

AM23

Notice of move from administration to dissolution



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number 0 7 9 6 4 3 2 8

Company name in full Adelie Holdco UK Limited

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name High Court of Justice, Business and Property Courts

Court number 0 0 2 5 8 8 2 0 2 0

3 Administrator's name

Full forename(s) Robert James

Surname Harding

4 Administrator's address

Building name/number 156 Great Charles Street

Street Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

Country

AM23

Notice of move from administration to dissolution

5		Administrator's name ①	
Full forename(s)	Richard Michael		
Surname	Hawes		
		① Other administrator Use this section to tell us about another administrator.	
6		Administrator's address ②	
Building name/number	156 Great Charles Street		
Street	Queensway		
Post town	Birmingham		
County/Region			
Postcode	B 3 3 H N		
Country			
		② Other administrator Use this section to tell us about another administrator.	
7		Final progress report	
		☒ I have attached a copy of the final progress report	
8		Sign and date	
Administrator's signature	Signature X  X		
Signature date	d 2 4 m 0 5 y 2 0 y 2 2		

**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 **Wendy Packwood**

Company name **Teneo Financial Advisory Ltd**

Address **156 Great Charles Street
Queensway**

Post town **Birmingham**

County/Region

Postcode **B 3 3 H N**

Country

DX

Telephone **+44 121 619 0120**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

**Important information**

All information on this form will appear on the public record.

**Where to send**

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

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

**Further information**

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



The Global CEO Advisory Firm

**Adelie Foods Limited (“AFL”)
Adelie Holdco UK Limited (“AHUKL”)
Adelie Foods Group Limited (“AFGL”)
Adelie Foods Bidco Limited (“AFBL”)
Brambles Foods Group Ltd (“BFGL”)
(all in administration)
 (“the Companies”)**

Final progress report to creditors pursuant to rules 18.6 and 3.53 of the Insolvency (England & Wales) Rules 2016 (“the Rules”).

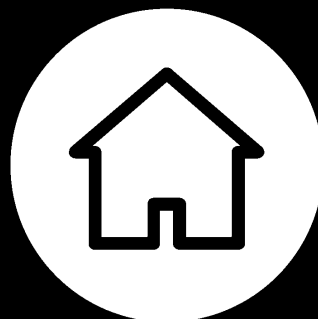
24 May 2022

Robert James Harding and Richard Michael Hawes (“the Joint Administrators”) were appointed Joint Administrators of the Companies on 26 May 2020 by the Directors. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Teneo Financial Advisory Limited (“Teneo”) are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

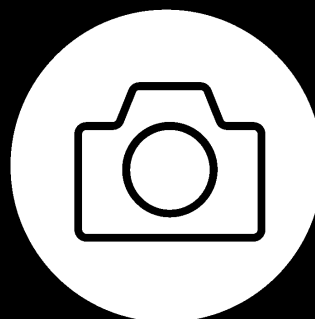
For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), (“the Act”), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

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Key messages



Key messages

Joint Administrators of the Companies

Robert James Harding
Richard Michael Hawes

Teneo Financial Advisory Limited
156 Great Charles Street
Queensway
Birmingham
B3 3HN

Contact details

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www.ips-docs.com
Tel: 0121 619 0150



Purpose of administrations
Achievement of the Joint Administrators' Proposals

- The purpose of the administrations was to achieve a better result for the Companies' creditors as a whole than through liquidations.

The Companies

- Following our appointment, the Companies' business was "mothballed" whilst we conducted an accelerated M&A ("AMA") process, following an earlier pre-appointment AMA process having ended without securing a sale.
- No going concern offers were received and as a result the majority of the employees (within AFL and AFBL) were made redundant on 1 June 2020.
- Distributions totalling c.£500k in AFL and c.£5.9m in AHUKL were paid to Intermediate Capital Group Plc ("ICG") under its fixed charges. No distributions were paid to any other class of creditor in any of the Companies.

AHUKL

- The Urban Eat brand held by AHUKL was sold, together with associated intellectual property, to Samworth Brothers Limited for £6.4m on 1 June 2020.

AFL

- Plant and equipment, and other chattel assets held by AFL, were subsequently sold to a number of different buyers for a total of c.£1.5m.
- Due to the immediate cessation of trading on appointment, AFL had substantial food and packaging stocks. Stock realisations totalled £124k.
- AFL's book debts had been assigned to PNC Financial Services UK Ltd ("PNC") as part of an invoice finance lending facility. PNC was repaid in full and surplus book debt collections totalling c.£179k were achieved during the period of the administration.
- With regards to the large debtor, which had been fully provided against by AFL, and the possible recovery from a third party, we concluded that the likelihood and quantum of any potential return did not merit the costs that would be involved in further pursuing this matter. This decision followed correspondence with the interested third party and detailed legal advice thereon.
- Other key asset realisations achieved in respect of AFL, include:
 - Cash at bank on appointment of £96k;
 - The sale of freehold land (subject to a fixed charge) at Tamworth for £550k;
 - A VAT refund of £290k;
 - Utilities refund of £100k;
 - BUPA refund of £16k; and
 - Miscellaneous refunds totalling £26k.
- All leasehold properties were returned to the landlords and lease surrenders were agreed.

AFGL, AFBL and BFGL

- There were no asset realisations in AFGL, AFBL or BFGL (save for £250 cash at bank in AFBL).

Key messages



Costs
Outcome for Creditors
Extensions to and end of the administration periods

- AFL**
- Our fee basis was fixed on a time cost basis in AFL. We have incurred total time costs of £2,307k. We have drawn fees of c.£1,483k. Please see pages 21 to 22 for further details.
 - In addition, fees of £35k in relation the sale of land subject to a fixed charge in favour of ICG were agreed by ICG.
 - Third party costs or expenses of c.£32k have been incurred since our last report. Please refer to page 10 for details of the total costs.
 - Category 2 expenses, comprising services provided by Deloitte LLP, totalling c.£8k have been incurred since our last report.
- AHUKL**
- Our fees in AHUKL were paid from the fixed charge proceeds of the sale of the Urban Eat brand, having been agreed directly with the fixed charge holder as a set fee. Please see page 21 for further details.
 - No further third party costs or expenses have been incurred since our last report.
 - No further category 2 expenses have been incurred since our last report.
- AFGL, AFBL and BFGL**
- No steps were taken to fix the basis of remuneration in respect of AFGL, AFBL or BFGL because there were no or minimal asset realisations in these companies.
 - No further third party costs or expenses have been incurred since our last report.
 - No further category 2 expenses have been incurred since our last report.
- All Companies**
- Secured creditors - ICG (which had securities registered against all of the Companies) was not repaid in full however it received distributions totalling c.£500k in AFL and c.£5.9m in AHUKL. PNC (which had securities registered against AFL and AFGL) was repaid in full via assigned book debt collections from these companies.
 - Preferential creditors - (AFL and AFBL only) were not paid a dividend. The other companies had no known preferential creditors and no such claims were received.
 - Secondary Preferential creditor - These provisions do not apply to any of the Companies due to the age of the cases.
 - Unsecured creditors - were not paid a dividend (including via the Prescribed Part) in any of the Companies.
- The period of the administrations was extended to 25 May 2022.
 - Please refer to page 18 for further details.



Summary Proposals

Steps taken	6
Costs	10



Summary Proposals

The Joint Administrators' Proposals

Our Proposals for the administrations of the Companies include:

- continuing to manage the affairs and any remaining assets of the company and the settlement of all administration expenses; and
- assessing the affairs of the company and reviewing and reporting on the conduct of its directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the company or its management;
- agreement of the claims of any secured, preferential and unsecured creditors against the company unless we conclude, in our reasonable opinion, that the company will have no assets available for distribution; and
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application; and
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administration; and
- that, if the company is to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Specific approval from the appropriate body (as applicable to each company) was sought to fix:

- the basis of and the ability to draw our remuneration and expenses (AFL and AHUKL);
- pre administration costs and expenses (AFL and AHUKL); and
- to agree the time of our discharge on conclusion of the administration (all of the Companies).

Please refer to page 9 and 23 for details.



Summary Proposals

Steps Taken

The Joint Administrators' Proposals

Our Proposals were deemed approved on 3 August 2020 following the expiration of 8 business days from the date of issue of our Proposals in accordance with rule 3.38(4) of the Rules.

Sale of business – the Companies

As previously reported, we concluded it would be in the best interests of creditors to explore whether a sale of the business (or part thereof) as a going concern could be achieved.

However, the very limited funding available on appointment meant that trading the business to bridge to a potential sale of business was not possible. In particular, there were insufficient funds available to secure the necessary supply of ingredients for trading and to pay staff wages/salaries which would have fallen due prior to any receipts from customers.

We therefore mothballed the business whilst a very accelerated M&A process was conducted (which leveraged the pre-appointment AMA process).

Discussions were held with 68 potential purchasers in the days following appointment however no offers were received for any parts of the business as a going concern. On 1 June 2020, it was concluded that no such offers were likely to be forthcoming.

As a result, the decision was taken to focus efforts on realising the Companies' assets. Consequently, it was necessary to make the vast majority of the employees (within AFL and AFBL) redundant on 1 June 2020, save for a small number of employees in AFL retained to assist with the administrations (who were also later made redundant).

Asset realisations - AHUKL

Urban Eat brand

Whilst no going concern offers resulted from the post-appointment sale process referred to above, there was interest in the Urban Eat brand which was held by AHUKL (and subject to a fixed charge in favour of ICG).

The Urban Eat brand and associated intellectual property was sold to the highest bidder, Samworth Brothers Limited, for £6.4m on 1 June 2020.

Asset realisations - AFL

Following the conclusion that a going concern sale was unlikely to be achieved, we contacted interested parties from the previous sale processes inviting offers for AFL's plant and equipment, and stock, and potentially a sale of AFL's leasehold interest in any of the sites.

Wyles Hardy & Co Ltd ("Wyles Hardy"), a chattel asset valuation specialist, was instructed to value the chattel assets in order to benchmark any offers received against expected recoveries from alternative realisation strategies.

Plant and machinery and other chattel assets

Various offers were received for different parcels of assets ultimately leading to eight individual asset sale agreements, detailed in our previous progress reports. Plant and machinery and other chattel asset realisations totalled £1,509k.

Certain purchasers were granted short-term licences to occupy the relevant properties at which assets were located to allow time for the uplift of assets, whilst the buyer met the costs of occupation of the properties.

Stock

Due to the immediate cessation of trading on appointment, AFL had substantial food and packaging stocks. Stock realisations totalled £124k.

Cash at bank

Cash held in AFL's pre-administration bank account totalling c.£96k was recovered.

Refunds

Various refunds were received during the course of the administration (and detailed in previous progress reports including):

- Pre-administration VAT refund - £290k
- Utilities refund - £100k
- Rates refunds - £26k
- BUPA refund - £16k
- Other misc. recoveries/refunds - £26k



Summary Proposals

Steps Taken

Asset realisations – AFL (continued)

Freehold land (subject to charge in favour of ICG)

AFL owned a plot of freehold land adjacent to the Tamworth distribution site, previously used for car/van parking. The land was sold to KCT Logistics Limited for £550,000 on 30 July 2020.

Book debts

AFL's book debts were assigned to PNC under its invoice finance facility. As at the date of our appointment, AFL's sales ledger included 588 pre-appointment book debts valued at £13.5m, with potential rebates of £6.5m owed by AFL. PNC was owed c.£4.6m on appointment, subject to ongoing charges and recovery costs.

PNC advanced funding of c.£307k (as shown in the receipts and payments account on page 12) in respect of IT network and software costs which it requested were continued for the benefit of its collection of assigned debtors.

PNC was repaid in full and therefore it released its charges and reassigned the debtor ledger back to AFL, along with surplus funds of c.£105k.

We engaged Hilton Baird Collection Services ("Hilton Baird") to pursue the remaining book debts, resulting in further collections of c.£74k (including £24k during the report period).

In our last report, we advised that we were investigating the potential for recovery from a third party in connection with a large debtor which had been fully provided against by AFL prior to our appointment. Following correspondence with the third party and detailed legal advice thereon, we concluded that the likelihood and quantum of any potential return did not merit the costs that would be involved in further pursuing this matter.

Asset realisations – AFGL, AFBL and BFGL

There were no asset realisations in AFGL, AFBL or BFGL (save for £250 cash at bank in AFBL).

Other key work undertaken during the administrations Employees (AFL and AFBL)

At the time of appointment, the Companies had 2,191 employees (2,182 in AFL and 9 in AFBL). Of these employees, 1,302 employees had been furloughed prior to our appointment with the Companies submitting furlough grant claims where appropriate.

The majority of employees (2,169 in total) were made redundant on 1 June 2020 when it was concluded that a going concern sale of the business was unlikely to be achieved.

In respect of the furloughed employees, we progressed and submitted grant claims under the HMRC Job Retention Scheme. In this regard, grant funds totalling c.£2,210k were received from HMRC (shown as HMRC JRS Grant funds received in the receipts and payment account on page 12). The net pay element of these funds has been paid to the relevant employees and PAYE, NI, Pension and other deductions have been paid.

Once it was concluded that a going concern sale was unlikely, it was necessary to make the furloughed employees redundant.

We assisted employees with the submission of claims to the Redundancy Payments Service and assisted with queries relating to the administrations generally.

Various employment related legal claims were made by former employees of AFL and AFBL. We provided various information and responses to these claims.

Leasehold property (includes AFL, AFGL and BFGL)

All of the Companies' properties were leasehold.

Savills, a real estate services provider, was instructed to review whether any lease premium could be obtained by assigning the Companies' interest in the leases – it was concluded that a lease premium was unlikely to be achievable for any of the properties.

The Companies vacated all of the properties and surrenders of the leases were agreed with the landlords.

Vehicle fleet (AFL)

AFL's fleet of vehicles was entirely leased. All vehicles were returned to the lease providers.



Summary Proposals

Steps Taken

Other key work undertaken during the administrations (continued)

Post-administration liabilities – AFL and AHUKL

We agreed and settled various other post-administration liabilities relating to the period of occupation of the leasehold properties whilst asset sales were progressed.

Investigations

We have complied with our statutory duty to report on the conduct of the Companies' directors and submitted our confidential report to the Insolvency Service on 24 August 2020.

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

No further avenues of recovery were identified as result of our investigations.

Creditors

We liaised with all classes of creditors, including corresponding with employees and unsecured creditors.

We liaised with creditors by telephone, email and post, answering general queries and providing updates on the progress of the administrations and distribution prospects.

Distributions to creditors

Distributions were made to ICG under its fixed charges totalling £5.9m in AHUKL and £0.5m in AFL.

Steps taken during the administration

Statutory tasks

During the period of our appointment, we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- case set-up and management, including updating the insolvency creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- statutory reporting, including the preparation of progress reports;
- appointment notifications;

- correspondence with creditors;
- CDDA reporting;
- cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts;
- closing preparation; and
- interaction with HM Revenue & Customs in respect of VAT and Corporation Tax matters.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Creditors' Decision Procedures

AFL

A decision procedure was held with a decision date of 22 September 2020 seeking approval from preferential creditors in relation to the Joint Administrators' remuneration, disbursements, pre-administration costs and expenses and discharge from liability.

No creditors' committee was formed.

AFBL

A decision procedure was held with a decision date of 22 September 2020 seeking approval from preferential creditors in relation to Joint Administrators' disbursements and discharge from liability.

No creditors' committee was formed.

AHUKL, AFGL, BFGL

No decision procedures were held and the Joint Administrators sought and received approval for their discharge from liability from ICG on 20 May 2022.

Extensions to the administrations

The administrations were extended for a period of 12 months (until 25 May 2022) by consent of the secured and preferential creditors on 28 April 2021 to enable ongoing book debt collections and the finalisation and settlement of administration liabilities.



Summary Proposals

Costs

Third party costs incurred during the report period
Joint Administrators’ – Category 1 Expenses

Category 1 expenses are payments to persons providing the service to which the expense relates and which are neither payment to us, the officeholders, or to an associate of ours. These expenses can be paid out of the estate by us without creditor approval.

Please see below for details of Category 1 expenses incurred during the report period and the position with regard thereto:

Legal costs:

Gateley Plc (“Gateley”) – AFL and AFBL

Gateley, a firm of lawyers with the appropriate expertise and experience in dealing with these matters, was instructed to advise on certain employee related legal matters pertaining to AFL and AFBL. Fees of c.£11k were incurred and paid during the report period.

AFBL made a £250 contribution (based on available funds) to Gateley’s legal costs incurred in relation to employment matters affecting both AFL and AFBL.

Burges Salmon LLP (“Burges Salmon”) - AFL

Burges Salmon, a firm of lawyers with the appropriate expertise and experience in dealing with these matters, was instructed to advise on the potential for recovery from a third party in connection with a large debtor which had been fully provided against by AFL prior to our appointment. Fees totalling c.£17k were incurred and paid during the report period. Expenses of £2.5k (relating to the instruction of supporting counsel on this matter) were incurred and paid during the report period.

Agents’ Costs

Hilton-Baird Collection Services Limited (“Hilton Baird”) - AFL

Hilton Baird, who are experienced in this area, was engaged to pursue the remaining book debts following the re-assignment of the ledger to AFL by PNC. Fees of c.£2k were incurred and paid during the report period, based on 10% of sums collected.

Please see below for a summary of all Category 1 expenses incurred since our appointment and the position with regard thereto, a detailed explanation of the costs were provided in previous reports:

Legal and agents’ costs:

AFL Professional costs		Incurred in	Incurred
Name of party	Service provided	report since date of	period appointment
Burges Salmon LLP	Legal advice	19,512	176,618
Gateley Plc	Legal advice	11,163	27,954
Shepherd & Wedderburn LLP	Legal advice	-	3,548
Hilton-Baird Collection Services Ltd	Book debt collection	1,735	7,669
Consultiam Property Limited	Business rates review	-	3,056
Wyles Hardy & Co Ltd (incl Sanderson Weatherall LLP)	Chattel asset advice/assistance	-	65,000
Sweeney Kincaid Limited	Chattel asset advice/assistance	-	2,005
Colliers International Valuation UK LLP	Property agency services	-	8,500
Evolve IS Limited	Employee Services	-	12,650
Accountability	Payroll Services	-	1,907
Total paid		32,410	308,907

All costs have been paid, as shown in the receipts and payments account on pages 12 to 14.
All professional costs were reviewed and analysed in detail before payment was approved.



Summary Proposals

Costs

Third party costs incurred during the report period
(continued)

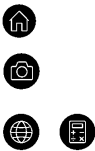
Disbursements – Category 1

Category 1 disbursements are payments made by us direct to third parties and for which no approval is required. These are summarised in the table below.

Category 1 Expenses					
£ (net)	Estimated per Proposals	Incurred during the period	Incurred to date	Paid	Unpaid
AFL					
Specific bond	230	-	230	230	-
Printing & postage	16,781	-	17,327	17,323	4
	17,011	-	17,557	17,553	4
AHUKL					
Specific bond	230	-	230	230	-
Printing & postage	10	-	-	-	-
	240	-	230	230	-
AFGL					
Specific bond	20	-	20	-	20
Printing & postage	10	-	-	-	-
	30	-	20	-	20
AFBL					
Specific bond	20	-	20	-	20
Printing & postage	63	-	63	-	63
	83	-	83	-	83
BFGL					
Specific bond	20	-	20	-	20
Printing & postage	10	-	-	-	-
	30	-	20	-	20
Total Expenses	17,394	-	17,910	17,783	127

Joint Administrators’ – Category 2 Expenses

These are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses required creditor approval in the same manner as our remuneration. Please refer to page 23 for further information.



Summary Proposals

AFL

Adelle Foods Limited
Joint Administrators' final receipts and payments account
26 November 2021 to 25 May 2022

£	SoA value	Notes	Period	To date	£	SoA value	Notes	Period	To date
Fixed charge receipts					Floating charge payments				
Freehold land			-	550,000	Rents		-		(368,977)
Bank interest gross			-	9	Business rates		-		(31,830)
Total fixed charge receipts			-	550,009	Insurance		-		(23,560)
Fixed charge payments					Security costs		-		(32,464)
Agents/valuers fees			-	(8,000)	Employee costs	7	5,767		(236,654)
Agents/valuers expenses			-	(500)	IT costs		-		(228,871)
Legal fees			-	(4,650)	Waste disposal costs		-		(23,517)
Security costs			-	(2,009)	Storage costs		(1,267)		(3,022)
Chargeholder distribution			-	(499,850)	Postage & redirection		-		(1,080)
Administrators' fees			-	(35,000)	Statutory advertising		-		(284)
Total fixed charge payments			-	(550,009)	Bank charges		(38)		(865)
Fixed Charge Balance			-	-	Equipment rental		-		(815)
Floating charge receipts					Transportation of stock		-		(1,000)
Book debt surplus	41,167	1	24,174	179,158	Subcontractor costs		-		(3,656)
Plant, machinery and chattel assets	1,500,000		550	1,509,823	Utility costs		-		(134,839)
Stock	641,406	2	-	123,836	HMRC JRS Grant payments	6	(14,348)		(2,210,285)
Cash at bank	98,000		-	95,798	Agents/valuers fees		-		(65,937)
Commercial records			-	1	Agents/valuers expenses		-		(4,123)
Packaging			-	1	Pre-appointment legal fees and expenses		-		(12,682)
VAT refund			-	290,306	Data room costs		-		(3,757)
Utility refund			-	100,397	Legal fees		(28,175)		(200,678)
BUPA refund			-	16,481	Legal expenses		(2,500)		(2,793)
Rates refund			-	25,718	Debt collection fees		(1,735)		(7,669)
Miscellaneous recoveries / refunds			836	26,360	Employee support costs		-		(14,557)
Bank interest gross		3	14	507	Specific bond		-		(230)
Licence to occupy recoveries			-	204,615	Joint Administrators' fees		(445,049)		(1,483,165)
VAT recovered on PNC's fees		4	-	24,200	Joint Administrators' expenses		-		(17,654)
Funding advanced by PNC		5	-	307,225	Total floating charge payments		(487,345)		(5,114,962)
AFBL contribution to legal fees			-	250	Floating charge balance		(461,770)		-
HMRC JRS Grant funds received		6	-	2,210,285	Total balance (fixed and floating charge)		(461,770)		-
Total floating charge receipts	2,239,406		25,575	5,114,961	Made up of:				
					Fixed charge deposit a/c		-		-
					Floating charge deposit a/c		-		-
							-		-



Summary Proposals

AFL

A receipts and payments account is provided on the previous page, detailing the transactions in the final period of the administration since our last report up to 25 November 2021, and also summarising the transactions for the entire period of the administration.

Notes to receipts and payments account

1. AFL's book debts were subject to an assignment in favour of PNC under its invoice finance facility. PNC was repaid in full with further book debt collections of c.£171k achieved. The statement of affairs value of c.£41k was the directors' estimate of the surplus funds available to AFL after repayment of PNC.
2. The directors' statement of affairs assumed 20p in the £ realisations for stock. Interest in the stock was limited and accordingly realisations of c.£124k (approximately 4p in the £) were lower than estimated by the directors.
3. All funds were held in an interest bearing account. The associated corporation tax on interest received has been accounted for to HM Revenue & Customs.
4. VAT was recovered on fees and charges applied by PNC (which it was entitled to apply under its terms and conditions) prior to it reassigning the debtor ledger to AFL.
5. PNC advanced funding of c.£307k in respect of IT network and software costs which it requested were continued for the benefit of its collection of assigned debtors.
6. Funds were received under the HMRC Coronavirus Job Retention Scheme (furlough) and have been paid to employees, and HMRC in respect of PAYE/NI.
7. During final reconciliation, a payment for the sum of £5,767 was reallocated to HMRC JRS Grant payments from Employee costs.
8. All sums shown on the receipts and payments account are shown net of VAT, which is recoverable and has been accounted for to HM Revenue & Customs.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.



Summary Proposals

AHUKL

Adelle Holdco UK Limited				
Joint Administrators' final receipts and payments account				
26 November 2021 to 25 May 2022				
£	SoA values	Notes	Period	To date
Fixed Charge Receipts				
Intellectual Property Agreements	6,399,997	1	-	6,399,998
Bank Interest Gross		2	-	2,500
Total receipts	<u>6,399,997</u>		-	<u>6,402,498</u>
Fixed Charge Payments				
Chargeholder distribution			(903)	(5,922,053)
Joint Administrators' Fees			-	(415,000)
Legal Fees			-	(46,353)
Pre Appointment Legal Fees			-	(12,470)
Pre Appointment Legal Expenses			-	(212)
Data Room Costs			-	(6,121)
Specific Bond			-	(230)
Bank Charges			(8)	(58)
Total payments			<u>(911)</u>	<u>(6,402,498)</u>
Balance				<u>-</u>
Made up of:				
Fixed Charge deposit account		2		-
Balance in hand				<u>-</u>

A receipts and payments account is provided on the previous page, detailing the transactions in the final period of the administration since our last report up to 25 November 2021, and also summarising the transactions for the entire period of the administration.

Notes to receipts and payments account

1. AHUKL's Intellectual Property was subject to a fixed charge in favour of ICG.
2. All funds were held in an interest bearing account. The associated corporation tax on interest received has been accounted for to HM Revenue & Customs.
3. All sums shown opposite are shown net of VAT, which is recoverable and will be accounted for to HM Revenue & Customs.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.



Summary Proposals

AFBL

Adelie Foods Bidco Limited				
Joint Administrators' final receipts and payments account				
26 November 2021 to 25 May 2022				
£	SoA	Notes	Period	To date
Receipts				
Cash at Bank			-	250
Total receipts	-		-	250
Payments				
Legal Fees		1	-	250
Total payments			-	250
Balance			-	-
Made up of:				
Floating Charge Deposit Account				-
Balance in hand				

A receipts and payments account is provided on the previous page, detailing the transactions in the final period of the administration since our last report up to 25 November 2021, and also summarising the transactions for the entire period of the administration.

Notes to receipts and payments account

1. AFBL made a £250 contribution (based on available funds) to Gateley's legal costs incurred in relation to employment matters affecting both AFL and AFBL, as previously advised.
2. All funds were held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

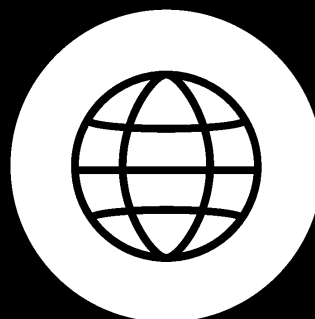
Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.



Information for creditors

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Information for
creditors
Outcome for creditors

Secured creditors

ICG (all Companies)

Intermediate Capital Group Plc (“ICG”) acted as security agent for various funds managed by ICG which had advanced lending to the Adelle Foods Group and was guaranteed by all group companies, including the Companies in administration. Debts owed by the Companies to ICG at the date of appointment were c.£66m and secured by a debenture dated 5 March 2015 containing fixed and floating charges in all of the Companies. This included a fixed charge security over the Urban Eat brand held by AHUKL and the freehold property in AFL discussed on pages 7 and 8.

Distributions were made to ICG under its fixed charges totalling £5.9m in AHUKL and £0.5m in AFL. There were insufficient realisations to repay ICG in full.

PNC (AFL and AFGL only)

PNC provided an invoice finance facility to AFL. At the time of the appointment c.£4.6m was outstanding to PNC.

PNC’s security included an assignment of trade debtors along with a debenture dated 7 April 2017 which contains fixed and floating charges in AFL and AFGL (which had guaranteed the debt).

PNC recovered its debts in full via the collection of the assigned trade debtors. PNC accordingly released its charges and reassigned the remaining book debts to AFL.

Preferential creditors

AFL and AFBL only

Preferential claims consist of amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions.

We received 2,156 preferential claims totalling c.£1.4m relating to AFL.

We received 9 preferential claims totalling c.£33k relating to AFBL.

AHUKL, AFGL and BFGL

As AHUKL, AFGL and BFGL had no employees we are not aware of any preferential creditor claims in these companies.

Secondary Preferential Debts due to HM Revenue and Customs (“HMRC”)

All Companies

Secondary preferential debts are debts due to HMRC in respect of deducted taxes (including VAT, PAYE, student loan repayments, employee NICs and CIS deductions) on insolvency appointments falling on or after 1 December 2020.

As these appointments pre date 1 December 2020, the Secondary Preferential Debt provisions do not apply.

Prescribed Part

All Companies

Insufficient funds were realised to enable a distribution to be made to unsecured creditors (including via the Prescribed Part) in any of the Companies. This is because no net floating charge realisations, after settlement of the costs and expenses of the administrations, were available in any company.

Unsecured creditors

The table below shows unsecured creditors with estimated non-preferential claims as per the directors’ statement of affairs.

Entity	No. of claims	Claims total (£)
AFL	706	23,635,161
AHUKL	-	-
AFGL	12	271,911
AFBL	2	240,105
BFGL	1	122,716

Note: Amounts above exclude any balances owned to ICG which were included in the directors’ estimate of unsecured claims in the Statement of Affairs but which we understand are secured.

Insufficient funds were realised to enable a dividend to be paid to unsecured creditors (including via the Prescribed Part) in any of the Companies..



**Information for
creditors**
Outcome for creditors
(continued)

End of the administration
All Companies
As the Companies have no property for distribution to their creditors, the appropriate Notices will be filed at Companies House to enable the Companies to move from administration to dissolution. The Companies will be deemed to be dissolved three months after the Notices are registered.



Information for
creditors

Statutory information

Statutory information					
	Adelie Foods Limited	Adelie Holdco UK Limited	Adelie Foods Group Limited	Adelie Foods Bidco Limited	Brambles Foods Group Limited
Company number	04272608	07964328	07964277	09453988	04767267
Registered office	156 Great Charles Street, Queensway, Birmingham, B3 3HN				
Trading names	N/A				
Previous names	De Facto 951 Ltd (until 19/12/01), Buckingham Foods Ltd (until 01/04/15)	De Facto 1947 Ltd (until 30/03/12), IHC Holdco UK Ltd (until 22/05/15)	De Facto 1945 Ltd (until 12/04/12)	Harvest Bidco Limited (until 20/03/15)	Seckloe 159 Ltd (until 06/10/03)
Court	High Court of Justice, Business and Property Courts of England and Wales				
Court reference	CR-002585-2020	CR-002588-2020	CR-002587-2020	CR-002586-2020	CR-002589-2020
Company directors at time of appointment	Mr Diarmuid Brendan Conifrey and Mr Martin Johnson				
Company Secretary	None				
Directors' shareholdings	N/A				

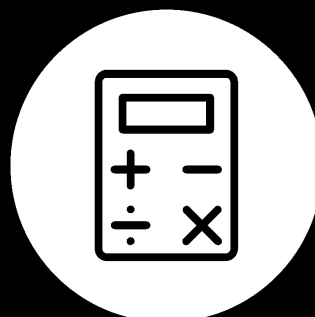




Remuneration and expenses

Joint Administrators' remuneration

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Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.ips-docs.com.

Should you require a paper copy, please send your request in writing to us at the address on page 3 of this report and this will be provided to you at no cost.

Basis of remuneration

AFL

The basis of our remuneration was fixed on 2 December 2020 by the secured and preferential creditors by reference to the time properly given by the Joint Administrators and their staff plus VAT thereon. Please also note that our approved fee basis is inclusive of the costs in respect of work delivered by Deloitte LLP and as detailed further on page 23.

In addition, ICG held a fixed charge over freehold land at Tamworth – fees relating to this fixed charge were agreed directly with ICG and drawn from the fixed charge sale proceeds.

AHUKL

As the only asset realisation in AHUKL was the sale of the Urban Eat brand which was subject to a fixed charge in favour of ICG, our fee was agreed directly with ICG and drawn from the fixed charge sale proceeds.

AFGL, AFBL and BFGL

No material realisations were achieved (or expected) in AFGL, AFBL or BFGL therefore no steps were taken to fix the basis of our remuneration in respect of these companies.

Fees drawn

AFL

We have drawn a total of £1,483,165 plus VAT (including £445,049 drawn during the report period) in respect of our time costs, as shown in the receipts and payments account on page 12.

In addition, fees of £35,000 plus VAT were agreed by ICG and drawn from fixed charge sale proceeds. Please note that reference to fees drawn of £41,850 plus VAT in our previous progress report was a typographical error.

AHUKL

Fees of £415,000 plus VAT were agreed by ICG and drawn from fixed charge sale proceeds, as shown in the receipts and payments account on page 14.

Time costs - analysis of actual against Estimate

AFL

Please refer to page 22 where we have updated the Fees Estimate to provide details of our actual time costs for the period of the report and for the entire period of our appointment. As you will see our total time costs to 8 May 2022 (the latest practicable date for reporting) are £2,306,999 made up of 3,694 hours at a blended charge out rate of £625 across all grades of staff.

Our time costs were broadly in line with expectations and as such we have not needed to seek an increase in the amount of our fee.

Key variances to the Fees Estimate include:

- Time costs totalling £67,963 have been incurred in connection with the preservation of data required to support the collection of debtors. The data preservation costs are shown separately under "Case Specific Matters". The Fees Estimate did not include a specific estimate for these costs as both the requirement for data preservation and work involved in data preservation was not known at the time of preparation of the Fees Estimate.
- Time costs totalling £353,266 have been incurred in connection with employee related correspondence, compared to the Fees Estimate of £275,955. The Fees Estimate was based on an initial high level estimate of employee related correspondence. Time costs were higher than estimated due to greater than anticipated employee related correspondence.
- Time costs totalling £329,799 have been incurred in connection with case supervision, compared to the Fees Estimate of £235,637. This is due to the case having been extended beyond the initial term of one year.
- Time costs totalling £161,054 have been incurred in connection with creditor correspondence, compared to the Fees Estimate of £97,328. This is due to greater than anticipated correspondence from creditors.



AFL - Fees Estimate and Joint Administrators' time costs for the period 26 May 2020 to 8 May 2022

All staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs for Report Period			Actual Time and Costs since Appointment		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours Incurred in period	Avg Rate £/h	Time costs incurred in period (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)
Administrative activities	Cashiering	214.9	530	113,838	15.7	528	8,288	279.4	409	114,218
	Case supervision	295.9	796	235,637	0.7	722	529	407.5	809	329,799
	Case reviews	22.0	516	11,355	6.0	858	5,150	3.1	2,292	7,104
	Case closure matters	36.0	494	17,790	16.0	902	14,425	14.0	1,030	14,425
Statutory & compliance	Compliance & IPS diary	113.4	477	54,038	0.7	564	414	34.9	515	17,986
	Insurance	8.5	531	4,513	-	-	-	5.1	787	4,015
	General reporting	167.5	516	86,433	11.7	763	8,884	56.2	852	47,894
Initial actions	Appointment matters	3.5	538	1,883	-	-	-	2.0	360	720
	Securing assets	9.0	706	6,353	-	-	-	9.0	706	6,352
	Notifications	29.9	395	11,812	-	-	-	30.4	396	12,028
Investigations	CDDA reporting	49.1	453	22,245	-	-	-	19.4	374	7,237
	Investigations	42.5	409	17,375	0.4	900	360	33.4	344	11,502
Total of above categories		992.2	588	583,269	51.2	743	38,050	894.4	641	573,280
Taxation	Tax	66.8	600	40,055	7.9	739	5,798	47.3	770	36,439
	VAT	52.7	586	30,883	3.7	650	2,405	39.3	613	24,100
Asset realisations	Third party assets	35.5	600	21,288	-	-	-	6.0	775	4,650
	Book debts	61.2	819	50,101	14.0	979	13,700	71.6	1,063	76,132
	Chattel assets	78.9	769	60,709	-	-	-	41.4	756	31,297
	Other assets	235.9	689	162,603	8.5	978	8,299	216.6	715	154,859
	Property	40.8	752	30,684	-	-	-	84.4	676	57,053
	Retention of title	292.0	597	174,301	-	-	-	282.0	626	176,503
	Sale of business	342.4	713	243,960	-	-	-	357.3	715	255,508
Trading	Day 1 control of trading	1.0	360	360	-	-	-	1.0	360	360
	Ongoing trading	302.6	755	228,509	0.2	650	108	347.5	734	254,996
	Closure of trade	106.0	479	50,730	-	-	-	25.5	643	16,405
Employees	Correspondence	556.2	496	275,955	2.6	682	1,751	790.9	447	353,266
	Employment tribunals	37.5	610	22,875	11.7	742	8,656	31.2	816	25,460
	Pensions	53.8	490	26,350	-	-	-	62.0	577	35,800
Correspondence	Creditors	201.3	483	97,328	5.9	389	2,277	271.1	594	161,054
	Customers	10.0	360	3,600	-	-	-	-	-	-
	Press & media queries	4.0	896	3,585	-	-	-	1.0	775	775
Distributions	Secured creditors	-	-	-	-	-	-	1.5	733	1,100
	Preferential creditors	182.3	476	86,732	-	-	-	-	-	-
Case specific matters	Data Preservation	-	-	-	-	-	-	122.0	557	67,963
Total fees estimate		3,652.9	601	2,193,873	105.5	768	81,044	3,694.0	625	2,306,999

Remuneration and expenses
Detailed information

Category 2 Expenses
Category 2 Expenses are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses require creditor approval in the same manner as our remuneration.

Joint Administrators – Category 2 Expenses
As described on page 11, these are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. Specific approval is required before these expenses can be drawn from the administration estate.

AFL
Details of our Category 2 expenses and the position with regard thereto are given below, all figures are shown exclusive of VAT.

Category 2 expenses - AFL
Table with 6 columns: £ (net), Estimated per Proposals, Incurred to date, Incurred to date, Paid, Unpaid. Rows include AFL Mileage and Total expenses.

No mileage costs were anticipated when the Joint Administrators' Proposals were prepared. Mileage costs were incurred in connection with the data preservation exercise discussed on page 21. Mileage was calculated at the prevailing standard mileage rate of up to 45p at the time when the mileage is incurred.

Specific approval is required before these costs and expenses can be drawn from the administration estate and which was given by secured and preferential creditors on 2 December 2020 in respect of AFL, other than in relation to the Deloitte LLP costs which are discussed further below/opposite.

Prior to the move of the Deloitte UK Restructuring team to Teneo Financial Advisory Limited, ("the Transaction"), work being delivered by other Deloitte service lines (with the exception of Deloitte Call Centre) was charged to the estate to be recovered as part of the Joint Administrators' remuneration (from which an internal recharge would have then been made).

We had thus included the anticipated costs for such services being delivered by Deloitte LLP in in our fees estimate as approved by secured and preferential creditors.

Following the Transaction, Deloitte costs were required to be treated as Category 2 disbursements and thus required creditor approval. For avoidance of doubt however, all such costs were paid out of our approved remuneration, i.e. they have not been charged as an additional cost.

Deloitte LLP – Services provided
AFL
We have detailed below the services which were provided by Deloitte LLP, the costs of which are included in our fee estimate and were thus paid out of our approved remuneration:

- Deloitte Tax/VAT – were engaged to assist with preparation and review of corporation tax and certain VAT returns. Their work, which is no longer ongoing and which was undertaken prior to the date of the Transaction, was charged on a time costs basis. Their total costs were £31,912 plus VAT, and which has been paid out of our approved remuneration.
- Deloitte Forensics – were engaged to assist with the data preservation exercise discussed on page 21. Their work, which is no longer ongoing and which was undertaken prior to the date of the Transaction, was charged on a time costs basis. Their total costs were £67,963 plus VAT, and which has been paid out of our approved remuneration.
- Deloitte Global Financial Advisory India ("DIJV") – were engaged to assist with general case management and administration. Their work, which is no longer ongoing, was charged on a time costs basis. Their total costs were £8,226 plus VAT, and which has been paid out of our approved remuneration.

Deloitte LLP Charge out Rate Bands (£/hour)
Table with 2 columns: Grade, Rate (£/hour). Rows include Partners, Directors, Associate Directors, Managers/Assistant Managers, Consultants, Associates, Administrators/Analysts, Agent.



Remuneration and expenses
Detailed information

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.





This document is confidential and prepared solely for your information. Therefore you should not, without our prior written consent, refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

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