



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

1 Company details

Company number 1 0 0 7 5 4 7 2

Company name in full Lava Mayfair Club Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Chris

Surname Newell

3 Administrator's address

Building name/number 2nd Floor

Street Arcadia House

Post town 15 Forlease Road

County/Region Maidenhead

Postcode S L 6 1 R X

Country

4 Administrator's name ①

Full forename(s) Simon James

Surname Bonney

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 2nd Floor

Street Arcadia House

Post town 15 Forlease Road

County/Region Maidenhead

Postcode S L 6 1 R X

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 2	^d 2	^m 0	^m 4	^y 2	^y 0	^y 2	^y 1
To date	^d 2	^d 1	^m 1	^m 0	^y 2	^y 0	^y 2	^y 1

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 1	^d 9	^m 1	^m 1	^y 2	^y 0	^y 2	^y 1
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**Presenter information**

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

Contact name **Thomas Graham**

Company name **Quantuma Advisory Limited**

Address **2nd Floor**

Arcadia House

Post town **15 Forlease Road**

County/Region **Maidenhead**

Postcode **S L 6 1 R X**

Country

DX

Telephone **01628 478100**

**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

Lava Mayfair Club Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 22/04/2021 To 21/10/2021 £	From 22/10/2020 To 21/10/2021 £
POST APPOINTMENT SALES		
Sales	NIL	18,181.48
	NIL	18,181.48
TRADING EXPENDITURE		
Employee payroll	6,313.89	6,313.89
PAYE / NIC	3,076.15	3,076.15
Employee/Employer Pension contributi	883.90	883.90
	(10,273.94)	(10,273.94)
TRADING SURPLUS/(DEFICIT)	(10,273.94)	7,907.54

Lava Mayfair Club Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 22/04/2021 To 21/10/2021 £	From 22/10/2020 To 21/10/2021 £
	ASSET REALISATIONS		
	Bank Interest Gross	15.32	19.67
1,518,499.00	Cash at Bank	NIL	NIL
99,200.00	Furniture & Equipment	NIL	270,000.00
7,631.00	Shares - Conduit Connect	NIL	24,996.43
100,800.00	Stock	NIL	30,000.00
	Trading Surplus/(Deficit)	(10,273.94)	7,907.54
425,737.00	VAT Refund	NIL	NIL
		(10,258.62)	332,923.64
	COST OF REALISATIONS		
	Accountants fees	NIL	7,000.00
	Agents/Valuers Fees (1)	NIL	55,809.98
	Bank Charges	54.72	54.72
	Insurance of Assets	NIL	1,319.79
	Legal Fees (1)	NIL	6,948.00
	Other professional fees	509.88	1,405.88
	Pension Costs	2,490.00	2,840.00
	Postage	NIL	216.09
	Security & Maintenance Costs	73.07	4,923.87
	Specific Bond	NIL	135.00
	Statutory Advertising	NIL	84.60
	Travel expenses (not mileage)	NIL	635.79
	Utilities	37,125.00	38,390.63
		(40,252.67)	(119,764.35)
	PREFERENTIAL CREDITORS		
(240,080.00)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(9,909,487.00)	Floating Charge Creditor	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,463,372.00)	Consumer Creditors - club members	NIL	NIL
(265,745.00)	Directors Loan	NIL	NIL
(576,146.00)	Employees	NIL	NIL
(373,900.00)	HM Revenue and Customs - PAYE/NI	NIL	NIL
(9,295,511.00)	Inter-company loan	NIL	NIL
(825,749.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(23,673.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(20,821,796.00)		(50,511.29)	213,159.29
	REPRESENTED BY		
	Bank 1 Current		213,159.29
			213,159.29



Chris Newell
Joint Administrator

Lava Mayfair Club Limited

(In ADMINISTRATION)

("the Company")

In the Business and Property Courts in England & Wales CR-2020-004017

THE JOINT ADMINISTRATORS' PROGRESS REPORT

19 November 2021

This report has been prepared for circulation solely to comply with the Joint Administrator's statutory duty to report to Creditors under the provisions of The Insolvency (England and Wales) Rules 2016 and for no other purpose. This report is intended for the statutory recipients. The report cannot be used or relied upon by any party other than for its intended statutory purpose.

Chris Newell and Simon Bonney of Quantuma Advisory Limited, 2nd Floor, Arcadia House, 15 Forlease Road, Maidenhead, SL6 1RX, were appointed Joint Administrators of Lava Mayfair Club Limited on 22 October 2020.

Chris Newell and Simon Bonney are licensed to act as an Insolvency Practitioners by the Insolvency Practitioners Association.

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

"the Act"	Insolvency Act 1986
"the Rules"	Insolvency (England and Wales) Rules 2016
"the Joint Administrators"	Chris Newell and Simon Bonney of Quantuma Advisory Limited
"the Company"	Lava Mayfair Club Limited (in Administration)
"the Court"	Business and Property Courts in England & Wales CR-2020-004017
"SIP"	Statement of Insolvency Practice (England & Wales)
"Review Period"	Period covered by the report from 22 April 2021 to 21 October 2021
"Whole Period"	Period covered by the report from 22 October 2020 to 21 October 2021

1. INTRODUCTION

Introduction

This report has been prepared to provide Members and Creditors with an update on the progress of the Administration of the Company since the last report dated 17 May 2021.

Please note that on 1 August 2020, Quantuma LLP transferred its business to Quantuma Advisory Limited

Given the information previously provided to Members and Creditors in the earlier report, detailed background information in respect of the Company has not been included and this report focusses on the progress of the Administration subsequent to that report.

The Joint Administrators' proposals were approved. A formal notice confirming this was sent to all creditors on 23 December 2020.

An extension to the period of Administration of 12 months was granted by the relevant creditors on 30 September 2021. The Administration is now scheduled to end on 21 October 2022.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

Details of the appointment of the Joint Administrators

Chris Newell and Simon Bonney of Quantuma Advisory Limited were appointed Joint Administrators of the Company on 22 October 2020.

The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either one or both of them.

2. THE PROGRESS OF THE ADMINISTRATION

The Joint Administrators' Receipts and Payments Account

Attached at Appendix 2 is a Receipts and Payments account covering the Review Period together with a summary of the transactions in the previous Review Period. In accordance with the requirements of SIP 7, the Joint Administrators confirm that the account has been reconciled with that held at the bank.

The rest of this report describes the key developments in the Administration over the Review Period. A summary is provided of the main asset realisations during the Review Period and an estimation of those assets yet to be realised, together with details of costs incurred but as yet remaining unpaid.

Administrative, Statutory & Regulatory Tasks

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the Administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards. Details of the tasks carried out during the Review Period are included in Appendix 4.

Trading

Upon appointment, the Joint Administrators attended the Club in order to secure the premises and meet with the Company's directors. A review was undertaken in respect of the Company's affairs with particular regard to its finance and resource requirements.

Following a review of the Company's position, it was determined that the ongoing trading of the business was not viable due to the costs and position associated with the premises. This would mean there would not be an improved outcome for creditors. As a result, the business was closed down on 23 October 2020 following a day's full trade.

A trading account reflecting the receipts and payments of the day's trading is provided at Appendix 2. Sales of £18,181 were achieved from trading the business on this day.

Please note the Joint Administrators have recently finalised their review of the sales income, which included reviewing payments to the employees for the day's trading. As such, sales income to date totals £59,315 which has since been transferred to the Administration. Payments were made to the employees for the day's trading in the sum of £6,313.89, plus PAYE/NIC contributions of £3,076.15 plus employee/employer pension contributions of £883.90. Therefore a profit of £7,908 was achieved for the one day's trade.

There were also additional trading funds received into the Company bank account post appointment which we have requested from Metro Bank. These funds have been received and total £33,352.39.

Realisation of assets

We would refer creditors to our previous report in respect of the asset realisations made within the initial Review Period.

Cash at bank

As previously reported, a cash at bank balance was held at the Company's pre-Administration bank account, with Metro Bank, as at the date of appointment.

At the commencement of the Administration, the directors of the Company advised that they had declared a trust over the members' funds paid into the Company's bank account in the week before the Company's Administration. The Joint Administrators subsequently sought advice from their instructed solicitors, JMW Solicitors ("JMW") as to how these funds are legally held, whether they are subject to any trust and the priority of completing claims to the funds.

The members' funds in the Company's bank account were able to be split into three categories as follows:

Category A: Members funds paid into the Company's bank account from 12 October 2020 up to and including 21 October 2020, being monies received prior to the purported trust.

Category B: Members funds paid into the Company's bank account following the purported trust but prior to the appointment of the Joint Administrators on 22 October 2020.

Category C: Members funds paid into the Company's bank account after the appointment of the Joint Administrators on 22 October 2020.

Metro Bank was in a position where by it held various security rights and rights of set-off over monies in the account all of which pre-existed the attempted creation of a trust by the Company's directors. Ultimately, Metro Bank exercised its right of set-off and applied a sum equal to the Category A and Category B monies against the debt the Company owed to it. Following legal advice, the Joint Administrators have not sought to challenge Metro Bank's application of set-off on behalf of the Company.

With respect to the Category C funds, the Joint Administrators have been in correspondence with Metro Bank and have requested that these funds are returned to the relevant members as they were paid into the Company's bank account in the post-appointment period.

It should be noted further to the above, this included a furlough payment received into the Company bank account in the post-appointment period.

Conduit Capital Holdings Limited ("CCH") & The Conduit Connect Limited ("TCC") - Shares

As previously reported, the Company held 7,631 and 357 Ordinary shares in TCC and CCH respectively. Accountants, Harwood Hutton were instructed to conduct a valuation for the shares owned by the Company in TCC and CCH.

Following their analysis of both sets of shares, Harwood Hutton provided the following estimated valuations:

TCC (7,631 shares) – Range between £13,503 and £20,004

CCH (357 shares) – £3.57

An offer was received to acquire both shares from Ironie 19 Limited totalling £25,000, being £24,996.43 and £3.57 for the TCC and CCH shares respectively. The offer was accepted and funds totalling £24,996 have been received in respect of the TCC shares.

The transfer of the CCH is currently in progress and it is expected the transfer of the shares will be completed shortly.

VAT Refund

As previously reported, the directors' Statement of Affairs showed a pre-appointment VAT reclaim due to the Company in the sum of £425,737. Any refund will be subject to Crown set off by HM Revenue & Customs ("HMRC"). HMRC have submitted an interim claim in the Administration of £278,359 therefore it appeared there may be a significant pre appointment reclaim due to the Company.

The Joint Administrators instructed the Company's former finance broker, Foodie Finance, in order to provide the calculations for the VAT returns which had not yet been submitted for the pre-appointment period. The net reclaim owed to the Company for the periods 1 July 2020 to 30 September 2020, and 1 October 2020 to 21 October 2020 is £92,705. It was therefore apparent the submission of these VAT returns would only reduce HMRC's claim in the Administration after they applied Crown set off for the amount they are owed in the sum of £278,359. As such, there will be no VAT reclaim available to the Company for the pre-appointment period.

Insurance Claim

As previously reported, the Joint Administrators were made aware of a potential insurance claim for business interruption as a result of the impact of the COVID-19 restrictions imposed on the business.

The Joint Administrators have been in correspondence with their instructed solicitors, Eversheds Sutherland ("Eversheds"), regarding the potential insurance claim. After their review, Eversheds advised that it does not appear as though the Company would be entitled to an indemnity due to the insurance policy held.

The Joint Administrators are in communication with Eversheds to ensure that there have not been any previous/current judgments given which would allow the Company to make a successful claim.

This matter is therefore currently ongoing.

Interchange Claim

As previously reported, following a Supreme Court ruling in 2020, Companies that routinely process consumer and/or commercial card transactions are able to seek compensation for overcharges by credit and debit card companies. As the Company processed a significant amount of card transactions of this nature the Joint Administrators are exploring whether a claim can be made.

The Joint Administrators are currently in discussions with solicitors regarding this matter. The relevant information is being compiled to assist the solicitors in analysing the potential level of claim that the Company may have and if this claim can be pursued.

Bank interest

Gross bank interest totalling £15 has been received during the Review Period.

Estimated future realisations

As detailed above, the remaining assets to be realised are summarised below:

- Conclude the transfer of the CCH shares;
- Continue to explore a possible business interruption insurance claim; and
- Continue to explore if an interchange claim is available from the Company's card providers.

Payments

Payments during the Review Period are detailed on the Receipts and Payments account attached at Appendix 2.

Costs incurred but remaining unpaid

Costs incurred during the Review Period, but which as yet remain unpaid. These costs are separately detailed below:

Cost Description	Amount (£)
Legal fees and disbursements	12,742
TOTAL	12,742

During the Review Period, the Joint Administrators have also incurred time costs and direct expenses, not all of which have been discharged. Further details of these costs are set out below.

3. CREDITORS: CLAIMS AND DISTRIBUTIONS

Secured Creditors

The Company granted a fixed and floating charge to Metro Bank PLC on 22 December 2017, who was owed £10,500,000 on appointment.

The Joint Administrators remain in discussions concerning the cash at bank held by Metro Bank and the entitlement to these funds.

It is not anticipated that the secured creditor will be paid in full.

Preferential Creditors

The Joint Administrators and their staff have incurred significant time costs in assisting employees to obtain payment from the Redundancy Payments Office.

Preferential claims relating to unpaid holiday pay, wage arrears and pension contributions were estimated at £240,080 in the director's estimated Statement of Affairs. To date, 72 claims have been received totalling £144,272.

It is anticipated there will be sufficient realisations to pay a dividend to preferential creditors.

Prescribed Part

Under Section 176A of the Insolvency Act 1986, where after 15 September 2003 a company has granted to a creditor a floating charge, a proportion of the net property of the company must be made available purely for the Unsecured Creditors. This equates to:

- 50% of net property up to £10,000;
- Plus, 20% of net property in excess of £10,000.
- Subject to a maximum of £600,000.

Based on present information, the Joint Administrators estimate that there will be insufficient realisations to discharge in full all costs and preferential claims. Therefore, there will be no net property from which to deduct a prescribed part.

Unsecured Creditors

Unsecured claims were estimated at £12,800,423 in the director's estimated Statement of Affairs and to date 781 claims have been received from unsecured creditors totalling £2,956,027.

It is not anticipated that a dividend will be paid to unsecured creditors.

4. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the Company directors were completed.

In this regard, a confidential report was submitted to the Insolvency Service on 20 January 2021.

As previously reported, the initial assessment revealed matters that the Joint Administrators considered merited further information and may lead to possible recoveries and claim against third parties. These investigations are currently ongoing and are under review.

To date this work has not generated any financial benefit to Creditors, however it has been necessary to meet the statutory duties as well as conduct appropriate enquiries and investigations into potential rights of actions to enhance realisations.

Further Information

To comply with the Provision of Services Regulations, some general information about Quantuma Advisory Limited, including the complaints policy and Professional Indemnity Insurance, can be found at <http://www.quantuma.com/legal-information>.

Information about this insolvency process may be found on the R3 website here <http://www.creditorinsolvencyguide.co.uk>.

General Data Protection Regulation

In compliance with the General Data Protection Regulation, Creditors Employees, Shareholders, Directors and any other Stakeholder who is an individual (i.e. not a corporate entity) in these insolvency proceedings is referred to the Privacy Notice in respect of Insolvency Appointments, which can be found at this link <http://www.quantuma.com/legal-notices>.

5. ETHICS

Please note that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. Further information can be viewed at the following link <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics> Additionally the Joint Administrators are also bound by the regulations of their Licensing Bodies.

General Ethical Considerations

During the Review Period, no new threats to compliance with the Code of Ethics have been identified.

Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

6. PRE-ADMINISTRATION COSTS

Included within the Joint Administrators' Proposals dated 8 December 2020 was a Statement of Pre-Administration Costs.

The following Pre-Administration costs have not yet been approved and thus remain unpaid:

Party instructed	Amount (£)
Administrators' Pre-Administration Remuneration	4,630
Legal Costs	2,000
TOTAL UNAPPROVED	6,630

The Joint Administrators intend to seek approval of these costs from the Creditors' Committee in due course.

7. THE JOINT ADMINISTRATORS' FEES AND EXPENSES

A copy of 'A Creditors Guide to Administrators' Fees' effective from 1 April 2021 together with Quantuma Advisory Limited's current schedule of charge-out rates and chargeable expenses, which includes historical charging information, may be found at <https://www.quantuma.com/guide/creditors-guide-fees/>.

A hard copy of both the Creditors' Guide and Quantuma Advisory Limited's current and/or historic charge-out rate and expenses policies may be obtained on request at no cost.

The Joint Administrators' Fees

The basis of the Joint Administrators' fees has not yet been fixed. During the initial Review Period, the Joint Administrators attempted to have their fees fixed via a vote by correspondence issued within the Joint Administrators' Proposals. Creditors voted in favour of the formation of a Creditors' Committee which was established on 10 February 2021. The Joint Administrators are currently in communication with the Creditors' Committee in order to seek fee approval.

We believe this case generally to be of average complexity with the exception of in-depth discussions concerning the entitlement of the cash at bank funds involving seeking legal advice on the matter. In addition, the involvement of the Creditors' Committee has resulted in an increase in the Joint Administrators' time and resources being attributed to the case. Otherwise no extraordinary responsibility has to date fallen on the Joint Administrators. The underlying basis of charging proposed to the creditors has been Quantuma Advisory Limited's standard charge out rates which are reviewed periodically.

Comparison of Estimates

The Joint Administrators' time costs incurred to date (whether or not they have been charged to the Administration estate) are compared with the original fees estimate and the actual time costs incurred to the end of the Review Period. The fees estimate covered the entire period of the Administration.

For a detailed schedule of work undertaken by the Joint Administrators during the Review Period and the Whole Period, see Appendix 3. A detailed narrative list of the work undertaken during the Review Period is provided at Appendix 4.

Work category	Original fees estimate			Actual time costs incurred during the Review Period			Actual time costs incurred for the Whole Period		
	No. of hours	Blended hourly rate £	Total fees £	No. of hours	Average hourly rate £	Total time costs £	No. of hours	Average hourly rate £	Total time costs £
Administration Planning	180.90	286.65	51,854.50	54.80	259.84	14,239.25	233.15	284.66	66,368.50
Creditors	225.63	245.30	55,347.30	130.85	246.84	32,298.75	731.81	233.73	171,042.68
Investigations	32.50	285.32	9,273.00	26.70	182.70	4,878.00	74.20	267.64	19,859.00
Realisation of Assets	110.10	263.53	29,015.00	22.50	311.42	7,007.00	176.70	301.47	53,239.50
Trading	11.15	238.88	2,663.50	6.30	276.67	1,743.00	40.45	346.33	14,009.00
Cashiering	6.50	138.15	898.00	13.90	178.38	2,479.50	34.90	165.82	5,787.00
Closing Procedures	5.80	248.45	1,441.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	572.58	262.83	150,492.30	255.05	245.62	62,645.50	1,291.11	255.83	330,305.68

Joint Administrators' Expenses

An amended Statement of Insolvency Practice 9 (SIP 9), was issued on 1 April 2021. The amended SIP 9 has changed some of the terminology and introduced additional disclosure requirements. The information below may therefore not reflect the information previously provided.

The expenses, which include disbursements that have been incurred and not yet paid during the Review Period and the Whole Period are detailed below. This includes a comparison of the expenses likely to be incurred in the Administration as a whole with the original expenses estimate, together with reasons where any expenses are likely to exceed that estimate.

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred for the Whole Period £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Category 1 expenses:				
Legal costs	27,000.00	12,742	75,631.00	Additional fees incurred dealing with ongoing matters concerning the Committee and further investigations into the potential assets of the Company
Accountants fees	950.00	Nil	7,000.00	Additional instruction required for valuation of shares not previously envisaged
Agents fees	62,708.00	Nil	55,809.98	
Pension agents	Nil	2,490.00	2,840.00	Additional assistance from agents required due to high number of employees
Other professional fees	Nil	509.88	1,405.88	Assistance required from former employee to assist with securing employee data, preparing information for employee payments and P45 preparation. Also, such payments include payments to Fourth Ltd and Foodie Finance, as detailed within the professional fees section.
Statutory & other Advertising	169.00	Nil	84.60	
Insurance of assets	8,000.00	Nil	1,319.79	
Indemnity Bond	135.00	Nil	135.00	
Printing & Postage costs of external provider.	500.00	Nil	216.09	
Land Registry Fee	20.00	Nil	Nil	
Storage costs	300.00	Nil	Nil	

Expenses	Original expenses estimate £	Actual expenses incurred in the Review Period £	Actual expenses incurred for the Whole Period £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Travel expenses	350.00	Nil	635.79	Additional requirements to attend premises to assist agents, allow removal of third party goods and assets and comply with insurance requirements
Security and maintenance costs	Nil	73.07	4,923.87	Costs not previously envisaged due to ongoing occupation of the premises including lift services and security to comply with insurance requirements.
Staff Payroll	Nil	6,313.89	6,313.89	Costs not estimated at the outset due to uncertainty of quantum of monies owed for staff payroll.
PAYE / NIC	Nil	3,076.15	3,076.15	Costs not estimated at the outset due to uncertainty of quantum of monies owed for staff payroll.
Pension contributions	Nil	883.90	883.90	Costs not estimated at the outset due to uncertainty of quantum of monies owed for staff payroll.
Electricity costs	Nil	37,125.00	37,125.00	Costs not previously envisaged due to ongoing occupation of the premises.
Gas costs	Nil	1,265.63	1,265.63	Costs not previously envisaged due to ongoing occupation of the premises.
Bank Charges	Nil	54.72	54.72	Costs incurred due to international payments and payments to staff as per the staff payroll.
Category 2 expenses:				
Photocopying, scanning & faxes (per side)	400.00	Nil	Nil	Please be advised that, whilst it was originally envisaged that these expenses would be charged to the estate, this has been no longer allowed since 1 April 2021
Stationery (Per Report/letter per member/creditor)	350.00	Nil	Nil	
TOTAL	100,882.00	64,534.24	198,721.29	

Details of the expenses paid in the Review Period and the Whole Period are shown in the Receipts and Payments account at Appendix 2.

Please note that some Category 2 expenses that have previously been approved and their estimated costs or basis of their cost provided as part of the expenses estimate may not be discharged from the estate from 1 April 2021. These are indicated in the table above.

Cost to Closure

Having regard for the costs that are likely to be incurred in bringing this Administration to a close, the Joint Administrators consider that:

- the original fees estimate has been exceeded; and
- the original expenses estimate has been exceeded for the reasons given above.

The main reasons why the original fees estimate has been exceeded is explained below:

Administration and Planning: This time has exceeded the estimate due to time spent dealing with administrative and associated compliance requirements as a result of recently introduced legislative changes not anticipated at the outset. Additional time spent formulating and reviewing the most appropriate case strategy in order to maximise asset realisations.

Creditors: Dealing with circa 4,000 members, creditors, employees and other stakeholders has resulted in a considerable amount of the time incurred. Dealing with the establishment of a Creditors' Committee

and associated meetings and reporting requirements as is required and prescribed under the Insolvency Rules (England & Wales) 2016.

Investigations: Exploring various avenues of enquiries, over and above the statutory requirements to report on the directors' conduct, to establish if there are any potential claims which could be pursued for the benefit of creditors. Further investigations are currently ongoing which may lead to possible recoveries and claims against third parties. As a result additional costs will be incurred to investigate such potential claims.

Realisation of Assets: As a result of protracted negotiations surrounding the sale of the chattel assets and sale of the shares held by the Company. Investigations into the potential business interruption insurance and interchange claims. Extensive discussions and analysis surrounding the treatment of the cash at bank held by Metro Bank.

Trading: The Joint Administrators have incurred additional costs in relation to trading due to the calculation and payment of the employees' wages, including liaising and processing payment to HMRC for the PAYE/NIC amounts owed, as well as liaising with the instructed pension agent for the amounts owed for the day's trading. The Joint Administrators have also incurred additional costs in liaising with the utility Companies regarding the amounts owed for their period of occupation.

Cashiering: As a result of the additional payments with respect to the necessary property costs during the period of the Joint Administrators occupation, which was not originally anticipated, it has resulted in the estimate provided for Cashiering to be exceeded due to the additional time spent dealing with these payments.

As the Joint Administrators' fee estimate and disbursements have not been approved, the Joint Administrators will be submitting a revised fee proposal to the Creditors Committee during the next Review Period.

Other Professional Costs

Solicitors

JMW Solicitors were instructed as legal advisors in relation to the cash at bank funds, advice in relation to the issues and queries raised by the creditors' committee and other investigative matters. Their costs have been agreed on the basis of their standard hourly charge out rates, plus disbursements and VAT. The solicitors' outstanding fees to date amount to £12,742 plus VAT, and £6,948 plus VAT has been paid to date.

Eversheds Sutherland Limited were instructed as legal advisors in relation to the sale of the TCC and CCH shares. Their costs have been agreed on the basis of their standard hourly charge out rates, plus disbursements and VAT. The solicitors' outstanding fees to date amount to £55,937 with disbursements of £4. No amounts have been paid to date.

Pension Agents

As previously reported, Clumber Consultancy Limited were instructed as pension agents in relation to the preparation and submission of the RP15 to the Redundancy Payments Service and calculating the pension cost associated with the trading period together with ongoing statutory matters. Their costs have been agreed on their standard fee of £350 plus VAT for an initial pension report and £2,490 plus VAT for the RP15 submission. These costs have been incurred in full and £2,490 plus VAT has been paid during the Review Period.

Finance Brokers Fees

The Company's former bookkeeper, Foodie Finance, were instructed to provide their calculations for the Company's pre-appointment VAT returns. Their costs were agreed on a fixed fee of £221 and have been paid in full.

Other Professionals and Specialists

As previously reported, former employee, Ms Kiran Barn was retained to assist with the dealing with the employee data and preparation of P45s and also instructed to provide the employees' hours worked for the day of trading. Kiran Barn's costs have been agreed on a time-cost basis at an agreed hourly rate, plus VAT. Kiran Barn's fees for the Review Period amount to £169 and have been paid in full.

As previously reported, GMS Global were instructed as agents to assist with the removal and clearance of the perishable items from the premises and assist with securing the building for insurance requirements. Their costs have been agreed on a time-cost basis, plus disbursements and VAT. Their fees for the Review Period amount to £73 plus VAT and have been paid in full.

Fourth Ltd were instructed by the Joint Administrators to provide access to the Fourth portal, in order to allow the previous employees of the Company to access their documentation. Their costs were agreed on a fixed fee of £120 plus VAT and have been paid in full.

We would refer creditors to our previous report in respect of the other professionals instructed during previous Review Periods.

All professional costs are reviewed and analysed before payment is approved.

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 permission of the Court, may request in writing the Joint Administrators 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.

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 permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of remuneration which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of.

Please note that such challenges may not disturb remuneration or expenses disclosed in prior progress reports.

Future of the Administration

The Administration will continue in order to finalise the following outstanding matters:

- Complete review into possible insurance and interchange claims;
- Completion of CCH share sale;
- Continued discussions, correspondence and meetings with the Creditors' Committee in line with the requirements under the Insolvency Rules (England & Wales) 2016; and
- Continuing enquiries in order to establish avenues for further investigation and if any claims can be identified against third parties for the benefit of the Administration estate.

Should you have any queries in regard to any of the above please do not hesitate to contact Thomas Graham on 01628 402 537 or by e-mail at thomas.graham@quantuma.com.

A handwritten signature in black ink, appearing to be 'Chris Newell', with a stylized, cursive script.

Chris Newell
Joint Administrator

**LAVA MAYFAIR CLUB LIMITED
(IN ADMINISTRATION)**
STATUTORY INFORMATION

Company Name	Lava Mayfair Club Limited
Trading Address	40 Conduit Street, Mayfair, London, W1S 2YQ
Proceedings	In Administration
Court	Business and Property Courts in England & Wales
Court Reference	CT-2020-004017
Date of Appointment	22 October 2020
Joint Administrators	Chris Newell Simon Bonney Quantuma Advisory Limited 2nd Floor, Arcadia House, 15 Forlease Road, Maidenhead, SL6 1RX
Joint Administrators' functions	All functions, duties and powers may be exercised by either one or both of the Joint Administrators
Registered office Address	c/o Quantuma Advisory Limited 2nd Floor, Arcadia House, 15 Forlease Road, Maidenhead, SL6 1RX
Company Number	10075472
Incorporation Date	21 March 2016
Appointment by	Holder of Qualifying Floating Charge, Metro Bank Plc
Directors at date of Appointment	Robert Devereux Rowan Finnegan Nick Hamilton Martin Johansson Mark Sainsbury Paul Van Zyl Margaret Young
Directors' Shareholdings	Rowan Finnegan: 2,046 Ordinary A 141 Ordinary Nick Hamilton 2,138 Ordinary A 175 Ordinary Mark Sainsbury: 238 Ordinary A 199 Ordinary

APPENDIX 2

**LAVA MAYFAIR CLUB LIMITED
(IN ADMINISTRATION)**

**THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT AS AT 21 OCTOBER
2021**

Lava Mayfair Club Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 22/04/2021 To 21/10/2021 £	From 22/10/2020 To 21/10/2021 £
POST APPOINTMENT SALES		
Sales	NIL	18,181.48
	NIL	18,181.48
TRADING EXPENDITURE		
Employee payroll	6,313.89	6,313.89
PAYE / NIC	3,076.15	3,076.15
Employee/Employer Pension contributi	883.90	883.90
	(10,273.94)	(10,273.94)
TRADING SURPLUS/(DEFICIT)	(10,273.94)	7,907.54

Lava Mayfair Club Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 22/04/2021 To 21/10/2021 £	From 22/10/2020 To 21/10/2021 £
	ASSET REALISATIONS		
	Bank Interest Gross	15.32	19.67
1,518,499.00	Cash at Bank	NIL	NIL
99,200.00	Furniture & Equipment	NIL	270,000.00
7,631.00	Shares - Conduit Connect	NIL	24,996.43
100,800.00	Stock	NIL	30,000.00
	Trading Surplus/(Deficit)	(10,273.94)	7,907.54
425,737.00	VAT Refund	NIL	NIL
		(10,258.62)	332,923.64
	COST OF REALISATIONS		
	Accountants fees	NIL	7,000.00
	Agents/Valuers Fees (1)	NIL	55,809.98
	Bank Charges	54.72	54.72
	Insurance of Assets	NIL	1,319.79
	Legal Fees (1)	NIL	6,948.00
	Other professional fees	509.88	1,405.88
	Pension Costs	2,490.00	2,840.00
	Postage	NIL	216.09
	Security & Maintenance Costs	73.07	4,923.87
	Specific Bond	NIL	135.00
	Statutory Advertising	NIL	84.60
	Travel expenses (not mileage)	NIL	635.79
	Utilities	37,125.00	38,390.63
		(40,252.67)	(119,764.35)
	PREFERENTIAL CREDITORS		
(240,080.00)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(9,909,487.00)	Floating Charge Creditor	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,463,372.00)	Consumer Creditors - club members	NIL	NIL
(265,745.00)	Directors Loan	NIL	NIL
(576,146.00)	Employees	NIL	NIL
(373,900.00)	HM Revenue and Customs - PAYE/NI	NIL	NIL
(9,295,511.00)	Inter-company loan	NIL	NIL
(825,749.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(23,673.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(20,821,796.00)		(50,511.29)	213,159.29
	REPRESENTED BY		
	Bank 1 Current		213,159.29
			213,159.29

**LAVA MAYFAIR CLUB LIMITED
(IN ADMINISTRATION)**

**SCHEDULE OF THE JOINT ADMINISTRATORS' TIME COSTS DURING THE REVIEW PERIOD
AND THE WHOLE PERIOD**

Time Entry - SIP9 Time & Cost Summary

6007413 - Lava Mayfair Club Limited
Project Code: POST
From: 22/04/2021 To: 21/10/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	5.60	11.90	22.45	14.85	54.80	14,239.25	259.84
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.20	1.20	2.80	9.70	13.90	2,479.50	178.38
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	8.10	18.50	67.95	36.30	130.85	32,298.75	246.84
Investigations	0.00	3.50	4.00	19.20	26.70	4,878.00	182.70
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	2.60	8.10	11.80	0.00	22.50	7,007.00	311.42
Trading	0.00	2.50	3.80	0.00	6.30	1,743.00	276.67
Total Hours	16.50	45.70	112.80	80.05	255.05	62,645.50	245.62
Total Fees Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

6007413 - Lava Mayfair Club Limited
Project Code: POST
To: 21/10/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	35.00	58.30	111.30	26.55	233.15	66,368.50	284.66
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cashiering	0.30	1.60	6.00	27.00	34.90	5,787.00	165.82
Closing Procedures	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	52.80	105.60	325.45	247.95	731.81	171,042.68	233.73
Investigations	11.50	10.80	28.50	23.40	74.20	19,859.00	267.64
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	46.50	23.40	78.30	28.40	176.60	53,239.50	301.47
Trading	18.40	2.85	19.20	0.00	40.45	14,009.00	346.33
Total Hours	164.50	202.55	568.75	355.30	1,291.11	330,305.68	255.83
Total Fees Claimed						0.00	

**LAVA MAYFAIR CLUB LIMITED
(IN ADMINISTRATION)**

**DETAILED NARRATIVE LIST OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS
DURING THE REVIEW PERIOD**

Description of work undertaken	Includes
<u>ADMINISTRATION & PLANNING</u>	
General Administration - Dealing with all routine correspondence and emails relating to the case.	
Case strategy & completing file reviews at 6 months.	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
VAT & Corporation Tax matters and returns.	Preparation and filing of VAT Returns Preparation and filing of Corporation Tax Returns
<u>CREDITORS</u>	
Employees - obtaining information from records about employee claims and dealing with employee correspondence/calls regarding their claims	Processing payments to employees for trading period
Dealing with creditor correspondence, emails and telephone conversations.	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via email and post
Dealing with Pension Schemes	Corresponding with the PPF and the Pensions Regulator Liaising with the instruction pension agent regarding outstanding matters prior to closure of pension scheme
Committee Reporting	Reporting to Committee Members
Committee Meetings, Minutes & liaising with Committee Members	Holding a second meeting of the committee Seeking the committee's approval on case strategy Calling and holding meetings of the committee as required and the circumstances of the case dictate
Dealing with HMRC/RPO claims	
Secured Creditor Reports/Claims	Frequent correspondence with the secured creditor providing updates
Annual/Progress Reports	Preparing, circulating and filing progress reports.
<u>INVESTIGATIONS</u>	
Investigating & Pursuing Antecedent Transactions	
<u>REALISATION OF ASSETS</u>	
Sale of Shares	Seeking and obtaining valuation of shares Accepting and agreeing offers Instructing lawyers to assist with sale
Cash at Bank	Contacting the bank to arrange closure of the account Seeking legal advice on entitlement to funds Discussions with secured creditor on cash at bank position
Insurance Claim	Reviewing insurance policy and liaising with solicitors

Description of work undertaken	Includes
Interchange Claim	Discussions and liaising with solicitors Collating information surrounding card providers and charges
Pre-appointment VAT Refund	Discussions and correspondence with HMC and former management Instruction of former finance broker to provide VAT calculations
<u>TRADING</u>	
Employee issues/payroll	Review of staffing requirements for trading period Processing of payroll for trading period
TAX/VAT	Arranging new PAYE scheme with HMRC and submitting online payroll returns Concluding payroll and issuing forms P45 when trading ceases VAT returns
<u>CASHIERING</u>	
Maintaining and managing the Office Holders' cashbook and bank account.	Preparing correspondence opening and closing accounts Requesting bank statements Correspondence with bank regarding specific transfers Maintenance of the estate cash book
Dealing with cheque requisitions	Issuing cheques/BACS payments
Dealing with deposit forms	Banking remittances
Bank Reconciliations	
Preparing & Filing statutory Receipts & Payments accounts	Preparing and filing statutory Receipts and Payments accounts at Companies House

Current Charge-out Rates of the staff working on the case

Time charging policy

Support staff and executive assistants do not charge their time to each case except when the initial set up is being performed or when a sizeable administrative task or appropriate ad hoc duty is being undertaken

Support staff include secretarial and administrative support.

The minimum unit of time recorded is 6 minutes.

Rates are likely to be subject to periodic increase.

Staff	Charge out rates £
Managing Directors / Directors	£345.00 - £580.00
Senior Manager	£305.00 – £415.00
Manager	£250.00 - £375.00
Assistant Manager	£195.00 – £335.00
Senior Administrator	£200.00 – £285.00
Administrator	£175.00 – £240.00
Assistant Administrator	£130.00 - £160.00
Case Accountant	£135.00
Junior Administrator	£100.00 - £115.00
Support Staff/Executive Assistant	£100.00 – £135.00