

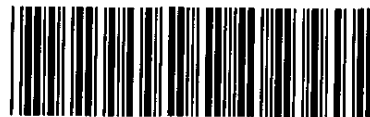
AM10

Notice of administrator's progress report



Companies House

FRIDAY



A21

A89ZZFPL

19/07/2019

#306

COMPANIES HOUSE

1 Company details

Company number 0 5 0 4 5 5 4 7

Company name in full HUMMUS BROTHERS LIMITED

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) MARK

Surname SUPPERSTONE

3 Administrator's address

Building name/number RESOLVE ADVISORY LIMITED

Street 22 YORK BUILDINGS

JOHN ADAM STREET

Post town LONDON

County/Region

Postcode W C 2 N 6 J U

Country UNITED KINGDOM

4 Administrator's name ^①

Full forename(s) BEN

Surname WOODTHORPE

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ^②

Building name/number RESOLVE ADVISORY LIMITED

Street 22 YORK BUILDINGS

JOHN ADAM STREET

Post town LONDON

County/Region

Postcode W C 2 N 6 J U

Country UNITED KINGDOM

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	5	m	1	m	2	y	2	y	0	y	1	y	8
To date	d	2	d	4	m	0	m	6	y	2	y	0	y	1	y	9

7 Progress report

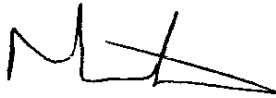
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	d	m	m	y	y	y	y
---	---	---	---	---	---	---	---

AM10

Notice of administrator's progress report



Presenter information

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

Contact name **BETHANY OSMOND**

Company name **RESOLVE ADVISORY LIMITED**

Address **22 YORK BUILDINGS**

JOHN ADAM STREET

Post town **LONDON**

County/Region

Postcode **W C 2 N 6 J U**

Country **UNITED KINGDOM**

DX

Telephone **020 7702 9775**



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

Hummus Brothers Limited - In Administration

Administrators' progress report
For the period 25 December 2018 to 24 June 2019

CONTENTS

- 1 Introduction
- 2 Administrators' actions since the last report
3. Receipts and payments
4. Assets
- 5 Dividend prospects
6. Investigation into the affairs of the Company
7. Pre-Administration costs
8. Administrators' remuneration
- 9 Administrators' expenses
- 10 Extension of Administration period
11. Further information and complaints
12. Summary

APPENDICES

- I Statutory information
- II Receipts and payments account
- III Administrators' charge out rates, disbursement policy and narrative
- IV Administrators' time costs summary

1. INTRODUCTION

This report is the Administrators' progress report for the period 25 December 2018 to 24 June 2019 (the Reporting Period), and should be read in conjunction with the Administrators' Proposals dated 17 August 2018 and progress report dated 23 January 2019, copies of which is available on request to this office, free of charge

Please find attached the statutory information relating to the Company at **Appendix I**.

2. ADMINISTRATORS' ACTIONS SINCE THE LAST REPORT

The following matters have been dealt with during the Reporting Period:

- Drafted and issued the Administrators' progress report dated 23 January 2019
- Dealt with ongoing employee queries and correspondence
- Liaised with HM Revenue & Customs with respect to the Company's tax affairs and filed post-appointment VAT returns
- Continued to liaise with agents, Lambert Smith Hampton (LSH) and Cedar Dean Commercial Limited (Cedar Dean) in relation to the Company's leasehold premises at 88 Wardour Street, London (Soho)
- Liaised with solicitors, Kerman & Co LLP (Kerman), in relation to leasehold premises and drafting of sale documents
- Continued to liaise with the proposed assignee of the Soho premises in respect of the exclusivity agreement granted in its favour and its ongoing commitment to pay the rental liabilities ahead of completion of the assignment of the Soho premises lease
- Liaised with the landlord of the Soho premises with respect to the sums owed to them under the lease, a rent review (and subsequent agreeing a rent review memorandum) and the rent deposit held
- Completed the assignment of the Soho premises to the assignee, Mexican Grill Limited (MGL)
- Liaised with utility companies with respect to ongoing charges and updated the relevant contact details for each site once the respective lease was either informally surrendered or assigned
- Continued to liaise with the Redundancy Payments Service (RPS) in relation to employee claims and entitlements
- Dealt with ad hoc creditor correspondence and telephone calls
- Maintained the Administrators' cash book
- Assisted the directors in administering the wind down of the Company's group entities
- Engaged accountants, Arram Berlyn Gardner LLP (ABG) to assist with the Company's post appointment tax affairs, and
- Addressed statutory duties associated with the Administration.

3. RECEIPTS AND PAYMENTS

The Administrators' receipts and payments account (R&P) for the Reporting Period are attached at **Appendix II**.

4. ASSETS

The below section only details assets realised in the Reporting Period or those yet to be realised. For details of assets dealt with previously please refer to the Administrators' previous report.

Property

As previously reported, the Company operated from a number of sites across London. The table below outlines the status of each of the leasehold interests

Property	Leaseholder	Status at the date of this report
Peek House 20 Eastcheap, London EC3M 1EB	The Company	Assignment completed
88 Wardour Street, London W1F 0TJ (Soho)	The Company	Assignment completed
62 Exmouth Market, London EC1 4QE	The Company	Landlord forfeited
12 Gray's Inn Road, London WC1X 8HG	The Company	Break clause activated pre-administration, effective 25/06/18
Unit 3A, Victoria House, 36 - 67 Southampton Row, London WC1B 4DA	Hummus Brothers (Holborn) Ltd	No interest in the lease - Informal surrender offered to the landlord
128 Cheapside, London EC2V 6BT	Hummus Brothers (Cheapside) Ltd	Landlord forfeited
378 Mentmore Terrace, London E8 3PH	Hummus Brothers (Hackney) Ltd	Landlord forfeited

During the Reporting Period, the only premises dealt with were the Soho site (detailed below) and the Southampton Row site where the Administrators assisted the directors of Hummus Brothers (Holborn) Ltd with negotiation of an informal surrender of the lease.

As previously reported, an exclusivity agreement was entered into which allowed for ongoing rental obligations to be met by the proposed assignee. Unfortunately the assignment of the Soho property became protracted for several reasons, including, but not limited to, delays in receipt of planning permission for a change of use, negotiation of a rent review (which was outstanding at the date of Administration) and protracted negotiation of the assignment documentation. The increased rent, as part of the rent review, was subsequently agreed with the landlord (and the proposed assignee).

On 4 June 2019, the assignment of the Soho lease was completed to MGL for £100,000. From this sum it was necessary to settle all outstanding rental liabilities, including the revised increased passing rent (in order to receive the landlord's consent to the assignment), professional costs and legal costs. Net proceeds, after deduction of costs, of £27,843 were received following the assignment. It is anticipated that the Company will be able to recover VAT on professional costs and rental charges, thereby increasing the overall return to the estate. However, at the date of this report, the Administrators have yet to receive all VAT invoices from the landlord's managing agent in order to gross up the leasehold property sale receipt on the R&P. Accordingly only the net proceeds are presently shown on the R&P, the Administrators will update the same in their next report.

It should be noted that no recoveries are anticipated from the Company's rent deposit at Soho as these sums were utilised by the landlord in satisfaction of outstanding rental obligations.

No further realisations are anticipated in this matter.

Debtors

As previously reported, the Company's book debts were assigned to HSBC Invoice Finance UK Limited (HSBCIF) as a part of an invoice factoring facility. The directors' statement of affairs stated the liability totalled £15,893. HSBCIF advised the total ledger assigned was slightly higher, at £22,079. The majority of the debts were collected by HSBCIF and its secured claim against the Company has been extinguished by those collections.

Following the above, the Administrators received a cheque for £3,939 from HSBCIF in respect of the excess funds from the collection of the book debts. In addition, HSBCIF reassigned the two remaining debtors back to the Company totalling £4,572. To date, efforts to collect these debts have been unsuccessful and it is now considered that this sum will not be collectible.

Cash at bank and petty cash

During the Reporting Period, and following the closure of the Company's remaining accounts, the sum of £852 was received from the Company's pre-Administration bank HSBC Bank Plc (HSBC). A further sum of £117 was received relating to cash removed from the Soho premises. To date therefore, a total sum of £138,862 has been received in respect of the Company's cash at bank and petty cash. No further sums are expected to be realised.

Fixtures, fittings, plant, machinery and stock

During the Reporting Period, agents, Lambert Smith Hampton (LSH), sold, on the Company's behalf, plant and machinery for £5,900. The Administrators agreed that this sum should be paid directly to LSH to part-pay their costs in dealing with all the valuation and removal of assets, together with the disposal of food waste. No further realisations are anticipated.

5. DIVIDEND PROSPECTS

Secured creditors

As previously reported, HSBC and HSBCIF were each granted security by the Company.

HSBC confirmed it was owed £11,459 in respect of an Enterprise Finance Guarantee loan and £12,409 in respect of a corporate credit card balance. As HSBC held significant funds in an account, these amounts were deducted at source from the cash held in the bank and the balance was transferred to the Administration.

The directors' statement of affairs detailed an amount due to HSBCIF of £13,475 secured by a fixed charge against the debtors. £22,079 of debtors were outstanding at the date of appointment. Upon review by HSBCIF, however, the sum outstanding was reduced to £13,294. The total sum collected by HSBCIF following the Administration was £17,233. Having repaid its indebtedness, £3,939 was transferred to the Administration as the surplus. HSBCIF has therefore been repaid in full under its fixed charge.

Companies House also records Lloyds Bank Wardour Street (Jersey) Limited holding a charge over the rent deposit for the Soho premises. As detailed above, the landlord applied the remaining balance of the rent deposit to settle outstanding rental sums due. Accordingly no realisations were made from the rent deposit and further it is not considered any sums remain due following the offset.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (that is, the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. At this stage it appears that the Prescribed Part provisions will not apply as HSBC and HSBCIF have been satisfied under their respective fixed charges.

Preferential creditors

The Statement of Affairs anticipated £71,473 would be claimed by preferential creditors. The Administrators have yet to receive a final proof of debt form from the Redundancy Payment Service (RPS) as there remain a few members of staff who have yet to register for a National Insurance Number and accordingly have not registered their claims with the RPS. It is anticipated that the employees may have balancing claims over and above the RPS claim. At present no adjudication on preferential creditors' claims has been completed.

The Administrators anticipate making a distribution to the preferential creditors within the next three months and will write to preferential creditors separately in this regard.

Non-preferential unsecured creditors

The Statement of Affairs included unsecured creditors with an estimated total liability of £1,997,305. To date, claims totalling £342,477 have been received, however the Administrators anticipate that this sum is likely to increase as a number of large creditors have yet to formally return a proof of debt form. It should be noted that no adjudication on creditors' claims has been completed.

As the quantum of preferential creditor claims has not been determined, it is too early to determine if there will be a dividend available to the unsecured creditors in this case. However, after payment of costs and preferential creditors, it is considered unlikely that there will be sufficient funds available to distribute to unsecured creditors.

The Administrators will update creditors in their subsequently report.

6. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

The Administrators undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation. The Administrators took into account the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. There were no matters that justified further investigation in the circumstances of this appointment.

Within three months of the Administrators' appointment, they are required to submit a confidential report to the Department for Business, Energy and Industrial Strategy to include any matters which have come to their attention during the course of their work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of a company. The Administrators confirm that their report has been submitted.

7. PRE-ADMINISTRATION COSTS

On 31 August 2018, pre-appointment fees totalling £23,563 and pre-appointment expenses incurred of £8 were approved by creditors. At present no sums have been drawn in this regard.

8. ADMINISTRATORS' REMUNERATION

The Administrators' remuneration was previously authorised via a decision procedure on 31 August 2018 to be drawn on a time cost basis. The Administrators' time costs for the Reporting Period amount to £44,658, representing 154 of hours work at an average charge out rate of £291 per hour, bringing cumulative time costs to £183,863.

The Administrators have drawn £25,000 on account in respect of their remuneration in this matter, all of which was drawn in a previous reporting period. The Administrators anticipate drawing their outstanding remuneration in due course.

A schedule of the Administrators' charge out rates, disbursement policy and a narrative description of the work undertaken in the Administration to date, together with the time costs incurred to date is attached as **Appendices III and IV**.

The Administrators' time costs are higher than expected due to the protracted negotiations relating to the assignment of the leases. Please note the Administrators do not anticipate seeking an increased fee estimate at this stage in order to preserve the distribution level to the preferential creditors. Should further funds become available in the future the Administrators may request an increased fee estimate at that time. Please see below for a comparison of the Administrators' time spent to date as opposed to the Administrators' original fees estimate.

Work Classification	Fees Estimate £	Actual Time Spent £
Administration & Planning	29,880	27,516
Investigations	10,290	6,416
Realisation of Assets	31,075	80,976
Creditors	34,600	27,850
Statutory	53,420	41,105
Total Time Spent	159,265	183,863

Further work is required including, but not limited to, declaring a distribution to the preferential creditors, adjudicating upon their claims and processing payments to both the employees and HMRC in respect of the required deductions for PAYE and NIC, finalising post appointment tax affairs and preparing the case for closure.

The relevant creditor's guide to Administrators' Fees can be found under the heading Creditor Guides on my website at <http://www.resolvegroupuk.com/resources/>. Please note there are different versions of the guides, and in this case you should refer to the latest version. A hard copy can be obtained on request, free of charge, from this office.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

9. ADMINISTRATORS' EXPENSES

The Administrators' total expenses to 24 June 2019 amount to £1,028, of which £59 was incurred during the Reporting Period. At present no sums have been drawn in respect of the Administrators' expenses.

The Administrators confirm the basis of charging category 2 disbursements was approved by the creditors on 31 August 2018.

A summary of the Administrators' expenses are detailed below:

Category 1 disbursements	Amount £	Paid £	Outstanding £
Advertising	81	-	81
Bonding	375	-	375
IT Support	110	-	110
Mail redirection	303	-	303
Postage	71	-	71
Travel - taxi	26	-	26
	966	-	966

Category 2 disbursements	Amount £	Paid £	Outstanding £
Printing and Stationery	62	-	62
	62	-	62

Professional advisors

The following agents or professional advisors have been utilised during the Reporting Period:

Professional advisor	Nature of work	Fee arrangement	Fees incurred to date £	Paid £	Estimated future fees £
Cedar Dean	Property agent	Fixed fee	19,000*	17,500	1,500**
LSH	Valuer / agent	Fixed fee	8,500	8,500	-
Kerman	Solicitors	Time costs	35,453**	26,453	-

*Cedar Dean's costs exceeded this figure, however agreed to reduce their fee in respect of the assignment of the Soho premises by £2,000

** paid in the period following the end of the Reporting Period

The choice of professionals was based on the Administrators' perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the Administrators' fee arrangement with them. The fees charged have been reviewed and the Administrators are satisfied that they are reasonable in the circumstances of this case. All parties have confirmed their independence and hold valid professional indemnity insurance.

Cedar Dean

Cedar Dean were engaged to assist the Administrators with the marketing of the Company's various leasehold property interests, liaising with landlords and seeking assignments of the Company's leasehold properties (excluding Mentmore Terrace), where possible. Cedar Dean liaised throughout with interested parties and landlord's to assist with progression of assignments

LSH

LSH were engaged to provide the Administrators with both an ex-situ and in-situ valuation of the Company's assets at each leasehold property and to facilitate the sale of the same. LSH also assisted with the negotiations to surrender the lease of Mentmore Terrace once it became clear an assignment was not possible.

Kerman

Kerman was engaged to provide legal advice in relation to the Administrators' appointment, general ad hoc legal advice, surrender of leasehold property interests and draft the sale documentation and assignment documentation relating to leasehold properties.

10. EXTENSION OF ADMINISTRATION PERIOD

During the Reporting Period, the Administrators wrote to creditors to seek consent for an extension to the period of the Administration. Further time is required in order to declare and pay a distribution to the preferential creditors of the Company, as referred to above.

Approval to the extension was received at a creditors' decision procedure (by correspondence) on 27 May 2019. Accordingly, the Administration was extended to 24 June 2020.

11. FURTHER INFORMATION AND COMPLAINTS

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Should you have any comments or complaints regarding this Administration, please contact Ben Woodthorpe in the first instance. If you consider that we have not dealt with your comment or complaint appropriately, you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within ReSolve not involved in the Administration. A request for a review can be made in writing to the Compliance Manager, ReSolve Advisory Limited, 22 York Buildings, London WC2N 6JU or by email to cameron.gunn@resolvegroupuk.com.

If you still feel that you have not received a satisfactory response then you may be able to make a complaint to the Complaints Gateway operated by the Insolvency Service. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email ip.complaints@insolvency.gsi.gov.uk, or you may phone 0300 6780015. The Complaints Gateway will in turn determine if such complaint should be addressed by Mr Supperstone's and Mr Woodthorpe's regulatory body. Details of the relevant call charges and opening hours can be found here: <http://www.resolvegroupuk.com/policies2/>.

12. SUMMARY

As mentioned above, the realisation of the value of the leaseholds took a lot longer than expected and, for this reason, the Administration has been extended to enable a distribution to be declared and paid to the preferential creditors.

The Administration will remain open until the following matters have been finalised:

- Declare and pay a distribution to the preferential creditors
- Finalise the Company's post appointment tax matters
- Consider whether the Administration should move to liquidation to enable an unsecured dividend to be paid (should funds allow), and
- Prepared the case for closure.

The Administrators estimate that this should take a further six months to complete. Once these matters have been finalised the Administration will cease and the files will be closed, however, should funds permit the Administration will be converted to a Liquidation to pay a distribution to the unsecured creditors, as approved in the proposals.

Should you have any queries in relation to this matter please do not hesitate to contact Bethany Osmond of this office

Yours faithfully
For and on behalf of
Hummus Brothers Limited



Mark Supperstone
Joint Administrator

For enquiries regarding this correspondence please contact:

Contact name *Bethany Osmond*
Phone number *020 3411 0507*
Email *Bethany.Osmond@resolvegroupuk.com*

The affairs, business and property of the Company are being managed by the administrator
Partners and staff acting as administrators, administrative receivers or supervisors act as agents of the company over which they are appointed at all times, and without personal liability
Cameron Gunn, Mark Supperstone, Chris Farrington, Lee Manning, Ben Woodthorpe and Simon Jagger are licensed to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales
Please refer to the firm's privacy notice setting out your rights and explaining how your data will be used. The notice can be found on our website here www.resolvegroupuk.com/policies2/

APPENDIX I

STATUTORY INFORMATION

Company name	Hummus Brothers Limited		
Previous company name	Humus Brothers Limited		
Registered office:	c/o ReSolve Advisory Limited, 22 York Buildings, London WC2N 6JU		
Former registered office.	128 Cheapside, London, EC2V 6BT		
Registered number.	05045547		
Date of incorporation:	16 February 2004		
Trading addresses:	128 Cheapside, London, EC2V 6BT Peek House, 20 Eastcheap, London, EC3M 1EB 88 Wardour Street, London, W1F 0TJ Unit 3A, 36-67 Southampton Row, London, WC1B 4DA 62 Exmouth Market, London, EC1 4QE 378 Mentmore Terrace, London, E8 3PH 12 Gray's Inn Road, London, WC1X 8HG		
Principal trading activity	Take-away food shops and mobile food stands		
Joint Administrators:	Ben Woodthorpe Mark Supperstone	Insolvency Practitioner Number: 18370 Insolvency Practitioner Number: 9734	
Former Joint Administrator:	Simon Harris	Insolvency Practitioner Number 11372	
Joint Administrators' address:	ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU		
Date of appointment	25 June 2018		
Court name and reference.	High Court of Justice, Business & Property Courts of England and Wales, Insolvency and Companies List CR – 2018 - 005068		
Appointment made by:	The Board of Directors		
Paragraph 100(2) Statement.	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone		

Charges

Chargeholder	Nature of Charge	Date Created	Status
HSBC Bank plc	Debenture	30 March 2005	Outstanding
HSBC Invoice Finance (UK)	Fixed and Floating	7 October 2014	Outstanding
Lloyds Bank Plc	Rent Security Deposit Deed	13 July 2005	Outstanding
HSBC Bank plc	Assignment of Rights	18 December 2015	Outstanding

APPENDIX II

RECEIPTS AND PAYMENTS ACCOUNT

**ADMINISTRATORS' RECEIPTS AND PAYMENTS
FROM 25 JUNE 2018 (DATE OF APPOINTMENT) TO 24 JUNE 2019**

	Estimated to realise - Directors' statement of affairs	Period 25-Jun-18 to 24-Dec-18	Period 25-Dec-18 to 24-Jun-19	Total receipts/ payments to date
FIXED CHARGE RECEIPTS	£	£	£	£
Accounts receivable	15,893	-	3,938 86	3,938 86
Leasehold properties*	180,000	50,000 00	27,842 92	77,842 92
Rent deposit - Wardour Street	29,375	-	-	-
	<u>225,268</u>	<u>50,000.00</u>	<u>31,781.78</u>	<u>81,781.78</u>
FIXED CHARGE PAYMENTS				
Legal fees		7,871 00	-	7,871 00
Legal disbursements		-	-	-
Agents / Valuers fees		7,500 00	8,500 00	16,000 00
Agents / Valuers disbursements		-	4,025 30	4,025 30
Secured creditor		13,860 45	-	13,860 45
Rents payable - Eastcheap		20,768 55	-	20,768 55
Deposit for landlords' costs		-	1,200 00	1,200 00
		<u>50,000.00</u>	<u>13,725.30</u>	<u>63,725.30</u>
Balance (receipts less payments)				<u><u>18,056.48</u></u>

FLOATING CHARGE RECEIPTS	£	£	£	£
Rent deposits	46,793	16,550 28	-	16,550 28
Petty Cash	3,307	3,325 79	117 00	3,442 79
Cash at Bank	134,542	134,567 52	851 68	135,419 20
Equipment, fixtures and fittings	10,000	-	5,900 00	5,900 00
Rents receivable	-	40,004 63	-	40,004 63
Rates Refund	-	3,516 69	3,280 59	6,797 28
	<u>194,642</u>	<u>197,964.91</u>	<u>10,149.27</u>	<u>208,114.18</u>
FLOATING CHARGE PAYMENTS				
Legal fees		11,932 10	-	11,932 10
Legal disbursements		98 35	8 04	106 39
Insurance of assets		377 16	174 83	551 99
Storage		1,609 00	216 00	1,825 00
Sundry payment		150 00	-	150 00
Rents payable		17,500 00	17,500 00	35,000 00
Office Holders' fees		25,000 00	-	25,000 00
Pre-appointment marketing fees		195 00	-	195 00
Secured creditor**		10,007 07	-	10,007 07
		<u>66,868.68</u>	<u>17,898.87</u>	<u>84,767.55</u>
Balance (receipts less payments)				<u><u>123,346.63</u></u>

BALANCE SUMMARY	
Fixed charge balance (receipts less payments)	18,056 48
Floating charge balance (receipts less payments)	123,346 63
TOTAL CASH IN HAND	<u><u>141,403.11</u></u>

Represented by	
Administration current account - non interest bearing	137,881 51
Net VAT receivable	3,521 60
TOTAL CASH IN HAND	<u><u>141,403.11</u></u>

* Net receipt shown for the assignment of the Soho premises, the Administrators are still awaiting appropriate invoices from the landlord to enable a full reconciliation of the costs and allow for the grossing up of receipt Leasehold property sale was for

** Balance of fixed charge secured creditor payment paid from floating charge reserves

APPENDIX III

ADMINISTRATORS' CHARGE OUT RATES, DISBURSEMENT POLICY AND NARRATIVE

Administrators' charge out rates

The Administrators are remunerated on a time cost basis. Charge-out rates used are appropriate to the skills and experience of a member of staff and the work that they perform. Time is recorded in six minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

The hourly charge-out rates used on this case are as follows:

Staff grade	Rate per hour from 30 April 2018 (£)
Principal	550 - 755
Director	450
Senior Manager	395
Manager	350
Assistant Manager	305
Senior Administrator	255
Administrator	220
Junior Administrator	175

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Advisory Limited.

Disbursement policy

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling (non-mileage), postage, statutory advertising and other expenses made on behalf of the assignment.

Indirect charges (Category 2 disbursements) require separate approval and the basis of charging these is as follows:

- Photocopying 20 pence per sheet
- Mileage 45 pence per mile

Narrative of work carried out:

Administration and Planning

Case planning

- Preparing the documentation and dealing with the formalities of appointment
- Review and storage of Company records
- Liaising with the directors throughout the appointment process
- Assisting the directors with the formalities required to place the Company into administration
- Considering the employee position of the Company, and
- Case planning and administration.

Cashiering

- Dealing with the day to day management of the internal cash book
- Making payments and dealing with receipts, and
- Reconciling the Company's bank account

General administration

- Statutory notifications and advertising
- Case bordereau
- Preparing the documentation required

- Dealing with all routine correspondence
- Liaising with insurers regarding initial cover
- Updating the Insurers with respect to the disposal of assets
- Maintaining physical case files and electronic case details, and
- Liaising with the Company's directors regarding provision of information.

Creditors

Secured

- Liaising with HSBC and HSBCIF with respect to sums due to these secured creditors and planning the release of surplus funds.

Unsecured

- Dealing with creditor correspondence, emails and telephone conversations, and
- Maintaining up to date creditor information on the case management system.

Employees

- Liaising with employees with respect to their redundancy
- Obtaining information from the case records about employee claims
- Completing documentation for submission to the RPS
- Corresponding with employees regarding their claims, and
- Liaising with the RPS regarding employee claims.

Investigations

General investigations

- General investigation into the Company's affairs, and
- Statutory investigation into the directors' conduct, including preparation and submission of required reports.

D-returns

- Preparing and completing the report on the directors' conduct and submitting the online form.

Realisation of Assets

Sale of business / assets

- Liaising with LSH and Cedar Dean regarding the securing, valuation and sale of Company assets
- Correspondence with LSH and Cedar Dean regarding recommendations of acceptance on the offers received for the Company's assets
- Providing information to the interested parties, and
- Internal correspondence and meetings regarding assets

Book debts

- Liaising with the directors in relation to the Company's book debts, and
- Emails and correspondence with HSBCIF.

Leasehold property

- Liaising with the landlords, LSH, Cedar Dean and Kerman in respect of the assignment or surrender of leases as applicable
- Completion of leasehold property interests, and
- Supervision of site clearance.

Retention of title and third-party assets

- Dealing with retention of title claims and third-party assets and where appropriate, coordinating the return of such assets

Other assets

- Dealing with the disposal of the residual stock, and
- Reviewing offers in respect of intangible assets, goodwill and intellectual property

Statutory

Statutory paperwork / form completion

- Preparation and delivery of all statutory documentation
- Informing Companies House of the Administration
- Liaising with solicitors regarding appointment documentation, and
- Internal discussions in relation to the timings of the appointment and preparing for the appointment.

Reporting to creditors

- Drafting reports to the members and creditors, and
- Dealing with statutory issues required under Insolvency Act 1986, the Insolvency Rules 2016 and the Statements of Insolvency Practice.

Reasons why this work is required

Administration and planning

This represents the routine administrative work that is required of the office holders and their staff, together with the control and supervision of the work done on the case by the office holders and their staff. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the SIP, which set out required practices that office holders must follow.

Investigations

Insolvency legislation gives the office holders powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holders are required by the SIP to undertake an initial investigation to determine whether there are potential recovery actions for the benefit of creditors and any time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors. Any approval for an increase in fees will be sought as necessary. Such recovery actions will be for the benefit of the creditors and the office holders will provide an estimate of that benefit if an increase in fees is necessary.

The office holders are also required by legislation to report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.

Realisation of assets:

This is the work that needs to be undertaken to protect and then realise the known assets, which should directly benefit creditors.

Creditors:

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the RPS. That work will include dealing with queries received from both the ex-employees and the RPS to facilitate the processing of the claims. The office holders are required to undertake this work as part of his statutory functions

Claims of creditors - The office holders need maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holders will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holders are required to undertake this work as part of their statutory obligations.

Statutory.

These activities involve complying with legislation including but not limited to; The Insolvency Act 1986, The Insolvency Rules 2016, The Companies Act 2006, The Bribery Act 2010, the Money Laundering Regulations 2007, Statement of Insolvency Practice (England and Wales) and Pension Regulations. These activities do not add any direct benefit to creditors and they form part of the statutory obligations of the Administration

APPENDIX IV

ADMINISTRATORS' TIME COSTS SUMMARY

A total of 154 hours were spent at an average charge out rate of £291 bringing the total time costs for the period 25 December 2018 to 24 June 2019 to £44,658. A summary table is shown below:

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration & Planning									
Case planning / monitoring	1 10	605 00	2 00	745 00	8 30	1,772 50	11 40	3,122 50	273 90
Cashiering	0 40	220 00	2 80	1,016 00	8 50	1,991 50	11 70	3,227 50	275 85
General administration	0 10	55 00	1 50	592 50	5 90	1,368 50	7 50	2,016 00	268 80
	1 60	880 00	6 30	2,353 50	22 70	5,132 50	30 60	8,366 00	273 40
Creditors									
Unsecured	-	-	1 00	386 00	8 20	1,971 00	9 20	2,357 00	256 20
Employees	-	-	-	-	0 70	178 50	0 70	178 50	255 00
	-	-	1 00	386 00	8 90	2,149 50	9 90	2,535 50	256 11
Realisation of Assets									
Book debts	-	-	-	-	1 00	255 00	1 00	255 00	255 00
Sale of business / assets	-	-	6 10	2,207 00	1 10	280 50	7 20	2,487 50	345 49
Property - freehold and leasehold	6 70	3,685 00	2 70	1,030 50	54 50	13,897 50	63 90	18,613 00	291 28
Other assets	-	-	1 10	434 50	1 80	459 00	2 90	893 50	308 10
	6 70	3,685 00	9 90	3,672 00	58 40	14,892 00	75 00	22,249 00	296 65
Statutory									
Statutory paperwork / form completion	-	-	5 20	2,054 00	7 40	1,887 00	12 60	3,941 00	312 78
Reporting to creditors	1 50	825 00	5 10	1,987 50	18 80	4,754 00	25 40	7,566 50	297 89
	1 50	825 00	10 30	4,041 50	26 20	6,641 00	38 00	11,507 50	302 83
Total hours and cost	9 80	5,390 00	27 50	10,453 00	116 20	28,815 00	153 50	44,658 00	290 93

ADMINISTRATORS' CUMULATIVE TIME COSTS SUMMARY

A total of 564 hours have been spent at an average charge out rate of £326 bringing the total time costs since appointment to £184,863. A summary table is shown below:

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration & Planning									
Case planning / monitoring	4 60	2,530 00	3 60	1,377 00	20 50	5,704 50	28 70	9,611 50	334 90
Cashiering	0 90	495 00	5 10	1,924 50	15 00	3,421 50	21 00	5,841 00	278 14
General administration	1 10	721 00	11 60	4,582 00	28 90	6,760 50	41 60	12,063 50	289 99
	6 60	3,746 00	20 30	7,883 50	64 40	15,886 50	91 30	27,516 00	301 38
Creditors									
Secured	0 20	110 00	0 50	197 50	-	-	0 70	307 50	439 29
Unsecured	1 10	605 00	3 60	1,413 00	75 90	19,374 00	80 60	21,392 00	265 41
Employees	1 10	605 00	-	-	23 50	5,545 50	24 60	6,150 50	250 02
	2 40	1,320 00	4 10	1,610 50	99 40	24,919 50	105 90	27,850 00	262 98
Investigations									
General investigation	0 20	110 00	-	-	9 70	3,395 00	9 90	3,505 00	354 04
D returns	-	-	1 40	553 00	9 30	2,358 00	10 70	2,911 00	272 06
	0 20	110 00	1 40	553 00	19 00	5,753 00	20 60	6,416 00	311 46
Realisation of Assets									
Book debts	-	-	1 30	513 50	3 10	964 00	4 40	1,477 50	335 80
Sale of business / assets	-	-	6 10	2,207 00	11 70	2,807 50	17 80	5,014 50	281 71
Property - freehold and leasehold	31 20	17,957 50	57 00	22,479 00	82 90	23,330 50	171 10	63,767 00	372 69
Other assets	1 80	1,251 00	9 40	3,038 00	19 30	6,428 00	30 50	10,717 00	351 38
	33 00	19,208 50	73 80	28,237 50	117 00	33,530 00	223 80	80,976 00	361 82
Statutory									
Statutory paperwork / form completion	3 30	1,815 00	17 30	6,833 50	41 30	11,971 00	61 90	20,619 50	333 11
Reporting to creditors	5 90	3,245 00	5 10	1,987 50	49 80	15,253 00	60 80	20,485 50	336 93
	9 20	5,060 00	22 40	8,821 00	91 10	27,224 00	122 70	41,105 00	335 00
Total hours and cost	51 40	29,444 50	122 00	47,105 50	390 90	107,313 00	564 30	183,863 00	325 82