

88A186

In the matter of

Bargain Cash & Carry Limited In Liquidation
('the Company')

Joint Liquidators' progress report

20 September 2016

Keith Algie and Lindsey Cooper
Joint Liquidators

RSM Restructuring Advisory LLP
3 Hardman Street
Manchester M3 3HF



Contents

Sections

- 1 Purpose of report
- 2 Joint Liquidators' appointment
- 3 Receipts and payments summary
- 4 Creditors' claims
- 5 Conduct of the winding-up
- 6 Matters preventing closure
- 7 Joint Liquidators' remuneration, disbursements and expenses
- 8 Creditors' rights to information and ability to challenge remuneration and expenses

Appendices

- A Statutory, dividend and other information
- B Summary of receipts and payments
- C RSM Restructuring Advisory LLP's charging, expenses and disbursements policy statement
- D Current charge out and disbursement rates
- E Category 2 disbursements table
- F Statement of expenses incurred by the Joint Liquidators' in the period from 23 July 2015 to 22 July 2016
- G Time cost analysis

1 Purpose of report

This report has been prepared in accordance with insolvency legislation to provide creditors and members of the Company with information relating to the progress of the liquidation in the period from 23/07/2015 to 22/07/2016

This report has been prepared solely to comply with the statutory requirements of Rule 4.49B of the Insolvency Rules 1986 (as amended). The purpose of the report is to provide creditors and members with information relating to the progress of the Winding Up in the period from 23/07/2015 to 22/07/2016. It has not been prepared for use in respect of any purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

RSM Restructuring Advisory LLP, which was previously named Baker Tilly Restructuring and Recovery LLP until 26 October 2015. Neither the Liquidators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report.

2 Joint Liquidators' appointment

Keith J Algie and Lindsey J Cooper of RSM Restructuring Advisory LLP, 3 Hardman Street, Manchester M3 3HF were appointed Joint Liquidators of Bargain Cash & Carry Limited on 23 July 2015 by The Secretary of State.

3 Receipts and payments summary

We attach as Appendix B a summary of our receipts and payments for the period from 23/07/2015 to 22/07/2016.

VAT basis

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

4 Creditors' claims

Creditors' claims as set out in the Statement of Affairs totalled £4,666,635.

The only creditors currently known to the Joint Liquidators are HM Revenue & Customs, in relation to outstanding tax, VAT and Alcohol Duty.

4.1 Dividend prospects for creditors

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix A, including any amount under the prescribed part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.

In accordance with Rules 4.186 and 11.7 of the Insolvency Rules 1986 no dividend has yet been distributed as insufficient funds have been realised.

4.2 Prescribed part

The 'Prescribed Part' is a statutory amount of the Company's assets subject to a floating charge to be set aside for the benefit of the Company's non-preferential creditors.

There are no creditors secured by charges over the assets and undertakings of the Company. There is therefore no requirement to estimate the amount of the prescribed part of the assets under Section 176A of the Insolvency Act 1986 (as amended).

5 Conduct of the winding-up in the previous twelve months

Mr Rehan-Ul-HassanRazaq – former director

Following appointment the Joint Liquidators appointment enquiries were made with the former director, who has yet to offer any co-operation in respect of provision of books and records of the company or in answering the Joint Liquidators queries relating to his conduct as an Officer of the Company

Asset enquiry

The Joint Liquidators instructed their agent to undertake a review of the likely assets of the former director. Specifically it is suspected that the director may have enjoyed excessive personal benefits from the company. The Joint Liquidators seek to investigation remains on-going and will consider the merits of any potential rights of action in accordance with legal advice.

Co-operative Bank Plc

Third party enquiry has suggested that the company operated bank accounts with the Co-operative Bank Plc. A request has been made to the bank for copy bank statements, in order that a full forensic review of transactions on the account can be undertaken. Such statements have not yet been supplied and it may be required to issue request under terms of Section 236 Insolvency Act 1986.

HM Revenue & Customs ("HMRC")

HMRC are the only creditor currently known in this matter, their office has provided confirmation of assessments issued to the company in relation to outstanding alcohol duty, VAT and tax. In addition the department indicated that Best Buys Supplies Limited in Liquidation had been the major customer to the company and may have been engaged in dealing with duty unpaid goods.

Best Buys Supplies Limited in Liquidation

The Joint Liquidators have been in correspondence with the Liquidators of Best Buys Supplies Limited in an attempt to facilitate the investigation of the trade between the two companies. It is apparent their office has not received full co-operation from the former directors, in respect of delivery up of books and records. This avenue of investigation will remain on-going to seek to progress the investigation of both companies.

5.1 Realisation of assets / Sale of business

There have been no relations in the period of this report.

5.2 Investigations

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

The contents of this report remain confidential.

5.3 Administration and planning

Statutory Bond The statutory bond was put in place following appointment of the Joint Liquidators, to secure their proper performance. To ensure that the interests of creditors continue to be protected, the bond level will be reviewed periodically.

KPI – management reviews These are undertaken regularly in line with RSM Restructuring Advisory LLP best practice, to ensure proper performance and case progression are maintained.

Annual Reports Are prepared and will be published in line with statutory requirements. In order to minimise costs and in the interests of resource efficiency these reports will be made available to creditors in electronic format via the RSM Restructuring Advisory LLP web-site

Legal advice Legal advice will be taken as and when appropriate

Specialist Tax Advice Specific advice will be taken where the complexity of the transactions and implication to tax become apparent. In addition the Joint Liquidators will review any tax assessments raised and ascertain whether these may be capable of appeal

5.4 Connected party transactions

The Joint Liquidators are not aware of any transaction occurring prior to their appointment. Further they have not sanctioned any transaction which would constitute a transaction with a connected party and would require disclosure under Statement of Insolvency Practice 13

5.5 Potential claim for compensation for mis-selling of interest rate hedging product

As you may be aware, a settlement agreement was recently reached between the Financial Conduct Authority ('FCA') and certain major banks, including Co-operative Bank Plc in relation to the sale of interest rate hedging products

The Joint Liquidators are not aware that the Company was sold a relevant Interest Rate Hedging Product and on the basis of information to date are not minded that the Company falls within the scope of the FCA settlement and may therefore be entitled to redress

There are no assets remaining to be realised

5.6 Assets remaining to be realised

There are no assets specifically pledged remaining to be realised, however the investigation remains on-going

Other outstanding matters

This matter is linked to a wider investigation of several companies. Further it is suspected that the director and known associates may have received excessive personal benefit from the company, which contributed to the failure of the company

These matters remain under investigation, specifically in relation to potential rights of action against the former director and his associates which may result in a recovery for the benefit of the Liquidation Estate

6 Joint Liquidators' remuneration, disbursements and expenses

6.1 Basis of remuneration

Creditors have previously been requested to consider the basis of the Joint Liquidators' remuneration. However approval remains outstanding and will be dealt with separately. The following resolution is to be put to creditors for consideration

The Liquidators shall be authorised to draw their remuneration based upon their time costs by reference to the time properly given by the Liquidators and their staff, in attending to matters arising in the liquidation at RSM Restructuring Advisory LLP standard hourly rates, at the rates

Approval will also be sought to the drawing of disbursements, including category 2 disbursements. Details of the current rates are attached at Appendix D

6.2 Remuneration and Disbursements incurred in the period from 23/07/2015 to 22/07/2016

In accordance with insolvency legislation the Joint Liquidators' are required to report "remuneration charged". This reflects the time charged to the case and is the maximum that can be taken in fees by the Joint Liquidators. It does not necessarily reflect the amount of remuneration that will ultimately be taken by the Joint Liquidators in remuneration

Joint Liquidators' remuneration

Joint Liquidators have incurred time costs of £6,670 10 in respect of work done in the current period (a summary of which is set out in Appendix G) Details of the sums drawn in respect of remuneration for the period covered by this report are set out in the receipts and payments account (Appendix B)

Attached are the following

- Appendix C RSM Restructuring Advisory LLP's Charging, Expenses and Disbursements Policy Statement
- Appendix D Joint Liquidators' Charge Out and Disbursement Rates,
- Appendix E Category 2 Disbursements Table,
- Appendix G Joint Liquidators' Time Cost Analysis for the period set out above,

6.2.1 Joint Liquidators' disbursements

The basis of the Joint Liquidators' drawing disbursements shall again be requested from creditors, who are asked to consider the following resolution

The Liquidator be authorised to draw 'category 2' disbursements out of the assets as an expense of the Winding Up, at the rates prevailing when the cost is incurred

Disbursements incurred in the period in accordance with the resolution above are detailed on Appendix F (Statement of Expenses)

6.3 Total remuneration incurred and paid to date since appointment

The Joint Liquidators have incurred time costs of £6,737 20 since the date of our appointment in accordance with the resolution set out above This remains outstanding and has been fully provided for Should you require any further information please do not hesitate to contact me at david.pritchard@rsmuk.com

6.4 Joint Liquidators' statement of expenses

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

7 Creditors' right to information and ability to challenge remuneration and expenses

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

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

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

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

A Guide to Liquidators Fees, which provides information for creditors in relation to the remuneration of a Liquidator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors' A hard copy can be requested from my office by telephone, email or in writing

Should you have any further queries please do not hesitate to contact David Pritchard who is dealing with this matter on my behalf

Yours faithfully



Keith Algie
RSM Restructuring Advisory LLP
Joint Liquidator

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

Appendix A

Statutory, dividend and other information

Company name	Bargain Cash & Carry Limited
Company number	08819186
Court & reference	In the High Court of Justice No 2785 of 2015
Date of appointment	23 July 2015
Joint Liquidators	Keith Algie and Lindsey Cooper
Functions	The Joint Liquidators' appointment specified that they would have power to act jointly and severally The Joint Liquidators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment
Date of incorporation	18 December 2013
Previous company names	n/a
Trading name	n/a
Trading address	Unit 13/5 Wadsworth Park, High Street, Bolton, BL3 6SR
Principal activity	Wholesale Trade and Commission Trade, Except of Motor Vehicles and Motorcycles
Registered office	RSM Restructuring Advisory LLP 3 Hardman Street Manchester M3 3HF Previous Registered Office Unit 13/5 Wadsworth Park, High Street, Bolton, BL3 6SR

Dividends	Owed	Paid	Estimated future prospects
Secured creditor (1) Secured creditor (2)	No Secured Creditors	n/a	n/a
Preferential creditors	No Preferential Creditors	n/a	n/a
Unsecured creditors	£4,666,635	None to date	On current information no estimate can be provided

Receipts and Payments Abstract: 1073890 - Bargain Cash & Carry Limited In Liquidation

Bank, Cash and Cash Investment Accounts From 23/07/2015 To 22/07/2016

SOA Value £		23/07/2015 to 22/07/2016		Total to 22/07/2016	
		£	£	£	£
	COST OF REALISATIONS				
0 00	ISA Quarterly Charges	(88 00)		(88 00)	
0 00	Official Receivers Remuneration	(2,400 00)		(2,400 00)	
0 00	Petitioners Deposit	1,250 00		1,250 00	
			(1,238 00)		(1,238 00)
			<u>(1,238 00)</u>		<u>(1,238 00)</u>
0 00	REPRESENTED BY				
	Insolvency Service Account (ISA)			(1,238 00)	
					(1,238 00)
					<u>(1,238 00)</u>

APPENDIX C

RSM Restructuring Advisory LLP

Charging, expenses and disbursements policy

Charging policy

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

Expenses and disbursements policy

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

Appendix D

RSM Restructuring Advisory LLP

Joint Liquidators' current charge out and disbursement rates

Hourly charge out rates		
	Rates at commencement £	Current rates £
Partner	395	435
Directors / Associate Directors	350	385
Manager	n/a	n/a
Assistant Managers	190	209
Administrators	130	173
Support staff	130	143

Category 2 disbursement rates	
Internal room hire	£165
Subsistence	£25 per night (from 3 rd September 2013) £23 per night (up to 2 nd September 2013)
Travel (car)	38p per mile (up to and including 31 March 2010) 40p per mile (from 1 April 2010) 42 5p per mile (from 1 April 2011)
'Tracker' searches	£10 per case

Appendix E

RSM Restructuring Advisory LLP

Joint Liquidators' category 2 disbursements table

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest		
Recipient, type and purpose	Paid £	Unpaid £
None incurred or re-charged to the estate	n/a	n/a
Total	n/a	n/a

Appendix F

Statement of expenses incurred by the Joint Liquidators in the period from 23/07/2015 to 22/07/2016

Type and purpose	Incurred in period £
Insolvency Services Account Quarterly Fee	88 00
Total	88 00

Appendix G

Joint Liquidators' time cost analysis for the period from 23/07/2015 to 22/07/2016

Please note that we have re-designed our SIP9 analysis table to provide a more detailed analysis of the grades of staff within the firm. Please note that this change does not alter the value of time costs recorded, purely the column within the table to which that time, and cost, has been allocated.

Period	Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
From Jan 2003	Administration and Planning									
	Appointment	0.0	0.0	0.4	0.0	0.0	0.0	0.4	£ 76.00	190.00
	Background information	0.0	0.0	0.6	0.0	0.0	0.0	0.6	£ 114.00	190.00
	Case Management	0.2	3.5	2.8	0.0	0.0	0.0	6.5	£ 1,901.10	292.48
	Director(s)/debtor/bankrupt	0.0	0.0	3.1	0.0	0.0	0.0	3.1	£ 589.00	190.00
	Post-appointment - general	0.0	0.0	1.4	0.0	0.0	0.0	1.4	£ 266.00	190.00
	Receipts and Payments	0.0	0.0	0.0	0.0	1.3	0.0	1.3	£ 169.00	130.00
	Tax Matters	0.0	0.0	0.0	0.0	0.2	0.0	0.2	£ 37.00	185.00
	Total	0.2	3.5	8.3	0.0	1.5	0.0	13.5	£ 3,152.10	233.49
	Investigations									
	DTI/Official Receiver	0.0	0.0	0.5	0.0	0.0	0.0	0.5	£ 95.00	190.00
	Investigations/CDDA	0.0	7.7	0.0	0.0	0.0	0.0	7.7	£ 2,470.00	320.78
	Total	0.0	7.7	0.5	0.0	0.0	0.0	8.2	£ 2,565.00	312.80
	Realisation of Assets									
	Assets - general/other	0.0	0.0	1.0	0.0	0.0	0.0	1.0	£ 190.00	190.00
	Total	0.0	0.0	1.0	0.0	0.0	0.0	1.0	£ 190.00	190.00
	Creditors									
	Other Creditor Meetings and Reports	0.0	0.0	1.2	0.0	0.0	0.0	1.2	£ 228.00	190.00
	Unsecured Creditors	0.0	0.6	1.6	0.0	0.0	0.0	2.2	£ 535.00	243.18
	Total	0.0	0.6	2.8	0.0	0.0	0.0	3.4	£ 763.00	224.41
	Total Hours (From Jan 2003)	0.2	11.8	12.6	0.0	1.5	0.0	26.1	£ 6,670.10	255.56
	Total Time Cost (From Jan 2003)	£ 79.00	£ 3,964.50	£ 2,420.60	£ 0.00	£ 206.00	£ 0.00	£ 6,670.10		
Total Hours										
Total Time Cost										
Average Rates										
		£ 79.00	£ 3,964.50	£ 2,420.60	£ 0.00	£ 206.00	£ 0.00	£ 6,670.10		
		395.00	335.97	192.11	0.00	137.33	0.00	255.56		

NOTES TO APPENDIX G

Joint Liquidators' time cost analysis

a) Administration and planning

This includes dealing with the commencement of the case administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day case administration duties, maintenance of records and ongoing statutory obligations. These include but are not limited to handling receipts and payments, VAT and corporation tax issues such as the monthly VAT returns, pension queries and general correspondence. Other matters which are required to be dealt with as part of the appointment and which will fall under this heading include case planning and strategy, case reviews, bonding, obtaining company searches, maintenance and obtaining books and records, general meetings / correspondence, statutory and other advertising, insurance, re-directed mail, statutory receipts and payments accounts, dealing with (including the winding up of) company pension schemes where applicable.

b) Investigations

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

c) Realisation of assets

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

d) Trading

Where the Company has continued trading following the Joint Liquidators' appointment our staff will have had to set up accounts with suppliers in order to trade on an ongoing basis. Payments to suppliers and general correspondence with these have been undertaken. Where trading has ceased, accounts will have been closed and final bills paid. Other matters will also have been dealt with in accordance with the usual trading obligations such as dealing with employees and payroll.

e) Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the case administration process. The preparation of the Joint Liquidators' proposals has been undertaken including the attendant aspects of providing and obtaining the required information, convening the creditors' meeting etc. A brief report on the outcome of the creditors' meeting and the report on the first six months of the administration period have both been prepared.

f) Case specific matters

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