

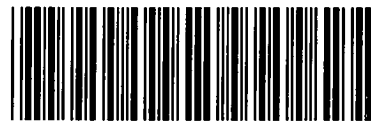
AM10

Notice of administrator's progress report



Companies House

MONDAY



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14/09/2020

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COMPANIES HOUSE

1 Company details

Company number 0 7 6 2 7 4 2 9

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 E 1 4 5 G L

Country

4 Administrator's name ①

Full forename(s) William James

Surname Wright

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d	1	d	6	m	0	m	2	y	2	y	0
To date	d	1	d	5	m	0	m	8	y	2	y	0

7 Progress report☒ I attach a copy of the progress report**8** Sign and dateAdministrator's
signature

Signature

X



X

Signature date	d	1	d	1	m	0	m	9	y	2	y	0
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AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **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**



Checklist

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Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

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Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Joint
Administrators'
progress
report for the
period 16
February 2020
to 15 August
2020

Cabana Restaurants Limited -
in Administration

11 September 2020

Deemed delivered: 11
September 2020

Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received, and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

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 progress report is attached (Appendix 8).

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1 Executive summary

- ❑ This progress report covers the period from 16 February 2020 to 15 August 2020.
- ❑ During the period, the Purchasers remained in occupation of certain leasehold properties under a temporary licence to occupy, which was extended to 14 July 2020. We continued to manage the rent management process and maintained an active role in the lease assignment process, which has now completed as detailed in section 2 below. Steps are now being taken to conclude the administration process. (Section 2 - Progress to date).
- ❑ We anticipate that the Secured creditor will suffer a shortfall (Section 3 - Dividend prospects).
- ❑ There are insufficient funds to enable distribution to be made to preferential creditors. (Section 3 - Dividend prospects).
- ❑ There are insufficient funds to enable a dividend to be paid to unsecured creditors (Section 3 - Dividend prospects).
- ❑ During the period, the Secured creditor granted a 12-month extension to the period of the administration. The extension was sought in order to enable us to conclude the Company's VAT affairs including recovery of all remaining VAT receivables.
- ❑ Please note: you should read this progress report in conjunction with our previous progress report and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+CJ806A5412.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Steve Absalom
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Background

As detailed in our proposals and previous progress report, a pre-packaged sale of the Company's business and assets to Fired Up One Limited ('FUL') and Hache Trading Limited ('HTL') (together 'the Purchasers') completed shortly following our appointment.

Leasehold property

We had granted the Purchasers' an initial six-month licence to occupy the five London restaurants in accordance with the terms of the SPA, which was due to expire on 14 February 2020. Upon the Purchasers' request, we agreed a further two month extension to the licence to 14 April 2020 to enable them to complete the assignment process. The Joint Administrators maintained an active role managing the Purchasers' occupation.

Following the commencement of the social distancing measures by the UK Government in response to the Covid-19 pandemic the Purchasers decided to postpone the assignment process whilst they assessed the ongoing impact of the crisis.

With effect from 23 March 2020, the Purchasers temporarily closed all five restaurants until further notice in line with the UK Governments' instructions to close all non-essential amenities.

The Administrators, in conjunction with the Licensees, sought certain concessions on account of rent and service charge from the landlords during the close down period. Agreements were reached with several landlords to waive rent and service charge for the initial lock-down period of up to 5 weeks.

Due to the complexity of the situation, the landlords of the Westfield properties were unable to grant a rent concession only deferment of the rent liability to a later date. At that time, it was unclear when the restrictions would be eased, and the restaurant sector would be permitted to recommence trading. Having considered the situation, the Purchasers confirmed to the Administrators that they were unable to continue funding the substantial license fees whilst the Westfield properties remained closed.

In the absence of funding for the property licence fees, or a specific rent free concession from the landlords, the Administrators would have no option but to surrender the leases to mitigate any liabilities associated with the properties. The Westfield properties were therefore formally returned to their respective landlords for surrender by operation of law with effect from 23 March 2020.

Unfortunately, in light of the Covid-19 crisis, the Licensee advised that they were no longer in position to assign the Wembley site, which was subsequently surrendered in April 2020. In order to complete the assignment of the remaining two properties, the licences to occupy were extended for a further three months to 14 July 2020.

We engaged with Boyes Turner and the landlords to facilitate the lease assignment process. The O2 lease assignment successfully completed on 30 April 2020. Negotiations as regards the St. Giles Covent Garden site remained ongoing until July due to uncertainty over the re-opening of the complex. On 13 July 2020, the Purchaser finalised the lease assignment of this site. Consequently, the Joint Administrators engaged in further discussions with the St. Giles Covent Garden landlord to secure a rent deposit following the assignment of the lease.

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 have previously reported that the realisation of these assets was anticipated to complete following the formal assignments of the above leases. Due to the impact of Covid-19 the Westfield Stratford rent deposit will not be realised as the Purchaser was unable to assign the lease.

Following a completion of lease assignment of the St. Giles Covent Garden lease, we recovered a rent deposit of circa £27,000 as detailed in section 2.2. The sum recovered represented a surplus balance net of outstanding charges relating to the pre-administration period deducted by the landlord on completion.

Extension of administration

The administration was due to expire on 16 August 2020. With the consent from the Secured creditor, the administration period was extended for a further 12 months to enable us to conclude outstanding tax and VAT matters and recovery of remaining VAT receivables. We endeavour to complete the administration process as soon as all VAT matters have been finalised with HMRC.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Property licence fees

During the period, we received licence fees of £54,289 from the Purchasers.

Rent deposits

A sum of £27,095 was received upon completion of the St. Giles lease assignment representing a balance of rent deposit held by the landlord as detailed in section 2.1.

Investigations

We have continued to review 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. No such course of action has been found.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Rent and rent advance payments

During the period we have paid a total of £122,173 to landlords in respect of rent, service charge and utilities of premises occupied by the Purchasers under the licence to occupy. A residual payment of c. £36,000 in relation to the Westfield White City is being processed, which will fall outside of this reporting period. These amounts are fully funded by the Purchasers with the licence fees received.

Agents' fees

The sum of £500 was paid to PHD in respect of their rent management services provided for the leasehold properties.

Solicitors' fees

Boyes Turner were paid £1,912 for their post-appointment legal advice which was provided during the administration.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

Legal costs

Legal fees incurred and not paid in the period total £12,000 and relate to advice provided by Boyes Turner in relation to the property matters as detailed in section 2.1 above.

Agents' fees

A final fee of £1,500 incurred by PDH in relation to the property management will be discharged shortly.

3 Dividend prospects

3.1 Secured creditors

Please refer to our proposals for (1) details of the security held and (2) indebtedness at the date of our appointment.

During the period no distribution has been made to the Secured creditor.

3.2 Preferential creditors

Preferential claims have been mitigated to approximately one week's arrears of pay and any nominal accrued holiday, due to arrangements with the Purchasers as described in our previous report.

There are insufficient funds to enable a dividend to preferential creditors.

3.3 Unsecured creditors

There are insufficient funds to enable a dividend to unsecured creditors.

4 Other matters

4.1 VAT and tax matters

VAT matters

As detailed in our previous progress report, we opted to tax the Company's properties. Following the expiry of the licence to occupy period, steps were taken to de-register the Company for VAT purposes. We will arrange for the final VAT return to be filed with HMRC, which is anticipated to result in a VAT repayment due to the Company.

Corporation tax matters

KPMG tax specialists were instructed to prepare the necessary corporation tax information in order to finalise the Company's tax position. Upon filing of the relevant tax information, HMRC has confirmed that it has no objection to the administration being concluded and provided tax clearance for the final pre-administration period and period covered by the administration.

5 Joint Administrators' remuneration and disbursements

We will shortly 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 revised fees estimate provided in Appendix 4 and KPMG's usual charge-out rates for work of this nature.

Time costs

From 16 February 2020 to 15 August 2020, we have incurred time costs of £89,879. These represent 220 hours at an average rate of £409 per hour.

Disbursements

During the period, we have incurred disbursements of £171. None of these have yet been paid.

Additional information

We have attached a revised fees estimate at Appendix 4. Our time costs have increased

mainly due to additional complexities in realising the realising remaining assets due to Covid-19 Pandemic. We have also attached a revised expenses estimate at Appendix 5. Our estimated expenses have increased mainly due to the protracted property matters.

We have attached (Appendix 6) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 16 February 2020 to 15 August 2020. We have also attached our charging and disbursements policy.

Pre-administration fees

During the period we paid pre-administration fees of £45,980 as disclosed in our proposals. On 30 October 2019 we obtained approval from the Secured creditor to pay all of these pre-administration costs as an expense of the administration.

6 Future strategy

6.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- finalising the VAT affairs of the Company to include submission of VAT returns and recovery of remaining VAT receivables due;
- discharging administration liabilities including the Administrators' remuneration; and
- attending to statutory and compliance matters in order to conclude the administration.

6.2 Extension of the administration

During the period the Secured creditor granted a 12 month extension to the period of the administration.

The administration is currently due to end on 15 August 2021, it is however anticipated for the administration to conclude prior to this date.

6.3 Future reporting

We will provide a further progress report within one month of 15 February 2021 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company information

Company name	Cabana Restaurants Limited
Date of incorporation	9 May 2011
Company registration number	07627429
Present registered office	KPMG LLP, 15 Canada Square, London, E15 5GL

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, the Business and Property Courts of England and Wales, 5393 of 2019
Appointor	Directors
Date of appointment	16 August 2019
Joint Administrators' details	Steve Absolom and Will Wright
Estimated values of the Net Property and Prescribed part	Estimated Net Property is Nil. Estimated Prescribed Part is Nil. The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3.3).
Prescribed Part distribution	There are insufficient floating charge realisations to enable a distribution to creditors.
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 2021

Appendix 2 Joint Administrators' receipts and payments account

Cabana Restaurants Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 16/02/2020 To 15/08/2020 (£)	From 16/08/2019 To 15/08/2020 (£)
FIXED CHARGE ASSETS			
269,996.00	Leasehold property	NIL	269,996.00
	Rent Deposits (SoFA Uncertain)	27,094.84	27,094.84
6.00	Goodwill	NIL	6.00
		27,094.84	297,096.84
FIXED CHARGE COSTS			
	Administrators' pre-administration costs	(35,984.61)	(35,984.61)
	Legal fees	NIL	(1,238.00)
	Pre-administration legal costs	NIL	(21,261.88)
		(35,984.61)	(58,484.49)
FIXED CHARGE CREDITORS			
(294,583.00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
65,000.00	Furniture & equipment	NIL	64,998.00
9,998.00	Stock	NIL	10,000.00
	Sundry Debtors (SoFA Uncertain)	NIL	15,579.75
	Cash in transit	NIL	5,617.76
	LTO Facilitation Fee	3,600.00	10,800.00
	Property License Fee	54,288.57	594,710.64
		57,888.57	701,706.15
OTHER REALISATIONS			
	Bank interest, gross	314.07	1,620.71
	Contribution by Hush, wages & salaries	NIL	47,802.98
	Sundry refunds	NIL	401.32
	3rd Party funds	1,080.00	2,751.83
	Business Rates Refunds	NIL	15,662.89
		1,394.07	68,239.73
COST OF REALISATIONS			
	Administrators' pre-administration costs	(9,995.39)	(9,995.39)
	Agents'/Valuers' fees	(500.00)	(3,622.11)
	Pre-administration legal costs	NIL	(6,194.94)
	Legal fees	(1,912.00)	(4,933.00)

Cabana Restaurants Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 16/02/2020 To 15/08/2020 (£)	From 16/08/2019 To 15/08/2020 (£)
	Statutory advertising	NIL	(73.00)
	LTO Rent	(122,173.21)	(547,314.02)
	Rent Advance Payments (Gross)	(1,021.60)	(1,021.60)
	Wages & salaries	NIL	(27,589.74)
	PAYE & NIC	NIL	(20,213.24)
	Bank charges	(60.00)	(180.00)
		(139,404.11)	(625,900.55)
	PREFERENTIAL CREDITORS		
(14,365.00)	Employees' wage arrears	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,856,438.00)	Trade & expense	NIL	NIL
(395,186.00)	Connected companies	NIL	NIL
(873,097.00)		NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(883,095.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(3,971,764.00)		(89,011.24)	382,657.68
	REPRESENTED BY		
	Floating ch. VAT rec'able		109,796.24
	Floating charge current		377,850.43
	Fixed charge VAT rec'able		11,696.89
	Fixed charge VAT payable		(3,999.40)
	Floating ch. VAT payable		(123,501.75)
	Floating ch. VAT control		18,265.16
	Fixed charge VAT control		(7,449.89)
			382,657.68

Appendix 3 Schedule of expenses

Schedule of expenses (16/02/2020 to 15/08/2020)

Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Cost of realisations			
Agents'/Valuers' fees	0.00	1,500.00	1,500.00
Legal fees	0.00	7,927.00	7,927.00
Joint Administrators' remuneration	0.00	89,879.20	89,879.20
Joint Administrators' disbursements	0.00	171.60	171.60
Rent and rent advance payments *	-	-	-
Bank charges	20.00	40.00	60.00
TOTAL	20.00	99,477.80	99,497.80

*All rental costs relating to the leasehold properties are covered in full by the Purchasers and include LTO rent and rent advance payments.

Please note that there is a difference between the payments made during the period as per the receipts and payments account and the expenses incurred and paid in the period reported per the schedule of expenses. This is due to the fact that some of the payments made in the period relate to expenses incurred in a prior period and reported in our first progress report.

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court. The full text of the relevant rules can be provided on request by writing to Jannice Adofo at KPMG LLP, 15 Canada Square, London, E15 5GL.

Appendix 4 Joint Administrators' revised fees estimate

	Narrative	Approved estimated time costs for the engagement			Additional estimated time costs for the engagement			Revised total estimated cost
		Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)	Additional estimated hours	Additional estimated time cost	Additional estimated hourly rate (£)	
Administration & Planning								
Bankrupt/Director/Member		0.00	0.00	0.00	1.30	668.50	514.23	668.50
Cashiering - processing receipts, payments and bank reconciliations	Note 1	41.00	12,580.00	306.83	(8.05)	(4,177.90)	255.00	8,402.10
General - books & records, fees & work in progress	Note 2	32.00	9,585.00	299.53	(23.05)	(6,578.00)	335.98	3,007.00
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	133.00	43,255.00	325.23	(53.70)	(11,918.05)	395.17	31,336.95
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	47.00	15,585.00	331.60	35.00	15,342.20	377.16	30,927.20
Creditors								
Creditors and claims - general correspondence, notification of appointment, statutory reports	Note 5	225.00	63,385.00	281.71	(37.15)	1,308.90	344.39	64,693.90
Employees - correspondence	Note 6	77.00	23,535.00	305.65	(15.70)	(3,293.90)	330.20	20,241.10
Investigations								
Directors - correspondence, statement of affairs, questionnaires	Note 7	30.00	10,220.00	340.67	(0.70)	830.00	377.13	11,050.00
Investigations - director conduct and affairs of the Company	Note 8	30.00	10,220.00	340.67	(26.90)	(9,200.00)	329.03	1,020.00
Realisation of Assets								
Asset Realisation - including insurance of assets	Note 9	115.00	42,925.00	373.26	115.55	52,477.90	413.81	95,402.90
Trading								
Trading - purchases, sales, cash projections	Note 10	50.00	18,120.00	362.40	(14.15)	(5,175.00)	361.09	12,945.00
Total		780.00	249,410.00	319.76	(27.55)	30,284.65	371.71	279,694.65

Whilst specific notes have been provided below to give more context around the fees estimate, these should be read in conjunction with the report as a whole. Our revised fee estimate reflects an extension to the administration appointment and protracted asset recovery process due Covid-19.

Below is further detail of the work to be undertaken for this engagement:

Note 1 – Cashiering

Our time costs reflect closing the existing bank account, opening a separate administration account, maintaining the account, including bank reconciliations and processing a receipts and payments during the administration period. The revised fee estimate reflects a reduction in time costs incurred in this regard.

Note 2 – General

Our time costs reflect collection of the Company's books and records and seeking approval for our fees and expenses as detailed in the Proposals. The revised fee estimate reflects a reduction in time costs incurred in this regard.

Note 3 – Statutory and Compliance

Our time costs reflect 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 our previous reports. Our estimate reflects additional time required to meet our statutory obligations following the extension of the administration period. The revised fee estimate reflects a reduction in time costs incurred in this regard.

Note 4 – Tax

Our time costs reflect our internal VAT and Tax specialists' review of the Company's tax and VAT affairs and the submission of post-administration tax and VAT returns as required. Our estimate reflects the need for additional returns to be filed in the event of an extension to the administration.

Note 5 – Creditors and claims

Our time costs reflect time spent drafting and issuing the Administrators' statutory reports to creditors, attending and dealing with creditor enquiries and general communication with both secured and unsecured creditors.

Note 6 – Employees

Our work reflecting time costs incurred in assisting the former employees to complete their claim forms, corresponding with the Redundancy Payment Services and attending to employees queries relating to the administration process. The revised fee estimate reflects a reduction in time costs incurred in this regard.

Note 7 – Directors

Our time costs reflect correspondence with the statutory directors regarding their statutory duties, requesting the completion of the Statement of Affairs and directors' questionnaires. Time also includes 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.

Note 8 – Investigations

This work relates to review of any transactions or disposals made in the lead up to and/or immediately prior to our appointment. The revised fees estimate reflects a reduction in time costs in this regard.

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 occupies, 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 involved closing the restaurants excluded from the sale of the business and assets, liaising with the landlords and surrendering the respective leases. The revised fees estimate reflects a reduction in time costs in this regard.

Appendix 5 Joint Administrators' revised costs estimate

Summary of Expenses from appointment					
		Total for Administration			
Expenses (£)	Note	Initial Estimates (£)	Paid to date (£)	Future costs (£)	Total (£)
Cost of realisations					
Administrators' pre-administration costs		45,980.00	45,980.00	0.00	45,980.00
Pre-administration legal costs		27,456.82	27,456.82	0.00	27,456.82
Legal fees	1	7,500.00	6,171.00	12,015.00	18,186.00
Agents'/Valuers' fees		5,000.00	3,622.11	1,500	5,122.11
Statutory advertising		500.00	73.00	0.00	73.00
Insurance of assets		2,000.00	0.00	2,000.00	2,000.00
Other costs		3,000.00	180.00	2,820.00	3,000.00
TOTAL		91,436.82	83,482.93	18,335.00	101,817.93

Note 1

As explained in the report, our costs have increased due to the protracted property matters due to Covid-19 pandemic.

Appendix 6 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 and employee 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/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Jannice Adofo on 0207 3116354.

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.

Table of charge-out rates

Charge-out rates (£) for: Restructuring			
Grade	From 01 Jan 2019 £/hr	From 01 Oct 2019 £/hr	From 01 Jan 2020 £/hr
Partner	655	655	690
Director	590	590	620
Senior Manager	535	535	560
Manager	445	445	467
Senior Administrator	310	310	325
Administrator	225	225	236
Support	140	140	147

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 the following disbursements (excluding VAT) during the period 16 February 2020 to 15 August 2020.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
External printing	42.02		NIL		42.02
Postage	129.58		NIL		129.58
Total	171.60		NIL		171.60

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

The Category 2 disbursements have been approved by the Secured creditor.

Narrative of work carried out for the period 16 February 2020 to 15 August 2020

The key areas of work have been:

Statutory and compliance	<input type="checkbox"/> posting information on a dedicated web page;
	<input type="checkbox"/> preparing statutory receipts and payments accounts;
	<input type="checkbox"/> obtaining approval from the secured creditor of a 12 month extension of the

	<ul style="list-style-type: none"> ■ administration; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ 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; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of HSBC regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ 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"> ■ analysing VAT related transactions; ■ reviewing the Company's duty position to ensure compliance with duty requirements; ■ dealing with post appointment tax compliance including submission of VAT returns to HM Revenue and Customs; ■ arranging for de-registration of the Company for VAT purposes and liaising with in-house VAT specialists.
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;
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ reviewing outstanding debtors and management of debt collection strategy; ■ liaising with Company credit control staff and communicating with debtors; ■ liaising with landlord in respect of recovery of rent deposit deed and the bank to release security.
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; ■ managing rent management process, liaising with agents and solicitors; ■ liaison with solicitors and the Purchasers regarding lease assignment.
Open cover insurance	<ul style="list-style-type: none"> ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Creditors and claims	<ul style="list-style-type: none"> ■ updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ drafting our progress report.

Time costs

SIP 9 –Time costs analysis (16/02/2020 to 15/08/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	6.40	1,693.70	264.64
Reconciliations (& IPS accounting reviews)	1.00	253.80	253.80
General			
Fees and WIP	1.60	423.80	264.88
Statutory and compliance			

SIP 9 –Time costs analysis (16/02/2020 to 15/08/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Checklist & reviews	6.80	2,089.90	307.34
Extension related formalities	1.40	330.40	236.00
Reports to debenture holders	8.80	4,156.10	472.28
Statutory receipts and payments accounts	0.30	97.50	325.00
Strategy documents	0.40	224.00	560.00
Tax			
Initial reviews - CT and VAT	7.20	1,699.20	236.00
Post appointment corporation tax	9.00	4,864.20	540.47
Post appointment VAT	23.40	7,858.00	335.81
Creditors			
Creditors and claims			
General correspondence	11.20	2,735.60	244.25
Secured creditors	5.50	2,568.50	467.00
Statutory reports	12.70	5,291.20	416.63
Employees			
Correspondence	0.10	46.70	467.00
Realisation of assets			
Asset Realisation			
Debtors	0.40	186.80	467.00
Freehold property	0.30	97.50	325.00
Insurance	0.80	327.40	409.25
Leasehold property	119.30	53,995.40	452.60
Other assets	3.10	939.50	303.06
Total in period	219.70	89,879.20	409.10

Brought forward time (appointment date to SIP 9 period start date) 477.05 167,274.65

SIP 9 period time (SIP 9 period start date to SIP 9 period end date) 219.70 89,879.20

Carry forward time (appointment date to SIP 9 period end date) 696.75 257,153.85

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 7 Glossary

Bank	HSBC UK Bank Plc
Boyes Turner	Boyes Turner LLP
Company	Cabana Restaurants Limited - in Administration
FUL	Fired Up One Limited
HMRC	HM Revenue and Customs
HTL	Hache Trading Limited
Hush	Hush Brasseries Limited
Joint Administrators/we/our/us	Steve Absolom and Will Wright
KPMG	KPMG LLP
LTO	Licence to Occupy
PHD	PHD Property Advisory Ltd
Secured creditor	HSBC UK Bank Plc
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

Any references in this progress report 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 8 Notice: About this report

This report 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 to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress 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.

This report has not been prepared in contemplation of it being used, and is 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 this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its 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 this report to any such person.

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.

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