

Liquidator's Progress Report**Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986****S.192**

To the Registrar of Companies

Company Number

00160100

Name of Company

(a) Insert full name
of company

(a) DBC Foodservice Limited

(b) Insert full name(s)
and address(es)

We (b)

Mark Wilson

RSM Restructuring Advisory LLP

25 Farringdon Street

London EC4A 4AB

and Lindsey Cooper

RSM Restructuring Advisory LLP

3 Hardman Street

Manchester M3 3HF

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986The Progress Report covers the period from 25 February 2015
to 24 February 2016

Signed

Date

22/4/16

Presenter's name,
address and
reference
(if any)

RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester M3

3HF

Ref LC/JA/KF/RDBC/RDBCFOO

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COMPANIES HOUSE

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A26 26/04/2016 #198

COMPANIES HOUSE

In the Matter of
DBC Foodservice Limited In Liquidation
("the Company")

Joint Liquidators' Progress Report

22 April 2016

Mark Wilson and Lindsey Cooper
Joint Liquidators

RSM Restructuring Advisory LLP
3 Hardman Street
Manchester M3 3HF

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1. Purpose of report

This report has been prepared in accordance with insolvency legislation to provide creditors, members and the registrar of companies with information relating to the progress of the liquidation in the period from 25 February 2015 to 24 February 2016. This report should be read in conjunction with any previous reports that have been issued, copies of which are available on request.

This report has been prepared solely to comply with the statutory requirements of Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986 (as amended). It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

RSM Restructuring Advisory LLP was previously named Baker Tilly Restructuring and Recovery LLP until 26 October 2015.

Neither the Liquidators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

2. Progress of the Liquidation in the Previous Twelve Months

2.1. Realisation of assets

Debtors

During the period the sum of £7,518.18 has been received in respect of book debts and sundry refunds. These receipts were not anticipated at the outset of the Liquidation and no further realisations are expected in this regard.

Bonds/Indemnities

As previously advised, the Company's insurers hold a letter of credit with Lloyds Bank in respect of Employers' Liability Insurance. The letter of credit is limited to £250,000, with claims having been settled which are deductible from the letter of credit. We have now concluded negotiations with the underwriter in order to release the letter of credit following the settlements of certain claims covered under the policy.

We anticipate that the sum of c£150,000 will be forwarded to the Joint Liquidators within the next few weeks.

2.2 Investigations

In accordance with our statutory obligations, we have filed the appropriate documentation with the Department for Business, Innovation and Skills in relation to the conduct of the directors.

2.3. Case specific matters

In addition to the areas detailed above, the work of the Joint Liquidators has also included

- Dealing with a large volume of general enquiries from creditors,
- Agreeing a significant level of claims from unsecured creditors and challenging the level and value of certain claims, and
- Dealing with residual preferential and unsecured creditor claims relating to former employees of the Company.

2.4. Administration and planning

In addition to case specific matters arising, the Liquidators are required to deal with certain statutory duties arising directly as a result of the appointment. These include, but are not limited to, filing documents, handling receipts and payments, submission of VAT and Corporation tax returns, undertaking file reviews, liaising with Directors, creditors, shareholders and any other stakeholders, and preparing statutory reports to unsecured creditors.

2.5. Assets remaining to be realised

As detailed above, the only asset remaining to be realised is the release of the funds held by the bank in relation to the letter of credit.

3 Creditors' Claims and Dividend Prospects

Secured Creditors

As previously advised the liabilities to the secured creditors have been discharged in full

Preferential Creditors

Preferential creditors received a dividend of 100p/£ during the prior Administrator

Unsecured Creditors

Unsecured creditor claims of c£74mil have been admitted to date. There remains c£3mil under consideration and which we are nearing the end of the adjudication process in respect of these claims.

The Pension Protection Fund ("PPF") represents almost 50% of all unsecured creditor claims and their claim has been admitted at £35,517,000. A dividend has been paid to the PPF at 3.4p in the £ to assist the trustees in establishing the final shortfall under the pension scheme.

The projected dividend to unsecured creditors is currently estimated at 3.4p in the £.

We anticipate issuing a first and final unsecured dividend within the next 3-6 months.

3.1. Prescribed part

The 'Prescribed Part' is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to a maximum of £600,000 before costs.

Whilst there are creditors secured by fixed and qualifying floating charges over the assets and undertaking of the Company, those creditors have been paid in full under their fixed charges and are not reliant upon their floating charges. There is therefore no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Insolvency Act 1986 (as amended).

4. Receipts and Payments Summary

We attach as Appendix B a summary of our receipts and payments for the period from 25 February 2015 to 24 February 2016.

VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

5. Joint Liquidators' Remuneration, Expenses and Disbursements

5.1. Basis of remuneration

The basis of the Joint Liquidators' remuneration was approved on a time cost basis, in accordance with Rule 2.106 of the Insolvency Rules 1986 during the course of the Company's previous administration proceedings, subject to a modification reducing the hourly charge out rates to those shown in Appendix D. In accordance with Rule 4.127 (5A) of the Insolvency Rules 1986, that basis continues to apply in the liquidation proceedings.

We have incurred time costs of £155,087.60 at RSM Restructuring Advisory rates since the date of our appointment. Of this, a total £134,969 (plus VAT) has been paid and £20,118.60 remains outstanding. Approval was also given to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix D.

Joint Liquidators' Statement of Expenses

5.2 Statement of expenses

A statement of the expenses incurred during the period, is attached at Appendix F. This includes all expenses incurred by the Joint Liquidators in the period of the report irrespective of whether they have been paid or not and may include estimated amounts where actual invoices have not been received. The receipts and payments abstract at Appendix B sets out the expenses actually paid in the period together with cumulative figures.

5.3. Detailed cost breakdown

Attached to this report are four Appendices relating to my costs on this assignment

- Appendix C A copy of RSM Restructuring Advisory LLP's charging, expenses and disbursements policy statement,
- Appendix D Joint Liquidators' charge out and disbursement rates,
- Appendix E Category 2 disbursements table, and
- Appendix F Statement of Expenses
- Appendix G Joint Liquidators' time cost analysis

The work that we do as Joint Liquidators is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature in general. The actual matters with which we are dealing are set out briefly in both this report and in our earlier reports to creditors.

We believe this case generally to be of average complexity and accordingly no extraordinary responsibility has to date fallen upon us as Joint Liquidators. The underlying basis of charging proposed to and approved by the creditors has been RSM Restructuring Advisory LLP standard charge out rates. RSM Restructuring Advisory LLP charge out rates have been reviewed periodically.

5.4. Other professional costs

Addleshaw Goddard LLP, solicitors, have been retained as legal advisors in view of their general experience and expertise in these matters. They have assisted with disclaiming the leases relating to the Company's properties and also provided general advice in relation to certain creditors' claims. I have agreed their remuneration on the basis of their standard hourly charge-out rates, plus VAT and disbursements, and their agreed fees of £2,000 and disbursements of £24 plus VAT have been paid in the period.

6. Creditors' Right to Information and Ability to Challenge Remuneration and Expenses

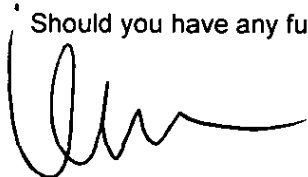
In accordance with the provisions of Rules 4.49E and 4.131 of the Insolvency Rules 1986 creditors have a right to request further information about remuneration or expenses and to challenge such remuneration or expenses.

A request for further information must be made in writing within 21 days of receipt of this report.

Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to court that the remuneration charged, the basis fixed or expenses incurred by the liquidator are in all the circumstances excessive.

Any such challenge must be made no later than eight weeks after receipt of the report which first discloses the charging of remuneration or incurring of the expenses in question.

Should you have any further queries please do not hesitate to contact me



Lindsey J Cooper
RSM Restructuring Advisory LLP
Joint Liquidator

Mark Wilson is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.
Lindsey Cooper is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales.
Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

Appendix A

Statutory, Dividend and Other Information

Company name	DBC Foodservice Limited
Joint Liquidators	Mark Wilson and Lindsey Cooper
Date of appointment	25 February 2014
Company number	00160100
Date of incorporation	29 October 1919
Trading name	DBC Foodservice Limited
Trading address	<ul style="list-style-type: none">• 1 Albany Place, Hyde Way, Welwyn Garden City, Hertfordshire AL7 3BT,• Guardian Industrial Estate, Clydesmuir Road, Cardiff CF24 2QS,• Unit A, Lonebarn Link, Springfield Business Park, Chelmsford CM2 5AR,• Heath Road, Darlaston, West Midlands WS10 8XL,• Olympic Business Complex, Drybridge Road, Dundonald, Ayrshire KA2 9BE,• Denmark House, Kestrel Way, Sowton Industrial Estate, Exeter EX2 7LS,• Industrial Road, Hertburn Road, Washington, Tyne and Wear NE37 2SD,• Denmark House, Studlands Park Industrial Estate, Newmarket, Suffolk CB8 7EB,• Denmark House, Bedford Road, Petersfield, Hampshire GU32 3QR,• Unit 1A, Brookfield Park, Manvers Way, Wath-upon-Deerne, South Yorkshire S63 5DJ,• Unit 1, Aylesford Way, Off Pipers Way, Thatcham, Berkshire RG19 4ND,• Woolston Grange Avenue, Hardwick Grange, Warrington, Cheshire WA1 4RJ
Principal activity	Foodservice Supplies
Registered office	RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester M3 3HF

DBC Foodservice Limited In Liquidation

Receipts and Payments Accounts From 25/02/2015 To 24/02/2016

SOA Value £	25/02/2015 to 24/02/2016		Total to 24/02/2016	
	£	£	£	£
	TRANSFERS FROM ADMINISTRATOR			
0 00	Lloyds TSB Bank - Admin Current	0 00	2,700,527 64	
	VAT Receivable (Payable)	0 00	44,729 48	
			0 00	2,745,257 12
	SECURED ASSETS			
23,000,000 00	Debtors (Pre-Appointment)	339 87	339 87	
5,540,000 00	Freehold Land and Property	0 00	0 00	
60,000 00	Fuel Deposit	0 00	0 00	
325,000 00	Long Leasehold Property	0 00	0 00	
346,000 00	Vehicle Deposits	0 00	0 00	
			339 87	339 87
	SECURED CREDITORS			
(25,640,000 00)	Fixed Charge Claims	0 00	0 00	
			0 00	0 00
	ASSET REALISATIONS			
0 00	Bank Interest Gross	0 00	14,144 21	
0 00	Bonds/Indemnities	0 00	25,000 00	
416,000 00	Cash at Bank	0 00	0 00	
0 00	Debtors and sundry refunds	7,178 31	88,767 71	
188,000 00	Furniture, Fixtures and Fittings	0 00	0 00	
35,000 00	Other Debtors (Pre-Appointment)	0 00	0 00	
2,000,000 00	Stock/Inventory on Hand	0 00	0 00	
			7,178 31	127,911 92
	COST OF REALISATIONS			
0 00	Administrators Fees	(31,675 04)	(31,675 04)	
0 00	Appointee Disbursements	(17 00)	(17 00)	
0 00	Appointee Fees	(115,000 00)	(134,969 00)	
0 00	Bank Charges	0 00	(162 10)	
0 00	Corporation Tax	(2,828 80)	(5,657 64)	
0 00	ISA - Unclaimed Dividends Fee	0 00	(25 75)	
0 00	Legal Disbursements	(24 00)	(130 27)	
0 00	Legal Fees	(2,000 00)	(10,169 00)	
0 00	Photocopying	0 00	(693 80)	
0 00	Postage	(345 75)	(1,460 51)	
0 00	Professional Fees	0 00	(40 00)	
0 00	Statutory Advertising	0 00	(75 82)	
0 00	Storage Costs	(2,061 96)	(3,109 25)	
			(153,952 55)	(188,185 18)
	PREFERENTIAL CREDITORS			
(225,590 24)	Holiday Pay	0 00	0 00	
(355 82)	Other Claims	0 00	(653 84)	
(224,063 08)	Wages	0 00	0 00	
			0 00	(653 84)
	UNSECURED CREDITORS			
(450,009 00)	Deficiency In Security	0 00	0 00	
(2,870,840 39)	Department of Employment	0 00	0 00	
(1,686,604 06)	Employees	0 00	0 00	
(40,027,364 89)	Pension Scheme Liability	(1,221,525 79)	(1,221,525 79)	
(29,282,859 88)	Trade and Expense Creditors	0 00	0 00	
			(1,221,525 79)	(1,221,525 79)
	EQUITY			
(2,417,685 00)	Deferred Ordinary Shares	0 00	0 00	
(6,722,463 00)	Ordinary A Shares	0 00	0 00	
(2,417,685 00)	Ordinary B Shares	0 00	0 00	
(500,000 00)	Redeemable Preference Shares	0 00	0 00	
			0 00	0 00
(80,555,520 36)			(1,367,960 16)	1,463,144 10
	REPRESENTED BY			
	RBS Liq Main Acc		1,434,528 86	
	VAT Receivable (Payable)		28,615 24	
				1,463,144 10
				1,463,144 10

Appendix C

RSM Restructuring Advisory LLP

Charging, Expenses and Disbursements Policy Statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for RSM Restructuring Advisory LLP Manchester are attached
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements
- A resolution to consider approving 'category 2' disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Manchester will be proposed to the relevant approving party in accordance with the legislative requirements
- General office overheads are not re-charged to the insolvency estate as a disbursement
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate

Appendix D

RSM Restructuring Advisory LLP

Joint Liquidators' current charge out and category 2 disbursement rates

Hourly charge out rates	
	Modified Rates £
Partner/Director	310
Manager	200
Senior Administrator	125
Assistant/Junior	95

"CATEGORY 2" DISBURSEMENT RATES	
Travel & Subsistence	
Motor travel	40p per mile (from 1 April 2010) 42 5p per mile (from 1 April 2011)
Subsistence	£23
Circulars to Members / Creditors	
Labels	£0 022 each
Headed paper	£0 079 per sheet
Plain paper	£0 079 per sheet
Large envelopes	£0 672 each
Small envelopes	£0 081 each
Photocopying charge	£0 005 per sheet
Stationery	
Lever arch files	£2 55 per file
Cashiering files	£1 06 per file
Chequebook boxes	N/a
A-Z dividers	£0 79 per set
1-31 dividers	£0 92 per set
Coloured dividers (5 part)	£0 18 per set
Coloured dividers (10 part)	£0 31 per set
Multi-punch pockets	£0 01 per pocket
Storage boxes	£2 50 per box
Sundry	
Faxes	N/a
Internal room hire (for meetings)	£165 per room

Appendix E

Joint Liquidators' Category 2 Disbursements Table

Amounts paid or payable within the period to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, type and purpose	Paid	Unpaid
	£	£
Total		

Appendix F

Statement of Expenses Incurred by the Joint Liquidators in the Period from 25 February 2015 to 24 February 2016

Type and purpose	Incurred in period
	£
RSM Restructuring Advisory LLP - Appointee Fees (RSM Advisory rates before modification)	70,656 20
HM Revenue and Customs – Corporation Tax	2,828 80
Addleshaw Goddard LLP – Legal Fees and Disbursements	2,024 00
PPS Print Communications – Postage	345 75
Storage Fees	2,061 96
Total	77,916.71

Appendix G

Joint Liquidators' Time Cost Analysis for the Period from 25 February 2015 to 24 February 2016

Joint Liquidators' Time Cost Analysis

a) Administration and planning

This includes dealing with the commencement of the case administration, together with day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to handling receipts and payments, VAT and Income tax issues, pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, maintenance and obtaining books and records, general meetings / correspondence, statutory and other advertising, insurance, re-directed mail, and statutory reports.

b) Investigations

Where appropriate this will include such matters as investigation of pre-appointment transactions in accordance with the relevant Statement of Insolvency Practice (SIP 2), and the investigation of any potential antecedent transactions such as transactions at under value and preferences which may result in legal action resulting in a recoverable asset.

c) Realisation of assets

This includes dealing with all aspects of the realisation of assets including identifying, securing and insuring assets, and (where applicable), property, business and asset sales, retention of title claims and debt collection. Other matters dealt with during the case administration which will relate to asset realisation may commonly include effecting disclaimers, dealing with landlords, liaising with agents, undertaking inventories, meetings with purchasers / directors, arranging collection of leased assets, obtaining insurance, pursuing antecedent claims identified as part of the investigation work set out above. Details of the specific asset realisation work undertaken on this case are set out in the main body of the report. Asset realisation is considered to be a key aspect of the case administration.

d) Trading

Where the business of the debtor has been traded (by the trustee) following the appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll.

e) Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. Reports to creditors are also an important part of ongoing matters relating to this aspect of the case.

f) Case specific matters

Any case specific matters will generally be set out in the body of the report but will commonly include meetings, correspondence and telephone calls relating to specific issues in the case which do not fall into any the categories set out above and are specific to the case in question. This may include work done in relation to litigation, general advice or other major issues.