

AM03

Notice of administrator's proposals



Companies House

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20/04/2019

#184

COMPANIES HOUSE

1 Company details

Company number 0 7 8 9 3 4 5 0

Company name in full The Chapar Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) William Antony

Surname Batty

3 Administrator's address

Building name/number 3 Field Court

Street Grays Inn

Post town London

County/Region

Postcode WC 1 R 5 E F

Country

4 Administrator's name ①

Full forename(s) Hugh Francis

Surname Jesseman

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 3 Field Court

Street Grays Inn

Post town London

County/Region

Postcode WC 1 R 5 E F

Country

② Other administrator

Use this section to tell us about
another administrator.

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Statement of proposals



I attach a copy of the statement of proposals

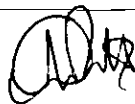
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Sign and date

Administrator's
Signature

Signature

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AM03

Notice of Administrator's Proposals



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	Sheniz Bayram
Company name	Antony Batty & Company LLP
Address	3 Field Court Grays Inn
Post town	London
County/Region	
Postcode	W C 1 R 5 E F
Country	
DX	
Telephone	020 7831 1234



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 and dated 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

**JOINT ADMINISTRATORS' PROPOSALS RELATING TO
THE CHAPAR LIMITED ("THE COMPANY") – IN ADMINISTRATION**

ISSUED ON: 18 APRIL 2019

**ANTONY BATTY & COMPANY LLP
3 FIELD COURT
GRAYS INN
LONDON
WC1R 5EF**

THE CHAPAR LIMITED - IN ADMINISTRATION

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Hugh Francis Jesseman and I are the Joint Administrators of the Company and these are our statutory proposals relating to the Company.

1. STATUTORY INFORMATION

Company Information

Company name:	The Chapar Limited
Previous name:	The Red Sock Club Limited
Trading name:	N.A
Company number:	07893450
Date of incorporation:	29 December 2011
Trading address:	55 Maid Marian Way, 4th Floor, Nottingham, NG1 6GE
Current registered office:	3 Field Court, Gray's Inn, London, WC1R 5EF
Former registered office:	55 Maid Marian Way, 4th Floor, Nottingham, NG1 6GE
Principal trading activity:	Online Personal Shopper

Appointment Details

Administrators	William Antony Batty and Hugh Francis Jesseman
Administrators' address	Antony Batty & Company LLP 3 Field Court, Grays Inn, London, WC1R 5EF
Date of appointment	4 March, 2019
Court name and reference	High Court of Justice, Business & Property Courts 001481 of 2019
Appointment made by:	David Wright a Director
Actions of Administrators:	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.

Officers of the Company:

Directors:	Name:	Shareholding:
	David Wright	*34.3%
	Joseph Middleton	*5.5%

Share capital

*We have been unable to reconcile the company's issued share capital, we are waiting for further information from the Directors.

Charges

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted the following charges:

- Creative Trade Finance Limited created on 08 December 2016.
- The Trustees of the Miromutu Trust created on 02 June 2017.
- David Nicholas Wright created on 17 October 2018.

2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS

The Chapar Limited was incorporated on 29th December 2011. It was founded by Sam Middleton who saw an opportunity to offer a new shopping proposition to men who loved clothes but hated shopping. Securing funding from his family and angel investors Sam secured stock and built an e-com platform to access new customers. Supported by his father, Joe Middleton an experienced executive with a retail background, Sam and Joe worked as CEO and Chairman respectively within the business.

The proposition was and continues to be one of sending "trunks" of product to customers through www.thechapar.com. This is a major point of differentiation from other online retailers of Men's fashion and has proved popular with many customers in the UK.

The Company grew quickly achieving sales of around £2.5m a year, with loyal customers coming back to request new trunks. As the Company grew it invested in stock and staff, in particular stylists to engage with customers and to curate and select items for trunks specific to the *requirements of these customers*.

With subsequent fund-raising efforts, including angel investors and crowd funding rounds, the Company was able to finance the increases in costs and stock to support this growth, but the Company continued to report large trading losses.

In 2017, the Company faced challenges in continuing its growth trajectory and the company identified an opportunity to acquire a competitor, Enclothed; www.enclothed.com who offered a similar proposition. The plan was to combine the resources of both businesses and utilise the data analytics and e-com experience of Enclothed to build a scale-able platform that would deliver profitable growth. With a customer list of more than 100,000 contacts and 10,000 active customers (in the preceding 12 months) in the combined business, average order values of more than £120 (excluding VAT) and product margins in excess of 50%, it was anticipated that a successful integration of the two businesses would allow for efficiencies and profitable growth to be delivered.

The acquisition of the Enclothed business was completed in the summer of 2018 and the company quickly integrated its teams, customer data and processes. Sam continued as CEO and the head of Enclothed took responsibility for sales and marketing. Joe Middleton stood down as Chairman and a major investor David Wright provided additional funding and took on the role as Executive Chairman.

Towards the end of 2018, Sam Middleton decided to leave the business, with the Executives of Enclothed, Levi Young and Dana Zinger taking over responsibility for day to day the running of the business.

At the end of 2018, David Wright, Levi Young and Dana Zinger conducted a review of the business to agree a strategy for the business in 2019 and beyond, with a view to delivering profitable growth and securing additional funding.

The integration of the Enclothed business with the Company was challenging. Whilst a new on-line platform was successfully delivered and customer data was integrated, many experienced and productive stylists left the business and much of the growth was new rather than repeat business, the Company not being able to deliver in time email campaigns targeted at key segments of customers.

Profits are generated from repeat business, with the cost of acquiring new customers only recouped on repeat purchases. With too much business dependent on new customers the Company continued to make heavy losses.

As a result of the losses between 2016 and 2018 cash flow become increasingly tight. Despite significant support from shareholders and suppliers, the Company was unable to continue to make payments to its suppliers within their credit terms

The other major challenge had been stock management. There had been no active merchandising of current stock and no active replenishment of top sellers, with all stock sourced from large pre-orders and sales being dependent on sending trunks of 10 items or more. As a consequence, the Company carries too much stock and has a legacy of residual stock from seasons going back to 2011 that are no longer attractive to customers.

The Board having spent time considering the Company's future approached Antony Batty & Company LLP for advice in January 2019. Alternatives including a Company Voluntary Arrangement were considered, however at a board meeting held on 26 February 2019, a resolution was passed to place the Company into Administration.

A summary of the Company's recent trading performance is shown below.

	Mgmt Accts Year ended 31.12.2018	Statutory Accts Year ended 31.12.17	Statutory Accts Year ended 31.12.16
	£	£	£
Turnover	2,290,912	2,409,043	2,789,531
Cost of sales	(1,505,050)	(1,431,247)	(1,944,723)
Gross profit	785,862	977,796	844,808
Gross profit %	34%	40%	30%
Overheads	(2,451,801)	(2,377,266)	(2,301,703)
Net Profit/Loss after tax	(1,665,939)	(1,399,470)	(1,456,895)

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

Prior to the commencement of the Administration Antony Batty & Company LLP acted as advisors to the Board as a whole acting on behalf of the Company. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, Antony Batty & Company LLP was still required to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.

The Company's initial introduction to Antony Batty & Company LLP ("ABC") was made by David Wright. Mr Wright was a director of a Company which Antony Batty advised in 2012. Neither Antony Batty nor Antony Batty & Company LLP had any prior involvement with the Company.

As required by the Insolvency Code of Ethics, The Joint Administrators considered the various threats to our objectivity arising from this prior involvement. We concluded that those threats were at an acceptable level such that we could still act objectively and hence could be appointed Administrators of the Company.

On 27 February 2019, a Notice of Intention to appoint an Administrator by the Company director was filed at Court and subsequently a Notice of appointment of an Administrator by the directors was filed at Court on 04 March 2019. Antony Batty and Hugh Francis Jesseman were appointed by David Wright, a director on behalf of the Board as Joint Administrators of the Company. The Administrators took over from the Board responsibility for the management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs.

3. OBJECTIVES OF THE ADMINISTRATION AND THE JOINT ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM

As Administrators of the Company, Hugh Francis Jesseman and I are officers of the Court, and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:

- (a) rescue the Company as a going concern; or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

As a result, we are seeking to achieve objective (b) or (c) for the Company, and will do this through a sale of the business and assets on a going concern basis and by realising the stock on an orderly basis through administration trading.

The insolvency legislation has set a 12-month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If we are unable to complete the Administration of the Company within 12 months then we will either apply to the Court, or convene a decision procedure, in order to seek approval to extending the duration of the Administration by the creditors.

4. ACTIONS OF THE JOINT ADMINISTRATORS FOLLOWING APPOINTMENT

Since I was appointed Administrator, I have contacted the bank to freeze the Company account. I had to undertake this work either as part of my routine administrative functions, or in order to protect and realise the assets of the Company. In addition, I have undertaken routine statutory and compliance work, such as filing the notice of appointment at Companies House and prepared a gazette notice. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

After consulting with the management team, it was concluded that realisations would be maximised from a short period of Administration trading as 384 trunks were out with customers and would need to be returned, invoiced and unwanted items returned to stock. Trading also had the advantage of preserving the goodwill and providing a short time period to market the business and assets on a going concern basis.

It was decided to vacate the London & Nottingham offices and continue to trade from the Warehouse in Nottingham, where the rent had been paid to 25 March 2019.

The Company employed 45 staff prior to the Administration in the three locations. 36 members of staff were made redundant by the Company on 28 February 2019, prior to our appointment. Staff were paid in full for February, we have assisted staff make claims from the redundancy payments office.

Following my appointment, it was decided that 9 members of staff were to be kept on to assist with recalling the trunks that were already out in transit, this included the warehouse manager, six stylists, the management accountant and Levi Young at an estimated cost of the trading account of £18,000. The financial director was also retained on a consultancy basis to assist with the running of trading and to extract vital information for the benefit of marketing the business as a going concern.

I instructed Baldwin Cox ("Baldwin") to prepare and submit the P45's and to assist with running the payroll at the end of the trading period, including the calculation of pension payments and student loan accounts.

Penningtons Manches LLP ("Penningtons") solicitors were engaged to assist the Joint Administrators. Penningtons are a firm of solicitors who are experienced with dealing with insolvency matters.

Five retention of title claims were received during the trading period with estimated claims of circa £200,000. Following a review and advice from the Joint Administrators' solicitors all claims were found to be valid "all monies" claims and have subsequently stock with a value of £131,000 has been returned to those suppliers.

ITC Valuers ("ITC") were engaged to provide a valuation of the business and assets and market the business and assets for sale. ITC is a firm of valuers experienced in valuing and marketing assets in insolvency situations. ITC confirmed its independence and it holds adequate professional indemnity insurance.

ITC provided a valuation of the Company's assets on a Forced Sale and a Willing Buyer basis. This variety of valuation provides the Joint Administrators with a range of values with which to compare and contrast the various offers received from the third parties. The value range also ensures that the strategy of the Administration can be adapted and asset realisations are maximised.

ITC carried extensive marketing of the business contacting prospective buyers on their widespread customer database and by internet advertising through www.ipbid.com along with contacting similar businesses. ITC also followed up on 26 leads that came direct from the Joint Administrators, from ITC customer database, shareholders of the Company and had some interest from third parties recommended to them by members of the board.

Due to the amount of interest, ITC advised all parties that the business would be sold on a sealed bid basis. Offers from five separate parties ranging from £10,000, £15,000 and £120,000 were received on 21 March 2019 for the business and assets and stock. ITC recommended that an offer from Retail Licensing Solutions Limited ("RLSL") for £85,000 along with 25% of the purchase price for the stock and this has been accepted. After protracted negotiations, a sale was completed on 11 April 2019 to RLSL.

The initial offer for goodwill was £110,00 but it was agreed to reduce this to £85,000 by negotiation due to significant unexpected costs that the purchaser will incur recreating the stock and client management system. The lower sum significantly exceeded other offers received.

33.33% of the Stock Purchase Price shall be paid on the date falling 60 days from Completion; and 66.66% of the Stock Purchase Price shall be paid on the date falling 90 days from Completion.

Penningtons prepared the Sale Agreement, dealt with the completion and advised on the validity of the charges, except for two charges where they had a conflict of interest. Judge Sykes Frixou solicitors were engaged to advice on these charges.

The assets were sold for £85,000. An outline of the different types of asset sold and the amount for which they were sold, together with a comparison against the valuation realised.

Asset category	Valuation basis & amount (£)		Sale Consideration
	WBV	TSV	£
<u>Floating charge assets</u>			
Stock	150,000	60,000	150,000
Premises	2,500	Nil	5,000
Plant & machinery & Office Equipment	5,500	2,700	4,997
Intellectual property & Goodwill	100,000	25,000	80,000
Contracts			1
Sellers Records			1
Leasehold Property			1
Total	£258,000	£87,700	£240,000

5. FINANCIAL POSITION OF THE COMPANY

I have asked the directors to prepare a summary of the Company's estimated financial position as at 4 March 2019, which is known as a Statement of Affairs, but they have not yet prepared it. I understand that the reason for the delay is due the preparation of incomplete management accounts.

In the absence of a Statement of Affairs I have prepared an estimate of the financial position of the Company as at 4 March 2019 from the records of the Company. I attach a list of names and addresses of all known creditors and the amounts of their debts, other than those in respect of employees & consumer creditors of the Administration, since I am not permitted by the insolvency legislation to disclose such information.

Joint Administrators' estimate of the financial position of the Company

5.1 Goodwill & IP

Due to the length of trading, the development of the Company's IPR and the accumulated knowledge, information & experience there is an intangible element to the value of the business being the Company's goodwill. Goodwill is notoriously difficult to value and is reliant on a willing buyer. ITC provided a valuation of approximately £25-£90,000 for the goodwill in the event of a willing buyer purchasing the business and assets on a going concern value. The sale of the goodwill included the Company's website, databases, right to transfer the telephone numbers to the new Company and any other intellectual property rights created by the Company over the course of trading including the trading name The Chapar including Customer Contracts & Sellers records. Without a sale on a going concern basis no value would have been obtained for goodwill.

I received £80,000 in respect of the goodwill and IP and these funds have been paid in full.

5.2 Licence Fees

The purchaser has paid a Licence fee of £5,000 to occupy the Warehouse under Licence for two months. The Licence fee will be used to pay the rent of the same amount.

5.3 Book debts

At the date of Administration, the Company's sales ledger showed an amount due of £122,000 due from customers on trunks received but not returned. The Company previously used Smith Partnership Limited ("SPL"), a law firm that specialises in pursuing recovery of the debts. I am currently considering instructing SPL to pursue the debts on my behalf on a Conditional Fee Agreement basis.

We are also investigating the possibility of reclaiming VAT on these debts.

5.4 Plant and Machinery & Office Equipment

The company's physical assets consisted of furniture, equipment & plant & machinery which consisted of *dexion racking used at the warehouse*.

These assets were included in the sale purchase agreement for £4,997 which has been paid in full.

5.5 Stock

At the outset of the Administration the director estimated the value of stock held at the warehouse facility was approximately £850,000, including stock in trunks out with customers subject to valid Retention of Title ("ROT") claims.

I received five ROT claims that equated to £131,000, as noted above this stock was returned to suppliers.

A final stock list is still to be completed due to issues with the Companies stock management system, and stock to be audited for the benefit of the sale of the business.

The purchase price for stock shall amount to 25% of the total value of stock and will be paid on deferred consideration basis as below:

33.33% of the value stock will be paid on the date falling 60 days from completion and 66.66% of the stock purchase price will be paid on the date falling 90 days from completion.

5.6 Cash at Bank

Funds have been received into the Administration account of £25,516 being cash held on the Company's account at the date of appointment.

5.7. Administration Trading Results

As advised above I continued to trade the business from 04 March 2019 to 28 March 2019 to maximise realisation from trunks out with customers and to provide a period to market the business.

The trading accounts to date show that during the period of the Administration trading gross sales amount to £34,172 and after VAT, net realisations amount to £28,477.

After costs of £5,370 and labour costs of £21,019 the net realisations to date for the Administration trading period was £2,202 as of 28 March 2019.

On request, the Company bankers, NatWest Bank Plc ("NatWest") allowed the account to remain up to facilitate the recovery of funds during the trading period. The figures above reflect funds received to date in respect of this. We are advised that a further funds of trading sales have yet to be received from NatWest and from the card merchants. These funds will increase the trading surplus.

On day one of trading there were approximately around 384 trunks that were out with customers. At the end of trading 354 trunks had been returned. The balance of trunks will be added to stock.

During the trading period I made the following payments:

£14,637 was spent on direct labour costs for the 9 members of staff that were kept on to assist with the trading of Administration. H M Revenue & Customs have been paid £5,392 in respect of employees PAYE and NIC for the trading period and payments of £523 and £467 in respect of employees' pension payments and student loans respectively.

I have made a payment to the financial controller of £3,060 in respect of work undertaken, under my instruction, to assist with obtaining information for the benefit of asset recovery and to complete up to date management accounts. I have also paid £295 to continue the subscription to Google which was required for the preparation of sale.

I also made a payment of £2,015 to Collect+ in respect courier services necessary for the return of the trunks from customers during this period.

LIABILITIES

On our appointment we arranged for details of the various creditors to be extracted from the Company's records. On 08 March 2019 we sent initial notification of the Administration of the Company to all the creditors of which we were aware, as required by statute.

5.9 Secured Creditors

Creative Trade Finance Limited ("Creative") hold a fixed and floating charge dated 08 December 2016 over the assets of the Company. The Joint Administrators' solicitors, Penningtons, have confirmed the validity of the charges. Creative were owed £48,199 at the date the Company entered Administration.

On sale of the assets, Creative have been repaid in full in respect of their fixed charge and they have released their charge.

The Trustees of the Miromutu Trust ("Miromutu") hold a fixed and floating charge dated 02 June 2017 over the assets of the Company. The Joint Administrators' solicitors, Penningtons, have confirmed the validity of the charges. We have been advised that Miromutu converted its debt into equity, we are still investigating this claim.

David Nicholas Wright ("DNW") holds a fixed and floating charge dated 17 October 2018 over the assets of the Company. The Joint Administrators' solicitors, Penningtons, have confirmed the validity of the charges. Mr Wright is owed in excess of £1,800.00, we are in the process of establishing how much of his debt is secured by his debenture which was created on 17 October 2018.

5.10 Preferential creditors

The only known preferential creditors are former employees of the Company for unpaid wages and holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation. There were 42 employees at the date of the Administration and 33 of those members of staff were immediately made redundant. The remaining 9 members of staff were made redundant on 28 March 2019. Employees are allowed to submit claims against the RPO. I notified the RPO of the Administration, which allows access to the online claims system and provided the employees with the necessary information to make their claims. These claims are subject to a maximum limit set by the insolvency legislation.

The employees submitted their claims to the RPO and I provided further information from the Company's records to the RPO to allow these claims to be processed and settled. The RPO then issues a claim against the Company for the settled claims. The data regarding the employees' and the RPO's claim has been processed

As preferential creditors must be paid in priority to other creditors from floating charge assets, it is necessary to carry out this work in order that where appropriate funds can be released in due course.

It is anticipated that preferential creditors will be paid in full, I estimate preferential creditors will total £15-20,000.

5.11 Prescribed part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000.

As the Company gave several floating charges the prescribed part provisions will apply.

5.12 Unsecured Creditors

Based on the information from the Company's books and records, unsecured creditors are estimated to total £2,785,679 from 243 creditors.

To date the Joint Administrators have received claims from unsecured creditors totalling approximately £406,857. I am yet to receive a claim from H M Revenue & Customs ("HMRC") or have any amount due to HMRC on the Company's books and records.

It is not anticipated that there will be a distribution to unsecured creditors.

6. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

I attach a summary of the receipts and payments relating to the Company for the period from when it entered Administration, 4 March 2019, to the date of these proposals, at Appendix II.

I have made a payment to Baldwin Cox of £250 in respect of my instruction for the completion of the P45's for the members of staff made redundant on the date of appointment.

All other payments from the Administration were in respect of trading expenses. Please refer to 5.7 of this report to further an explanation of those payments.

7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION

In order to achieve the objective of the Administration of the Company I have continued to trade the business to maximise the recovery of assets and have sold the business as a going concern. I will also attempt to pursue the recovery of the outstanding customer debts.

I have already put the Company in a better position by paying in full a secured distribution to one of the creditors against their fixed & floating charge.

8. JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

I attach at Appendix XI a copy of my practice fee recovery policy. In this case I am seeking to fix the basis of my remuneration on a time cost basis as detailed below:

Time costs:

Some work cannot be identified with enough certainty for me to seek remuneration on a fixed or percentage basis. For these tasks, I propose to seek approval on a time cost basis. i.e. by reference to time properly spent by me and members of staff of the practice at our standard charge out rates. When I seek approval for my fees on a time cost basis, I have to provide a fee estimate. That estimate acts as a cap on my time costs so that I cannot draw fees of more than the total estimated time costs without further approval from those who approved the fees. I attach a "Fees estimate summary" at Appendix V that sets out the work that I intend to undertake, the hourly rates I intend to charge for each part of the work, and the time that I think each part of the work will take. It includes a summary of that information in an average or "blended" rate for all of the work being carried out within the estimate.

As indicated in the fees estimate the following areas of work will be charged on a time cost basis investigation; trading and corresponding with the secured creditors. The following explains about the areas of work for which I am seeking approval on a time cost basis, whilst full information about the work that I will undertake on a time cost basis is contained in Appendix VIII.

Administration: This represents the work that is involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their managers). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

Investigations: The insolvency legislation gives the office holder 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 holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the 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 holder 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 and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary. The estimated time required to be spent to do so and the time costs of doing so are included in the estimate. The office holder is unable to quantify the benefit to creditors of these investigations at present but will include such information in their statutory report to creditors once the position is clear.

The office holder is also required by legislation to report to the Department for Business, Energy & 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 in the case. The Administrators will need to complete a full audit of the stock that remains at the warehouse and additional cost and time is reflected of the time cost estimate to account for this. If this work is undertaken, the office holder anticipates that the assets will realise the estimated to realise amounts provided to creditors.

Trading: The office holder has decided to trade the business of the Company in order to achieve a sale of the business as a going concern and to complete outstanding work in progress and orders in order to maximise the recoveries on behalf of creditors. The particular tasks scheduled in this category of work are required to be undertaken in order to enable the office holder to monitor and control the trading of the business, and include statutory functions that are required to be undertaken when running any business.

Creditors:

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

Claims of creditors - the office holder needs 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 holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

Case specific matters:

The Administrators will need to complete a full audit of the stock that remains at the warehouse and additional cost and time is reflected of the time cost estimate to account for this

More details of the tasks included in these categories are included in the fees estimate. I estimate that the total time costs that I will incur in undertaking these tasks in this case will be £58,127 at a "blended" rate of £313 per hour. The Joint Administrators have agreed to cap their time costs at £50,000.

This estimate has been provided to creditors at a relatively early stage in the administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holder's current knowledge of the case and their knowledge and experience of acting as office holder in respect of cases of a similar size and apparent complexity. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case. If the time costs incurred on the case by the office holder exceed the estimate, or is likely to exceed the estimate, the office holder will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holder cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where the office holder considers it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.

I anticipate needing to seek approval to exceed the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.

To date a total of hours have been spent working on the above tasks in the Administration, and total time costs to date are £28,663 charged at an average charge out rate of £340. Details of the time units used and current charge-out rates are provided in our practice fee recovery sheet, a copy of which is enclosed at Appendix IX. I attach, in respect of the areas of work where I am seeking to charge fees on a time cost basis, an analysis of time costs incurred to date by reference to grade of staff and work done at Appendix IV.

If a Creditors' Committee is appointed, it will be for the Committee to approve the basis of the Joint Administrators' remuneration and category 2 expenses. If a Committee is not appointed, then I will be seeking a decision from the creditors at the same time I seek a decision from them on whether or not to approve these proposals.

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/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <http://www.antonybatty.com/insolvency-resources>. There are different versions of these Guidance Notes, and in this case please refer to the April 2017 version. Please note that we have also provided further details in the practice fee recovery sheet. I also propose that I am permitted to charge and recover what are known as category 2 expenses. Information about category 2 expenses is set out in our practice fee recovery policy at Appendix IX.

I have used the following agents or professional advisors since my appointment as Administrator:

Professional Advisor	Nature of Work	Basis of Fees	Estimate of fees
ITC Valuers	Valuer/Auctioneer	Fixed Fee	£20,000
Penningtons	Solicitors	Fixed Fee	£15,000
Manches LLP			
Judge Sykes Frixou	Solicitor	Fixed fee	£500
Marsh Limited	Asset Insurance	Fixed Premium	£TBC
Marsh Limited	Bonding	Fixed Premium	£512

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

ITC Valuers have assisted me with the valuing and marketing of the business and assets and negotiating a sale of the Company's intangible assets. They have also assisted with ROT issues in respect of the stock held at the warehouse.

Penningtons have assisted with asset sale agreement and validity of the debenture. They have also provided advice in relation to the ROT issues.

Marsh UK Limited provides specialist insolvency insurance and specific bonding service. The premiums are based on their standard charges. Marsh have also provided open cover insurance for the wine stock and I awaiting details of the premium payable in this regard.

The following category 2 disbursements have been incurred to date:

Type of category 2 disbursement	Amount incurred	Amount outstanding
Postage	£59	£59
Search Fees	£20	£20
Photocopying	£83	£83
Storage Costs	£35	£35
File Setup	£300	£300

I have incurred total expenses of £148 since my appointment as Administrator. I have not been able to draw any expenses in this matter.

I have incurred the following category 1 expenses since my appointment as Administrator:

Type of expense	Amount incurred	Amount outstanding
Travel	£190	£10
Statutory Advertising	£78	£78
Court Fees	£60	£60

In addition to the expenses already incurred, I anticipate that the following expenses totalling £878 will arise in these proceedings.

Postage: £500
Photocopying: £300
Advertising: £78

Expenses do not have to be approved, but when reporting to the committee and creditors during the course of the Administration together with any subsequent Liquidation, the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (for example, where legal costs rise due to escalated recovery action).

9. PRE-ADMINISTRATION COSTS

The Board of Directors and members of the Company instructed me to assist them in placing the Company in Administration on 27 February 2019. attach at Appendix VI a detailed time cost table showing the pre-appointment time costs incurred by category and staff grade at my firm.

The pre-appointment time costs incurred in the period 27 February 2019 to 04 March 2019, which relate solely to the appointment of the Joint Administrators and the purpose of the Administration, amount to £6,639, while the total pre-appointment time costs amount to £12,935 representing over thirty-three hours at an average charge out rate of £391. The Joint Administrators are only looking to cap their pre appointment fees at £5,000 of their pre appointment fees.

These costs relate to the meetings of advice held with the directors to consider the best course of action, case planning, administrative set up and filing the necessary documents at Court. Considerable time was spent liaising with the finance director and in order to achieve the information to consider the trading of the Administration. By its nature this work had to be carried out prior to the appointment and allowed the Company's assets to be protected and to maximise realisations.

I also assisted the Board take the appropriate steps to place the Company into Administration. This task, together with some of the other tasks mentioned above, are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

If a Creditors' Committee is appointed, it will be for the Committee to approve payment of the pre-administration costs that have not yet been paid. If a Committee is not appointed, then since the pre-administration costs that have not yet been paid, cannot be approved within these proposals, I will be seeking a decision from the creditors in accordance with Rule 3.52 at the same time I seek a decision from them on whether or not to approve these proposals.

10. ADMINISTRATORS' INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

11. EC REGULATION ON INSOLVENCY PROCEEDINGS

I consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. I also consider that they are "main" proceedings since the Company's registered office and its trading address are in the United Kingdom.

12. THE JOINT ADMINISTRATORS' PROPOSALS

In order to achieve the objective, set out at section 3 above, Hugh Francis Jesseman and I formally propose to creditors that:

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:
 - (i) We traded the business for a short period to maximise recovery from the work in progress and sold the business as a going concern sale. We will also pursue recovery of outstanding customer debts.
 - (ii) sell the Company's assets at such time(s) on such terms as we consider appropriate;
 - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
 - (iv) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (a) If there are no assets for distribution to unsecured creditors, the Administration of the Company will end by filing a notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered.

- (b) If it appears likely that there will be sufficient assets to distribute to unsecured creditors, the Company should proceed into Creditor's Voluntary Liquidation and the Joint Administrators propose that they would be appointed Joint Liquidators' and that all acts of the Joint Liquidators' may be taken jointly or alone. Creditors may nominate a different person(s) as the proposed liquidator(s), but they must make the nomination(s) at any time after these proposals are delivered to them, but before they are approved. Information about the approval of the proposals is set out at section 13.
- (b) The Joint Administrators be released from any Personal Liability at the end of the Administration.

13. APPROVAL OF PROPOSALS

I am seeking resolutions at a virtual meeting from the creditors to approve my proposals, to approve my pre-administration costs, to fix the basis of my remuneration, and to approve my category 2 disbursements.

If a creditor wishes to vote on the resolutions, access to the virtual meeting can be gained from 11a.m. on 09 May 2019 through the conference call facility 08444 737373 and inserting the following pin code when prompted 976032.

If a creditor has not already submitted proof of their debt, they should complete the enclosed form and return it to me, together with the relevant supporting documentation. A vote on the resolutions by a creditor will not count unless they have lodged proof of their debt by no later than 4 p.m. the day before 09 May 2019.

If a creditor does not wish to attend the virtual meeting in person and wishes to nominate a person as their proxy holder, or alternatively request the Chair of the meeting to act as their proxy holder, they should complete and return the enclosed proxy form. Proxy forms must be lodged before the meeting.

Creditors are also invited to determine whether to form a Creditors' Committee, and a notice of invitation to form a Creditors' Committee and further instructions are enclosed. To enable the creditors to make an informed decision as to whether they wish to either seek to form a Committee, or to nominate themselves to serve on a Committee, further information about the role of the Committee and what might be expected from its members has been prepared by R3 and can be found is available at the link <http://www.creditorinsolvencyguide.co.uk/>.

Please note that I must receive at least one vote by the decision date or the decisions will not be made. I would therefore urge creditors to respond promptly.

Should any creditor or group of creditors wish to request a physical meeting of creditors, they must do so within 5 business days of the delivery of the notice that accompanies this letter. Such requests must be supported by proof of their debt, if not already lodged. I will convene a meeting if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

14. FURTHER INFORMATION

To comply with the Provision of Services Regulations, some general information about Antony Batty & Company LLP, including about our complaints policy and Professional Indemnity Insurance, can be found at <http://www.antonybatty.com/insolvency-resources>.

If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available on-line, they should contact Sheniz Bayram on the above telephone number, or by email at sheniz@antonybatty.com.

Yours faithfully

A handwritten signature in black ink, appearing to be 'W. Batty', written over a circular stamp or seal.

William Antony Batty
JOINT ADMINISTRATOR
DATE: 18 APRIL 2019

The Joint Administrators are agents of the Company and act without personal liability.

Antony Batty & Company LLP
The Chaparr Limited
B - Company Creditors

APPENDIX 1

Key	Name	Address	£
C200	2C Recruitment Limited	272 Bath Street, Glasgow, G2 4JR	1,800.00
CA00	Apogee Corporation Ltd	Jesson House, Electric Ave, Witham St Hugh's Lincoln, LN6 9BJ	434.41
CB00	Baldessarini		1,418.80
CB01	Baldwin Cox	15 Foster Avenue, Beeston, Nottingham, NG9 1AE	974.46
CB02	J. Barbour + Sons Ltd	Simonside, South Shields, Tyne & Wear, NE34 9PD	40,433.28
CB03	Bing Ads	One Microsoft Place, South County Business Park, Leopardstown, Dublin, D18 P521	296.99
CB04	Black & Yellow Limited	Lytchett House, 13 Freeland Park, Wareham Road, Poole, BH16 6FA	91.08
CB05	BNP Paribas Leasing Solutions	Northern Cross, Basin View, Bassingstoke, RG21 4HL	512.61
CB06	BT PLC	Suites 206/207, 52 Upper Street, Islington, N1 0QH	21,088.91
CB07	Business Design Centre	2 Pecks Yard, Hanbury Street, E1 6QS	14,352.00
CC00	DKU UK Ltd t/a Casual Friday	Pacific House, 70 Wellington Street, Glasgow, G2 6UA	3,840.42
CC01	CBRE	The Heath Business and Technology Centre, Runcorn, WA7 4QX	7,907.37
CC08	Creative Trade Finance Limited	Security Given: Fixed & Floating; Date Given: 04/11/2016; Amount: 0	47,632.63
CD00	Dana Levy	8 Kingsley Close, London, N2 0ES	6,275.00
CD01	DBC Training	3-4 St Peters Church Yard, Derby, DE1 1NN	1,080.00
CD02	DPDgroup UK Ltd t/as DPD	Litigation Dept, 15th Floor Castlemead, Lower Castle Street, Bristol, BS1 3AG	8,349.88
CD03	Dreamsport	37 Canal Street, Nottingham, NG1 7EG	14,860.00
CE00	Eden Park	10-12 Rue De Mont-Louis, 75011, Paris, France	27,004.71
CE01	EE		28.99
CE02	Enterprise Cleaning Maintenance	15 Roe Gardens, Ruddington, Nottingham, NG11 6AQ	584.22
CF00	Facebook	4 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland	58,023.12
CG00	Geo Hallam & Sons	24 Regent Street, Nottingham, NG1 5BQ	5,283.60
CG01	Google	Gordon House, Barrow Street, Dublin 4, Ireland	689.90
CH00	Hackett	4 Maquire Street, Butlers Wharf, London, SE1 2NQ	18,716.60
CH01	CM Delta Ltd t/a Happy Socks	Unit 1, 14 Grand Union, Studios, 332 Ladbroke Grove, London, W10 5AD	229.24
CI00	ICB Group	Virginia House, 35-51 Station Road, Egham, Surrey, TW20 9LB	577.25
CI01	Immediate Media Co	Vineyard House, 44 Brook Green, London, W6 7BT	4,560.00
CJ00	Jamjar Print	Unit 1 new Queen Street, Bedminster, Bristol, BS3 4AG	1,468.20
CL00	Lee	VF Northern Europe Ltd, park Road East, Calverton, Nottingham, NG14 6GD	1,721.09

Signature

Antony Batty & Company LLP
The Chapar Limited
B - Company Creditors

Key	Name	Address	£
CL01	Leverate Media	6 Goodwins Court, London, WC2N 4LL	20,657.64
CM00	Mail Workshop	Unit A, Little Tennis Street South, Nottingham, NG2 4EU	1,083.25
CM01	Media Agency Group	Accounts Department, Digital World Centre, 1 Lowry Plaza, MediaCity, Manchester, M50 3UB	8,400.00
CM02	Michael Kors	Via Cantonale 18, 6928 Manno, Switzerland, NL 8221.17.964.B01	19,633.41
CM03	Middlesex Cricket	Lords Cricket Ground, London, NW8 8QN	6,600.00
CM04	Mlab	660 York Street, Suite 101, San Francisco, CA 94110, USA	8.84
CM05	Mums Helping Hands Limited	Unit 11 Lenton Business Centre, Lenton Boulevard, Nottingham, NG7 2BY	124.80
CN00	National Dry Cleaners	Winchester Street, Sherwood, Nottingham, NG5 4DR	1,036.80
CN01	Nottingham City Council	Loxley House, Station Street, Nottingham, NG2 3NG	1,298.00
CO00	Office Watercoolers Ltd	Waterloo House , 112-116 Anglesey Court, Towers Business Park, Rugeley, Staffs, WS15 1UL	177.15
CO01	Options Distribution Ltd	Pearl House, 2 1/2 Roman Way, London, N7 8XG	618.72
CO02	Oracle Netsuite	2955 Campus Drive, Suite 100, San Mateo, CA 94403-2511, USA	1,713.75
CO03	Othervox	Work Life, 13 Hawley Crescent, London, NW1 8NP	1,000.00
CP00	Paul Smith Ltd	The Poplars, Lenton Lane, Nottingham, NG7 2PW	12,593.40
CP01	Penningtons Mances	Da Vinci House, Basing View, Basingstoke, Hampshire, RG21 4EQ	5,832.00
CP02	Pepe Jeans	4 Maquire St, Butlers Wharf, London, SE1 2NQ	24,104.64
CP03	Peregrine	1 Montpeller Central Trading Estate, Station Road, Bristol, BS6 5EE	1,308.00
CP04	Prior Packaging	Unit 75, Riverside 3, Sir Thomas Longley Road, Medway City Estate, Kent, ME2 4BH	2,618.40
CP0G	Paramount Marketing	40 Richards Ave, Norwalk, CT 06854, US	200,000.00
CR00	Rag & Bone	425 W 13th Street, New York, NY10014, USA	7,181.23
CR01	Reed Specialist Recruitment Ltd	California, 120 Coombe Lane, London, SW20 0BA	1,190.59
CR02	Reedbut Group Limited	North House, 3 Bond Avenue, Bletchley, Milton Keynes, MK1 1JJ	1,714.50
CR0G	Fastrack Business Finance Ltd t/a Reparo Finan	Unit 302, Chambers Business Centre, Chapel Road, Hollingwood, Oldham, OL8 4QQ	96,403.16
CS00	Safenames	81-83 Fulham High Street, London, SW6 3JA	578.64
CS01	Salesforce	Floor 26 Salesforce Tower, 110 Bishopsgate, London, EC2N 4AY	21,368.88
CS02	Samsoe & Samsoe	c/o Atradius Collections, 3 Harbour Drive, Cardiff Bay, CF10 4WZ	14,450.02
CS03	Smith Partnership Solicitors	4th Floor Celtic House, Heritage Gate, Friary Street, Derby, DE1 1LS	15,137.58
CS04	Stream Publishing	The Cowshed, Ladycross Farm, Hallow Lane, Dormansland, Surrey, RH7 6PB	3,090.00

Signature _____

Antony Batty & Company LLP
The Chapar Limited
B - Company Creditors

Key	Name	Address	£
CS05	Suit	Rugvaenget 22, 8500 Grenaa, Denmark	7,987.90
CT00	Ted Baker	The Ugly Brown Building, 6a St Pancras Way, London, NW1 0TB	10,948.48
CT01	The British Belt Co	10 Station Road, Uppingham, LE15 9TZ	3,492.00
CT02	Tommy Hilfiger	c/o Atradius Collections, 3 Harour Drive, Cardiff Bay, CF10 4WZ	29,132.75
CT03	Toms EMEA BV	c/o Atradius Collections, 3 Harbour Drive, Cardiff Bay, CF10 4WZ	1,640.64
CT04	Trustpilot	Pilestraede 58, 1112 Copenhagen K, Denmark	1,650.00
CU00	UK Fast	UK Fast Campus, Birley Fields, Manchester, M15 5QJ	2.30
CV00	Velour	Velour by Nostalgi AB, Tredje Langgatan 13C, 413 03, Goteborg	8,210.08
CV01	Visualsoft Limited	Visualsoft House, Prince's Wharf, Stockton on Tees, TS17 6QY	1,620.00
CW00	Wear4CUK	2nd Floor Fountain House, 130 Fenchurch Street, London, EC3M 5DJ	3,480.00
CW01	David Wright	49 Landsdowne Road, London, W11 2LG	1,225,000.00
CZ00	Zone Two UK Limited	Security Given: Fixed & Floating; Date Given: 17/10/2018; Amount: 0 26 Westland Place, London, N1 7JH	562,193.58
69 Entries Totalling			2,615,515.89

Signature _____

The Chapar Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 18/04/2019

S of A £		£	£
	SECURED ASSETS		
	Goodwill	80,000.00	80,000.00
	SECURED CREDITORS		
(47,632.63)	Creative Finance Limited	48,198.94	(48,198.94)
	HIRE PURCHASE		
80,000.00	Goodwill	NIL	
(47,632.63)	Creative Finance Limited	NIL	NIL
	ASSET REALISATIONS		
	Leasehold Property (1)	1.00	
	Leasehold Property Rent	5,000.00	
5,000.00	Plant & Machinery & Equipment	4,997.00	
1.00	Sellers Records	1.00	
150,000.00	Stock	NIL	
Uncertain	Book Debts	NIL	
1.00	Customer Contracts	1.00	
22,515.48	Cash at Bank	22,515.48	
5,000.00	Rent	NIL	
	Trading Surplus/(Deficit)	2,201.78	34,717.26
	COST OF REALISATIONS		
	Payroll Expenses	250.00	(250.00)
	PREFERENTIAL CREDITORS		
(16,319.03)	Employee Arrears/Hol Pay	NIL	NIL
	FLOATING CHARGE CREDITORS		
(1,225,000.00)	David Wright	NIL	NIL
	UNSECURED CREDITORS		
(1,342,883.26)	Trade & Expense Creditors	NIL	
(41,780.69)	Employees	NIL	
(170,163.81)	Investor Credits	NIL	NIL
	DISTRIBUTIONS		
Uncertain	Ordinary Shareholders	NIL	NIL
(2,628,894.57)			66,268.32

**The Chapar Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 18/04/2019**

S of A £	£	£
REPRESENTED BY		
Vat Receivable		1,101.04
Bank 1 Current - Interest bearing		70,862.58
Vat Payable		(5,695.30)
		66,268.32

William Antony Batty
Joint Administrator

**The Chapar Limited
(In Administration)
Joint Administrators' Trading Account
To 18/04/2019**

S of A £	£	£
POST APPOINTMENT SALES		
Sales	28,476.49	28,476.49
OTHER DIRECT COSTS		
Direct Labour	14,637.24	(14,637.24)
TRADING EXPENDITURE		
Courier	2,015.20	
Consultancy Fees	3,060.00	
PAYE/NIC	5,391.88	
Pensions	523.39	
Student Loans	467.00	
Payroll Expenses	180.00	
		(11,637.47)
TRADING SURPLUS/(DEFICIT)		2,201.78

Time Entry - SLP9 Time & Cost Summary

THECHAP - The Chapar Limited
Project Code: POST
From: 04/03/2019 To: 18/04/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	1.30	10.50	0.00	5.80	17.60	4,698.50	266.96
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	2.90	19.40	0.00	0.00	22.30	7,877.50	353.25
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of Assets	9.50	27.10	0.00	0.00	36.60	13,366.50	365.20
Trading	0.60	7.20	0.00	0.00	7.80	2,721.00	348.85
Total Hours	14.30	64.20	0.00	5.80	84.30	28,663.50	340.02
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

FEES ESTIMATE SUMMARY

The Chapar Limited - In Administration

The office holder is seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. This document provides an estimate as to how much time the office holder and his staff will spend undertaking specific tasks within broad categories of work, and the time costs of undertaking such work, which will depend upon the grade, or grades, of staff undertaking the work and the number of hours spent undertaking the work by each grade of staff. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at what is known as a blended hourly charge out rate for that category of work. The sum of all the estimates for the different categories of work is the total estimated time costs to undertake all the necessary work on the case. Again, we have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for the case as a whole.

Please note that this estimate has been provided as soon as practicable but before full knowledge of the case is known. Every effort has been made to estimate the costs based on our current knowledge of the case, as well as our experience of cases of a similar nature and complexity. It is also based on the assumption that the Administration will be completed within twelve months. If the time costs incurred exceed, or are likely to exceed, the estimate will and an explanation will be proved to the creditors and seek further approval before drawing remuneration in excess of the estimate.

The hourly charge out rates that will be used on this case are:

£

Partner – appointment taker	435.00
Senior Manager	380.00
Manager	340.00
Supervisor/Senior Administrator	260.00
Case Administrator	175.00
Cashier	95.00
Support staff	95.00

Description of the tasks to be undertaken	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
ADMINISTRATION			
Administering the affairs of the company/debtor in accordance with the Insolvency Legislation and Statements of Insolvency Practice	84.30	£25,034.50	£296.97
INVESTIGATIONS			
Undertaking initial investigations into the affairs of the company/debtor with a view to identifying potential asset recoveries for the benefit of creditors	16.50	£4,432.50	£268.64
REALISATION OF ASSETS			
Protecting and realising the assets of the company/debtor.	40.00	£15,452.50	£386.31
CREDITORS			
Maintaining records of the claims of creditors and formally agreeing them and paying a dividend if sufficient realisations are made	45.00	£13,207.50	£293.50
GRAND TOTAL FOR ALL CATEGORIES OF WORK	185.80	£58,127.00	£312.85

Time Entry - SIP9 Time & Cost Summary

THECHAP - The Chapar Limited
 Project Code: PRE
 From: 01/01/2019 To: 04/03/2019

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	18.70	14.40	0.00	0.00	33.10	12,935.20	390.79
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisations of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	18.70	14.40	0.00	0.00	33.10	12,935.20	390.79
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Antony Batty & Company LLP**Time Costs – Charge out rates per hour and disbursements policy.****1 June 2018 – 31 May 2019****Hourly charge out rates**

	2018/19
Office Holder (e.g. Administrator)	£435
Senior Manager	£380
Case Manager	£340
Senior Administrator 1	£260
Senior Administrator 2	£295
Administrator	£175
Junior Administrator	£95

Time is charged in unit of 6 minutes, the minimum unit of time is therefore six minutes.

Please note that these rates may be increased from time to time. Creditors will be notified of changes in the annual report.

Disbursement Policy

Please note that the office holder's disbursements are charged out at the following rates:-

Category 1 - represent recovery of necessarily incurred disbursements at the cost incurred.

Sundry disbursements, such as advertising, where incurred appropriately, are recharged at 100% of the cost incurred.

There is a statutory requirement to advertise the following notices in the London Gazette: first meeting of creditors, resolutions for winding-up, appointment of Liquidators, final meetings and notices to creditors to submit claims. The London Gazette's price list can be accessed at <https://www.thegazette.co.uk/place-notice/pricing>.

Insurance and bonding is recharged at 100% of the relevant charge to the office holder.

There is a statutory requirement for the Liquidator to apply for specific bond cover based on the expected realisations in each appointment. The bond premiums may be found on our website: <http://antonybatty.com/resource>.

Travel costs with the exception of mileage costs are recharged at 100% of the cost incurred.

VAT is charged as appropriate.

Category 2

Photocopying	15p per sheet.
Postage	Royal Mail postage rates (Non-franked mail).
Faxes UK	£1 per sheet.
International	£2 per sheet.
Internal meeting room hire -	£100 per hour, (minimum 1 hour).
Storage	£35 per box per annum.
Company searches	£20 per company.
File set up, stationery & record retention	£75 per folder.

Travel: where Antony Batty & Company LLP staff use their own vehicles in the course of their duties in this matter, the mileage is recharged at 45p per mile.

VAT is charged as appropriate.

APPENDIX VIII:

DETAILS OF WORK TO BE UNDERTAKEN IN THE ADMINISTRATION.

A. Work for which the Liquidator is seeking to be remunerated on a time basis:

Administration:

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.

Setting up physical/electronic case files (as applicable).

Setting up the case on the practice's electronic case management system and entering data.

Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).

Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).

Preparing, reviewing and issuing proposals to the creditors and members.

Filing the proposals at Companies House.

Convening and holding a meeting of creditors to consider the proposals.

Reporting on the outcome of the meeting of creditors to the creditors, Companies House and the Court.

Dealing with all routine correspondence and emails relating to the case.

Opening, maintaining and managing the office holder's estate bank account.

Creating, maintaining and managing the office holder's cashbook.

Undertaking regular reconciliations of the bank account containing estate funds.

Reviewing the adequacy of the specific penalty bond on a quarterly basis.

Undertaking periodic reviews of the progress of the case.

Overseeing and controlling the work done on the case by case administrators.

Preparing, reviewing and issuing 6 month progress reports to creditors and members.

Filing progress reports at Companies House.

Preparing and filing VAT returns.

Preparing and filing Corporation Tax returns.

Seeking closure clearance from HMRC and other relevant parties.

Preparing, reviewing and issuing final reports to creditors and members.

Filing final reports at Companies House.

Realisation of assets:

Arranging suitable insurance over assets.

Regularly monitoring the suitability and appropriateness of the insurance cover in place.

Corresponding with debtors and attempting to collect outstanding book debts.

Liaising with the bank regarding the closure of the account.

Instructing agents to value known assets.

Liaising with agents to realise known assets.

Instructing solicitors to assist in the realisation of assets.

Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge.

Attending the warehouse and completing a full audit of the stock for the benefit of the Sale Purchase Agreement

Creditors:

Obtaining information from the case records about employee claims.

Completing documentation for submission to the Redundancy Payments Office.

Corresponding with employees regarding their claims.

Liaising with the Redundancy Payments Office regarding employee claims.

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the case management system.

Issuing a notice of intended dividend and placing an appropriate gazette notice.

Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.

Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.

Paying tax deducted from the dividends paid to employees.

Investigations:

Recovering the books and records for the case.

Listing the books and records recovered.

Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act.

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

Trading:

Obtaining appropriate information about the business and preparing a business plan and cash flow forecasts.

Arranging suitable insurance for the business

Setting up suitable systems and controls in respect of purchases and sales for the business

Liaising with staff

Setting up a new RTI registration for the business with HMRC and submitting relevant information in respect of wages and salaries paid

Monitoring and controlling the day to day trading of the business

Monitoring compliance with Health and Safety obligations in respect of the business

Case Specific Matters:

Attending the warehouse and completing a full audit of the stock for the benefit of the Sale Purchase Agreement

Liaising with Secured creditors concerning the charges

APPENDIX XI.

PRACTICE FEE RECOVERY POLICY FOR ANTONY BATTY & COMPANY LLP

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

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 www.creditorinsolvencyguide.co.uk. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.antonybatty.com/resource>. Alternatively, a hard copy may be requested from Antony Batty & Company LLP, 3 Field Court, Gray's Inn, London, WC1R 5EF or office@antonybatty.com. Please note, however, that the guides have not yet been updated for the revised legislation, so we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time Cost Basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6-minute units with supporting narrative to explain the work undertaken.

Charge Out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 June 2018 £
Partner – appointment taker	435
Senior Manager	380
Manager	340
Senior Administrator 1	260
Senior Administrator 2	295
Case Administrator	175
Junior case administrator	95

These charge-out rates charged are reviewed on 1 April each year and are adjusted to take account of inflation and the firm's overheads.

Time is recorded in units of six minutes; the minimum unit of time is therefore six minutes.

Members of staff with the appropriate level of experience and authority will be used for the various aspects of work necessary in this assignment.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning.
- Investigations.
- Realisation of Assets.
- Creditors.
- Trading
- Case specific matters.

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs on certain cases:

When we seek time costs approval we have to set out a fee estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Antony Batty & Company LLP; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

The London Gazette's price list can be accessed at <https://www.thegazette.co.uk/place-notice/pricing>. The Marsh Limited specific bond premiums may be found on our website: <http://antonybatty.com/resource>.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third-party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

Photocopying	15p per sheet.
Postage	Royal Mail postage rates (Non-franked mail).
Faxes UK	£1 per sheet.
International	£2 per sheet.
Internal meeting room hire -	£100 per hour, (minimum 1 hour).
Storage	£35 per box per annum.
Companies House search	£20 per company.
Stationery & record retention	£75 per folder.
Travel: where Antony Batty & Company LLP staff use their own vehicles in the course of their duties in this matter, the mileage is recharged at 45p per mile.	

VAT is charged as appropriate.