

LIQ03

Notice of progress report in voluntary winding up



Companies House

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www.gov.uk/companieshouse

1 Company details

Company number 0 2 5 9 4 1 8 8

Company name in full T.R.M. Tisch Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Stephen John

Surname Adshead

3 Liquidator's address

Building name/number 4th Floor Cumberland House

Street 15-17 Cumberland Place

Post town Southampton

County/Region

Postcode S O 1 5 2 B G

Country

4 Liquidator's name ①

Full forename(s) Gregory Andrew

Surname Palfrey

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 4th Floor Cumberland House

Street 15-17 Cumberland Place

Post town Southampton

County/Region

Postcode S O 1 5 2 B G

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

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6

Period of progress report

From date

^d2^d7^m0^m2^y2^y0^y2^y0

To date

^d2^d6^m0^m2^y2^y0^y2^y1

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X

Stephen Adshead
Stephen Adshead (Apr 22, 2021 13:58 GMT+1)

X

Signature date

^d2^d2^m0^m4^y2^y0^y2^y1

**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 **Gregg Stennett**

Company name **Smith & Williamson LLP**

Address
**4th Floor Cumberland House
15-17 Cumberland Place**

Post town **Southampton**

County/Region

Postcode **S O 1 5 2 B G**

Country

DX **49667 Southampton 2**

Telephone **023 8082 7600**

**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 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 or email 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



T.R.M. Tisch Limited (in creditors' voluntary liquidation)

Joint liquidators' annual progress report for the period from 27
February 2020 to 26 February 2021

22 April 2021



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1. Glossary

Abbreviation	Description
the Company	T.R.M. Tisch Limited
the liquidators/joint liquidators	Stephen John Adshead and Gregory Andrew Palfrey
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
IR86	Insolvency Rules 1986, as revoked by IR16 If preceded by R, this denotes a rule number
SOA	Directors' Statement of Affairs
ETR	Estimated to realise
HMRC	Her Majesty's Revenue and Customs
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint an administrator
RPS	Redundancy Payments Service
S&WEBC	Smith & Williamson Employee Benefits Consultancy, a division of Smith & Williamson Financial Services Limited
S&WFS	Smith & Williamson Financial Services Limited
Group	Casual Dining Group Limited, its subsidiaries and associates.

2. Introduction and Summary

This report is our first progress report since appointment and covers the period from 27 February 2020 to 26 February 2021.

By way of reminder, we, Stephen John Adshead and Gregory Andrew Palfrey, of Smith & Williamson LLP, 4th Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG, were appointed liquidators of the Company on 27 February 2020 at a meeting of members. This was subsequently confirmed by a deemed consent procedure of the creditors.

In the period immediately prior to our appointment, the below were trading addresses of the company:

- 50 Earlham Street, Covent Garden, London, WC2H 9LJ
- 67 Kingsway, Holborn, London, WC2B 6TD
- The Glades Shopping Centre, Bromley, Kent, BR1 1DN
- 9 Weekday Cross, Nottingham, NG1 2GB

The Company's registered office is 4th Floor Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG and its registered number is 02594188.

Please note that this report has been produced during the period of the Covid-19 pandemic. In light of the pandemic, we continue to monitor this situation and comply with the current guidance and regulations from the UK government.

As a result of the latest government advice and restrictions, we continue to have limited access to some of our physical case files and where relevant have had to produce this report from records available on our IT systems. We have taken every reasonable step to ensure that the information is accurate but if anything is incorrect or incomplete, we will provide an explanation and corrected information either in the next progress report or as soon as we are in a position to do so.

If you have any concerns regarding this matter, please contact Gregg Stennett by email or by telephone.

Our team members are successfully working remotely from home as well as from the office where necessary, and we will continue to do so, as required in line with the UK government's guidelines. We are fortunate to have at hand all the tools needed to communicate virtually, internally and externally.

Please be aware that some case staff may be working outside normal business hours but please be assured that your communications are important to us and will be responded to by the relevant team member who will contact you as soon as they are available to do so. We apologise in advance for any delay in responding to your communication and wish to take this opportunity to thank you for your patience and understanding during this unprecedented and challenging time.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 27 February 2020 to 26 February 2021.

The receipts and payments account also includes a comparison with the director's SOA values.

3.1 Transfer of Business Funds

In January 2020, prior to our appointment as joint liquidators, the directors took the decision to transfer three leases to other Casual Dining Group entities on the basis that the liabilities under these leases were guaranteed within the group in any event. These transfers were made at market value based on independent agents' valuation advice, and the proceeds were held by Casual Dining Group for transfer to the liquidators once appointed.

An amount of £254,297.42 was received in this respect.

3.2 Intercharge Claims

The Company is a party to a group action relating to charging and fees for card transactions. These arrangements were made prior to the liquidators' appointment.

Due to the sensitivity of this matter and current status of the claims the liquidators cannot comment further at this time but are monitoring progress. If there is a recovery for the estate then creditors will be advised of this as part of our routine reporting.

3.3 Assets still to be realised

Other than the Intercharge claim referred to above there are no other known assets to be realised.

4. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date of liquidation or who held office at any time during the three years immediately preceding insolvency.

We have complied with our duty in this regard. As all submissions are strictly confidential, we are unable to disclose their content.

There are currently no matters under investigation that might lead to recoveries for the estate.

5. Creditors

5.1 Secured creditors

The following three charges were shown as outstanding at Companies House at the date of liquidation, but the Company had no direct liability and the charge holder was not included as a creditor in the directors' SOA:

Charge holder	Type of charge	Date (Created)	Amount due £	Paid in current period £	Total paid at period end £
U.S. Bank Trustees Limited	Fixed and Floating Charge	20 June 2016	£NIL	£NIL	£NIL
U.S. Bank Trustees Limited	Fixed and Floating Charge	15 August 2018	£NIL	£NIL	£NIL
U.S Bank Trustees Limited	Fixed and Floating Charge	15 August 2018	£NIL	£NIL	£NIL
Total paid			£NIL	£NIL	£NIL

5.2 Prescribed Part

The Company has no direct debt outstanding to the charge holder and therefore in the absence of a debt due a calculation of the Prescribed Part is not applicable.

5.3 Ordinary preferential creditors

There are no known ordinary preferential creditors.

5.4 Secondary preferential creditors

There are no known secondary preferential creditors and this case pre-dates the re-introduction of Crown preference.

5.5 Unsecured creditors

5.5.1 Claims to reporting date

A summary of the unsecured claims received and agreed at 26 February 2020 is set out below:

	SOA claims £	Claims received £	Claims agreed £
Amount of claims	2,578,973.37	8,323,233.44	2,838,130.24
Number of claims	2	3	2

Currently, the joint liquidators have carried out the following tasks:

- Dealing with creditor correspondences via email and telephone.
- Maintaining creditors' information on our insolvency case database.
- Adjudicating of creditor claims.
- Undertaking a distribution to unsecured creditors.

5.5.2 Interim Dividend

On 6 July 2020 notice of intended dividend was issued to creditors with a last date of proving of 31 July 2020.

The following dividend has been paid to unsecured creditors:

Date Declared	No. Claims	Value of Claims £	Total amount of dividend paid £	Rate of dividend p in the £
30 September 2020	1	2,444,403.00	58,665.67	2.40p
27 October 2020	1	393,727.24	9,449.45	2.40p
Total in period	2	2,838,130.24	68,115.12	
Claims not yet agreed	1	5,485,103.20		
Total claims	3	8,323,233.44		

The joint liquidators expect a further dividend will be paid to unsecured creditors.

A revised lower claim (of £1.25m) has been received in respect of the £5.5m claim that is not yet agreed since the period end but this is not reflected in the above, which is a statement at the period end.

5.6 Creditors who have not claimed

Please see the summary below:

	Number of Claims	Total Value of Claims
Creditors (known) who have not claimed.	4	Uncertain

None of these potential creditors have statement of affairs values.

6. Liquidators' remuneration

6.1 Basis of Remuneration

On 23 April 2020 the creditors resolved that the basis of the liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the liquidation, with fees estimated to total £20,752.80.

The relevant estimate of fees and expenses was provided on 24 March 2020 along with notice of decisions by correspondence.

6.1.1 Resolutions approved as part of the decision procedure

- That a liquidation committee should NOT be established unless sufficient, eligible creditors are willing to be members of a committee.
- That the unpaid pre-appointment costs of £5,000 plus VAT and disbursements payable to Smith & Williamson LLP be approved and paid as an expense of the liquidation.
- That the basis of the Joint Liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the liquidation in accordance with details of the work the Joint Liquidators propose to undertake, the expenses that are likely to be incurred and, where applicable, an estimate of the fees according to the proposed number of hours and hourly rate and estimated to total £20,752.80 over the period of the liquidation, details of which are given in the estimate attached.
- That the Joint Liquidators be authorised to draw Category 2 disbursements in accordance with their firm's published tariff, details of which accompanied the decision notice

The costs of £5,000 plus VAT of Smith & Williamson LLP for assisting in convening the initial decision procedure to place the Company into liquidation and to prepare the SOA were drawn in the reporting period.

6.2 Time costs for the reporting period

The liquidators time costs for the reporting period together with the expected future costs are summarised below:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
27 February 2020 to 26 February 2021	59.67	14,733.13	247.00	-
Approved fee estimate	97.05	20,752.80	213.84	
Less costs to date	59.67	14,733.13		
Excess/(shortfall) vs. fee estimate	37.38	6,019.67		
Expected future costs	61.70	16,674.80	270.26	
Excess/(shortfall) vs. fee estimate	(24.32)	10,655.13		

A comparison of our time costs for the reporting period, compared against our fee estimate previously approved by creditors can be found in Appendix II.

6.2.1 Charge out rate review

Charge out rates are subject to an annual review.

6.3 Fees to date vs. estimate

- The joint liquidators' costs to date are £14,733.13, as above, compared to our original estimate of £22,752.80.
- Going forward, the joint liquidators anticipate future costs to be in the region of £16,674.80, making a total cost for the liquidation of £31,407.93. A detailed narrative explanation of these costs can be found in the 'Outstanding matters' section of this report. This estimate is based on present information and may change due to unforeseen circumstances arising.
- The approved fees estimate is likely to be exceeded and the joint liquidators therefore intend to seek approval from the creditors for an increase in the fee estimate before drawing any additional sums over the original estimate.
- Fee estimates may be given up to a certain milestone or for a designated period if it is not possible to provide an accurate estimate at any given point.

6.4 Additional analysis and information

The following are contained in the appendices:

- APPENDIX II - Time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Details of work carried out in the period are also included in the body of this report.
- APPENDIX III - Comparison to our fee estimate
- APPENDIX IV - Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff. Charge out rates are subject to an annual review.

6.5 Work providing value

Creditors should be aware that some work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include work carried out preparing and distributing progress reports, which do not provide creditors with a monetary return, but do provide creditors an insight into the liquidation. Further examples would include regular reviews which are carried out by the office holder. Similarly, these do not provide creditors with a monetary return, but do ensure the liquidation is being conducted correctly and in an orderly manner.

6.6 Creditor's guide to liquidators' fees

A copy of 'A Creditor's Guide to Liquidator's Fees' can be downloaded free of charge from the ICAEW's website at the following address:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/liquidation-a-guide-for-creditors-on-insolvency-practitioner-fees/>

Alternatively, a hard copy is available free of charge on request to Gregg Stennett at gregg.stennett@smithandwilliamson.com.

7. Liquidation expenses

7.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

7.2 Professional advisers

7.2.1 Services to be used

At the time of our fee estimate we envisaged incurring costs for professional advice in the following areas:

- Agents advice relating to the pre-liquidation disposal of the Company's former trading premises; and
- Legal advice to assist us in dealing with property, landlord and other creditor matters.

7.2.2 Costs incurred, future costs and variance to original estimate

The table below sets out a summary of the costs incurred and now expected compared to our original estimate of professional costs in the liquidation as well as the costs paid in the period.

Service	Incurred in period £	Expected future £	Expected total £	Original estimate £	Variance £
Agents' fees	-	-	-	2,000.00	2,000.00
Legal fees	1,750.00	1,750.00	3,500.00	1,500.00	(2,000.00)
Legal expenses	-	-	-	-	-
Total	1,750.00	1,750.00	3,500.00	3,500.00	-

Service	Incurred in period £	Paid in period £	Outstanding at period end £
Agents' fees	-	-	-
Legal fees	1,750.00	1,750.00	-
Legal expenses	-	-	-
Total	1,750.00	1,750.00	-

Agents' Fees

The joint liquidators have not engaged the services of an agent in relation to the asset disposals undertaken prior to our appointment and do not plan to do so.

The manner in which the pre-liquidation transfers were conducted, the extensive advice taken by the Company and wider group and the subsequent insolvencies in the wider group means that expending further time and third party expense enquiring into these disposals was not likely to be of any benefit to creditors. Even if shortcomings were found, the ability of any party to compensate the Company in the context of the further group insolvencies and the impacts of COVID-19 on the hospitality trade generally would have been expected to not release any actual value for creditors.

Legal Fees

The joint liquidators have engaged the services of Lester Aldridge, further details are set out below.

7.2.3 Advisers instructed and basis of fees

Legal fees, Lester Aldridge

Basis of fees	<ul style="list-style-type: none"> Fees payable to Lester Aldridge are based on their time costs and disbursements.
Work undertaken	<ul style="list-style-type: none"> Lester Aldridge have provided advice and assistance with a number of property matters including disclaimers and a guarantee agreement as well as the valuation of one claim.
Financial benefit?	<ul style="list-style-type: none"> The work undertaken does not directly financially benefit the estate but it has assisted in mitigating certain claims and enhancing the overall return to creditors.
Future work	<ul style="list-style-type: none"> Provision has been made for further assistance with finalising claims in respect of the Company's former properties.

Variance to earlier estimate	<ul style="list-style-type: none"> The variation is down to a modest increase in scope and volume of advice required.
Selection of adviser	<ul style="list-style-type: none"> Lester Aldridge are a legal services firm with appropriate authorisation and insurances and requirements to comply with the relevant ethical and professional standards that this entails. They have appropriate experience of insolvency and property matters and the rates charged are commensurate with the local market for such services and level of expertise and service required. They are not considered an associate of Smith & Williamson or the Liquidators (as defined within the latest version of SIP9). In the interests of transparency one of the case team is related to a partner within Lester Aldridge. Given the respective sizes of the two organisations, the quantum of the fee and that neither party directly benefits personally from the work it is not considered to change the status of associate. No circumstances have arisen that would give us cause to reassess the working or fee relationship with Lester Aldridge in this matter.

7.3 Liquidators' expenses

We have paid and/or incurred the following expenses in the current period:

Service	Incurred in period £	Expected future £	Expected total £	Original estimate £	Variance £
Statutory advertising	273.00	-	273.00	273.00	-
Liquidators' bond	140.00	-	140.00	140.00	-
Search fees	21.00	-	21.00	-	(21.00)
Bank charges	0.40	5.00	5.40	-	(5.40)
Total	434.40	5.00	439.40	413.00	(26.40)

Service	Incurred in period £	Paid in period £	Outstanding at period end £
Statutory advertising	273.00	-	273.00
Liquidators' bond	140.00	-	140.00
Search fees	21.00	-	21.00
Bank charges	0.40	0.40	-
Total	434.40	0.40	434.00

- Items in grey shading represent items paid by the liquidators' firm on behalf of the insolvent estate. They are only shown as paid in the table and receipts and payments account once payment is made out of the estate to the liquidators' firm. Statutory Advertising - The joint liquidators are required by statute to advertise certain events.
- Liquidators Bond - The joint liquidators are required to be bonded by statute.
- Land Registry - The joint liquidators incurred these costs during its initial investigations into the company's assets/former assets that were transferred.

7.4 Category 2 expenses

On 23 April 2020, creditors authorised the joint liquidators to draw Category 2 expenses in the form of mileage at HMRC rates, however, to date none have been incurred or paid and none are expected to be.

7.5 Policies regarding use of third parties and expense recovery

Appendix III provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of expenses.

8. Outstanding matters

The remaining actions to be concluded in the liquidation are as follows. Anticipated costs in relation to the below can be found in Appendix II:

8.1 Administration & Planning

Anticipated Work	Provide a Financial Benefit to Creditors
Statutory and regulatory requirements to maintain the case until such time as the Intercharge matter is dealt with. This may entail one or more further progress reports.	These costs will not directly benefit the estate but may be required to allow funds to flow from the Intercharge claim.
Clarifying the Company's VAT position - The joint liquidators and their staff have been struggling to obtain an up to date assessment from HMRC regarding the Company's current VAT position. Therefore, further work is required to garner the information and act accordingly.	This work does not provide creditors with a financial benefit, but the liquidators are required to deal with the Company's VAT affairs following its removal from the VAT group to which it formerly belonged.
VAT Refunds - Once we have clarified the Company's VAT position, we will likely need to send off possibly two separate VAT refund claims.	This work does not provide a financial benefit but does prevent loss of value through being unable to recover input VAT on expenses.
Closing the liquidation - this includes work preparing and issuing our final report and seeking tax clearances.	This work does not provide creditors with a financial benefit and is a statutory requirement.

8.2 Realisations of Assets

Anticipated Work	Provide a Financial Benefit to Creditors
Intercharge Claim - We are not able to specifically identify work that needs to be completed due to the sensitivity of the claim.	This work will hopefully provide creditors financial benefit through receipt of proceeds of the claim at some unknown future date.

8.3 Creditors

Anticipated Work	Provide a Financial Benefit to Creditors
Adjudicate Claims - The Liquidators may receive further claims in the estate, and work will need to be undertaken to verify these claims and the one not yet agreed.	This work does not provide a direct financial benefit but is an essential part of properly distributing surplus assets to creditors and therefore provides an indirect benefit to creditors.

Anticipated Work	Provide a Financial Benefit to Creditors
Distributions - The Liquidators are expecting to do a further distribution to creditors. The Liquidators are also expecting to conduct catch up distributions where appropriate.	This work does not provide a direct financial benefit but is an essential part of properly distributing surplus assets to creditors

9. Privacy and Data Protection

As part of our role as joint liquidators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at <https://smithandwilliamson.com/rsgdpr>. If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact Gregg Stennett of our office if you believe this applies.

10. Creditors' rights

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 or otherwise with the court's permission) may request in writing that the liquidators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the liquidators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Stephen John Adshead or Gregory Andrew Palfrey in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

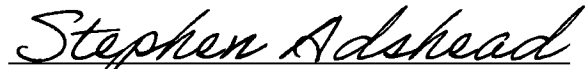
i) Email: insolvency.enquiryline@insolvency.gov.uk

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

11. Next report

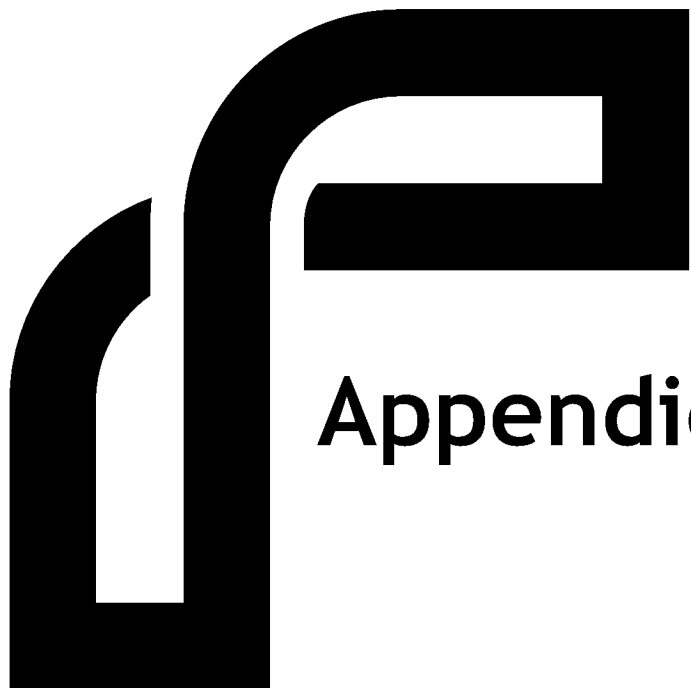
We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors with our final account, prior to vacating office.


Stephen Adshead (Apr 22, 2021 13:58 GMT+1)

Stephen John Adshead and Gregory Andrew Palfrey

Joint Liquidators

Date: 22 April 2021



Appendices

I Receipts and payments account and estimated outcome statement

Receipts and payments account to 26 February 2021 with estimated outcome

	Statement of affairs £	27/02/2020 to 26/02/2021 £	Estimated future transactions £	Estimated final outcome £
Realisations				
Transfer of business	254,297	254,297.42	-	254,297.42
Intercharge claims	1	-	1.00	1.00
Bank interest gross		467.40	100.00	567.40
Total	<u>254,298</u>	<u>254,764.82</u>	<u>101.00</u>	<u>254,865.82</u>
Expenses				
S&W Prep of SOA fee		5,000.00	-	5,000.00
Liquidators' fees		-	31,407.93	31,407.93
Liquidators' expenses		-	434.00	434.00
Legal fees		1,750.00	1,750.00	3,500.00
Bank charges		0.40	5.00	5.40
Total expenses		<u>6,750.40</u>	<u>33,596.93</u>	<u>40,347.33</u>
Net receipts/(payments) before distributions		248,014.42	(33,495.93)	214,518.49
Unsecured creditors		68,115.12	146,403.37	214,518.49
Balance in hand		<u>179,899.30</u>	<u>(179,899.30)</u>	<u>-</u>
Represented by:				
Current account		178,549.30		
Net VAT receivable/(payable)		1,350.00		
		<u>179,899.30</u>		

Notes and further information required by SIP 7

- The estate received the sum of £254,297.00 from Casual Dining Group in relation to the transfer of three leases from the Company to the Group before our appointment.
- The liquidators' remuneration has been approved by creditors, as detailed in the body of our report. However, the liquidators have not drawn any remuneration from the estate to the end of the reporting period.
- Details of significant expenses paid are provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is an expense of the liquidation and shown as irrecoverable VAT.

Notes and further information required by SIP 9

SIP 9 requires the joint liquidators to inform you of the principal payments in the R&P. This information can be found above and in the main body of the report.

II Time analysis for the period

From 27 February 2020 to 26 February 2021

Period	Partner Hours	Director & Associate Hours	Manager Hours	Other Professionals Hours	Support Hours	Total Hours	Cost £	Average rate £/hr
Administration & planning								
Statutory & Regulatory	2.35	-	3.10	7.40	-	12.85	2,824.80	220
Case administration	0.60	0.13	0.15	6.45	-	7.33	1,411.95	193
Administration & planning - other (legacy)	0.30	0.05	0.25	0.15	-	0.75	241.00	321
Sub-total Administration & planning	3.25	0.18	3.50	14.00	-	20.93	4,477.75	214
Investigations								
Directors	0.10	-	0.60	1.40	-	2.10	388.80	185
Records and investigations	0.80	-	2.15	5.00	-	7.95	1,589.60	200
Sub-total Investigations	0.90	-	2.75	6.40	-	10.05	1,978.40	197
Realisation of assets								
Freehold property assets	0.25	-	2.00	3.20	-	5.45	1,059.60	194
Other assets	0.10	-	0.75	-	-	0.85	223.20	263
Sub-total Realisation of assets	0.35	-	2.75	3.20	-	6.30	1,282.80	204
Creditors								
Unsecured creditors (exc. Staff)	2.48	0.65	14.80	2.25	-	20.18	6,242.18	309
Disclaimers	0.20	0.40	1.60	-	-	2.20	752.00	342
Sub-total Creditors	2.68	1.05	16.40	2.25	-	22.38	6,994.18	312
Grand total hours	7.18	1.23	25.40	25.85	-	59.67		
Grand total £	3,217.68	460.25	7,224.00	3,831.20	-		14,733.13	
Average rate £/hr (all staff)	448	373	284	148	-			247

Explanation of major work activities undertaken

Administration & Planning:

- Preparing the documentation and dealing with the formalities following our appointment.
- Statutory notifications and advertising.
- Maintaining physical/electronic case files and electronics case details on IPS.
- Case review and monitoring.
- Maintaining and managing the appointment's cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.
- Submitting VAT returns and Corporation Tax returns (when due).
- Seeking to resolve the Company's VAT status after its removal from the VAT group.

Investigations:

- Investigating the reasons for the failure of the Company (including enquiries with the company's directors).
- Review of books and records.
- Asset tracing (including land registry and company searches).
- Undertaking our duties under the Company Directors' Disqualification Act.

Realisations of Assets:

- References to freehold property are a consequence of the mapping from our old time recording system to the new one and will relate to leasehold property issues.
- Liaising with the parent company in relation to the company funds held by them

- Review of Intercharge claim

Creditors:

- Dealing with creditor correspondence via email and telephone.
- Maintaining creditors' information on our insolvency database.
- Adjudicating of creditor claims
- Distributions to various categories of creditors.
- Disclaimers of a guarantee agreement and a leasehold property.

III Comparison of our initial and revised fee estimates

Comparison to Initial and Revised Fee Estimate

The detailed comparison below shows time costs for the period compared against our fee estimate, as well as our estimated future time costs.

Description of activity	Time In period			Cumulative time to date (restated)			Existing fee estimate (restated)			Variance to fee estimate		Future costs			Total costs / new fee estimate			Variance to previous estimate	
	Hours	£	£/hr	Hours	£	£/hr	Hours	£	£/hr	Hours	£	Hours	£	£/hr	Hours	£	£/hr	Hours	£
Administration & planning																			
Statutory & Regulatory	12.85	2,824.80	219.83	12.85	2,824.80	219.83	26.00	5,136.00	197.54	13.15	2,311.20	25.90	6,750.80	260.65	38.75	9,575.60	247.11	(12.75)	(4,439.60)
Closure (fixed fee)	-	-	-	-	-	-	-	-	-	-	-	4.80	1,290.00	268.75	4.80	1,290.00	268.75	(4.80)	(1,290.00)
Case administration	7.33	1,411.95	192.54	7.33	1,411.95	192.54	19.25	3,708.00	192.62	11.92	2,296.05	20.00	5,375.00	268.75	27.33	6,786.95	248.30	(8.08)	(3,078.95)
Administration & planning - other (legacy)	0.75	241.00	321.33	0.75	241.00	321.33	0.50	72.00	144.00	(0.25)	(169.00)	-	-	-	0.75	241.00	321.33	(0.25)	(169.00)
Sub-total Administration & planning	20.93	4,477.75	213.91	20.93	4,477.75	213.91	45.75	8,916.00	194.89	24.82	4,438.25	50.70	13,415.80	264.61	71.63	17,893.55	249.79	(25.88)	(8,977.55)
Investigations																			
Directors	2.10	388.80	185.14	2.10	388.80	185.14	4.00	1,008.00	252.00	1.90	619.20	-	-	-	2.10	388.80	185.14	1.90	619.20
Records and investigations	7.95	1,589.60	199.95	7.95	1,589.60	199.95	18.15	3,780.00	208.26	10.20	2,190.40	-	-	-	7.95	1,589.60	199.95	10.20	2,190.40
Sub-total Investigations	10.05	1,978.40	196.86	10.05	1,978.40	196.86	22.15	4,788.00	216.16	12.10	2,809.60	-	-	-	10.05	1,978.40	196.86	12.10	2,809.60
Realisation of assets																			
Freehold property assets	5.45	1,059.60	194.42	5.45	1,059.60	194.42	4.75	1,044.00	219.79	(0.70)	(15.60)	-	-	-	5.45	1,059.60	194.42	(0.70)	(15.60)
Other assets	0.85	223.20	262.59	0.85	223.20	262.59	7.00	1,728.00	246.86	6.15	1,504.80	4.50	1,170.00	260.00	5.35	1,393.20	260.41	1.65	334.80
Realisation of assets, other (legacy)	-	-	-	-	-	-	4.50	1,320.00	293.33	4.50	1,320.00	-	-	-	-	-	-	4.50	1,320.00
Sub-total Realisation of assets	6.30	1,282.80	203.62	6.30	1,282.80	203.62	16.25	4,092.00	251.82	9.95	2,809.20	4.50	1,170.00	260.00	10.80	2,452.80	227.11	5.45	1,639.20
Creditors																			
Unsecured creditors (exc. Staff)	20.18	6,242.18	309.27	20.18	6,242.18	309.27	12.90	2,956.80	229.21	(7.28)	(3,285.38)	6.50	2,089.00	321.38	26.68	8,331.18	312.22	(13.78)	(5,374.38)
Disclaimers	2.20	752.00	341.82	2.20	752.00	341.82	-	-	-	(2.20)	(752.00)	-	-	-	2.20	752.00	341.82	(2.20)	(752.00)
Sub-total Creditors	22.38	6,994.18	312.47	22.38	6,994.18	312.47	12.90	2,956.80	229.21	(9.48)	(4,037.38)	6.50	2,089.00	321.38	28.88	9,083.18	314.48	(15.98)	(6,126.38)
Grand total	59.67	14,733.13	246.92	59.67	14,733.13	246.92	97.05	20,752.80	213.84	37.38	6,019.67	61.70	16,674.80	270.26	121.37	31,407.93	258.79	(24.32)	(10,655.13)

The table below discusses the main reasons for variances to the fee estimate and future costs by major category heading.

Category	Reason
Administration & Planning	Time allocated to this category is less than originally estimated as the case has yet to be closed and further work will take place that will mean that our actual time costs surpass the initial estimate. This will include keeping the case open while the Intercharge claim proceeds, which may take a year or more to reach its conclusion.
Investigations	It is a liquidator's statutory duty to investigate the directors conduct before the winding up of the Company to establish whether any wrongdoing is responsible for the Company's situation. Following our initial investigatory work, we did not find anything requiring further action or leading to civil recoveries.
Realisation of Assets	Time allocated to this category is significantly less than originally anticipated. The joint liquidators expect that further work may be undertaken in regard to the Intercharge claim during the next reporting period.
Creditors	Time allocated to creditors is significantly over our estimated position. The reasons for this include receipt of one very large claim that is not yet agreed and which may require further work prior to it being capable of being agreed as well as further work on disclaimers. There are a number of creditors who have not proved and these may choose to prove in a second distribution and require adjudication and allowance has been made for this in the future costs.

IV Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policy in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Expense recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add best value and service to the assignment.
- The expertise and experience of the service provider;
- The provider holds appropriate regulatory authorisations; and
- The professional and ethical standards applicable to the service provider.

Arrangements will be reviewed periodically to ensure that best value and service continue to be obtained.

External professional advisers are third party entities. The insolvency practitioners and their firm do not have any association with any external provider of services and therefore they do not fall within the definition of an associate as defined in Section 435 of the Insolvency Act 1986 and in Statement of Insolvency Practice 9. Payments to external professional advisers for the services they provide are therefore not a category 2 expense as defined in Statement of Insolvency Practice 9 and therefore do not require prior approval from the committee or creditors.

Expenses

Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 expense to a case generally comprise external supplies of incidental services specifically

identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also, chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 expense, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 expenses.

Details of any Category 2 expenses incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the liquidators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2020.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr		Regional offices £/hr	
	From 01/07/19	From 01/07/20	From 01/07/19	From 01/07/20
Partner / Director (from 1 January 2016)	470-540	495-570	376-432	396-456
Associate Director	440	380-465	352	372
Managers	270-380	285-400	216-304	228-320
Other professional staff	180-380	190-465	144-192	152-204
Support & secretarial staff	100	105	80	84

Notes

- Up to 31 July 2020 time is recorded in units representing 3 minutes or multiples thereof. From 1 August 2020 time is recorded in 1-minute units or multiples thereof.
- It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
- The firm's cashiering function is centralised and London rates apply. Up to 31 January 2021 the cashiering function time is incorporated within "Other professional staff" rates. From 1 February 2021 the cashiering function time is split between "Other professional staff" and "Associate Director".