

# AM22

## Notice of move from administration to creditors' voluntary liquidation



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 1 9 9 8 9 0 4

Company name in full Hat & Mitre Plc

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Court details

Court name High Court of Justice

Court case number 0 1 1 0 2 0 2 0 1 8

### 3 Administrator's name

Full forename(s) Richard

Surname Toone

### 4 Administrator's address

Building name/number 31st Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

**5****Administrator's name ①**

Full forename(s)

Jason

Surname

Maloney

**① Other administrator**

Use this section to tell us about another administrator.

**6****Administrator's address ②**

Building name/number

31st Floor

Street

40 Bank Street

Post town

London

County/Region

Postcode

E 1 4 5 N R

Country

**② Other administrator**

Use this section to tell us about another administrator.

**7****Appointor/applicant's name**

Give the name of the person who made the appointment or the administration application.

Full forename(s)

The Directors

Surname

**8****Proposed liquidator's name**

Full forename(s)

Richard

Surname

Toone

Insolvency practitioner number

9 1 4 6

**9****Proposed liquidator's address**

Building name/number

31st Floor

Street

40 Bank Street

Canary Wharf

Post town

LONDON

County/Region

Postcode

E 1 4 5 N R

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

**10** Proposed liquidator's name<sup>①</sup>

Full forename(s)	Jason											
Surname	Maloney											
Insolvency practitioner number	1	4	3	5	0							

**① Other liquidator**

Use this section to tell us about another liquidator.

**11** Proposed liquidator's address<sup>②</sup>

Building name/number	31st Floor											
Street	40 Bank Street											
	Canary Wharf											
Post town	LONDON											
County/Region												
Postcode	E	1	4		5	N	R					
Country												


**② Other liquidator**

Use this section to tell us about another liquidator.

**12** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 9	<sup>m</sup> 1	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 1	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

**13** Final progress report☒ I have attached a copy of the final progress report.**14** Sign and date

Administrator's signature	<div>Signature</div> <div><input checked="" type="checkbox"/> </div>											
Signature date	<sup>d</sup> 1	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1				

☒

**Presenter information**

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

Contact name **Lee Spencer**

Company name **Begbies Traynor (London) LLP**

Address **31st Floor**

**40 Bank Street**

Post town **London**

County/Region

Postcode **E 1 4 5 N R**

Country

DX

Telephone **020 7516 1500**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.

**Important information**

**All information on this form will appear on the public record.**

**Where to send**

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**Hat & Mitre Plc**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 19/12/2020 To 18/04/2021 £	From 19/12/2018 To 18/04/2021 £
	<b>ASSET REALISATIONS</b>		
	Bank Interest Gross	0.05	7.35
2,490.00	Cash at Bank	NIL	2,489.78
	Contribution to costs	NIL	33,701.60
	Cost Awards	NIL	160,000.00
Uncertain	Fixtures and Fittings	NIL	NIL
Uncertain	Freehold Land & Property	NIL	NIL
	Insurance contribution	NIL	1,660.21
Uncertain	Intercompany Debtor	NIL	NIL
NIL	Prepayments	NIL	NIL
		0.05	197,858.94
	<b>COST OF REALISATIONS</b>		
	Agents/Valuers Fees (1)	NIL	9,500.00
	Agents/Valuers Fees (2)	NIL	5,668.00
	Legal Fees (1)	NIL	91,666.00
	Legal fees (2)	NIL	41,667.33
	Other Property Expenses	NIL	3,284.10
	Return of Contribution to Costs	NIL	15,500.00
	Statutory Advertising	NIL	78.45
		NIL	(167,363.88)
	<b>PREFERENTIAL CREDITORS</b>		
(800.00)	Employee Arrears/Hol Pay	NIL	NIL
		NIL	NIL
	<b>UNSECURED CREDITORS</b>		
(27,314.06)	Directors	NIL	NIL
(6,733.33)	Employees	NIL	NIL
(82,830.26)	HM Revenue & Customs	NIL	NIL
(87,750.42)	Intercompany	NIL	NIL
(12,760.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(50,000.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(265,698.07)</b>		<b>0.05</b>	<b>30,495.06</b>
	<b>REPRESENTED BY</b>		
	Bank Current Account		100.00
	Interest Bearing Current Account		37.97
	Suspense Account		2,140.53
	Vat Receivable		28,216.56
			<b>30,495.06</b>



Richard Toone and Jason Maloney appointed joint administrators on 19 December 2018.

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

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## **Hat & Mitre Plc (In Administration)**

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### **Final Progress Report of the Joint Administrators**

**Period: 19 December 2020 to 18 April 2021**

Please note that with effect from 16 January 2021, CVR Global LLP (being the insolvency practice from which Richard Toone, Jason Maloney and members of their team provide their services as licensed insolvency practitioners), became part of Begbies Traynor's corporate recovery and insolvency practice. Further information in relation to Begbies Traynor and the Begbies Traynor Group can be accessed at: <http://www.begbies-traynorgroup.com>

CVR Global LLP becoming part of Begbies Traynor will not affect the ongoing administration of Hat & Mitre Plc – In Administration which will continue to be dealt with by the existing members of the CVR Global LLP Team, with support from Begbies Traynor's personnel based elsewhere where required.

## Important Notice

This final progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Hat & Mitre Plc (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 19 December 2018
"the administrators", "we", "our", "us"	Richard Toone and Jason Maloney of Begbies Traynor (London) LLP ("Begbies Traynor"), 31st Floor, 40 Bank Street, London, E14 5NR
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act.

# 2. STATUTORY INFORMATION

Name of Company	Hat & Mitre Plc
Trading name(s):	N/a
Date of Incorporation:	12 March 1986
Company registered number:	01998904
Company registered office:	20 Furnival Street, London EC4A 1JQ



### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	Richard Toone & Jason Maloney, Licensed Insolvency Practitioners of Begbies Traynor, 31st Floor, 40 Bank Street, London, E14 5NR
Date of appointment:	19 December 2018
Date of resignation:	N/a
Court:	High Court of Justice
Court Case Number:	011020 of 2018
Person(s) making appointment / application:	The directors of the Company
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are main proceedings within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration was extended with the consent of creditors for a period of 12-months until 18 December 2020 and also extended by order of the court for a period of 12-months until 18 December 2021.

### 4. PROGRESS DURING THE PERIOD

I, Jason Maloney of Begbies Traynor, together with Richard Toone, was appointed Joint Administrator of the Company, by its directors, on 19 December 2018.

It will be recalled from my previous reports that the Company owns the freehold properties at Abbots Court, 34 Farringdon Lane ("34 Farringdon Lane"), which it rented to a tenant, Maxwell Stamp PLC ("MSP"), and 22-23 Clerkenwell Close, London, EC1R 0AJ ("22-23 Clerkenwell Close") part of which is leased on a peppercorn rent to a Mr Munshi (together "the Properties"). Considerable time has been incurred and continues to be incurred in complying with the insurance requirements for the Properties, including unoccupied buildings conditions following MSP entering Administration and subsequently vacating 34 Farringdon Lane on 30 January 2019. This work has provided a benefit to creditors and shareholders as it has ensured the security and insurance of the Company's largest asset, namely the Properties.

As also set out in detail in my previous reports to creditors, the Joint Administrators had begun the process of realising the Properties. However, on 22 January 2020, the Joint Administrators received a sealed application ("the Application") from solicitors acting for certain shareholders of the Company ("the Applicants"). In essence, the Application sought orders in respect of the

validity of the Joint Administrators' appointment. Upon receipt of the Application, the Joint Administrators ceased marketing the Properties for sale.

As advised in the previous reports to creditors, the Application was heard on 8 and 9 July 2020, and judgment was handed down by the Court confirming that the Applicants were unsuccessful in the proceedings and that none of the relief sought was granted. Costs were awarded in favour of the Administrators on an indemnity basis.

The Joint Administrators and their legal advisors incurred significant costs in preparing for and attending the Hearing. Those costs are reflected in the fees and disbursements figures disclosed in the appendices below.

At a Consequential Hearing on 28 October 2020, the Applicants' solicitors advised that they intended to appeal the Court's decision. However, no subsequent appeal was lodged with the Court and the Applicants' solicitors advised that their clients were in the process of preparing an offer to the other shareholders to acquire their shares in the Company, which if accepted and completed, would then lead to an approach to the Joint Administrators with a proposal to rescue the Company as a going concern. As part of this strategy, a request was made that the Joint Administrators take no steps to move the Company into Liquidation.

As a result of the above, and with the Administration due to expire on 18 December 2020, the Joint Administrators made an application to Court seeking an extension of the Administration for a period of 12 months which was granted on 15 December 2020.

To ensure matters were not delayed, the Applicants were subsequently given until 31 January 2021 to formulate and provide the Joint Administrators with full proposals to rescue the Company as a going concern or to purchase the other shareholders' shares on terms ("the Rescue Proposal").

On 29 January 2021, the Joint Administrators received the Rescue Proposal setting out a proposal to rescue the Company as a going concern from the Applicants' advisor together with certain supporting documentation. A subsequent dialogue was entered into with the Applicants' advisors to obtain additional documents, which were received up to 13 March 2021. Both during the course of this dialogue and upon final documents being received on 13 March 2021, the Administrators reviewed the Rescue Proposal as carefully and expeditiously as possible in the circumstances.

As part of the review process, the Administrators got in and carefully considered: (i) the Rescue Proposal and supporting documents from the Applicants, (ii) comments from certain other shareholders (iii) reports from specialist property advisers and legal advisors.

A report ("the Report") on the Administrators' decision on the acceptability of the Rescue Proposal was sent to the Applicants on 1 April 2021. In addition, on 7 April 2021, the Report was also circulated to the Minority Shareholders for their information. As key stakeholders (being the Shareholders) have received copies of the Report, the Administrators have not included the detail of the Report within this update to creditors.

For the reasons set out in detail within the Report, the Administrators do not consider the Rescue Proposal is either capable of acceptance, capable of a rescue of the Company as a going concern within the meaning of the statutory purpose of paragraph 3(1)(a) of Schedule B1 IA86, or one that is reasonably practicable to achieve without causing unfair harm to the interest of the Company's members as a whole.

With the rejection of the Rescue Proposal, and with the failure of previous attempts to achieve a going concern rescue, the Administrators have concluded that the rescue of the Company as a going concern should no longer be pursued and the Administration should cease with the Company moving to Creditors' Voluntary Liquidation pursuant to Paragraph 83 of Schedule B1 IA86.

## Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 19 December 2020 to 18 April 2021 and cumulative.

### Receipts

#### Cash at Bank

The Company's bank account held £2,490 at the date of Administration and these funds were received in full on 21 January 2019.

#### Contribution to Costs

The total contributions received in the Administration is £33,702. However, a contribution of £15,500 was returned to the funder as the expenses expected to be incurred were not incurred at the time. Repayment of this remaining balance of contributions will rank as an expense of the forthcoming Liquidation and be payable from realisations into the Liquidation estate.

#### Bank Interest Gross

Bank interest gross of £7 has been earned to date.

#### Insurance Contribution

As advised in my previous reports, the Joint Administrators were liaising with the agent of the tenant of 22-23 Clerkenwell Close over the recharge of insurance premiums. As previously reported, an amount of £1,660 was received during the Administration period in respect of a recharge for the period April 2019 to April 2020.

Whilst a further recharge will become payable, I am currently unable to calculate the quantum as it will be dependent upon the level of premium payable for the period.

#### Costs Award

As detailed above, the Joint Administrators were awarded costs on an indemnity basis in respect of the Application. As ordered by the Court, the Applicants made a payment of £160,000 on account to the Joint Administrators' solicitors in respect of these costs. The balance of outstanding costs will be subject to detailed assessment, if not agreed, and therefore the quantum of any future recoveries is uncertain.

### Payments

#### Return of Funds Contributed

As stated above, an amount of £15,500 was returned to the funder, leaving a further balance of £18,202 to be repaid as an expense of the Liquidation.

#### Valuation Fee

Allsop LLP ("Allsop") were instructed to provide valuation advice in respect of the Properties. Allsop's fee totalled £9,500 plus VAT and was paid during the Administration period.

#### *Agent's Fee*

Vigilance Properties Ltd ("Vigilance") have provided assistance with various security and maintenance issues at the Properties. Vigilance were paid a total of £5,668 plus VAT from the Administration estate, although further costs have been incurred, details of which are provided in Appendix 4.

## Security Costs

Costs totalling £3,284 plus VAT relating to the security of the Properties were paid from estate funds during the Administration period. Further costs have been incurred during the Administration which are detailed in Appendix 4.

## Statutory Advertising

Statutory advertising costs of £78 plus VAT were paid during the Administration period.

## Legal Fees

Ashfords LLP ("Ashfords") have been instructed to provide advice on various matters throughout the Administration. This advice includes, but is not limited to, achieving the objectives of the Administration, the proceedings initiated against the Joint Administrators (see Section 7), the Trial as a result of those proceedings and the claims identified against third parties.

Ashfords costs total £392,042 plus VAT, of which £71,071 plus VAT has been incurred since my previous report.

To date, Ashfords have been paid £91,666 plus VAT from the Costs Award detailed above.

Legal disbursements incurred during the Administration total £2,981, £66 of which was incurred during the review period. Legal disbursements totalling £640 were not included within previous reports in error, however they are now included in the breakdown of costs in Appendix 4.

## *Counsel's Fees*

Joseph Curl QC of 9 Stone Buildings has been instructed to provide advice and assistance throughout the Administration. The majority of Mr Curl's time has been spent in preparing and attending the Trial mentioned above.

Mr Curl's costs total £76,575 plus VAT, of which £4,500 plus VAT has been incurred since my previous report. This total amount is less than the amount reported in the previous progress report, as there was a slight error in the previous report due to an administrative error.

To date, Mr Curl has been paid £41,667 plus VAT from the Costs Award detailed above.

## Tax Advice

As advised previously, Haines Watts have been retained to provide tax advice to the Administrators in respect of the Company's VAT position. Further work has been undertaken during the Period in respect of the preparation of VAT returns and calculation of a Partial Exemption Special method for HMRC's approval. The costs expected to be incurred in providing this assistance are £9,750 plus VAT.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 3. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

### General case administration and planning

Work undertaken falling under this heading includes, but is not limited to, cashiering including processing payments from my firm's account on behalf of the Administration estate, maintaining a record of those transactions and bank reconciliations, dealing with general correspondence and post received and other general administration tasks including my previous correspondence to members and creditors.

Whilst some of this work may not appear to be of a direct financial benefit to creditors, it is necessary for us to carry out this work to ensure that the objective of the administration can be efficiently and effectively pursued. Further, we are obliged to populate and maintain electronic and paper case files to ensure we have a contemporaneous, accurate and complete record of how the case has been administered, including fully documenting the reasons for any decisions that materially affect the case.

Also contained within this heading is time spent in analysing the Rescue Proposal and issuing the Report in response.

### Compliance with the Insolvency Act, Rules and best practice

My previous progress report was filed with the Registrar of Companies and delivered to creditors via the online portal.

### Realisation of assets

A significant amount of time has been incurred, and continues to be incurred, in dealing with ongoing insurance requirements for the Properties and other property maintenance issues. This work includes, but is not limited to, undertaking regular insurance inspections, liaising with agents to obtain quotes for works required and regular communications with insurers to keep them informed of issues identified.

This work is necessary to ensure the Joint Administrators safeguard the Properties, being the largest asset in the Administration estate, and thus this work has had a financial benefit to creditors.

### Creditors – reporting and, seeking decision of creditors via vote by correspondence

My previous report providing an update on the progress of the Administration was prepared and delivered to creditors. In addition, I provided a further update to creditors in March 2021 to enable creditors to consider the Joint Administrators' fee uplift request via a vote by correspondence. The outcome of that process was delivered to creditors via the online portal.

Whilst some of this work may not appear to be of a direct financial benefit to creditors, it is necessary for us to carry out this work to ensure that the objective of the administration can be efficiently and effectively pursued. Further, we are obliged to provide creditors with 6 monthly reports on the progress of the Administration, or sooner upon developments or when seeking creditor approval for decisions.

### Other matters

As set out earlier in this report and in previous reports, significant time costs were incurred in dealing with the Application and preparing for the subsequent Hearings. The Joint Administrators have also incurred time dealing with the Company's tax affairs during the Administration, which has included liaising with tax advisers regarding the submission of both pre and post appointment tax returns.

## 5. OUTCOME FOR CREDITORS

### Secured creditors

There are no secured creditors in this matter.

### Preferential creditors

In my initial report, I advised that claims relating to employee entitlement in the region of £800 were expected. In addition, I also advised that a claim for unpaid pension contributions may be received.

I can advise that to date I have been notified of one preferential claim in this regard.

### Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

### Unsecured creditors

Unsecured claims were estimated at £217,388. Since the start of the Administration, we have received information from creditors and other sources which has resulted in claims totalling £178,411 being recorded. None of these claims have been adjudicated upon as of yet, and thus the overall creditor position is still to be determined.

It is anticipated that unsecured creditors will be paid in full together with statutory interest.

### Exit from administration

Once the Notice of move from administration to creditors' voluntary liquidation (Form AM22) has been registered at Companies House (which we anticipate shortly), our appointment as Administrators will cease to have effect and the Company will be deemed to be subject to creditors' voluntary liquidation with the former administrators acting in the capacity as joint liquidators of the Company.

## 6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as deemed approved under Rule 3.38(4) of the Rules in the absence of an initial meeting of creditors.

## 7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

As creditors are aware, the period of the Administration has been extended on two occasions since the initial Administration Order was made on 19 December 2018. The steps taken during the Administration period are set out in detail in the previous reports to creditors which can be accessed either at Companies House or via the creditor portal. If creditors require these reports to be provided again, they should notify the Administrators and copies can be provided.

## 8. REMUNERATION & DISBURSEMENTS

Our remuneration was fixed by approval of the creditors on 26 February 2019 obtained via a decision procedure. The remuneration was fixed on a time costs basis in accordance with the time properly given by the Joint Administrators and their staff in attending to matters arising during the administration, estimated to be £75,000 plus VAT.

The Joint Administrators are also authorised to draw disbursements, including category 2 disbursements as defined in Statement of Insolvency Practice 9.

The original fees estimate was increased by £427,689 plus VAT by the approval of creditors which was obtained by correspondence on 29 March 2021. The total amount of our approved remuneration estimate is now £502,689 plus VAT.

Our time costs for the period from 19 December 2020 to 18 April 2021 amount to £57,927.50 which represents 166.70 hours at an average rate of £347.50 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 3:

- ☐ Time Costs Analysis for the period 19 December 2020 to 18 April 2021
- ☐ Begbies Traynor's charging policy

To 18 April 2021, we have not drawn any fees on account of our remuneration, against total time costs of £478,522 incurred since the date of our appointment.

In addition to the time costs information disclosed at Appendix 3 for the period since our last progress report, a cumulative Time Costs Analysis for the period from 19 December 2018 to 18 April 2021 is also attached at Appendix 3.

### Disbursements

To 18 April 2021, we have not drawn any disbursements.

### Category 2 Disbursements

Disbursements treated as Category 2 disbursements

Other amounts payable to any party in which the office holder or his firm or any associate has an interest	
Type and purpose	Amount £
Remotezone, which is a member of the Begbies Traynor group, has provided assistance and advice in relation to various issues at the Property. The purpose of obtaining such services was to ensure compliance with an up to date fire risk assessment and insurance requirements.	3,942
Eddisons Commercial Ltd ("Eddisons"), which is a member of the Begbies Traynor group, assisted the Joint	1,750

Administrators in their review of the Rescue Proposal.	
Hargreaves Newberry Gyngell Limited ("HNG"), which is a member of the Begbies Traynor group, assisted the Joint Administrators in their review of the Rescue Proposal.	2,000
TOTAL	7,692

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2017' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides) Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

## 9. EXPENSES

A statement of the expenses incurred by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

In our last letter to creditors dated 11 March 2021 the Joint Administrators provided information that gave an estimate that the total expenses of the administration could total c£729,000 on the basis of certain property costs running up to 19 December 2021. That estimate has not been exceeded and we do not expect it to be exceeded as the Administration will shortly come to an end. The likely costs of the Liquidation will be reported to creditors by the Joint Liquidators in due course.

Creditors should also be aware that the recoverability of VAT by the Company is currently being reviewed by VAT specialists and that, based on present advice, the amount of VAT that is currently estimated to be recoverable is in the region of 45% of the total VAT incurred. However, the Joint Administrators intend to seek agreement with HMRC that a higher amount, potentially up to 80%, can be recovered.

## 10. CREDITORS' RIGHTS

### Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

### Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.



## 11. ASSETS THAT REMAIN TO BE REALISED

### 34 Farringdon Lane and 22-23 Clerkenwell Close

As set out above, the Joint Administrators ceased to market the Properties for sale as a result of the Application.

However, now that judgement has been handed down, once the Company has been placed into Liquidation, the Joint Liquidators will commence the process of marketing and selling the Properties.

### Recovery Outstanding Rent/Service Charges

The former tenant of 34 Farringdon Lane, MSP, was placed into administration on 24 January 2019, owing arrears of rent and services charges of £674,862. A claim for this amount has been submitted in the Administration of MSP.

The latest administrators' progress report showed that dividend prospects for unsecured creditors were uncertain.

### Insurance Contribution

As detailed under Section 4, a further recharge will become payable from the tenant of 22-23 Clerkenwell Close however, I am currently unable to calculate the quantum as it will be dependent upon the level of premium payable for the remaining period of the Administration and the subsequent liquidation until the Properties are sold.

### Compensation from Third Party

As advised in my previous reports, the Joint Administrators were due to agree compensation terms with a third-party in respect of compensation for a crane which was due to be placed above the Properties. Upon the advice of our property agents, the Joint Administrators accepted compensation of £1,500 plus an overrun fee of £300 per day. However, due to restrictions in place as a result of Covid-19 these works were put on hold. It is anticipated that work will commence as restrictions are lifted.

## 12. OTHER RELEVANT INFORMATION

### Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors. We have complied with our duties in this respect.

### Investigations completed and action taken

As explained in our previous report, as part of our duties as Joint Administrators, we reviewed all the information available to us and conducted an assessment, in conjunction with our legal advisors, of whether there were any matters which may lead to any recoveries for the benefit of creditors.

This investigation identified claims that will now be progressed in the Liquidation. Further details will be provided to creditors in due course.

### Use of personal information

Please note that although the administration is being concluded, in discharging our remaining duties as Joint Administrators, we may need to access and use personal data, being information from which a

living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice> If you require a hard copy of the information, please do not hesitate to contact us.

A handwritten signature in black ink, appearing to read 'J P Maloney', with a stylized, cursive script.

J P MALONEY  
Joint Administrator

Date: 19 April 2021

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 19 December 2021 to 18 April 2021 and Cumulative

Hat & Mitre Plc  
(In Administration)  
Joint Administrators' Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 19/12/2018 To 18/12/2020 (£)	From 19/12/2020 To 18/04/2021 (£)	Total (£)
Freehold Land & Property	Uncertain	0.00	0.00	0.00
Cash at Bank	2,490.00	2,489.78	0.00	2,489.78
Fixtures and Fittings	Uncertain	0.00	0.00	0.00
Bank Interest Gross		7.30	0.05	7.35
Cost Awards		160,000.00	0.00	160,000.00
Intercompany Debtor	Uncertain	0.00	0.00	0.00
Prepayments	NIL	0.00	0.00	0.00
Contribution to costs		33,701.60	0.00	33,701.60
Insurance contribution		1,660.21	0.00	1,660.21
		<u>197,858.89</u>	<u>0.05</u>	<u>197,858.94</u>
PAYMENTS				
Return of Contribution to Costs		15,500.00	0.00	15,500.00
Agents/Valuers Fees (1)		9,500.00	0.00	9,500.00
Agents/Valuers Fees (2)		5,668.00	0.00	5,668.00
Legal Fees (1)		91,666.00	0.00	91,666.00
Legal fees (2)		41,667.33	0.00	41,667.33
Statutory Advertising		78.45	0.00	78.45
Other Property Expenses		3,284.10	0.00	3,284.10
Employee Arrears/Hol Pay	-800.00	0.00	0.00	0.00
Trade & Expense Creditors	-12,760.00	0.00	0.00	0.00
Employees	-6,733.33	0.00	0.00	0.00
Directors	-27,314.06	0.00	0.00	0.00
HM Revenue & Customs	-82,830.26	0.00	0.00	0.00
Intercompany	-87,750.42	0.00	0.00	0.00
Ordinary Shareholders	-50,000.00	0.00	0.00	0.00
		<u>167,363.88</u>	<u>0.00</u>	<u>167,363.88</u>
Net Receipts/(Payments)				<u><u>30,495.06</u></u>
MADE UP AS FOLLOWS				
Bank Accounts				137.97
VAT Receivable (Subject to Tax Advice)				30,357.09
				<u><u>30,495.06</u></u>

## SUMMARY OF ADMINISTRATORS' PROPOSALS

Proposals deemed approved under Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 (as amended)

### **Hat & Mitre Plc (in Administration) (“the Company”)**

The following summary of Statement of Proposals were deemed approved on 27 February 2019:

- the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
  - (i) they continue to explore the possibility of proposing a Company Voluntary Arrangement and, in the event that a CVA is a viable option, convene meetings of the Company and its creditors to consider the Joint Administrators' proposals; failing this;
  - (ii) alternatively, they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities;
  - (iii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
  - (iv) If rescuing the Company as a going concern is not considered viable, they sell the Company's assets at such time(s) and on such terms as they consider appropriate.
- the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
  - (i) in the event that the CVA is approved, the Joint Administrators will apply for their release 30 days after approval, and file a 'Notice of End of Administration' with the Registrar of Companies;
  - (ii) in the event that the Joint Administrators think that a distribution will be made to unsecured creditors outside of a CVA (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Richard Toone and Jason Maloney will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 8; or
  - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Richard Toone and Jason Maloney may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

## TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (London) LLP's charging policy;
- b. Time Costs Analysis for the period from 19 December 2021 to 18 April 2021
- c. Cumulative Time Costs Analysis for the period from 19 December 2018 to 18 April 2021.

## BEGBIES TRAYNOR CHARGING POLICY

### INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm.

### OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 disbursements (approval not required) - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 disbursements (approval required) - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- ❑ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £150 per meeting;
- ❑ Car mileage is charged at the rate of 45 pence per mile;
- ❑ Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates
- ❑ Plain/headed paper including photocopying – 12p per side
- ❑ Envelopes – 12p each
- ❑ Postage – Actual cost

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales



## BEGBIES TRAYNOR (FORMERLY CVR GLOBAL LLP) CHARGE-OUT RATES

Below are the charge out rates applied by CVR Global LLP prior to it becoming part of Begbies Traynor. These rates will continue to be used.

<b>Staff</b>	<b>Charge out rates £</b>
Insolvency Practitioner/Partners	<b>390-495</b>
Consultants	<b>390-495</b>
Directors	<b>360-390</b>
Associate Directors	<b>330-360</b>
Managers	<b>300-330</b>
Assistant Manager	<b>290-310</b>
Senior Executive	<b>240-275</b>
Executive	<b>155-190</b>
Cashier	<b>135-185</b>
Secretarial/Admin/Analyst	<b>90-125</b>

**SIP9 HAT & MITRE PLC - Administration - LHATA66280.ADM : Time Costs Analysis From 19/12/2020 To 18/04/2021**

[illegible]



## STATEMENT OF EXPENSES FOR THE PERIOD

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal fees	Ashfords LLP	71,701	Nil	71,701
Counsel's fees	Joseph Curl QC of 9 Stone Buildings	4,500	Nil	4,500
Legal disbursements	Ashfords LLP	66	Nil	66
Security Costs / Property maintenance Costs	Active Security	325	Nil	325
Security Costs / Property maintenance Costs	Cube	130	Nil	130
Security Costs / Property maintenance Costs	Vigilance Properties	738	Nil	738
Tax Advice	Haines Watts	9,750	Nil	9,750
Key cutting	Timpsons	10	Nil	10
Security Costs / Property maintenance Costs	SSE Swalec	188	Nil	188
Printing/posting costs	Doculand	61	Nil	61
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Security Costs / Property maintenance Costs	Remotezone	3,942	Nil	3,942
Agent's fees	Eddisons	1,750	Nil	1,750
Agent's fees	HNG	2,000	Nil	2,000

## CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Expenses incurred with entities not within the Begbies Traynor Group		
Legal fees	Ashfords LLP	392,042
Counsel's fees	Joseph Curl QC of 9 Stone Buildings	76,575
Legal disbursements	Ashfords LLP	2,981
Company secretary fees	Mr John Parsonage	2,765
Security Costs / Property maintenance Costs	Active Security, Vigilance Properties, Orbis, Humphrey & Grey, Cube, County Enforcement	22,306
Surveyor's costs	Naismiths	1,850
Valuation Fee	Allsop	9,500
Insurance	Marsh	143,806
Tax Advice	PB Partners and Haines Watts	15,150
ATE insurance	Marsh	56
Bonding	JLT Specialty	1,250
Electrician fees	Third party electrician	375
Online reporting	Insolpoint	12
Advertising	Courts Advertising	78
HM Land Registry	HM Land Registry	30
Printing/postage	Doculand	97
Travel	Miscellaneous	6
Key cutting	Timpsons	10
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)		
Security Costs / Property maintenance Costs	Remotezone	3,942
Agent's fees	Eddisons	1,750
Agent's fees	HNG	2,000