Rule 2.33

Form 2.17B

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company	Company number
Cadwalader (Ice Cream) Limited	01808766
In the High Court of Justice, Cardiff District Registry (full name of court)	Court case number 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
CF10 5BT

Matthew James Cowlishaw
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

*Delete as applicable

attach a copy of *~~my~~/our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 27 November 2015

Signed

Joint Administrator(s)

Dated 27 November 2015

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 researchers of the public record

Dominic Criscione
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

0121 632 6000

DX Number | 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

SATURDAY

A4L3CSW8
A10 28/11/2015 #42
COMPANIES HOUSE

Deloitte.

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

JOINT ADMINISTRATORS’ STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED) (“the Act”).

Richard Michael Hawes and Matthew James Cowlishaw (“the Joint Administrators”) were appointed Joint Administrators of Company on 30 October 2015. 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.

For the purposes of paragraph 100(2) of Schedule B1 of 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.

27 November 2015

Contacts

Joint Administrators of the Company

Richard Michael Hawes
Matthew James Cowlishaw

Deloitte LLP
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Cardiff
CF10 5BT
Tel 02920 46 0000

Contact details

Email dcriscione@deloitte co uk
Website
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Tel 0121 695 5260

Richard Michael Hawes and Matthew James Cowlishaw are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

Deloitte.

Cadwalader (Ice Cream) Limited (in administration)

This Statement of Joint Administrators' Proposals ("the Proposals") has been prepared pursuant to paragraph 49 of Schedule B1 of the Act, which requires that we, as the Joint Administrators, provide creditors with details of our proposals to achieve the purpose of the administration

As the Company has insufficient property to enable a distribution to be made to unsecured creditors, even under the prescribed part provisions pursuant to section 176A of the Act, ("the Prescribed Part"), we are not required to convene a meeting of creditors to consider our Proposals unless requested to do so by creditors whose total debts amount to at least 10% of the total debts of the Company If you would like us to convene a meeting of creditors, please complete Form 2 21B which is available on the administration website address shown opposite and return it to us by post or email no later than 9 December 2015 A deposit of £1,000 towards the costs of convening the meeting should be enclosed with the request per rule 2 37(3) of the Insolvency Rules 1986 (as amended) ("the Rules")

In the event no request for a creditors' meeting is received within the above deadline, our Proposals will be deemed approved and a notice to that effect will be filed at Companies House

To assist the creditors and enable them to decide on whether or not to vote for the adoption of the proposals, the following information is included in the report

- background of the Company,
- the circumstances giving rise to the appointment of the Joint Administrators,
- the progress of the administration to date, and
- the Joint Administrators' proposals for achieving the objective of the administration (Appendix E)

Yours faithfully
For and on behalf of the Company

Richard Michael Hawes
Joint Administrator

Executive Summary

Executive Summary

Executive summary

Topic	Summary
Purpose of the administration	• The purpose of the administration will be to achieve a better result for the Company's creditors as a whole than a liquidation
Pre-pack administration	• The business and assets were sold on 30 October 2015 as detailed in our letter to creditors dated 6 November 2015 A copy of this letter is available on www deloitte com/uk/cadwalader
Joint Administrators' strategy	• Immediately following our appointment on 30 October 2015, the Company's business and assets were sold to Cadwaladers (Cardiff) Limited, Cadwaladers (Retail) Limited and Robbik Property Limited (together "the Purchasers")
Initial meeting of creditors	• As there is no prospect of any funds being returned to unsecured creditors, a creditors' meeting, will not be convened unless required to do so Please refer to page 16 for further details
Estimated Timescale	• On current information, the duration of the administration is not likely to exceed 12 months, following which it is anticipated that the Company will move to dissolution as detailed at page 18
Fees Estimate	• We intend to seek approval to fix our fees on a time costs basis as set out in our Fee Estimate at Appendix D • We estimate that our time costs for the duration of the appointment will not exceed c £149k, with estimated fees to be drawn of £75k plus VAT Please refer to page 20 for further details and to the Fee Estimate at Appendix D
Estimated Outcomes	On current information, we anticipate the following outcome for each category of creditor • Secured creditor – The secured creditor will not be repaid in full • Preferential creditors – It is not anticipated that there will be sufficient floating charge realisations to enable payment of preferential claims • Unsecured creditors – It is unlikely there will be a distribution for unsecured creditors, even via the Prescribed Part
Proposals	• Our proposals for managing the business and affairs of the Company can be found on page 31

Background

Background
The Company

Background

The Company was incorporated on 13 April 1984 and operated a chain of ice cream parlours and coffee shops from 14 locations (12 in Wales, 2 in England) from 12 rented premises and 2 freehold premises

The Company employed c 120 staff and its head office was located at Cadwalader House, Wellington Street, Cardiff, CF11 9BE

'Cadwalader ice cream' is a recognised brand in Wales and accounted for a significant portion of sales revenue

Directors

At the date of administration, the directors were

- Diane Elizabeth Brierley
- Mark Hunter Andrews (non executive chairman)
- Katie Lynn Brown (non executive)
- Alan John Lloyd (non executive)

Diane Brierley was also the Company Secretary

Summarised group structure

The Company is a wholly owned subsidiary of Cadwalader (Criccieth) Limited ("CCL") CCL is a non-trading holding company Its balance sheet is made up of the investment in the Company, with a balance of £298k owed by the Company to CCL

Background
Summary Financials

Summary profit and loss account

£'000	Management Accounts for 8 months to 23.08.2015	Management Accounts for 12 months to 28.12.2014	Statutory Accounts for 12 months to 29.12.2013	Statutory Accounts for 12 months to 30.12.2012
Turnover	2,291	3,060	2,964	2,775
Cost of Sales	(725)	(982)	(1,001)	(784)
Gross Profit	**1,566**	**2,078**	**1,963**	**1,991**
Gross Margin %	68 3%	67 9%	66 2%	71 8%
Other Expenses	(1,774)	(2,363)	(2,396)	(2,391)
(L)/EBIT	**(208)**	**(285)**	**(433)**	**(400)**

Summary balance sheet

£'000	Management Accounts for 8 months to 23.08.2015	Management Accounts for 12 months to 28.12.2014	Statutory Accounts for 12 months to 29.12.2013	Statutory Accounts for 12 months to 30.12.2012
Tangible assets	2,132	2,023	1,891	1,723
Fixed assets	**2,132**	**2,023**	**1,891**	**1,723**
Stock	62	52	45	66
Debtors	93	171	149	180
Other	25	14	12	12
Current Assets	**180**	**237**	**206**	**258**
Trade creditors	(1,190)	(881)	(1,130)	(818)
Other	(298)	(298)	(298)	(268)
Bank	(1,387)	(1,436)	(553)	(335)
Total Liabilities	**(2,875)**	**(2,615)**	**(1,981)**	**(1,421)**
Net Assets	**(563)**	**(355)**	**116**	**560**

Overview of financial information

Extracts from the Company's audited statutory accounts for the 12 months to 30 December 2012, 12 months to 28 December 2013, and management accounts for the 12 months to 18 December 2014 and 8 months to 23 August 2015 are shown opposite

Please note that this information has not been verified by the Joint Administrators or by Deloitte

Profit and loss commentary

The Company suffered a trading loss for the 8 months to 23 August 2015 of £208k, this includes c £332k costs relating to rent and rates, as well as c £716k of staff wages

Balance sheet commentary

Tangible assets principally comprise of freehold properties, leasehold improvements, shop fixtures and fittings, IT equipment and motor vehicles

Whilst the value of tangible assets increased by c 400k between 2012 and 2015, the Company's borrowing also increased by c £1m for the same period

Circumstances giving rise to the appointment of the Joint Administrators

Reasons for failure & financial distress

In 2010, Management decided to develop the Cadwaladers ice cream brand further by expanding operations into the North West of England The Company entered into a 15 year lease on a unit at Barton Square in Manchester, a new retail development attached by footbridge to the Trafford centre and with potential for significant footfall Under the terms of the lease, the Company was responsible for the fit out costs, which ultimately totalled £512k Whilst this had a significant impact on the Company's cash flow it was anticipated that the revenue stream from Barton Square would claw back the initial set up costs It was also anticipated that trade at Barton Square would be all year round and unaffected by seasonal downturn

The anticipated turnover at Barton Square failed to materialise As a result, working capital reserves having been exhausted, the Company was increasingly reliant on the HSBC Bank Plc ("the Bank"/"the Secured Creditor") overdraft facility to fund the cash flow During the period 2010 to 2012, the overdraft increased to over £360k and on 13 October 2011, the Bank was granted a fixed and floating charge over the Company's assets and undertaking

Steps taken to remedy/turnaround

Following a change in the management structure at the end of 2012, measures were implemented to improve profitability by reducing costs and to drive up sales Key measures undertaken were

- Closure of the production facility in North Wales, thereby reducing overheads and also avoiding large scale investment that was required at the facility to bring it up to date,
- Outsourcing ice cream production to Feccis, an independent manufacturer based in West Wales,
- Rolling out a programme of capital expenditure to refurbish and re-equip trading units identified as underperforming, and
- The Bank debt was restructured to provide additional working capital of £150k A new loan of £670k was taken out, of which £430k was used to repay existing Bank loan borrowings and the balance used to reduce the overdraft The terms of the commercial mortgage were amended to suit the Company's seasonality and working capital requirements, allowing 25% of the repayments to be made in the winter period and 75% of repayments in the summer period

Despite management's efforts, the Company continued to suffer setbacks In early 2013, the unit at Portmeirion, one of the highest performing stores, was forced to close because the landlord would not renew the lease Portmeirion was a profitable store, contributing c £80k per annum, and its loss had a significant impact on cash flow, further exacerbated by continued poor trading across the Company's portfolio To counteract this, a rights issue was made to existing shareholders of CCL in June 2013, which generated further funds of £290k to assist with the working capital requirements

By late 2013, Management decided to implement a new strategy to counteract the underperformance of the existing retail portfolio The Company's bankers were approached and agreed to inject a further £1m, to be secured by a fixed and floating charge over the assets and undertaking of the parent, CCL The loan was provided under the Enterprise Finance Guarantee ('EFG') Loan scheme

Reasons for failure & financial distress and steps taken to remedy/turnaround continued..

£750k was released to the Company in December 2013 and the balance of £250k the following February The funds were used to open and fit out 6 new stores as follows

- Barry Island (March 2013),
- Llanelli (January 2014),
- Tenby (June 2014),
- Caerphilly (July 2014),
- Cardiff Sophia Gardens (December 2014), and
- Abersoch (April 2015)

Despite this substantial investment, sales continued to remain below the Company's budget due to poor weather during the school holidays in the summer of 2015, which meant that the Company continued to experience cash flow issues

In June 2015, as a result of the continued cash flow pressures, the shareholders of CCL were requested to inject further funds into the business for working capital Various discussions were held throughout the summer period but the shareholders were unable to provide additional funds needed to support the Company

In August 2015, the Company held meetings with Finance Wales to see if they would be prepared to provide some equity injection into the business However, as a result of the business performing significantly below forecast over the summer period, and all of the new smaller stores taking longer to deliver positive results than had been forecast, Finance Wales declined to assist

The Company had an immediate cash requirement of £700k, to fund the loss making period from the end of September 2015 to the end of March 2016

Bank borrowing reached £1 7m in September 2015, and a shortfall to the Bank on its lending was anticipated Further, the Bank confirmed that it would not be able to provide additional funds into the business as the Company was unable to provide further security Any new debt would thus have been unsecured

The Company's cash flow forecast indicated that there was no headroom in its overdraft facility to cover the VAT payment due on 7 November 2015 Under the circumstances, and with the EFG loan repayments due to commence in January 2016, the Directors sought professional advice regarding the Company's ability to continue to trade

Background
Joint Administrators' appointment

Circumstances giving rise to the appointment of the Joint Administrators continued...

Involvement of Deloitte LLP pre-appointment

Deloitte LLP was engaged on 18 September 2015 by the Group, to market and sell the Company's business and assets A sale process was carried out by Deloitte LLP which led to only one offer being received, by the existing Management team, for the business and assets only

It became apparent that no other means of selling the assets in excess of this offer could be immediately achieved and that if a pre pack sale was not transacted then the business would cease trading

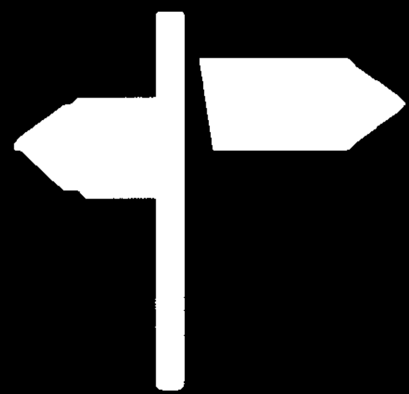
Pre-packaged sale

Following professional agents' recommendation to accept the offer, the Bank's agreement to proceed and discussions with the Company's major creditor, a pre pack sale was completed on 30 October 2015, following the appointment of the Joint Administrators

The Company's business and assets were sold to Cadwaladers (Cardiff) Limited, Cadwaladers (Retail) Limited and Robbik Property Limited (together "the Purchasers"), as detailed in our letter to creditors dated 6 November 2015 A copy of this letter is available on www deloitte com/uk/cadwalader

More detail regarding the valuations received for the business and assets of the Company and the marketing process can be found at pages 14-15

Post-appointment



Post-appointment
Purpose

Appointment of the Joint Administrators

Richard Michael Hawes and Matthew James Cowlishaw, of Deloitte LLP were appointed Joint Administrators of the Company by the Company's directors on 30 October 2015, following the filing of a Notice of Appointment of Joint Administrators by the Company

Purpose of the administration

In order to achieve the first purpose of an administration, the Joint Administrators must be able to rescue the Company as a going concern

The Company had significant secured and unsecured creditor liabilities and therefore a restructuring of these creditors would have been required to meet the first objective of an administration Based on the available financial information, there was insufficient value placed on the Company's assets by third parties in order to effect a restructuring of the Company's considerable debt and the Joint Administrators concluded that the first option was not possible to achieve

Accordingly, the purpose of the administration was to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Company

Post-appointment
Joint Administrators' strategy

How the affairs and business of the Company have been managed and financed since appointment, and the Joint Administrators' intended strategy if their proposals are approved

The Joint Administrators have

- Arranged appropriate insurance cover,
- Notified all known creditors of the Administration,
- Notified all employees and former employees of our appointment and assisted with Redundancy Payments Office correspondence where necessary,
- Notified the Company's former bankers and requested that the Company's accounts be closed and that funds forwarded to the Administration accounts,
- Notified all interested parties including HMRC, finance companies, auditors and solicitors, and
- Obtained such information as required from the Company and its officers in order to report to the creditors, including their Statement of Affairs

Sale of business

As detailed on page 10 and in our letter of 6 November 2015, the business and assets of the Company were sold to Cadwaladers (Cardiff) Limited, Cadwaladers (Retail) Limited and Robbik Property Limited ("the Purchaser") on 30 October 2015 ("the Transaction")

Following this Transaction, further details of which are on pages 14-15, there are no further assets of the Company to realise The Joint Administrators are working to complete our obligations under the sale agreement with the Purchasers

Receipts and payment account

A receipts and payments account, detailing asset realisations achieved and costs paid up to 20 November 2015 is provided on page 27

The Joint Administrators' proposals

Our proposals for the administration include continuing to manage the business, affairs and property of the Company, finalise property matters and other obligations under the sale agreement, agree claims, distribute funds, establish a creditors' committee (if requested), fix the basis of and the ability to draw our remuneration and expenses and to exit the administration in the most efficient way possible These proposals are detailed in Appendix E

Sale of business and assets

Marketing of the business and assets

Following the engagement of Deloitte LLP on 18 September 2015, a list of 18 potentially interested parties based on a combination of discussions with management, Deloitte LLP's internal contacts database and a review of publicly available information was compiled

18 of the potentially interested parties were contacted, following which 10 were issued with a 'teaser' document

Five of the parties requested further information, and following a signed non-disclosure agreement further information was provided Offers were requested from the interested parties, by 9 October 2015 All five parties declined because of the significant working capital requirement, which would be needed during the winter months and/or because the Company was not a correct fit The only offer received was from the Purchasers for £850k for the trade and assets of the business on 14 October 2015

The Transaction

On 30 October 2015, the Company's trade and assets, as detailed below, were sold to the Purchasers

The total consideration was £850k and allocated as shown in the table below

	Market Value In-Situ (£)	Market Value Ex-Situ (£)	Value Achieved from Sale (£)
Chattel Assets	102 600	34 200	70,000
Hire Purchase Assets	6,000	5,000	-
Freehold Properties	880,000	620,000	700,000
Goodwill	-	-	80,000
Total	**988,600**	**659,200**	**850,000**

Robbik Property Limited purchased the freehold properties for £700k Contracts for the two properties were exchanged on 30 October 2015, with completion to take place no later than three months from date of exchange

The Purchaser has been granted a Tenancy at Will for the two freehold properties until completion takes place

Cadwaladers (Cardiff) Limited and Cadwaladers (Retail) Limited purchased the trade and other assets of the Company for £150k of which £40k was paid on completion The balance of the consideration has been deferred on the following terms,

- £35k being payable at the end of January 2016, and
- The final balance of £75k being payable in April 2016

A personal guarantee has been obtained from Diane Brierley (Director of Cadwaladers (Cardiff) Limited and Cadwaladers (Retail) Limited) for the deferred income payable in January 2016 The final balance of £75k is subject to the assignment of the property leases

The Purchaser plans to operate from nine locations (two freehold and seven leasehold) and in respect of these sites it will deal with landlord issues, lease creditors, and has taken on 94 employees and their corresponding employment liabilities

The Purchaser has been granted a Tenancy at Will for the five leasehold properties for a period of three months, whilst they negotiate an assignment of the leases

Freehold property

On 16 October 2015, Christies and Co ("Christies") prepared desk top valuations on behalf of the Company for the two freehold properties, on an open market basis (i e as a trading unit) and also as empty sites, with no fixtures or fittings

The valuations for the freehold properties at the Criccieth and Porthmadog sites were provided as follows

Freehold	Porthmadog £000's	Criccieth £000's	Total £000's
Market Value - trading	420	460	**880**
Market Value - vacant	330	290	**620**

Robbik Property Limited made an offer of £700k for the two freehold properties (£340k for Criccieth and £360k for Porthmadog) Christies recommended the offer should be accepted

As detailed on the previous page, contracts for the two properties were exchanged on 30 October 2015 with completion to take place no later than three months from date of exchange

Leasehold property

The Company operated from 12 leasehold properties, of which five were vacant

- The Purchaser has been granted Tenancy at Will for five leasehold properties for a period of three months, whilst consent is obtained from the relevant landlords for the assignment of the leases The Purchaser is currently in discussions with these landlords
- Two leases have been surrendered by landlords and new leases have been agreed with the Purchaser
- The five leases (relating to the vacant properties) are in the process of being handed back to landlords

Chattel assets

Gordon Brothers Europe ("Gordon Brothers"), an independent firm of chattel agents, was instructed by the Company on 6 October 2015 to carry out a valuation of the Company's leasehold improvements, fixtures and fittings, equipment and motor vehicles

Gordon Brothers prepared valuations of the chattel assets, (shown at £1,396k in the Company's accounts) on an in-situ and ex-situ basis, **as** shown in the table below

In addition, Gordon Brothers valued the hire purchase chattel assets, (consisting of two motor vehicles) on an in-situ (£6k) and ex-situ (£5k) basis, before outstanding finance costs of £7 5k As there is no equity in the motor vehicles the Joint Administrators have requested the *relevant finance company uplift these assets*

The table below summarises the Company's chattel assets, valuations

	Market Value In-Situ (£)	Market Value Ex-Situ (£)
Chattel Assets	102,600	34,200
Hire Purchase Assets	6,000	5,000
Total	**108,600**	**39,200**

Cadwaladers (Cardiff) Limited and Cadwaladers (Retail) Limited made an offer of £70k for the chattel assets Gordon Brothers recommended this offer should be accepted

Asset Realisations

Deposit on freehold property

A deposit of £35k on the sale of the freehold properties has been received from Robbik Property Limited

The Joint Administrators will continue to collect remaining balance of £665k which is scheduled to be received within three months from the date of completion as detailed on page 14

Goodwill

An initial £40k has been received from Cadwaladers (Cardiff) Limited and Cadwaladers (Retail) Limited following the sale of the Company's trade and other assets

The Joint Administrators will continue to collect the remaining consideration of £110k which has been deferred as detailed on page 14

Post-appointment
Outcome for creditors

Estimated outcome for creditors

Secured Creditor

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

These amounts are secured by way of fixed and floating charges granted by the Company as detailed below

- HSBC Bank PLC has a fixed and floating charge registered at Companies House dated 13 October 2011, which covers all the property or undertaking of the company, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery,
- HSBC Bank PLC has a legal mortgage registered at Companies House dated 22 October 2010, which covers the Porthmadog property,
- Midland Bank PLC has a legal charge dated 17 January 1985 which covers freehold land and premises High Street, Porthmadog, and
- Midland Bank PLC has a legal charge dated 4 June 1984 which covers the freehold property of Castle Road, Criccieth

The legal charges relating to Midland Bank PLC now form part of HSBC's security following the takeover of Midland Bank PLC in 1992 Other than the Company's assets, no other security in respect of the Bank's lending has been provided by the Directors or Shareholders

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

Preferential creditors consist of amounts owed to the Company's employees for arrears of wages/salaries, holiday pay and pension contributions

The Joint Administrators estimate that there are seven preferential claims totalling c£3 6k

Unsecured creditors

The directors' statement of affairs shows unsecured creditors with estimated non-preferential claims totalling £863,979

As detailed above, the Joint Administrators do not anticipate that there will be sufficient asset realisations to enable a distribution to be made to unsecured creditors

Post-appointment
Outcome for creditors

Estimated outcome for creditors

Prescribed Part

The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, (referred to as the net property), as set out under section 176A of the Act

The Prescribed Part is calculated as a % of the net property and is subject to a statutory maximum of £600,000 per company

Based on current information it is unlikely that there will be a dividend to the unsecured creditors under the Prescribed Part

Claims process

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

Exit routes

In accordance with the provisions of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the court or with consent of the creditors

There are several possible exit routes from administration Based on current information, the Joint Administrators consider the following exit routes may be appropriate

- *Dissolution* – If there is no further property which might permit a distribution to the Company's creditors, the Joint Administrators may file notice to that effect with the Registrar of Companies and the Company will be dissolved three months later
- *Creditors' Voluntary Liquidation ("CVL")* - Where a distribution to unsecured creditors will be made, other than by virtue of the Prescribed Part, the Joint Administrators may file a notice to that effect with the Registrar of Companies The administration will cease on the date that notice is registered and the Company will be wound up
  - Please note that if the Company is placed into CVL, the Joint Administrators propose to be appointed as joint liquidators The creditors may nominate a different person to be liquidator(s) provided the nomination is made before the proposals are approved by creditors i e by 9 December 2015
  - Any creditors' committee appointed in the administration will become a liquidation committee and the basis of the joint liquidators' remuneration fixed during the administration and any Fee Estimate will apply in the CVL
  - For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally

Likely exit

At this stage of the administration, the Joint Administrators' believe the likely exit will be dissolution within 12 months from the date of appointment

Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by meeting) or, in specific circumstances, by the secured (and preferential) creditors

In this case, the Joint Administrators will request approval from the secured and preferential creditors for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress report

Remuneration and Expenses

Remuneration and Expenses

"A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is provided on the administration website and also available for download at www deloitte com/uk/sip-9-england-and-wales /

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on page 1 and this will be provided to you at no cost

Basis of Administrators' remuneration

Pursuant to Rule 2 106 of the Rules, the basis of the Joint Administrators' remuneration may be fixed

- by reference to time properly given by the insolvency practitioners and their staff in attending to matters as set out in the Fee Estimate,
- as a percentage of the value of the property with which the Joint Administrators have to deal,
- as a set amount,
- or, any combination of the above

It is unlikely that there will be funds available to the unsecured creditors Therefore, in accordance with Rule 2 106(5A) of the Rules and in the absence of a creditors' committee, the Joint Administrators will seek to fix the basis of our remuneration by reference to time costs as set out in the Fee Estimate by approval of the secured creditor and preferential creditors

Fee Estimate

A Fee Estimate is provided at Appendix D and from which you will see that we estimate that our time costs for the duration of the appointment will not exceed c £149k, with estimated fees to be drawn of £75k plus VAT

Joint Administrators' Expenses

We anticipate that the following expenses will be incurred for the duration of the appointment

- Specific Penalty Bond – mandatory insurance cover to protect the estate in the event of loss – £230
- Statutory Advertising – the Joint Administrators are required to give notice by advert in the London Gazette of the following matters their appointment, the initial meeting of creditors to consider our proposals, any proposed distributions to unsecured creditors The Joint Administrators estimate costs in this regard will be £170
- Postage/Couriers - the Joint Administrators estimate costs in this regard will be £300
- Legal Costs – the Joint Administrators 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 have been instructed to provide advice and assistance in preparing and lodging the administration appointment documents and review validity of appointment and estimate their fee for so doing will be £4,000 plus VAT,
  - Geldard's LLP have been instructed to deal with relevant legal matters and to prepare required legal documentation in relation the properties and sale of assets and estimate their fee for so doing will be £6,000 plus VAT
- All professional costs will be reviewed and analysed in detail before payment is approved

Additional information

Connected party transactions

Counterparty	Connection	Date	Value (£)	Transaction
Cadwalader (Cardiff) Limited and Cadwalader (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

Investigations

As part of our duties, the Joint Administrators are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Company

In addition, the Joint Administrators are required to consider the conduct of the Directors and any person the Joint Administrators consider to have acted as a shadow or de facto director in relation to their management of the affairs of the Company and the causes of failure and the Joint Administrators will submit a confidential report to the Insolvency Service, a division of the Department for Business, Innovation and Skills Creditors who wish to draw any matters to our attention should contact us using the contact details given on page 1 as soon as possible

Additional information
Case specific matters

EU Regulations

As stated in the administration appointment documents, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation

Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Company's premises at the date of our appointment please contact us as soon as possible

Appendices

Website

In an effort to reduce the costs of the administration, all communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose The web address is

www deloitte com/uk/cadwalader

A letter will be issued to all creditors each time the website is updated with a statutory notice or report All statutory notices will be retained on the website until its closure three months from the administration ending

Please therefore ensure that you review the website regularly for updates and further notices and reports

If any person wishes to receive a hard copy of any document uploaded by the Joint Administrators to the above website, they should contact the Joint Administrators via the contact details on page 1 of this report, and hard copies will be provided free of charge

Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Freehold properties	736,252	700,000
Leasehold improvements	764,570	-
Goodwill	-	80,000
Cash at bank	8,662	-
Less Amounts due to fixed charge holders	(1,777,927)	(1,777,927)
Estimated surplus/(deficiency) to fixed charge holders	(268,443)	(997,927)
Assets subject to floating charge		
Plant and Equipment	569,417	34,000
Furniture and Fixtures	2,288	-
Motor vehicles	6,250	-
IT equipment	61,543	-
Stock	48,041	36,000
Debtors	81,117	-
Estimated total assets available for preferential creditors	768,656	70,000
Preferential creditors		(3,626)
Estimated deficiency / surplus to preferential creditors		66,374
Estimated prescribed part of net property		(16,275)
Estimated total assets available for floating charge holders		50,099
Debt secured by floating charges		(997,927)
Estimated deficiency / surplus after floating charges		(947,828)
Estimated prescribed part of net property (brought down)		(16,275)
Total assets available to unsecured creditors		(964,103)
Unsecured non-preferential claims		(863,979)
Estimated deficiency / surplus to creditors		(1,828,082)
Called up share capital		(90,000)
Estimate deficiency / surplus to members		**(1,918,082)**

Joint Administrators' comments

The Directors' statement of affairs is available online at www deloitte com/uk/cadwaladers including a full list of creditors' names and addresses

In accordance with the standard format of the statement of affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees)

Administration costs will be attributed against both fixed and floating charge realisations

Joint Administrators' receipts and payments account
30 October 2015 to 27 November 2015

£	SoA values	Notes	To date
Receipts			
Deposit on freehold property	-		35,000
Goodwill	80,000		40,000
Freehold Properties	700,000		-
Plant and Equipment	34,000		-
Stock	36,000		-
Total receipts	850,000		**75,000**
Payments			
Legal Fees		1	3,500
Legal Disbursements			4
Total payments			**3,504**
Balance			**71,496**
Made up of			
Balance held in interest bearing account		1	70,796
VAT (Payable)/Receivable		2	700
Balance in hand			**71,496**

Notes to the receipts and payments account

Note 1 – 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 2 – All sums shown above are shown net of VAT, which is recoverable and will be accounted for to H M Revenue & Customs in due course

Expenses - Professional costs

To advise on relevant legal matters and to prepare required legal documentation the Joint Administrators instructed Geldards LLP, a firm of lawyers with the appropriate expertise and experience in dealing with these types of administrations

To date their billed costs have amounted to £3,504 (plus VAT) and they have estimated that their further fees will be in the region of c £2,500 (plus VAT)

All professional fees are based upon their recorded time costs incurred at charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment

Appendices
Appendix D

Fees Estimate

For purposes of the Fees Estimate, the average rate per hour shown for each work activity is based on the estimated time that will be spent by each grade of staff at their specific charge - out rate on that activity

Time Costs to date

These are shown as the average rate per hour for each activity based on the actual time spent by each grade of staff at their specific charge - out rate

Joint Administrators' Fee Estimate

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 the next page

The work anticipated to be undertaken has been categorised by activity which the Joint Administrators hope is self explanatory Please also refer to our Post Appointment Strategy on pages 13-15 where the Joint Administrators have talked in more detail about specific tasks on this case

The Joint Administrators have also separately identified and grouped those work activities that are primarily administrative in nature (including tasks required for statutory, regulatory or compliance purposes) from activities which can be seen to directly add value to the case, such as asset realisation or dealing with claims

Time costs incurred to date

As indicated at Page 20 above, the Joint Administrators intend to invite the secured and preferential creditors to fix our fees on a time costs basis An analysis of our time costs to 27 November 2015 and average costs for work undertaken to 27 November 2015 is also provided in the Fee Estimate on the next page

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

Time is charged in six minute increments

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	3 5	259	908
	Case supervision	33 2	380	12,620	5 2	588	3,057
	Case reviews	8 4	319	2,676	-	-	0
Statutory & compliance*	Compliance & IPS diary	9 6	360	3,456	2 5	500	1,250
	Insurance	11 5	422	4,855	0 7	430	301
	General reporting	63 1	364	22,973	33 9	355	12,022
	Regulatory & other legislation	4 4	360	1,584	-	-	0
	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 8	492	3,344
	Notifications	55 5	354	19,620	30 9	442	13,644
Investigations	CDDA reporting	18 0	343	6,170	-	-	0
	Investigations	8 5	399	3,390	-	-	0
Taxation*	Tax	3 7	325	1,202	-	-	0
	VAT	9 9	295	2,918	-	-	0
Asset realisations	Property	5 0	529	2,645	4 4	430	1,892
Employees	Correspondence	25 2	348	8,772	20 0	335	6,700
	Pensions	1 0	335	335	-	-	0
Correspondence	Creditors	27 6	396	10,926	10 5	500	5,250
	Press & media queries	1 3	587	739	1 0	500	500
Distributions	Secured creditors	2 8	545	1,526	-	-	0
	Preferential creditors	2 9	335	972	-	-	0
	Unsecured creditors	27 6	220	6,072	8 0	500	4,000
Total		**396 9**	**377**	**149,816**	**128 9**	**419 0**	**54,008**

Disbursements

Disbursements

The Joint Administrators estimate that the following disbursements are likely to be incurred in relation to the administration

Category 1 disbursements

These are payments made by Deloitte direct to third parties and for which no approval is required

Our estimate of Category 1 disbursements is given below, all figures are shown excluding VAT

£ (net)	Value
Legal Fees - Geldards LLP	3,500
Legal Disbursements - Geldards LLP	4
Legal Fees - Blake Morgan LLP	1,500
Specific Penalty Bond	230
Statutory Advertising	170
Postage/Couriers	300
Total expenses	**5,704**

Category 2 disbursements

These are costs and expenses initially paid by Deloitte and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs These may also include shared or allocated costs Specific approval is required before these costs and expenses can to be drawn from the administration estate

Our estimate of Category 2 disbursements is given below, all figures are shown exclusive of VAT

Est. Category 2 Disbursements

£ (net)	Value
Website set up	500
Total expenses	**500**

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (currently up to 45p per mile)

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointment

Joint Administrators' proposals

In the absence of a creditors' meeting being requested, the following proposals will be deemed approved on 9 December 2015 The Joint Administrators will seek specific approval for proposals 6, 7 and 10 from the secured and preferential creditors

The Joint Administrators' proposals are as follows

1 the Joint Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses,

2 the Joint Administrators continue with their enquiries into the conduct of the Directors of the Company and continue to assist any regulatory authorities with any investigation into the affairs of the Company,

3 the Joint Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Company unless the Joint Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution,

4 the Joint Administrators be authorised to distribute funds to the secured and preferential creditors and to the unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application,

5 that, in the event the creditors of the Company so determine, at meeting of creditors, a Creditors Committee be appointed,

6 that the basis of the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the insolvency practitioners and their staff in attending to matters as set out in the Fee Estimate, calculated at the average hourly charge out rate used by Deloitte at the time when the work is performed, plus VAT,

7 that, the Joint Administrators' category 1 disbursements, and category 2 disbursements in respect of mileage and statutory websites (as detailed on page 31) be approved and the Joint Administrators be authorised to draw both category 1 and category 2 disbursements, (plus VAT where applicable) from the administration estate,

8 that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most appropriate exit route to formally conclude the administration

9 that, if the Company is to be placed into CVL, the Joint Administrators propose to be appointed Joint Liquidators and the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and,

10 That the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies

Important Notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their proposals for achieving the purpose of the administration, and for no other purpose It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context

This document has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company

Any estimated outcomes for creditors included in this document are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors

Any person that chooses to rely on this document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act does so at their own risk To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals

The Joint Administrators act as agents of the Company and contract without personal liability The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administration

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners

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To All Known Creditors of
Cadwalader (Ice Cream) Limited
- (in Administration)

Contact Name Robert Luff
Direct +44 115 936 0788
Email roluff@deloitte co uk

6 November 2015

Our Ref CADW00C/RDH/PE/KP/ADM-027/B

Dear Sirs

Cadwalader (Ice Cream) Limited (Company Number: 01808766) – (In Administration) ("the Company")

Trading Address Cadwalader House, Wellington Street, Cardiff, CF11 9BE

I write to inform you that Matthew James Cowlishaw and I were appointed Joint Administrators ("the Administrators") of the Company on 30 October 2015 Formal notice of the appointment is attached on Form 2 12B

In performing their work in relation to this appointment, the Joint Administrators are bound by the Insolvency Code of Ethics, a link to which has been provided on the website set up for this case at www deloitte com/uk/cadwalader

Notification that a pre-packaged sale of the business and assets has been made

Immediately following our appointment on 30 October 2015, the Company's business and assets were sold to Cadwaladers (Cardiff) Limited, Cadwaladers (Retail) Limited and Robbik Property Limited (together 'the Purchasers')

This letter has been prepared to provide full information to creditors regarding the Transaction, as required by Statement of Insolvency Practice 16 (England & Wales)

Background Information

The Company is a wholly owned subsidiary of Cadwalader (Criccieth) Limited ("CCL") CCL is a non-trading company

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The Company operated a chain of ice cream parlours and coffee shops from 14 locations (12 in Wales, 2 in England) from 12 rented premises and 2 freehold premises The Company employed c 120 staff Sales in the 30 weeks ended 26 July 2015 were £1 8m (indicating an annual run rate of c £3m to £3 5m) and the balance sheet at 26 July 2015 disclosed net liabilities of £641k Cadwalader ice cream is a recognised brand in Wales and accounted for a significant portion of sales revenue

In 2010, Management decided to develop the brand further by expanding operations into the North West of England The Company entered into a 15 year lease on a unit at Barton Square in Manchester, a new retail development attached by footbridge to the Trafford centre and with potential for significant footfall Under the terms of the lease, the Company was responsible for the fit out costs, which ultimately came in at £512k, funded out of working capital Whilst this had a significant impact on the Company's cash flow it was anticipated that the revenue stream from Barton Square would claw back the initial set up costs It was also anticipated that trade at Barton Square would be all year round and unaffected by seasonal downturn

The anticipated turnover at Barton Square failed to materialise, largely attributable to poor footfall As a result, working capital reserves having been exhausted, the Company was increasingly reliant on the Bank overdraft facility to fund the cash flow During the period 2010 to 2012, the overdraft increased to over £360k and on 13 October 2011, the Bank was granted a fixed and floating charge over the Company's assets and undertaking

Following a change in the management structure at the end of 2012, measures were implemented to improve profitability by reducing costs and to drive up sales Key measures undertaken were

- Closure of the production facility in North Wales, thereby reducing overheads and also avoiding large scale investment that was required at the facility to bring it up to date,
- Outsourcing ice cream production to Feccis, an independent manufacturer based in West Wales,
- Rolling out a programme of capital expenditure to refurbish and re-equip trading units identified as underperforming, and
- The Bank debt was restructured to provide additional working capital of £150k A new loan of £670k taken out, of which £430k was used to repay existing Bank loan borrowings and the balance used to reduce the overdraft The terms of the commercial mortgage were amended to suit the Company's seasonality and working capital requirements, allowing 25% of the repayments to be made in the winter period and 75% of repayments in the summer period

Despite management's efforts, the Company continued to suffer setbacks In early 2013, the unit at Portmeirion, one of the highest performing stores, was forced to close because the landlord would not renew the lease Portmeirion was a profitable store, contributing c £80k per annum, and its loss had a significant impact on cash flow, further exacerbated by continued poor trading across the Company's portfolio To counteract this, a rights issue was made to existing shareholders of CCL in June 2013, which generated further funds of £290k to assist with the working capital requirements

By late 2013, Management decided to implement a new strategy to counteract the underperformance of the existing retail portfolio The Company's bankers were approached and agreed to inject a further £1m, to be secured by a fixed and floating charge (see below for details) over the assets and undertaking of the parent, CCL The loan was provided under the Enterprise Finance Guarantee ('EFG') Loan scheme £750k was released to the Company in December 2013 and the balance of £250k the following February The funds were used to open and fit out 6 new stores as follows

- Barry Island (March 2013),
- Llanelli (January 2014),
- Tenby (June 2014),
- Caerphilly (July 2014),
- Cardiff Sophia Gardens (December 2014), and
- Abersoch (April 2015)

Despite this substantial investment, sales continued to remain below the Company's budget due to poor weather during the school holidays in the summer of 2015, which meant that the Company continued to experience cash flow issues

In June 2015, in recognition of the continued cash flow pressures, the shareholders of CCL were requested to inject further funds into the business for working capital Various discussions were held throughout the summer period but the shareholders declined to provide additional funds needed to support the Company

In August 2015, the Company held meetings with Finance Wales to see if they would be prepared to provide some equity injection into the business However, as a result of the business performing significantly below forecast over the summer period, and all of the new smaller stores taking longer to deliver positive results than had been forecast, Finance Wales declined to assist

The Company had an immediate cash requirement of £700k, to fund the loss making period from the end of September 2015 to the end of March 2016

Bank borrowing reached £1 7m in September 2015, and a shortfall to the Bank on its lending was anticipated Further, the Bank confirmed that it would not be able to provide additional funds into the business as the Group were unable to provide further security Any new debt would thus have been unsecured

The Company's cash flow forecast indicated that there was no headroom in its overdraft facility to cover the VAT payment due on 7 November 2015 Under these circumstances, and with the EFG loan repayments due to commence in January 2016, the Directors sought professional advice regarding the Company's ability to continue to trade

Initial Introduction

On 7 September 2015, and following a review of the Company's cash position, restructuring specialists from Deloitte LLP ("Deloitte") were introduced to the Company by the Managing Director, as a result of which, Deloitte were engaged on 18 September 2015 by the Group, to market and sell the Company's business and assets A sale process was carried out by Deloitte which led to only one offer being received, by the existing Management team, for the business and assets only It became apparent that no other means of selling the assets in excess of this offer could be immediately achieved and that if a pre pack sale was not transacted then the business would cease trading Following professional agents' recommendation to accept the offer, the Bank's agreement to proceed and discussions with the Company's major creditor, a pre pack sale was completed on 30 October 2015, following the appointment of Administrators

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Other than this engagement, there have been no previous professional or personal relationships between the Administrators, the Group and the Directors

Pre-appointment Considerations

As at the date of our instruction on 18 September 2015, the Bank had confirmed that it was unwilling to restructure the debt as any further funding would be unsecured and the shareholders/equity providers were not prepared to invest more funds due to the ongoing trading losses

Prior to our appointment, the Directors closed five of the 14 locations, due to the poor winter trading performance

In any event, the Administrators considered the possibility of trading the business in administration to allow time to achieve a sale of the business as a going concern However, this was not a feasible option as on the basis of prior year results, it was estimated that trading through the winter season would have resulted in losses of over £60k per month, which the Administrators would have been unable to fund In addition, it was considered that the comprehensive sales process completed already had failed to generate any third party offers for the business and there was no evidence to suggest that a further marketing exercise might generate interest

The Administrators also considered the possibility of placing the Company into Creditors Voluntary Liquidation However, estimated outcome statements indicated that the value that could be achieved for the Company's assets in a liquidation would be lower than that achievable via the sale of the trade and assets via the Transaction, due to the goodwill value diminishing in a liquidation process and the reduced value of the chattel assets (fixtures and fittings) in break up scenario The sale of the trade and assets via a pre pack would also avoid the crystallisation of c £111k in preferential and unsecured employee claims, as the employees would be retained

Details of registered charges

The following charges are registered against the Company

- HSBC Bank PLC has a fixed and floating charge registered at Companies House dated 13 October 2011, which covers all the property or undertaking of the company, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery,

- HSBC Bank PLC has a legal mortgage registered at Companies House dated 22 October 2010, which covers the Porthmadog property, with the benefits of all rights, licences, guarantees, rent deposits, contracts, deeds undertakings and warranties relating to the property, any shares or membership rights in any management company for the property, any goodwill of any business from time to time carried on at the property, any rental and other money payable and any lease, licence or other interest created in respect of the property and all other payments whatever in respect of the property,

- Midland Bank PLC has a legal charge dated 17 January 1985 which covers freehold land and premises High Street, Porthmadog, and

- Midland Bank PLC has a legal charge dated 4 June 1984 which covers the freehold property of Castle Road, Criccieth

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The legal charges relating to Midland Bank PLC now form part of HSBC's security following the takeover of Midland Bank PLC in 1992 Other than the Company's assets no other security in respect of the Bank's lending has been provided by the Directors or Shareholders

Discussions with Unsecured Creditors

Several discussions were held with the major supplier to the Company and they were provided with the full marketing information pack and were asked to take part in the sales process Whilst they decided not to proceed with the acquisition of the business they have been kept fully up to date with the sales process No other creditors were consulted

Marketing of the Business and Assets

Following our engagement on 18 September 2015, we compiled a list of 18 potentially interested parties based on a combination of discussions with management, our internal contacts database and from our review of publicly available information

We made contact with all 18 of the potentially interested parties and following discussions with them we issued a 'teaser' document to the 10 of them that remained interested in the process

Five of the parties requested further information, and following a signed non-disclosure agreement further information was provided Offers were requested from the interested parties, by 9 October 2015 All five parties declined because of the significant working capital requirement, which would be needed during the winter months and/or because the Company was not a correct fit The only offer received was from Cadwaladers (Cardiff) Limited, Cadwaladers (Retail) Limited and Robbik Property Limited ('the Purchasers') for £850k for the trade and assets of the business on 14 October 2015

Valuation of the Business and Assets

The Company's key assets (at August 2015) were as follows

£'000	Book Value
Freehold Properties	736
Assets subject to fixed security	**736**
Leasehold Improvements (Chattel Assets)	762
Equipment/Fixtures & fittings (Chattel Assets)	566
IT Equipment\Programmes (Chattel Assets)	62
Motor vehicles (Chattel Assets)	6
Stock	61
Debtors	93
Cash at bank and in hand	25
Assets subject to floating charge	**1,575**

Source Management Information August 2015 Management Accounts

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Freehold Propertıes

On 16 October 2015, Chrıstıes and Co prepared desk top valuatıons on behalf of the Company for the two freehold propertıes, on an open market basıs (ı e as a tradıng unıt) and also as empty sıtes, wıth no fıxtures or fittıngs

The ındıvıdual wıthın Chrıstıes and Co who prepared the valuatıon ıs MRICS qualıfied

The valuatıons for the freehold propertıes were provıded and are as follows

Freehold	Porthmadog (£k)	Criccieth (£k)	Total (£k)
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Chrıstıe and Co recommended the offer of £700k, beıng as to £340k for Castle Street, Crıccıeth and £360k for Hıgh Street, Porthmadog, should be accepted

Chattel Assets

Gordon Brothers Europe ('Gordon Brothers'), an ındependent fırm of chattel agents, was ınstructed by the Company on 6 October 2015 to carry out a valuatıon of the Company's leasehold ımprovements, fıxtures and fıttıngs, equıpment and motor vehıcles The ındıvıdual wıthın Gordon Brothers who prepared the valuatıon ıs MRICS qualıfied Gordon Brothers prepared valuatıons of the chattel assets, (shown at £1,396k ın the Company's accounts shown above and comprısıng leasehold ımprovements, fıxtures and equıpment, IT equıpment and motor vehıcles) on an ın-sıtu and ex-sıtu basıs, as shown ın the table below
In addıtıon, Gordon Brothers valued the hıre purchase chattel assets, (beıng two motor vehıcles) on an ın-sıtu (£6k) and ex-sıtu (£5k) basıs It ıs understood that there ıs currently outstandıng finance of £7 5k on the encumbered assets

The table below summarıses the Company's chattel assets, valuatıons

	Market Value In-Situ (£)	Market Value Ex-Situ (£)
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

Gordon Brothers recommend the offer of £70k for the chattel assets and stock, should be accepted

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No other valuations of the Company's assets were obtained However, Gordon Brothers stated that they did not attribute any value to the ice cream stock and other perishable foods

The Transaction

On 30 October 2015, the Company's trade and assets, as detailed below, were sold to the Purchasers The total consideration was £850k and allocated as shown in the table below

	Market Value/ In-Situ (£)	Market Value with special assumptions/ Ex-Situ (£)	Value achieved from sale (£)
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]

Robbik Property Limited purchased the freehold properties for £700k Contracts for the two properties were exchanged on 30 October with completion to take place no later than two months from date of exchange

Cadwaladers (Cardiff) Limited and Cadwaladers (Retail) Limited purchased the trade and other assets of the Company for £150k of which £40k was paid on completion The balance of the consideration has been deferred on the following terms,

- £35k being payable at the end of January 2016, and
- The final balance of £75k being payable in April 2016

A personal guarantee has been obtained from Diane Brierley (Director of Cadwaladers (Cardiff) Limited) for the deferred income payable in January 2016 The final balance of £75k is subject to the assignment of the property leases

Contracts have been exchanged for the freehold properties, with completion expected to take place in two months The Purchaser has been granted Tenancy at Will for the two freehold properties until completion takes place

The Purchaser plans to operate from nine locations (two freehold and seven leasehold) and in respect of these sites it will deal with landlord issues, lease creditors, and has taken on 94 employees and their corresponding employment liabilities The Purchaser has been granted Tenancy at Will for the seven leasehold properties for a period of three months

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Allocation of funds

Consideration for the freehold properties (£700k) and goodwill (£80k) will be allocated against the Bank's fixed charge

The consideration for the Fixtures, Fittings and Equipment (£34k) and Stock (£36k) will be floating charge realisations After costs of realisations, such as Administrators costs, there is unlikely to be a dividend to the preferential creditors or the unsecured creditors under the Prescribed Part

Purchaser and Related Parties

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

Diane Brierley is a director 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

Purpose of the Administration

The purpose of an administration under The Enterprise Act 2002 is split into three parts

1 To rescue a company as a going concern (in other words, a restructuring which keeps the actual entity intact)

2 If the first purpose is not reasonably practicable (or the second purpose would clearly be better for the creditors as a whole), then the Administrators must perform their functions with the objective of achieving a better result for creditors as a whole than would be obtained through an immediate liquidation of the company This would normally envisage a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation)

3 If neither of the first two parts of the purpose are reasonably practicable, the Administrators must perform their functions with the objective of realising property in order to make a distribution to secured and/or preferential creditors as applicable

As noted above, the Company had significant secured and unsecured creditor liabilities and a refinancing of the Company's debts was not achievable, as such the Joint Administrators concluded that the first option was not possible to achieve

Accordingly, the purpose of the Administrations was to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Company The purpose of the Administration has been achieved through the Transaction and the resultant mitigation of creditor claims

Deloitte.

Joint Administrators' Proposals

The Joint Administrators' proposals for achieving the purpose of the administration are being drawn up and will be issued to creditors as soon as practicable and, if appropriate, a meeting of creditors will be convened In the meantime, please refer to the website set up for this case for general information regarding the Administrations

Please contact Robert Luff on +44 115 936 0788 should you have any queries regarding any of the above matters

Yours faithfully
For and on behalf of the Company

Richard Michael Hawes
Joint Administrator

Enc Form 2 12B
Appendix I
Proof of Debt Form
Email Consent Form

Richard Michael Hawes and Matthew James Cowlishaw were appointed Joint Administrators of Cadwalader (Ice Cream) Limited on 30 October 2015 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

APPENDIX I

General matters to be brought to the attention of creditors

The effect of an administration appointment is essentially to give protection to the Company and prevent any person taking action against it This means that creditors cannot take any steps to enforce security, repossess goods or commence any legal proceedings against the Company without the consent of the Joint Administrators or the permission of the Court Also, during the period of the administration the Company cannot normally be wound up, nor can an Administrative Receiver be appointed

The Joint Administrators will manage the affairs, business and property of the Company for the duration of the Administration

Please note that the Joint Administrators act as agents of the Company and contract without personal liability

Cessation of Trading

The Company ceased to trade with immediate effect on 30 October 2015 The Joint Administrators' proposals for achieving the purpose of the administration are being drawn up and will be issued to creditors as soon as practicable and, if appropriate, a meeting of creditors will be convened

Investigation

As part of our duties as Joint Administrators, we shall be investigating whether any recoveries may be made for the benefit of creditors as well as the manner in which Company's business has been conducted These enquiries include the investigation into any potential claims, if any, that may be brought against third parties

Accordingly, I would invite you to provide any information you feel may assist in these investigations, together with any further information you deem relevant in this case

The Joint Administrators are also obliged to consider the conduct of the directors of the Company during the last three years If there are any matters you wish to bring to our attention, please provide this in writing

Website

For your convenience and in an effort to reduce costs of the administration, all communications with creditors, including formal notices, statutory forms and progress reports, will be posted onto a website, which has been set up specifically for this purpose The web address is www deloitte com/uk/cadwalader Please note that formal notice of our appointment on Form 2 12B has been posted to the website A hard copy document will be provided free of charge if requested in writing by post or email to the Joint Administrators using the contact details on the front of this letter

A letter will be issued to all creditors each time the website is updated with a statutory notice or report All creditors' statutory notices will be retained on the website for three months after being uploaded to the site

Please therefore ensure that you review the website regularly for updates and further notices and reports

Details of Claim

In order to assist in our review of the Company's financial position, I should be pleased to receive a detailed statement of the amount due to you as at 30 October 2015 together with details of any security you may hold I enclose a formal Proof of Debt form for you to complete and return to me

VAT Bad Debt Relief

VAT bad debt relief is available in respect of all debts on supplies made on or after 1 April 1989, for which VAT was charged and accounted for to HM Revenue & Customs, which has been outstanding for a period of six months and is written off in the accounts No further documentation is necessary

Joint Administrators' Fees and Expenses

Information on how Administrators are paid their fees is contained in the document "Statement of Insolvency Practice 9 (England & Wales) – Payments to Insolvency Office Holders and Their Associates – a Creditors' Guide to Administrators' Remuneration" and which is available for download at www deloitte com/uk/sip-9-england-and-wales and is also available on the administration website set up for the Company at www deloitte com/uk/cadwalader A hard copy will be provided free of charge if requested in writing by post or email to the Administrators at the postal/email addresses on the front of this letter

Consent for communication by e-mail

I would like to send you all future correspondence via e-mail If you agree, please complete and return the attached Consent Form by either

- E-mailing as a scanned document to e-mail address roluff@deloitte co uk or
- Replying by e-mail to e-mail address {as above} providing the information detailed in the Consent Form

In the absence of your consent, I will continue to communicate with you via post

Rule 2.27 Form 2 12B

The Insolvency Act 1986

Notice of administrator's appointment

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)

I/We (a)

Richard Michael Hawes
Deloitte LLP
5 Callaghan Square
Cardiff
CF10 5BT

Matthew James Cowlishaw
Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

give notice that we were appointed as administrator(s) of the above company on

(b) Insert date

(b) 30 October 2015

Signed

Dated 30 October 2015

Joint / Administrator(s) (IP No(s) 008954 009631)

Rule 2.72 Form 4.25

PROOF OF DEBT - GENERAL FORM

In the matter of Cadwalader (Ice Cream) Limited
In Administration
and in the matter of The Insolvency Act 1986

Date of Administration 30 October 2015

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	 £ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Rule 2.72

Form 4 25

PROOF OF DEBT - GENERAL FORM (CONTD .)

Admitted to Vote for

£

Date

Administrator

Admitted preferentially for

£

Date

Administrator

Admitted non-preferentially for

£

Date

Administrator

Cadwalader (Ice Cream) Limited – IN ADMINISTRATION

CONSENT FOR EMAIL COMMUNICATION

In the Matter of **Cadwalader (Ice Cream) Limited - in Administration**

I consent to your request dated 6 November 2015 that all future communications with regard to the above matter may be sent via e-mail to the e-mail address provided below

Name of Signatory	
Firm/Company Name	
E mail address to be used	
Signature	
Position held in firm/company	

This form can be returned by attaching to an email or by post Alternatively please indicate your consent, if any, by sending an email to dcrisclone@deloitte.co.uk detailing your name, position with your firm/company and email address to which you wish correspondence to be sent