

AM10

Notice of administrator's progress report



Companies House

FRIDAY



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25/01/2019 #353
COMPANIES HOUSE

ase
use

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) Ben

Surname Woodthorpe

3 Administrator's address

Building name/number c/o ReSolve Advisory Limited

Street 22 York Buildings

John Adam Street

Post town London

County/Region

Postcode W C 2 N 6 J U

Country

4 Administrator's name ①

Full forename(s) Mark

Surname Supperstone

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number c/o ReSolve Advisory Limited

Street 22 York Buildings

John Adam Street

Post town London

County/Region

Postcode W C 2 N 6 J U

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

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6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X *B. M. Woodhouse*

X

Signature date

d 2 d 4 m 0 m 1 y 2 y 0 y 1 y 9

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 Ben Woodthorpe

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

DX

Telephone 02077029775



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

23 January 2019

T 020 7702 9775
F 0845 094 1160

TO ALL KNOWN MEMBERS AND CREDITORS

www.resolvegroupuk.com

Dear Sirs

HUMMUS BROTHERS LIMITED – IN ADMINISTRATION (the Company)

Please find enclosed my report on the progress of the Administration of the Company for the period from 25 June 2018 to 24 December 2018 which should be read in conjunction with my previous report to creditors.

Rights of creditors

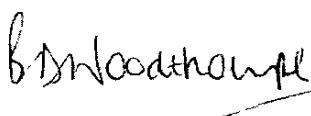
An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured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

Please note that on 12 September 2018 the name of ReSolve Partners Limited was changed to ReSolve Advisory Limited. This is merely a name change and will not affect the appointment of the Administrators in any way.

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



Ben Woodthorpe
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 and Ben Woodthorpe 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/

Hummus Brothers Limited - In Administration

Joint Administrators' six month progress report

For the period 25 June 2018 to 24 December 2018

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

1. INTRODUCTION

As you may be aware, Simon Harris and I, were appointed as Joint Administrators of Hummus Brothers Limited (the Company or HBL) on 25 June 2018. By order of the Court, on 6 December 2018, Simon Harris was removed as a Joint Administrator of the Company and Mark Supperstone was appointed as the replacement Joint Administrator following Mr Harris' resignation from ReSolve Advisory Limited.

This report is my first report on the progress of the Administration for the period 25 June 2018 to 24 December 2018 (the Reporting Period), and should be read in conjunction with the Administrators' Proposals dated 17 August 2018, a copy of which is available on My Insolvency Report or on request free of charge.

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

2. ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

Since appointment I have undertaken the following activities:

- Completed the wind down and vacated the Company's premises including the disposal of perishable food items
- 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 Deane in relation to the Company's leasehold premises and tangible assets
- Liaised with solicitors, Kerman & Co LLP (Kerman), in relation to the various leasehold issues
- Offered the landlords of the Holborn, Hackney and Exmouth Market premises informal surrenders of the leases on behalf of the relevant company and in conjunction with the directors of these companies
- Agreed and completed an assignment of the lease of the Eastcheap premises
- Entered into an exclusivity agreement with a potential assignee of the Soho lease and continued to liaise with them in respect of the planning application required in order to complete the assignment
- Received funds on account from the potential assignee of the Soho premises for the ongoing rent due and paid this to the landlord
- Collected rents due from the sub-tenants occupying both the Cheapside and Exmouth Market sites
- 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
- Liaised with the secured creditor, HSBC Bank plc (HSBC) regarding the release of cash at bank following its deduction in respect of its outstanding liabilities
- Liaised with HSBC Invoice Finance (UK) Limited (HSBCIF), with respect to their charge over the Company's book debts and recovery of the excess funds and residual ledger
- 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
- Continued to assist with the return of third party assets
- Completed the required statutory investigations into the Company and the circumstances leading to the Administration
- Filed the associated report with the Secretary of State within the prescribed timeframe
- Maintained the Administrators' cash book
- Assisted the directors in administering the wind down of the subsidiary companies
- Drafted this report, and
- Addressed my statutory duties associated with the Administration.

3. RECEIPTS AND PAYMENTS

My receipts and payments account for the period from 25 June 2018 to 24 December 2018 is attached at **Appendix II**.

4. ASSETS

Property

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

Property	Leaseholder	Status at the date of this report
Peek House 20 Eastcheap, London EC3M 1EB	HBL	Assignment completed
88 Wardour Street, London W1F 0TJ (Soho)	HBL	Assignment in progress
62 Exmouth Market, London EC1 4QE	HBL	Landlord forfeited
12 Gray's Inn Road, London WC1X 8HG	HBL	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

The assignment of the Eastcheap lease to Yuni Ltd completed on 30 October 2018 for the value of £50,000. The total gross receipt was £73,562 including VAT and a contribution to the rent. After costs, legal and agents fees the final net premium paid to the Administration was £31,639. The landlord also paid to the Administration the rent deposit held of £16,550..

The Administrators previously thought an assignment of the Holborn lease would be possible and, as the lease is held by a subsidiary of the Company, Hummus Brothers (Holborn) Ltd, were hoping an assignment could be completed to allow a distribution of the surplus funds after all costs to the Company as the sole shareholder. To achieve this the Administrators were assisting the directors of Hummus Brothers (Holborn) Ltd with their negotiations with the landlord. However, during the Reporting Period the directors were made aware of the sale of the ultimate freehold of the building. The purchaser of the freehold did not engage with the assignment process and accordingly the lease had to be informally surrendered by Hummus Brothers (Holborn) Ltd. Unfortunately therefore, this course of action has not resulted in a benefit to the Administration.

Finally, the assignment of the Soho lease remains in progress. The assignee, having previously adjusted its first application for planning consent, has submitted a new application for a change of use of the premises. It is hoped that this assignment will therefore now be completed within the next two months. Whilst this assignment process has taken longer than originally anticipated, the Administrators remain confident that a benefit to the Administration will still be achieved. No confirmation of the estimated to realise value can be given at this stage. However, an exclusivity agreement has been agreed and the ongoing rent is being paid on account by the potential assignee. The Administrators do however anticipate paying an uplift in the rent for the post-Administration period as a rent review was outstanding from 1 January 2018 and has now been implemented. Creditors will be updated on the final net realisation following the completion of the assignment.

Debtors

The Company's book debts were assigned to HSBCIF as a part of an invoice factoring facility. The directors' statement of affairs stated the debtors totalled £15,893. HSBCIF advised the total ledger assigned was slightly higher, at £22,079. The majority of the debts have been collected by HSBCIF and its secured claim against the Company has been extinguished by those collections.

Outside of the Reporting Period, the Administrators have received a cheque of £3,939 from HSBCIF in respect of the excess funds from the collection of the book debts. In addition HSBCIF has reassigned two remaining debtors back to the Company totalling £4,572, which the Administrators will attempt to collect. Further details of the funds collected are detailed in section 5.

Cash at bank and petty cash

To date, £114,026 has been received in respect of the Company's cash at bank and petty cash. It is understood that a further small sum of cash is due to be received from HSBC following the closure of the Company's accounts. Creditors will be advised of the final sum for this recovery in the next report.

Fixtures, fittings, plant, machinery and stock

LSH sold the Company's plant and machinery for £5,900 plus VAT. 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 the assets, together with the disposal of the food waste. This transaction has occurred outside of the Reporting Period and therefore is not shown in the receipts and payments account. No further realisations are expected from this source. Details of LSH's costs are to be found later in this report

5. DIVIDEND PROSPECTS

Secured creditors

You may recall from the proposals, 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 at 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 the sum outstanding to them was reduced slightly to £13,294. The total funds collected by HSBCIF 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 plc as holding a charge over the rent deposit for the Soho premises. The Administrators will be writing to the bank upon completion of the Soho lease assignment to establish the level of their claim.

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.

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. The Administrators anticipate making a distribution to the preferential creditors within the next 4 months.

Non-preferential unsecured creditors

The Statement of Affairs included unsecured creditors with an estimated total liability of £1,997,305. To date, claims totalling £289,844 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 is still too early to determine if there will be a dividend available to the unsecured creditors in this case.

6. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I 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. I 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 my appointment as Joint Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company. I confirm that my 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. I have not drawn any fees in this regard to date.

8. ADMINISTRATORS' REMUNERATION

My remuneration was previously authorised via a decision procedure on 31 August 2018 to be drawn on a time cost basis. My time costs to 24 December 2018 amount to £139,205, representing 411 of hours work at an average charge out rate of £339 per hour. I have drawn £25,000 to date.

A schedule of my 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**.

Further work remains to be done and I estimate that it will cost an additional £20,060 to complete it, as per the fee estimate provided in the Proposals. My time costs are higher than expected at this stage of the Administration due to the protracted negotiations relating to the assignment of the leases. Please see below for a comparison of my time spent to date as opposed to my original fees estimate:

Work Classification	Fees Estimate / £	Actual Time Spent / £
Administration & Planning	29,880	19,150
Investigations	10,290	6,416
Realisation of Assets	31,075	58,727
Creditors	34,600	25,315
Statutory	53,420	29,597
Total Time Spent	159,265	139,205

Further work in relation to the assignment of the remaining lease is required. This work is required in order to maximise the realisations in the Administration and subsequently make distributions to the creditors. As previously advised at this stage I cannot quantify the benefit since it is confidential and there are costs which still have to be finalised.

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.

9. ADMINISTRATORS' EXPENSES

My expenses to 24 December 2018 amount to £969. I confirm the basis of charging category 2 disbursements was approved by the creditors on 31 August 2018 and in the Reporting Period £36 was incurred. I have not drawn any expenses in this matter.

The following expenses were incurred but have not been paid:

Category 1 disbursements	Amount £	Paid £	Outstanding £
Advertising	81.45	-	81.45
Bonding	375.00	-	375.00
IT Support	110.00	-	110.00
Mail redirection	303.00	-	303.00
Postage	37.56	-	37.56
Travel - taxi	25.65	-	25.65
	932.66	-	932.66

Category 2 disbursements	Amount £	Paid £	Outstanding £
Postage and printing	36.00	-	36.00
	36.00	-	36.00

The following agents or professional advisors have been utilised in this matter:

Professional advisor	Nature of work	Fee arrangement	Fees incurred to date £	Paid £	Estimated future fees £
Cedar Dean	Property agent	Fixed fee	31,000	7,500	Nil
LSH	Valuer / agent	Fixed fee	8,500	-	-
Kerman	Solicitors	Time costs	16,453	16,453	10,000

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am 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 and assignment of the Company's leasehold properties (excluding Mentmore Terrace).

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 and the surrender or assignment of the Company's leasehold properties.

10. 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/>.

11. SUMMARY

As set out in the Proposals, the objective of the Administration was objective (b), namely to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up without first being in Administration. The Administrators have sought to achieve this objective by realising the maximum

value for the Company's assets, principally its leaseholds, to enable a distribution to be made to the preferential and/or unsecured creditors, the quantum of which will depend on the level of realisations ultimately achieved.

As mentioned above, the realisation of the value of the leaseholds has taken longer than expected, for this reason the Administration must remain open to facilitate the completion of the Soho lease assignment. Once this has been completed the Administrators believe they will achieve their objective.

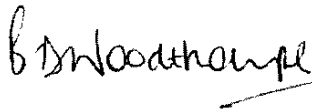
The Administration will remain open until the following matters have been finalised:

- Complete the assignment of the Soho lease
- Declare and pay a distribution to the preferential creditors
- Collect any residual debtors
- Finalise all taxation matters with HMRC
- Consider whether the Administration should move to liquidation to enable an unsecured dividend to be paid.

I estimate that this should take a further six months to the automatic end date of Administration. Once these matters have been finalised the Administration will cease and my files will be closed, however, should funds permit and a distribution beyond the prescribed part be available, the Administration will be converted to a Liquidation, as approved in the proposals. I don't envisage needing to extend the Administration at this time but will consider it if the lease assignment process requires it.

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



Ben Woodthorpe
Joint Administrator

For enquiries regarding this correspondence please contact:

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

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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 Insolvency Practitioner Number: 18370 Mark Supperstone 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 DECEMBER 2018

	Estimated to realise - Directors' statement of affairs	Period 25-Jun-18 to 13-Aug-18	Period 14-Aug-18 to 24-Dec-18	Total receipts/ payments to date
FIXED CHARGE RECEIPTS	£	£	£	£
Accounts receivable	15,893	-	-	-
Leasehold properties	180,000	-	50,000.00	50,000.00
Rent deposit - Wardour Street	29,375	-	-	-
	<u>225,268</u>	<u>-</u>	<u>50,000.00</u>	<u>50,000.00</u>
FIXED CHARGE PAYMENTS				
Legal fees		-	7,871.00	7,871.00
Agents / Valuers fees		-	7,500.00	7,500.00
Secured creditor		-	13,860.45	13,860.45
Rents payable - Eastcheap		-	20,768.55	20,768.55
		<u>-</u>	<u>50,000.00</u>	<u>50,000.00</u>
Balance (receipts less payments)				<u>-</u>

FLOATING CHARGE RECEIPTS	£	£	£	£
Rent deposits	46,793	-	16,550.28	16,550.28
Petty Cash	3,307	3,325.79	-	3,325.79
Cash at Bank	134,542	-	134,567.52	134,567.52
Rents receivable	-	-	40,004.63	40,004.63
Rates Refund	-	-	3,516.69	3,516.69
	<u>184,642</u>	<u>3,325.79</u>	<u>194,639.12</u>	<u>197,964.91</u>
FLOATING CHARGE PAYMENTS				
Legal fees		-	11,932.10	11,932.10
Legal disbursements		-	98.35	98.35
Insurance of assets		-	377.16	377.16
Storage		-	1,609.00	1,609.00
Sundry payment		-	150.00	150.00
Rents payable		-	17,500.00	17,500.00
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>-</u>	<u>66,868.68</u>	<u>66,868.68</u>
Balance (receipts less payments)				<u>131,096.23</u>

BALANCE SUMMARY	
Fixed charge balance (receipts less payments)	-
Floating charge balance (receipts less payments)	131,096.23
TOTAL CASH IN HAND	<u>131,096.23</u>

Represented by	
Administration current account - non interest bearing	137,190.51
Net VAT payable	(6,094.28)
TOTAL CASH IN HAND	<u>131,096.23</u>

Ben Woodthorpe
Joint Administrator
23 January 2019

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

APPENDIX III

ADMINISTRATORS' CHARGE OUT RATES, DISBURSEMENT POLICY AND NARRATIVE

Joint Administrators' charge out rates

The Joint 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, 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 411 hours were spent at an average charge out rate of £339 bringing the total time costs for the period 25 June 2018 to 24 December 2018 to £139,205. 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	3.50	1,925.00	1.60	632.00	12.20	3,932.00	17.30	6,489.00	375.09
Cashiering	0.50	275.00	2.30	908.50	6.50	1,430.00	9.30	2,613.50	281.02
General administration	1.00	666.00	10.10	3,989.50	23.00	5,392.00	34.10	10,047.50	294.65
	5.00	2,866.00	14.00	5,530.00	41.70	10,754.00	60.70	19,150.00	315.49
Creditors									
Secured	0.20	110.00	0.50	197.50	-	-	0.70	307.50	439.29
Unsecured	1.10	605.00	2.60	1,077.00	67.70	17,403.00	71.40	19,035.00	266.60
Employees	1.10	605.00	-	-	22.80	5,367.00	23.90	5,972.00	249.87
	2.40	1,320.00	3.10	1,274.50	90.50	22,770.00	96.00	25,314.50	263.69
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	2.10	709.00	3.40	1,222.50	359.56
Sale of business / assets	-	-	-	-	10.60	2,527.00	10.60	2,527.00	238.40
Property - freehold and leasehold	24.50	14,272.50	54.30	21,448.50	28.40	9,433.00	107.20	45,154.00	421.21
Other assets	1.80	1,251.00	8.30	2,803.50	17.50	5,969.00	27.60	9,823.50	355.92
	26.30	15,523.50	63.90	24,565.50	58.60	18,638.00	148.80	58,727.00	394.67
Statutory									
Statutory paperwork / form completion	3.30	1,815.00	12.10	4,779.50	33.90	10,084.00	49.30	16,678.50	338.31
Reporting to creditors	4.40	2,420.00	-	-	31.00	10,499.00	35.40	12,919.00	364.94
	7.70	4,235.00	12.10	4,779.50	64.90	20,583.00	84.70	29,597.50	349.44
Total hours and cost	41.60	24,054.50	94.50	36,652.50	274.70	78,498.00	410.80	139,205.00	338.86