

2.24B**Administrator's progress report**

Name of Company Unwins Limited	Company number 00087690
In the High Court of Justice, Chancery Division Leeds District Registry [full name of court]	Court case number 1375 of 2005

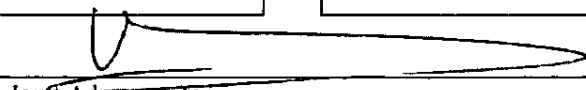
We
Myles Antony Halley
KPMG LLP
8 Salisbury Square
London EC4Y 8BB
United Kingdom

Jane Bronwen Moriarty
KPMG LLP, 8 Salisbury Square
London
EC4Y 8BB

Administrators of the above company attach a progress report for the period

from	to
20 June 2008	28 August 2008

Signed


Joint Administrator

Dated

28 August 2008

Contact Details

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

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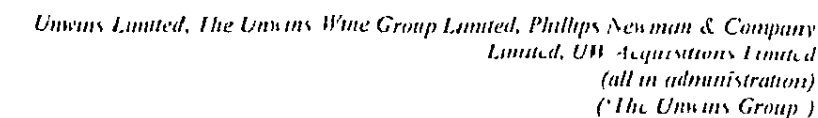
*Unwins Limited, The Unwins Wine Group Limited, Phillips Newman & Company
Limited UW Acquisitions Limited
(all in administration)
(‘The Unwins Group’)
Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003
KPMG LLP
28 August 2008*

**Unwins Limited, The Unwins Wine Group
Limited, Phillips Newman & Company Limited,
UW Acquisitions Limited
(all in administration)
(‘The Unwins Group’)**

**Report to Creditors pursuant to Rule
2.110 of the Insolvency (Amendment)
Rules 2003**

28 August 2008

KPMG LLP
28 August 2008
*This report contains 5 pages
appendices contain 8 pages*



Report to Creditors pursuant to Rule 2110 of the Insolvency (Amendment) Rules 2003

KPMG LLP

28 august 2008

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Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003
KPMG LLP
28 August 2005*

I Glossary

Administrators	Myles Halley, Jane Moriarty and Blair Nimmo of KPMG LLP
Administration	The Administration Order granted by the High Court in respect of the Unwins Group dated 19 December 2005 Court administration order numbers 1372-1376 of 2005
Address and registered office of the Unwins Group	8 Salisbury Square London EC4Y 8BB
Appointor	HBOS Plc in accordance with paragraph 12(1)(c) of Schedule B1 to the Insolvency Act 1986
Date of appointment	19 December 2005
Thresholders	First Quench Retailing Limited
Unwins	Unwins Limited
UWA	UW Acquisitions Limited
Phillips Newman	Phillips Newman & Company Limited

The references in this report to sections paragraphs or rules are to the Insolvency Act 1986 Schedule B1 of the Insolvency Act 1986 and the Insolvency (Amendment) Rules 2003 respectively



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KPMG LLP
28 August 2008*

2 Introduction

2.1 Introduction

Myles Halley, Jane Moriarty and Blair Nimmo of KPMG LLP were appointed as Administrators of The Unwins Group on 19 December 2005 by the High Court following an application by HBOS, a holder of a qualifying floating charge.

In accordance with Paragraph 100(2) of schedule B1 Insolvency Act 1986 the functions of the Administrators are being exercised by any or one of the administrators.

In accordance with Rule 2.110 of the Insolvency (Amendment) Rules 2003, the Administrators now set out their final report to 28 August 2008.

2.2 Joint administrators' proposals

As set out in our report to creditors dated 8 February 2006 the joint administrators' proposals were approved in accordance with Rule 2.33(5) of the Insolvency Rules 1986.

The proposals approved were:

- to appoint a committee of creditors
- to continue to do all such things reasonably expedient and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable in order to maximise realisations from the assets of The Unwins Group in accordance with the objective as set out above
- to investigate and, if appropriate, pursue any claims The Unwins Group may have
- to seek an extension to the administration period if deemed necessary by the Administrators
- when it is anticipated that no better realisations will be made in the administration than would be available in a winding up, to take the necessary steps to put The Unwins Group into either Creditors' Voluntary Liquidation or into Compulsory Liquidation as deemed appropriate by the Joint Administrators: in the event the Joint Administrators deem that liquidation is not appropriate because no dividend will become available to creditors and there are no other outstanding matters that require to be dealt with in a liquidation then the Joint Administrators shall file the appropriate notices at Companies House and The Unwins Group will subsequently be dissolved
- if Creditors' Voluntary Liquidation is deemed appropriate that the Administrators Myles Halley, Jane Moriarty and Blair Nimmo be appointed as



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KPMG LLP

28 August 2005

liquidators of The Unwins Group at the appropriate time dependant on the leasehold assignments without any further recourse to creditors and that they make act jointly and severally in their duties. In accordance with paragraph 83(7) and Rule 2.117(3) creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved.

- that following the appointment of liquidators to The Unwins Group as set out above the Administrators be discharged from liability in respect of any action of them as Administrators pursuant to paragraph 98 of schedule B1 of the Insolvency Act 1986 with immediate effect
- in accordance with Rule 2.106(9) a resolution on the Administrators remuneration it is proposed that in accordance with Rule 2.106, the Administrators remuneration be fixed by a committee of The Unwins Group creditors
- In the event that no committee is formed, remuneration of the Joint Administrators will be fixed by reference to time properly spent by them and their staff in attending to matters arising from The Unwins Group administration in accordance with the Statement of Insolvency Practice number 9 and that they be authorised to draw remuneration and disbursements from the assets of The Unwins Group Companies from time to time as and when funds are available
- that the costs of KPMG LLP in respect of forensic, tax, VAT and pension advice provided to the Administrators be based upon time costs and shall be paid out of the assets of The Unwins Group

3 Progress of the administration

3.1 Property update

3.1.1 Leasehold properties

Despite numerous attempts by us, there are 14 leases remaining for which surrenders have still not been accepted by the landlords.

3.1.2 Long leasehold properties

Both of the leaseholds to the properties referred to in our previous report have now been sold with total net realisations of £203,003. Accordingly all long leasehold properties have now been dealt with.



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KPMG LLP

28 August 2008

4 Receipts and payments

Copies of the administrators’ receipts and payments accounts to 28 August 2008 (for each company in The Unwins Group) are attached as Appendix 1

5 Creditors

5.1 Secured creditors

As previously advised, the claim of HBOS was settled at the expected level of £5.25 million

5.2 Preferential creditors

No funds were available in the administration to pay preferential creditors of Unwins Limited. Any future dividend depends on the ability of the Official Receiver to realise assets from the investigations into the directors’ conduct

5.3 Unsecured creditors

No dividends have been paid to unsecured creditors of any of the Unwins Group

Again, any dividend to unsecured creditors remains wholly dependent on any realisations from investigations into the directors’ conduct by the Official Receiver

6 Other matters

6.1 Administrators’ remuneration

Administrators’ total time costs for the administrations are shown at Appendix 2 with a detailed breakdown of the costs incurred since the previous progress report. The creditors committee passed a resolution approving our fees up to a limit of £1.325m on Unwins Limited at a meeting held on 5 August 2008

6.2 Conclusion of the administrations

Following a detailed review of the information collected from interviews conducted with Mr Phillip Cook in June and a further interview with Mr Stephen Smith, the former in-house solicitor to DM, it was concluded that, although there remained a number of potential claims which could be raised against the directors, it was not economical for those claims to be conducted within the administration. It was also concluded for a



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KPMG LLP

28 August 2008

number of reasons including the availability of funding that the companies should be placed into compulsory liquidation so that the Official Receiver could continue detailed investigations which had been started by the Administrators into the conduct of the directors. We have already briefed the Official Receiver and hearings have been set for 11 September 2008 for the winding up petitions to be heard.

In order to move the Group to creditors' voluntary liquidation the administrators would be required to state under Paragraph 83 (2) of Schedule B1 of the Insolvency Act 1986 that a distribution will be made to creditors. Given that the Group has no funds to distribute to creditors we intend to pass the cases to the Official Receiver on 11 September 2008.

Myles Halley
Joint Administrator

Appendix 1

Abstract of the administrators' receipts and payments account to 28 August 2008

Unwins Limited (In Administration)

RECEIPTS	Total (£)
Freehold property	1 920 385.54
Leasehold property	4 787 092.94
Rent	6 527.60
Bank interest gross	103 633.70
Plant & machinery	27 783.20
Furniture & equipment	6 019.00
Motor vehicles	5 000.00
Stock	52 115.00
Fuel	5 075.00
Book debts	39 493.89
Employee loan account	108.00
Cash at bank	102 451.88
Insurance refund	11 895.22
Cash at Store	20 773.32
Rates Rebates	28 054.96
Sundry refunds	16 533.95
VAT refund	41 702.62
TOTAL	7 171 875.87
PAYMENTS	
Direct Labour	50 121.09
Direct expenses	1 870.33
Security	46 149.02
Rent	27 335.82
Water rates	1 210.27
Heat & Light	20 132.12
Travel	680.00
Telephone/Fax/Fax	35 035.06
Insurance	10 593.12
Professional fees	21 391.80
HM Land Tax payments	1 215.80
Hire of equipment	2 750.00
Repairs and maintenance	8 511.11
Sundry expenses	9 930.57
HM Land Tax maintenance	17 676.10
Advertising	1 158.99
Administrators' fees	1 310 166.21
Legal fees	577 201.76
Agents/Valuers' fees	261 915.77
Bank charges	1 575.48
Fixed charge creditor	1 450 000.00
Payroll Bureau	29 234.50
Premises Licence	1 178.00
Wages & salaries	113 190.71
PAYE & NIC	65 885.12
Fixed Charge Inrecoverable VAT	1 002.33
VAT payable	41 702.62
TOTAL	7 171 875.87
Receipts less payments	0.00

Appendix 1
Abstract of the administrators' receipts and payments account to 28 August 2008

**The Unwins Wine Group Limited
(In Administration)**

RECEIPTS	Total (£)
Leaschold property	896 670 00
Bank interest - gross	30 153 70
Stock	1 566 68
Shares and investments	300 00
Insurance refund	5 500 00
Sundry refunds	6 065 02
TOTAL	938 253 40
PAYMENTS	
Administrators' fees	273 088 51
Legal fees	80 800 00
Fixed charge creditor	575 000 00
Professional fees	350 00
Bank charges	5 89
TOTAL	938 253 40
Receipts less payments	0 00

Appendix I
Abstract of the administrators' receipts and payments account to 28 August 2008

**Phillips Newman & Company Limited
(In Administration)**

RECEIPTS	Total (£)
Sales	20 340 77
Book debts	69 680 03
Sale of brand names	6 500 00
VAT refunds (pre-approval)	1 725 00
Bank interest - gross	6 569 61
Sundry refunds	56 55
TOTAL	107,671 96
PAYMENTS	
Professional fees	1 020 00
Administrators' fees	40,390 82
Cash at bank	22 99
Bank charges	19 85
Employees' wage arrears	4 321 02
Employees' holiday pay	6 563 10
Contributions to pension schemes	301 18
Floating charge	55 000 00
TOTAL	107 671 96
Receipt less payments	<u><u>0 00</u></u>

Appendix 1
Abstract of the administrators' receipts and payments account to 28 August 2008

**UW Acquisitions Limited
(In Administration)**

RECEIPTS	Total (£)
Halladale Settlement	145 266 61
Retention Sum Settlement	673 659 19
Bank interest gross	31 172 87
Book debts	276 77
Rent	516 98
Floating charge VAT reclaimable	0 00
TOTAL	856 691 83
 PAYMENTS	
Professional fees	161 515 77
Administrators' fees	541 243 60
Legal fees	163 806 10
Corporation tax	2 520 00
Fixed charge creditor	170 000 00
Bank charges	18 02
Employees wage arrears	5 811 78
Employees holiday pay	2 860 58
Contribs to pension schemes	4 900 86
Irrecoverable VAT	1 011 82
TOTAL	856 691 83
 Receipts less payments	 0 00

Appendix 1
Summary of administrators' time costs to closure

Unwins Limited (in administration)

Consolidated time spent by grade	Partner	Senior			Support	Total Hours	Total Cost	Average Rate
		Managers	Administrators	Managers				
Charge out rates	440-465	345	275,325	205	140-205	90-150		
Secretary	-	7.00	13.50	11.20	41.60	6.10	15,509	155
Assets	-	13.00	18.50	5.00	0.80	6.50	11,264	257
Employees	-	0.50	-	10.90	-	-	2,331	204
Directors	-	6.00	-	-	-	-	2,190	305
Creditors	-	12.00	26.00	2.60	38.30	0.10	18,195	230
Cashiering	0.40	-	6.00	24.90	-	0.30	6,935	219
Tax	-	8.00	5.20	2.50	-	-	5,053	322
Investigations	-	3.00	5.00	-	4.00	-	2,065	172
Uncollected	-	-	-	-	-	1.80	450	250

Total hours/cost from 5 May 2007 to 28 August 2008

0.40	49.50	74.20	57.10	84.70	14.80	280.70	63,992
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Total hours / cost from 19 December 2005 to 4 May 2007

5,737.00	1,300,967
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Total hours / cost from 19 December 2005 to 28 August 2008

5,017.70	1,364,959
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The Unwines Wine Group Ltd (in administration)

Consolidated time spent by grade							Average Rate
	Partner	Senior Managers	Managers	Administrators	Support Administrators	Total Hours	Total Cost
Charge Out rates	110-165	345	275-325	205	140-205	90-150	
Salaried Employees	6 00	7 60	3 00	4 20	11 00	30 80	62 00 10 544 00
Creditors	15 00	18 60	2 10	-	-	-	2 10 609 00
Cashiering	2 00	-	36 00	-	-	-	70 00 24 450 00
Tax	1 00	-	-	2 70	-	0 30	5 00 443 50
General	8 00	7 60	11 20	9 50	34 80	56 50	12 371 00
			10 00	5 00	13 00	43 00	1 780 00
Total hours/cost from 5 May 2007 to 28 August 2008	33 00	32 60	62 30	16 40	45 80	31 10	6 197 50
Total hours / cost from 19 December 2005 to 4 May 2007						918 00	212 137
Total hours / cost from 19 December 2005 to 28 August 2008						1 156 50	273 335

Appendix 2

Summary of administrators time costs to closure

Phillips Newman & Co Ltd (in administration)

Consolidated time spent by grade

Charge out rates

	Partner	Senior Managers	Managers	Senior Administrators	Administrators	Support	Total Hours	Total cost	Average Rate
S a u d e r y	110 465	345	275-325	205	140-205	30-150			
E m p l o y e e s	2 00	8 00	4 10	4 20	8 00	0 50	26 80	6 707 00	250
C a s h i e r i n g	-	-	-	6 60	4 00	-	10 60	1 898 00	179
G e n e r a l	-	6 00	3 00	1 30	-	1 00	2 30	352 00	153
	-	-	-	4 00	8 00	-	21 00	4,910 00	231

Total hours/cost from 5 May 2007 to 28 August 2008

2 00	14 00	7 10	16 10	20 00	1 50	60 70	13,867
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Total hours , cost from 19 December 2005 to 4 May 2007

111 00	27,892
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Total hours , cost from 19 December 2005 to 28 August 2008

171 70	41 759
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Appendix 2

Summary of administrators' time costs to closure

UW Acquisitions Limited (in administration)

Consolidated time spent by grade	Partner	Senior Managers		Senior Administrators		Administrators	Support	Total Hours	Total Cost	Average Rate
		440-465	345	275-325	205	140-205	90-150			
<i>Charge out rates</i>										
Statutory	-	24 00		8 00	4 00	13 80	1 00	50 80	13,534 00	266
Investigations	14 00	57 00		82 00	-	-	-	153 00	50,565 00	330
Employees	-	-	-	-	11 90	-	-	11 90	2,333 00	196
Cashiering	0 20	-	-	-	1 80	-	0 30	2 30	533 00	232
Creditors	-	46 00		40 00	27 00	80 00	-	193 00	44,530 00	231
IPA	-	-	-	0 10	-	3 70	-	3 80	584 00	154
General	-	36 00		22 00	4 50	50	-	64 00	20,153 00	315

Total hours/cost from 5 May 2007 to 28 August 2008

14 20	163 00	152 10	49 20	99 00	1 30	478 80	132 232 00
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Total hours / cost from 19 December 2005 to 4 May 2007

755 00	231,217
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Total hours / cost from 19 December 2005 to 28 August 2008

1,233 80	363,449
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