressed to completion. The offers that were ultimately accepted and transacted were from FUL and HTL. These were the only offers received for the business and assets.

In the circumstances, the Joint Administrators consider that accepting the pre-packaged sale will provide the best return for the Company's creditors as a whole, preserve jobs, and minimise employee, landlord and consumer related claims against the Company, when compared to the alternatives which include a trading administration or a shut-down.

Valuation of the business and assets

Specialist valuation experts SIA Group ("SIA"), undertook a valuation of the assets of the Company. These valuations were completed prior to the appointment.

SIA have confirmed to us that they do not have any independence conflicts in acting, and carry adequate professional indemnity insurance. The valuations have been undertaken by professionally qualified individuals that are RICS certified.

Valuation of restaurant fixtures, fittings and stock

SIA have advised that due to the numerous business closures in the sector in recent months there is a significant over supply of restaurant and kitchen equipment on the open market either for sale with specialist trade dealers or by online auction.

The SIA valuation of the restaurant fixtures and fittings ascribed a value on a break-up basis of £31,000 for the restaurants included in the pre-packaged sale. The valuers have confirmed that the cost of removal and sale would outweigh any proceeds and therefore would result in no net realisable values.

SIA have advised the Joint Administrators that there is minimum value on break-up of the stock. The majority of the stock in the restaurants should be regarded as a liability due to the retention of title related issues and the perishable nature of the produce.

Valuation of leasehold interests

SIA undertook a valuation of the leasehold properties, to identify any potential premiums that could be achieved. SIA are of the opinion that there is no value in the leasehold interest if offered for sale on a standalone basis.

Valuation of goodwill, trademarks and IP

Whilst no formal valuation was received for the goodwill and intellectual property, the Joint Administrators are satisfied that the value of these assets has been sufficiently tested during the extensive marketing exercise conducted prior to our appointment and the value is reflected in the offer received.

Comparison of valuations to the pre-pack offer

A summary of the valuations received for the assets included in the pre-packaged sale is set out below:



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Asset	SIA Valuation	Offer received
Goodwill, trademarks and IP	Not valued	£1
Business intellectual property rights	Not valued	£1
Fixtures, fittings and equipment	£31,000 (ex-situ)	£65,000
Stock	NIL	£10,000
Leasehold interest	NIL	£269,996
Business contracts	NIL	£1
Books and records	NIL	£1
Total	£31,000	£345,000

The total sale consideration received from the Purchasers of £345,000 exceeds the total break-up asset valuations that have been received from SIA Group on an ex-situ basis, and avoids the execution risk and significant cost inherent in pursuing the higher case realisations. In addition, the employees in five of the seven trading sites have transferred to the Purchasers, preferential claims have therefore been minimised.

The Administrators have therefore satisfied themselves that they are achieving the best outcome for the Company's creditors through completing the pre-pack transactions to the Purchasers.

The transactions

The transactions to sell the trade and certain assets of the Company completed immediately upon the appointment of administrators on 16 August 2019. The transactions completed are as follows:

- Transaction 1: total cash consideration paid to the administration of £313,005 for the business and assets of four leasehold sites, the goodwill and intellectual property of the Company
- Transaction 2: total cash consideration paid to the administration of £31,995 for the leasehold interest and associated assets of one leasehold site of the Company

The Purchasers paid the cash consideration in full immediately upon completion. In addition to the cash consideration, the Purchasers have assumed the obligations arising from the secured loan notes.

Purchaser and related parties

Transaction 1 and Transaction 2

The purchasing entities of Transaction 1 and Transaction 2 are Fired Up One Limited ('FUL') and Hache Trading Limited ('HTL') whose registered office address is 8 Lancashire Court, London, United Kingdom, W1S 1EY, wholly owned subsidiaries of Hush Brasseries Limited.

A summary of the Directors' connections to the Purchasers is included below:

- Jamie Barber is a statutory director of the purchasing entities and a minority shareholder of Hush Brasseries Limited.
- David Ponte may become a minority shareholder in Hush Brasseries Limited.

The independent director, Jonathan Lander, dealt with commercially sensitive negotiations and discussions around these transactions. Indicative offers and process updates prepared as part of the Early Options process were not shared with either Jamie Barber or David Ponte, both participating in Transaction 1 and Transaction 2.

The Purchasers have also made an application to the Pre-Pack Pool, and they have provided a positive statement in response, confirming that they have not found anything to suggest that these pre-pack



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transactions are unreasonable. The administrators requested a copy of the opinion, which been attached to this document, together with a copy of the Purchaser's viability statement.

No guarantees have been given to a prior financier by any directors.

Assets

The assets involved in the pre-pack transactions are summarised as follows:

Transaction 1

- Leasehold interest in the Company's sites at Westfield London, Westfield Stratford, O2 Arena and Wembley ("Transaction 1 Properties");
- All inventory (subject to retention of title rights of suppliers) in the Transaction 1 Properties;
- The fixed plant and fixtures and fittings in the Transaction 1 Properties;
- All intellectual property rights, trademarks and goodwill owned by the Company;
- All books and records owned by the Company;
- All stock owned by the Company;
- The benefit of the transferred business contracts; and
- The Cabana cookbook.

The Administrators have granted FUL a licence to occupy all the Transaction 1 leasehold properties, whilst FUL seeks lease assignments or enters into new leases with the respective landlords. FUL will pay the Company a licence fee equivalent to the rent and associated liabilities for the period of its occupation.

Transaction 2

- Leasehold interest in the Company's site at Central St Giles ("Transaction 2 Property");
- The fixed plant and fixtures and fittings in the Transaction 2 Property; and
- All stock and inventory (subject to retention of title rights of suppliers) in the Transaction 2 Property.

The Administrators have granted HTL a licence to occupy the Transaction 2 Property, whilst HTL seeks a lease assignment or enters into a new lease with the respective landlord. HTL will pay the Company a licence fee equivalent to the rent and associated liabilities for the period of its occupation.

Sale consideration

Transaction 1

Total cash consideration of £313,005 was paid in full by Fired Up One Limited immediately on completion of the pre-pack sale. The apportionment of the consideration received has been apportioned as follows:

Transaction 1 - Fired Up One Limited	£
Leasehold interest	250,001
Fixtures and fittings	55,000
Stock and inventory	8,000
Goodwill, trademarks and IP	1
Business intellectual property rights	1
Business contracts	1
Books and records	1
Total	313,005



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Transaction 2

Total cash consideration of £31,995 was paid in full by Hache Trading Limited immediately on completion of the pre pack sale. The apportionment of the consideration received has been apportioned as follows

Transaction 2 – Hache Trading Limited	£
Leasehold interest	19,995
Fixtures and fittings	9,998
Stock and inventory	2,000
Books and records	1
Business contracts	1
Total	31,995

Conclusion

The Joint Administrators have accepted the appointment over the Company, with the objective of 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) in accordance with Paragraph 3(1)(b)

The Joint Administrators are of the opinion that they have acted in the best interests of the creditors as a whole when negotiating this pre-packaged sale and are satisfied that the sale price achieved was the best reasonably obtainable in all the circumstances

The Joint Administrators will send out their proposals, providing further information regarding the Company and their appointment, within two weeks of appointment



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OPINION ON PROPOSED PRE-PACKAGED SALE INVOLVING:

Cabana Restaurants Limited AND Jamie Barber (Hush Brasseries Limited)

This opinion has been given by me in accordance with the request made by Jamie Barber to Pre Pack Pool Ltd. Jamie Barber is a connected party to Cabana Restaurants Limited because they were a director, shadow director or company officer of Cabana Restaurants Limited who is or will become a director, shadow director or company officer of Fired Up Limited and Hache Trading Limited.

I have reviewed the evidence provided by Jamie Barber. This consists of:

1. Pre-Pack Pool Submission
2. Viability Statement
3. Cabana Restaurants Beneficial Owners
4. Hush Brasseries Beneficial Owners
5. Cabana Balance Sheet
6. Up to date Cabana aged creditors
7. Schedule of Other Creditors
8. Site by Site performance 2019
9. Site by Site performance 2020

In undertaking my review I have relied on the information and evidence provided by Jamie Barber and have not undertaken a detailed audit or verification of the information or evidence provided.

For the avoidance of doubt, I express no opinion on whether Fired Up Limited and Hache Trading Limited is, or will in the future remain a going concern. This is a matter for Jamie Barber. Neither do I express an opinion on any decision of the administrator of Cabana Restaurants Limited to enter into a pre-packaged sale. This is a matter for the administrator.

The administrator's duties relate to Cabana Restaurants Limited and its creditors, not to Fired Up Limited and Hache Trading Limited or its creditors or future creditors (or any other person). The administrator's duties are not affected by this opinion.

The request for an opinion is voluntary and no liability attaches to me or to Pre Pack Pool Ltd as a result of this opinion.

I confirm that I have no personal, professional or other relationship with any party connected to Cabana Restaurants Limited or Fired Up Limited and Hache Trading Limited, and that no relationship, bias or ethical conflict exists which prevents me from evaluating this application solely on its merits.

Opinion

Based on my review, I have not found anything to suggest that the grounds for the proposed pre-packaged sale outlined in the application are unreasonable.

Rodney Hare

11-08-2019

PRE-PACK POOL VIABILITY STATEMENT

The intention of the proposed purchase is to consolidate the trading of the five London Cabana sites into an enlarged group with a single central overhead. The proposal is supported by Hush Brasseries Limited's (HBL) shareholders who have subscribed in cash for new shares in HBL. The post-deal cash reserve provides a stable buffer for the enlarged trading business which is expected to be profitable and cash positive.

The New Company is to operate all of the Cabana restaurants in London as an ongoing concern, TUPE transferring all of those restaurants' staff, ensuring as much continuity of service as possible with minimal impact to customers, and intends to maintain long term existing supplier relationships.

Cabana Restaurants Limited suffered from three structural issues:

1. The cash drain relating to the sites in Manchester and Southampton
2. Its debt burden; and
3. The central overhead as a proportion of EBITDA.

These structural issues are overcome as a result of this proposal.

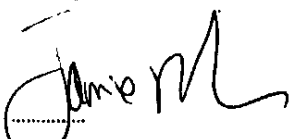
HBL has been trading since 1999 and operates a large restaurant in London, together with seven trading units of a premium casual dining brand called "Hache" through two subsidiaries.

The acquisition of the Cabana assets increases the group EBITDA of the enlarged business without a material increase in central overhead. As part of the proposal, shareholders have committed to subscribing for equity which will provide a substantial working capital facility after the costs of this proposal.

The group could benefit from modest expansion capital to take advantage of the weakness in the sector, and gently expand the Haché brand with one new unit possible in 2020, and two units in 2021 and 2022.

The enlarged business effected by this proposal is forecasted to be cashflow positive after loan repayments from a substantial liquidity cash reserve.

It is anticipated that the enlarged group will have sufficient capital and resources to support its ongoing cash requirements for at least 12 months from the date of the proposed purchase.



Director

For and on behalf of Hush Brasseries Limited

8/8/19

Appendix 8 Glossary

Bank	HSBC UK Bank Plc
Boyes Turner	Boyes Turner LLP
Company/Cabana	Cabana Restaurants Limited- in Administration
FUL	Fired Up 1 Limited
HTL	Hache Trading Limited
Hush	Hush Brasseries Limited
Joint Administrators/we/our/us	Steve Absolom and Will Wright
KPMG	KPMG LLP
PHD	PHD Property Advisory Ltd
Security Trustees	Jonathan Rodgers and Stuart Roden
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

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

Appendix 9 Notice: About this statement of proposals

This statement of proposals ('proposals') has been prepared by Steve Absolom and Will Wright, the Joint Administrators of Cabana Restaurants Limited – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

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

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

Stephen John Absolom and William James Wright are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html.

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

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