Rule 2.47 **Form 2.24B(CH)**

The Insolvency Act 1986

Administrator's progress report

Name of Company	Company number
Cadwalader (Ice Cream) Limited	01808766

In the	Court case number
High Court of Justice, Cardiff District Registry (full name of court)	225 of 2015

(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)

Richard Michael Hawes
Deloitte LLP
5 Callaghan Square
Cardiff
CF0 5BT

Matthew James Cowlishaw
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From: (b) 30 October 2015

To: (b) 29 April 2016

Signed _____ Joint / Administrator(s)

Dated 27-05-2016

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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+44 121 632 6000
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

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Cadwalader (Ice Cream) Limited (in administration) ("the Company")

Court Case No 225 of 2015
High Court of Justice, Cardiff
District Registry
Company Number 01808766

Registered Office: c/o Deloitte LLP, 5 Callaghan Square, Cardiff CF10 5BT

Progress report to creditors for the period 30 October 2015 to 29 April 2016 pursuant to Rule 2.47 of the Insolvency Rules 1986 (as amended) ("the Rules").

Richard Michael Hawes and Matthew James Cowlishaw ("the Joint Administrators") were appointed Joint Administrators of Cadwalader (Ice Cream) Limited on 30 October 2015 by the Company's directors The affairs, business and property of the Company are managed by the Joint Administrators The Joint Administrators act as agents of the Company and contract without personal liability All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation

27 May 2016

Contacts

Joint Administrators of the Company

Richard Michael Hawes

Matthew James Cowlishaw

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Cardiff

CF10 5BT

Contact details

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Website

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	Commentary
Purpose of administration	• The purpose of the administration is to achieve a better result for the Company's creditors as a whole than a liquidation
Progress of administration	• Trading ceased on 30 October 2015 when the business and assets were sold to Cadwaladers (Cardiff) Limited, Cadwaladers (Retail) Limited and Robbik Property Limited (together "the Purchasers") • Funds of £700,000 have been received in the period, relating to the sale of the Company's two freehold properties • In addition, funds of £112,500 have been received in the period relating to the sale of the Company's trade and other assets
Costs	• The basis of our remuneration has been fixed by reference to time costs as set out in the fees estimate • We have incurred time costs during the report period of £106,556 as detailed on pages 11 and 12 • We have drawn fees of £30,000 plus VAT, to date • On present information, we do not anticipate that our remuneration will exceed the total of the Fees Estimate as included in our Statement of Proposals ("Proposals") Please refer to page 11 for further details • On present information, we do not anticipate that expenses incurred are likely to exceed the amounts estimated in our Proposals Please refer to page 13 for further details
Outstanding matters	• There are two remaining properties for which the Purchaser is still negotiating the lease assignment with the landlords • Deferred consideration of £37,500 is outstanding and will be collected upon the assignment of the remaining leases
Dividend prospects	We anticipate the following outcome for each category of creditor • Secured creditor – The secured creditors will not be repaid in full • Preferential creditors - It is not anticipated that there will be sufficient floating charge realisations to enable a distribution to preferential creditors • Unsecured creditors - It is unlikely there will be a distribution for unsecured creditors, even via the Prescribed Part
Extension to administration period	• We do not anticipate that it will be necessary to extend the period of the administration which is due to end on or before 29 October 2016

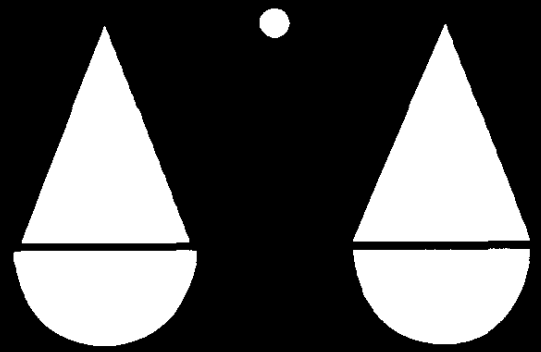
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Progress of the administration
Summary

Progress of the administration

Asset Realisation

- **Freehold Property** – As detailed in our Proposals, the contracts for the two freehold properties were exchanged on 30 October 2015, with completion on 29 January 2016 An initial deposit of £35,000 was received on 3 November 2015, with the final balance of £665,000 being received on 29 January 2016
- **Goodwill and Chattel assets** – Cadwaladers (Cardiff) Limited and Cadwaladers (Retail) Limited purchased the trade and other assets of the Company for £150,000 £40,000 was received on completion, with a initial £35,000 deferred consideration being received on 23 March 2016 and a further £37,500 deferred consideration being received on 29 April 2016 The remaining balance of £37,500 is dependant upon the successful assignments of the remaining leasehold property (noted below)
- **Leasehold Property** – The Purchasers were granted Tenancies at Will for five leasehold properties for a period of three months, whilst consent was obtained from the relevant landlords for the assignment of the leases Deferred consideration totalling £75,000 was payable upon the assignment of the five leases transferred to the Purchasers To date, we have received £37,500 in respect of the assignment of three leases, with the remaining £37,500 dependent on the assignment of the remaining two leases

The total deferred consideration received of £112,500 has been apportioned between goodwill (£45,000), fixtures and fittings (£34,000) and stock (£33,500)

- **Retention of Title** – We have received one retention of title claim which has been dealt with accordingly and passed over to the Purchasers

Creditors

- **Employees** – There were more employee related queries to deal with than initially expected at the point of writing the proposals Many of these queries were in relation to the completion of forms and information regarding the transfer of contracts
- **Unsecured creditors** – There have been a number of claims received from the Company's c 110 creditors These claims have been logged but not agreed
- No distributions have been made to the preferential or unsecured creditors and further information in relation to these claims can be found on page 8

Case specific matters

- **Corporation Tax** – Preparations for the Company's annual tax returns have begun Any liability that may be due to HM Revenue & Customs will be paid in due course

Statutory tasks

During the period, we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature

- Case set-up and management actions including the insolvency website for the case, setting up electronic filing systems and regular diary reviews to ensure compliance matters are dealt with accordingly,
- Appointment notifications consisting of statutory forms and letters were prepared and issued to the Company's c 110 creditors and filed with the relevant parties, including Companies House,
- Correspondence received from a large proportion of the c 110 creditors has been sorted, filed and responded to appropriately,
- One case review has been completed and will continue at six month intervals for the life of the case, and
- Cashiering functions including the preparation of monthly bank account reconciliations and issuing cheques for the c £722k of payments

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors

Progress of the administration
Summary continued

Investigations

We have complied with our statutory duty to report on the conduct of the Company's directors and submitted our confidential report to the Insolvency Service on 16 February 2016

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Company

Having completed this review no further avenues of recovery have been identified

If you have any information that you feel should be brought to our attention, please contact us in writing using the Contact details on Page 1 above

Cost of the work done during the report period

The costs and expenses incurred during the report period are detailed below Overall, we do not anticipate that the total costs and expenses will exceed the estimates provided in our Proposals

- **Legal Costs** – We have instructed lawyers to assist in the following matters
  - Advice in relation to placing the Company into administration and conducting a validity of appointment review – Blake Morgan LLP, a commercial law firm, have been instructed to provide advice and assistance in preparing and lodging the administration appointment documents and review the validity of our appointment
  - They had previously estimate their fee for so doing would be £4,000 plus VAT To date, they have billed £3,771 plus VAT
  - Geldard's LLP, a commercial law firm with experience in commercial property, have been instructed to deal with relevant legal matters and to prepare required legal documentation in relation the properties and sale of assets
  - They previously estimated their fee would be £6,000 plus VAT To date, they have billed £3,500 plus VAT
- **Insurance of Assets** – Costs of £170 relating to insurance cover for the period ending at the completion of the sale of business have been paid
- **Our remuneration and expenses** - Further information on these costs are provided on pages 11 – 13

All costs have been paid, as shown in the receipts and payments account on page 6

All professional costs are reviewed and analysed in detail before payment was approved

Progress of the administration

Receipts and payments

Joint Administrators' receipts and payments account
30 October 2015 to 29 April 2016

£	SoA values	Notes	Period	To date
Receipts				
Freehold property	*700,000*		700,000	700,000
Goodwill	*80,000*	5	45,000	45,000
Fixtures & Fittings	*34,000*		34,000	34,000
Stock	*36,000*	5	33,500	33,500
Refunds - Utilities			92	92
Insurance Refund			48	48
Bank Interest Gross			90	90
Total receipts	*850,000*		**812,730**	**812,730**
Payments				
Distribution to chargeholder		1	685,000	685,000
Administrators' Fees		2	30,000	30,000
Legal fees			7,271	7,271
Legal Disbursements			4	4
Insurance of Assets			170	170
Bank Charges			10	10
Total payments			**722,455**	**722,455**
Balance				**90,275**
Made up of				
Balance held in interest bearing account		3		82,831
VAT (Payable)/Receivable		4		7,444
Balance in hand				**90,275**

A receipts and payments account is provided opposite, detailing the transactions in the administration to 29 April 2016

Notes to receipts and payments account

Note 1 – Distributions totalling £685,000 were made to the secured creditor on 4 February 2016 under the terms of their Fixed Charge security previously granted by the Company

Note 2 – The secured creditor approved the Joint Administrators' remuneration and expenses on a time costs basis on 21 December 2015 Please refer to page 11 of the report for more details

Note 3 – All funds are held in an interest bearing account The associated Corporation Tax on interest received will be accounted for to HM Revenue & Customs

Note 4 – All sums shown above are shown net of VAT, which is recoverable and will be accounted for to HM Revenue & Customs in due course

Note 5 – The remaining deferred consideration of £37,500 will be apportioned between goodwill (£35,000) and stock (£2,500)

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Information for creditors

Outcome

Secured creditors

The Company's records show HSBC Bank Plc, in its capacity as secured creditor, was owed circa £1 7m at the date of our appointment

To date, one distribution totalling £685,000 was made to the secured creditor on 4 February 2016 under the terms of their Fixed Charge security previously granted by the Company

Based on currently available information, there will be insufficient asset realisations to repay the secured creditor in full, leaving an estimated shortfall of c £1m

Preferential creditors

A number of employees were made redundant by the Company directors prior to our appointment giving rise to a number of potential preferential claims

We have received seven preferential claims totalling c £3,600, however no claims have been agreed as we do not anticipate that there will be surplus funds available

Prescribed Part

As detailed in the Proposals we do not anticipate there to be a prescribed part fund available for distribution to unsecured creditors

Unsecured creditors

On present information, insufficient funds will be realised to enable a dividend to be paid to unsecured creditors

Claims process

As there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received

Extensions to the administration

We do not anticipate that it will be necessary to extend the period of the administration which is due to end on or before 29 October 2016

Exit

As detailed in our proposals and given that no funds are expected to be available for distribution to unsecured creditors, we consider that dissolution will be the most appropriate exit route from administration

The case will therefore move to closure and dissolution following the assignment of the final two leases and receipt of deferred consideration, settling of final Administrators costs and finalisation of the necessary Tax and VAT matters

Connected party transactions

Counterparty	Connection	Date	Value (£)	Transaction
Cadw alader (Cardiff) Limited and Cadw alader (Retail) Limited	Common directors	30/10/2015	150,000	Acquired trade and other assets of the Company
Robbik Property Limited	Common directors	30/10/2015	700,000	Acquired the freehold properties of the Company

Transactions with connected parties

In accordance with the guidance given in SIP13, details of the Company's transactions with connected parties during the period of this report and the two years prior to our appointment are provided above

The only offer received for the business was from Cadwalader (Cardiff) Limited, Cadwalader (Retail) Limited and Robbik Property Limited

Diane Brierley and Mark Andrews are directors of Cadwaladers (Cardiff) Limited and Cadwaladers (Retail) Limited Mark Andrews is a director of Robbik Property Limited Both Mark Andrews and Diane Brierley are directors and shareholders of Cadwalader (Criccieth) Limited and directors of Cadwalader (Ice Cream) Limited

The Joint Administrators have reviewed these transactions and are of the opinion that these do not give rise to any potential claims by the Company for the benefit of the administration estate

Remuneration and expenses

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Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www deloitte com/uk/cadwalader

Should you require a paper copy, please send your request in writing to us at the address on Page 1 of this report and this will be provided to you at no cost

Basis of remuneration

The basis of our remuneration was fixed on 21 December 2015 by the secured creditor by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration as set out in the fees, plus VAT thereon

Time costs incurred

A copy of our Fee Estimate detailing the work that we anticipate will need to be undertaken on this case for the duration of the appointment together with estimates of the likely cost and amount of time that each part of that work will take to complete is provided on page 12

We have also updated the Fees Estimate to provide details of our actual time costs to 29 April 2016, which total £106,556 made up of 263 6 of hours at an average charge out rate of 404 2 across all grades of staff

There has been higher than expected time costs incurred in relation to both property and employee related matters, as discussed below

- **Property** – Due to the complex terms of some of the Company's leases, legal issues in relation to the lease assignments has taken longer than expected to resolve In addition, the level of time needed to complete the sale of the two freehold properties, as well as the surrender of remaining leases was underestimated

- **Employees** - There were more employee related queries to deal with than initially expected at the point of writing the proposals Many of these queries were in relation to the completion of the statutory forms and information regarding the transfer of contracts

Whereas, we are estimating that more time will be incurred in relation to property matters and employee costs, we do not anticipate our total costs will exceed the initial estimate of £149,816, this is due to less than expected time being spent in relation to initial actions

Despite costs of £149,816 likely to be incurred, we do not anticipate that our remuneration will exceed the £75,000 stated in our Proposals

Fees Estimate and Joint Liquidators' time costs for the period 30 October 2015 to 29 April 2016

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system Time spent by secretarial staff working on the assignment has not been recorded or recovered The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed

Activity		Anticipated hours	Avg Rate £/h	Anticipated time costs (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities*	Cashiering	24 6	393	9,661	10 5	321	3,351
	Case supervision	33 2	380	12,620	23 1	527	12,179
	Case reviews	8 4	319	2,676	0 5	500	250
Statutory & compliance*	Compliance & IPS diary	9 6	360	3,456	5 7	334	1,904
	Insurance	11 5	422	4,855	1 5	486	729
	General reporting	63 1	364	22,973	35 5	384	13,640
	Regulatory & other legislation	4 4	360	1,584	1 0	220	220
	Court applications	4 2	532	2,233	-	-	0
Initial actions*	Appointment matters	13 0	516	6,703	1 5	760	1,140
	Securing assets	36 0	494	17,770	6 0	500	3,000
	Notifications	55 5	354	19,620	47 4	380	18,009
Investigations	CDDA reporting	18 0	343	6,170	15 5	347	5,377
	Investigations	8 5	399	3,390	2 5	500	1,250
Taxation*	Tax	3 7	325	1,202	1 8	422	760
	VAT	9 9	295	2,918	-	-	0
Asset realisations	Property	5 0	529	2,645	27 5	477	13,106
	Retention of title	-	-	0	0 5	220	110
	Sale of business	-	-	0	1 5	760	1,140
Employees	Consultation	-	-	0	0 5	760	380
	Correspondence	25 2	348	8,772	42 9	335	14,372
	Pensions	1 0	335	335	-	-	0
Correspondence	Creditors	27 6	396	10,926	23 4	394	9,208
	Press & media queries	1 3	587	739	1 0	500	500
Distributions	Secured creditors	2 8	545	1,526	1 0	475	451
	Preferential creditors	2 9	335	972	-	-	0
	Unsecured creditors	27 6	220	6,072	12 9	425	5,481
Total		**396 9**	**377**	**149,816**	**263 6**	**404 2**	**106,556**

Remuneration and expenses

Detailed information

Disbursements

Our disbursements to date are in line with estimates provided in the proposals and are summarised below

Category 1 disbursements

£ (net)	Value	Paid	Unpaid
Travel	7	-	7
Statutory Bonding	230	-	230
Postage/Couriers	73	-	73
Total expenses	**310**	**-**	**310**

Category 2 disbursements

£ (net)	Value	Paid	Unpaid
Website set up	500	-	500
Total disbursements	**500**	**-**	**500**

No disbursements have been recovered in the period

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2 47(1)(fa) and 2 48A of the Rules

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports

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