

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company
Coffee Republic (UK) Limited

Company number
03035251

In the High Court Bristol District Registry
--

Court case number 1745 of 2009

We
Richard John Hill
KPMG LLP
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

David John Crawshaw
KPMG LLP
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

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

from
7 July 2009

to
6 January 2010

Signed



Dated

Richard Hill, Joint Administrator
5 February 2010

Contact Details.

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

Russell Deen KPMG LLP 8 Salisbury Square London EC4Y 8BB United Kingdom DX Number DX 38050 Blackfriars		Tel DX Exchange
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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



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06/02/2010

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COMPANIES HOUSE

RECEIPTS		£
Brought forward from previous Abstract (if Any)		0 00
Sales		125,051 13
Leasehold property		2 00
Leasehold property costs reimbursement		750 00
Furniture & equipment		67,000 00
Stock		10,000 00
Book debts		2,353 27
Business Information		1 00
Intellectual Property Rights		1 00
Goodwill		1,116,992 00
Cash at bank		70,539 70
Rent		142,383 22
Contribution to costs		750 00
Bank interest, gross		554 12
Sundry refunds		11,752 33
Rates		9 86
Floating ch VAT payable		40,761 55
Carried forward to		1,588,901 18
* continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if Any)		0 00
Purchases		33,727 15
Promotions		5,672 51
Direct labour		78,028 74
Direct expenses		2,411 51
Rent		82,611 58
Rates		2,074 38
Heat & light		1,626 96
Telephone/Telex/Fax		702 29
Bank charges & interest		3,285 31
HP/Leasing payments		280 30
Hire of equipment		4,714 29
Repairs and maintenance		488 00
Sundry expenses		675 78
Ransom payments		1,175 39
Environment Agency fees		60 00
Legal Expenses		886 00
Administrators' expenses		11 85
Intercompany loan		38,900 22
Agents'/Valuers' fees		2,075 00
Agents'/Valuers' fees property		1,900 00
Carried forward to		261,307 26
* continuation sheet / next abstract		

* Delete as appropriate

* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed

* Delete as appropriate

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*Coffee Republic Franchising Limited
Coffee Republic (UK) Limited
Goodbean Limited
(all in administration)*

KPMG LLP

**Coffee Republic Franchising Limited
Coffee Republic (UK) Limited
Goodbean Limited
(all in administration)**

**Report to Creditors pursuant to Rule 2.47 of the
Insolvency Rules 1986 (as amended)**

KPMG LLP
5 February 2010

HMH/RJD



*Coffee Republic Franchising Limited
Coffee Republic (UK) Limited
Goodbean Limited
(all in administration)*

*KPMG LLP
5 February 2010*

Notice About this Report

- This Report has been prepared by Richard John Hill and David John Crawshaw, the Administrators of Coffee Republic (UK) Limited, Coffee Republic Franchising Limited and Goodbean Limited solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administrations 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 Report 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 Coffee Republic (UK) Limited, Coffee Republic Franchising Limited or Goodbean Limited.
- Any estimated outcomes for creditors included in this Report 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 Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at their own risk. To the fullest extent permitted by law, the Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.
- Richard John Hill and David John Crawshaw are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.
- The Administrators act as agents for Coffee Republic (UK) Limited, Coffee Republic Franchising Limited and Goodbean Limited and contract without personal liability. The appointments of the Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administrations.



*Coffee Republic Franchising Limited
Coffee Republic (UK) Limited
Goodbean Limited
(all in administration)*

*KPMG LLP
5 February 2010*

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*Coffee Republic Franchising Limited
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*KPMG LLP
5 February 2010*

Glossary

Act	The Insolvency Act 1986 as amended by the Enterprise Act 2002
Administrators	Richard John Hill & David John Crawshaw of KPMG LLP
AIM	Alternative Investment Market
Companies	CRF, CRUK and GB
CRF	Coffee Republic Franchising Limited
CRUK	Coffee Republic (UK) Limited
Directors	Steven George Bartlett Peter John Freeman Breach James Cameron Muirhead
GB	Goodbean Limited
Group	PLC and its trading subsidiaries, CRF, CRUK and GB
PLC	Coffee Republic Plc
Rules	The Insolvency Rules 1986 as amended by the Enterprise Act 2002

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



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*KPMG LLP
5 February 2010*

1 Introduction

Creditors have previously been informed that we, Richard Hill and David Crawshaw, were appointed as Joint Administrators of CRUK, CRF and GB on 7 July 2009 by the High Court of Justice following the notices of intention to appoint Joint Administrators filed by the Directors

In accordance with Rule 2.47 of the Rules, we set out our progress report for the six months from 7 July 2009 to 6 January 2010. We also enclose Forms 2.24B providing formal notice to that effect. This follows our previous report, dated 20 August 2009, which sets out the Administrators' proposals.

A copy of this report has been forwarded to Companies House.

Receipts and payments summaries showing the position for each company as at 6 January 2010, together with details of the transactions made in the period from 7 July 2009 to 6 January 2010, are attached as Appendix 2. These figures on these summaries are shown net of VAT. Other statutory information required by Rule 2.47 of the Rules is attached as Appendix 1.

In accordance with Paragraph 100(2) of Schedule B1 of the Act the functions of the Joint Administrators are to be exercised by either or both of them.

1.1 Joint Administrators' proposals

A copy of the Administrators' proposals was sent to all creditors on 20 August 2009. In accordance with Paragraph 51 of Schedule B1 of the Act, meetings of creditors were convened for 8 September 2009.

A modification was received from HMRC being "security if not already obtained, must be obtained in respect of the deferred consideration". The terms of the modification had been met and all proposals presented to the meetings were passed including the modification.

1.2 Purpose of the administration

An Administrator of a company must perform his functions with one of the following main objectives:

- a) rescuing the company as a going concern, or
- b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up, or



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- c) realising property in order to make a distribution to one or more secured or preferential creditors

The objective of each of the administrations is to achieve a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up. This was achieved by selling the business and certain assets as a going concern.

1.3 Other Matters

EC Regulations will apply and these proceedings will be the main proceedings as defined in Article 3 of the EC Regulations. The centre of main interest of each of the Companies is in England within the EC.

2 Progress of the administrations to 6 January 2010

2.1 Assets

2.1.1 Sale of the business

As previously reported, in order to maximise realisations, the Administrators continued to trade 13 viable company operated coffee bars. We contacted interested parties and provided relevant information on the Group, requesting initial offers by 13 July 2009. 19 formal offers were received.

Following receipt of a non-refundable deposit, the Administrators entered into a period of exclusivity with Arab Investments Ltd. Following further negotiation, contracts were exchanged for the sale of the business and assets on 24 July 2009 to Coffee Republic Retail Limited and Coffee Republic Trading Limited ("the purchaser"). Completion took place on 29 July 2009.

Of the £1,500,000 total consideration, £1,000,000 was received on 29 July 2009. The remaining £500,000, attributed to goodwill, was deferred and payable in monthly instalments. In the reporting period we received £416,000 and we advise that the final payment of £84,000 has since been received.



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2.1.1.1 Apportionment of the sale assets

The £1,500,000 total consideration has been apportioned as follows

	CR UK	CRF	GB
	£	£	£
Goodwill	1,200,992		
Equipment	67,000		47,000
Stocks	10,000		
The Contracts, Franchise Agreements, and Concession Agreements		1	
Business Information	1		
Intellectual Property Rights	1		
Acquired Book Debts		175,000	
The Leases	2		3
Total	£1,277,996	£175,001	£47,003

2.1.1.2 Goodwill

The major element of goodwill is the brand name of Coffee Republic. As this is owned by CRUK, all of the goodwill value has been allocated to CRUK. Contracts, agreements and other assets are considered to form part of the goodwill.

2.1.1.3 Leases

As previously reported at appointment the Companies had leasehold interests in 21 coffee bars as well as the head office, 15 of the coffee bars were held in the name of CRUK, two in the name of Plc and the remaining four in the name of GB.

Two of the CRUK leases and three of the GB leases were included in the sale, as well as the head office lease. Colliers CRE, a firm of agents and valuers instructed by the Joint Administrators, has advised no premium is attributable to these leases so a nominal £1 has been allocated to each lease.

The remaining 15 bars have been closed and the landlords have been offered surrenders of the leases. Since appointment we have agreed surrenders on three properties, assigned one lease and one lease has expired.



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2.1.2 Administrators' trading

During the administration trading period sales in the company operated bars totalled £207,944. These sales generated a profit of some £34,000 in GB, and a loss in the period of some £93,000 in CRUK, resulting in an overall trading loss of some £59,000.

2.1.3 Debtors

At the date of the administration, CRUK's records showed debtors with a book value of £1,006,064, mainly due from franchisees. Based on the age of the amounts due and known problems, our initial estimate was that expected realisations would be some 50% of book value.

Realisations to date total £181,554, of which £175,000 represents funds received for certain pre appointment book debts from the purchaser at 50% of book value. The remaining ledger is proving difficult to realise and includes £179,000 of bad debt resulting from terminated franchises, £86,000 relating to international franchisees, £114,000 disputed debt. The remaining ledger is being collected by solicitors appointed by the Administrators.

Our work and that of our solicitors continues in relation to these debts, however, at present we do not envisage any significant further realisations.

2.1.4 Cash at Bank

At the date of our appointment, CRUK has cash at bank of £70,539.

A separate bank account was opened by the directors in the name of PLC shortly prior to the administration. The directors have stated that the intention was to create a trust account for advance deposits received from potential franchisees who then decided not to proceed. An amount of £50,000 was transferred from CRUK on 30 June 2009. Legal advice has been obtained regarding the status of these funds and we are currently discussing this with the claimants.

2.1.5 Investigations

The Administrators have a duty to investigate the conduct of directors and, if appropriate, to submit a report to the Department for Business, Innovation and Skills, (formerly the Department for Business Enterprise and Regulatory Reform) on the conduct of those directors or shadow directors who were in office in the three years prior to the administrations.

The Administrators will comply with their obligation as described above.

2.1.6 Taxation

The Administrators have instructed KPMG Tax and VAT specialists to prepare the necessary returns so that the Companies' tax positions can be finalised.



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5 February 2010*

3 Creditors

3.1 Secured creditors

The Administrators are not aware of any debts owed by the Companies to secured creditors

3.2 Preferential creditors

Claims in respect of certain arrears of wages and holiday pay rank preferentially. Preferential claims of £20,050 have been received to date for CRUK. The claims of preferential creditors will be paid in full.

There were no employees in CRF or GB, therefore there are no preferential claims in these companies.

3.3 Unsecured creditors

The Directors estimate that the Companies have the following unsecured liabilities

	CRUK	CRF	GB
	£'000	£'000	£'000
Trade creditors (suppliers)	2,438	0	169
HM Revenue & Customs	546	0	0
Associated Company Loans	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>£2,984</u>	<u>£0</u>	<u>£169</u>
<i>Source: Directors' statement of affairs</i>			

These figures do not take account of inter-company debts owed by the Companies. According to the latest audited financial statements, PLC is a substantial creditor of CRUK and CRUK is a creditor of CRF. Subject to any creditors of CRF submitting a claim, any surplus in CRF will be paid to CRUK, which appears to be its only creditor.

Based on current estimates after the costs of realisation it is unlikely that there will be funds available to creditors of GB.

There should be funds available for unsecured creditors of CRUK, in the subsequent liquidation, which will include a substantial claim from PLC. The latest audited accounts for PLC as at 30 March 2008 showed an amount of £30.9 million owed by CRUK to PLC. The quantum and timing of any dividend is unknown at this stage.



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3.4 Prescribed part

The prescribed part provision of S176A of the Act, where administrators are required to reserve a fund from floating charge assets for unsecured creditors, is not relevant in this matter because none of the Companies have any secured debts

4 Administrators' remuneration

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication *A Creditors' Guide to Administrators' Fees*, a copy of which can be obtained by logging onto the R3 website at [http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf). However, if you are unable to access this guide and would like a copy please contact Russell Deen on 0207 311 4813.

At the creditors meeting on 8 September 2009, the creditors approved the proposal that the Administrators of CRUK, CRF and GB "be authorised to draw fees on account from the assets of the Company from time to time during the period of the administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment. Also, that the Joint Administrators be authorised to draw disbursements from time to time to include category two disbursements." And "that the costs of KPMG LLP in respect of forensic, tax, VAT and pension advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of the Company."

The Association of Business Recovery Professionals' Statement of Insolvency Practice No. 9 ("SIP 9") requires the Joint Administrators to provide a detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out.

In the period to 6 January 2009, we have incurred time costs of £483,570, £127,785 and £69,374 representing 1,850 hours, 570 hours and 278 hours at an average hourly rate of £261, £224 and £249 for CRUK, CRF and GB respectively. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Attached as Appendix 3 is a detailed analysis of time spent working on each separate assignment, and charge out rates, for each grade of staff for the various areas of work carried out to 6 January 2009, as required by SIP 9. This reflects a period of intense activity, including closing the unprofitable bars, trading the residual business, dealing with a large number of interested parties and the sale of the business as a going concern.

We have not drawn any fees in the period.

5 Future strategy

It is proposed that the Joint Administrators will continue to manage the affairs, business and property of the Companies in order to achieve the purpose of the administrations. This will include

- Realising the remaining book debts,
- finalising the administrations, including payment of all administration liabilities, and
- dealing with statutory reporting and compliance obligations

As there are funds available to make a distribution to creditors of CRUK and CRF, the Administrators propose to place these two Companies into Creditors' Voluntary Liquidation ("CVL") under paragraph 83 of schedule B1 of the Act, prior to the 12 month anniversary and automatic expiry of the administrations. As set out in the approved Proposals, Richard Hill and David Crawshaw will act as Joint Liquidators without further recourse to creditors.

As there will be no funds available in the estate of GB this Company will be dissolved upon completion of the administration.

6 Future reporting

In accordance with Rule 2.110 of the Rules, the Joint Administrators intend to provide the creditors with their final administration report immediately prior to placing CRUK and CRF into CVL and within one month of the anniversary of GB's administration order or on its conclusion, whichever is the sooner.



Richard Hill
Joint Administrator



*Coffee Republic Franchising Limited
Coffee Republic (UK) Limited
Goodbean Limited
(all in administration)*

*KPMG LLP
5 February 2010*

Appendix 1a

Statutory information – Coffee Republic (UK) Limited

Company name	Coffee Republic (UK) Limited		
Administration Order	The Administration Order was granted in the Companies Court, Chancery Division, High Court of Justice Ref High Court No 1745 of 2009		
Date of appointment	7 July 2009		
Administrators details	Richard John Hill and David John Crawshaw are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales		
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act		
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations		
Company Directors		From	To
	Peter John Freeman Breach	20 October 2006	Present
	Steven George Bartlett	20 October 2006	Present
	James Cameron Muirhead	20 September 2007	Present
Company Secretary	Jeremy Philip Gorman		
Date of incorporation	20 March 1995		
Company registration number	03035251		
Previous registered office	109-123 Clifton Street, London EC2A 4LD		
Present registered office	c/o KPMG LLP, 8 Salisbury Square, London EC4Y 8BB		
Trading addresses	109-123 Clifton Street, London EC2A 4LD		
Employees	168		



*Coffee Republic Franchising Limited
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*KPMG LLP
5 February 2010*

Extracts of the Company's trading results are shown below

	<i>Y/E 30/03/07 (audited) £'000</i>	<i>Y/E 30/03/06 (audited) £'000</i>	<i>Y/E 30/03/05 (audited) £'000</i>
Turnover	6,888	12,031	13,961
Cost of sales	(7,605)	(12,211)	(14,782)
Gross profit	(717)	(180)	(821)
Admin expenses	(110)	(229)	(465)
Operating profit	(827)	(409)	(1,286)
Exceptional items	(537)	(177)	(113)
Interest receivable & similar income	3	25	10
Interest payable & similar charges	(204)	(226)	(152)
Profit before tax	(1,565)	(787)	(1,541)

Details of the Company's share capital and holdings

Authorised share capital	£400,000 (preference £1 shares) £138 (ordinary £1 shares)	
Issued share capital	400,000 Preference shares of £1 138 Ordinary shares of £1	
Shareholders	Coffee Republic Plc	400,138



*Coffee Republic Franchising Limited
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Goodbean Limited
(all in administration)*

*KPMG LLP
5 February 2010*

Appendix 1b

Statutory information – Coffee Republic Franchising Limited

Company name	Coffee Republic Franchising Limited		
Administration Order	The Administration Order was granted in the Companies Court, Chancery Division, High Court of Justice Ref High Court No 1770 of 2009		
Date of appointment	7 July 2009		
Administrators details	Richard John Hill and David John Crawshaw are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales		
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act		
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations		
Company Directors		From	To
	Peter John Freeman Breach	20 October 2006	Present
	Steven George Bartlett	20 October 2006	Present
	James Cameron Muirhead	20 September 2007	Present
Company Secretary	Jeremy Philip Gorman		
Date of incorporation	23 May 2005		
Company registration number	05460420		
Previous registered office	109-123 Clifton Street, London EC2A 4LD		
Present registered office	c/o KPMG LLP, 8 Salisbury Square, London EC4Y 8BB		
Trading addresses	109-123 Clifton Street, London EC2A 4LD		
Employees	None		



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Goodbean Limited
(all in administration)*

*KPMG LLP
5 February 2010*

Details of the Company's trading results are shown below

	<i>Y/E 30/03/07 (audited) £'000</i>	<i>Y/E 30/03/06 (audited) £'000</i>
Turnover	594	43
Cost of sales	(881)	(526)
Gross profit	(287)	(483)
Admin expenses	(455)	(270)
Operating profit	(742)	(753)
Exceptional items	(127)	-
Interest receivable & similar income	11	-
Interest payable & similar charges	-	-
Profit before tax	(858)	(753)

Details of the Company's share capital and holdings

Authorised share capital	£1 (ordinary £1 shares)	
Issued share capital	1 Ordinary shares of £1	
Shareholders	Coffee Republic Plc	1



*Coffee Republic Franchising Limited
Coffee Republic (UK) Limited
Goodbean Limited
(all in administration)*

*KPMG LLP
5 February 2010*

Appendix 1c

Statutory information – Goodbean Limited

Company name	Goodbean Limited		
Administration Order	The Administration Order was granted in the Companies Court, Chancery Division, High Court of Justice Ref High Court No 1746 of 2009		
Date of appointment	7 July 2009		
Administrators details	Richard John Hill and David John Crawshaw are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales		
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act		
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations		
Company Directors		From	To
	Peter John Freeman Breach	20 October 2006	Present
	Steven George Bartlett	20 October 2006	Present
	James Cameron Muirhead	20 September 2007	Present
Company Secretary	Jeremy Philip Gorman		
Date of incorporation	1 November 1993		
Company registration number	02867645		
Previous registered office	109-123 Clifton Street, London EC2A 4LD		
Present registered office	c/o KPMG LLP, 8 Salisbury Square, London EC4Y 8BB		
Trading addresses	109-123 Clifton Street, London EC2A 4LD		
Employees	None		



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(all in administration)*

*KPMG LLP
5 February 2010*

Details of the Company's trading results are shown below

	<i>Y/E 30/03/07 (audited) £'000</i>	<i>Y/E 30/03/06 (audited) £'000</i>	<i>Y/E 30/03/05 (audited) £'000</i>
Turnover	2,237	2,840	3,592
Cost of sales	(2,124)	(2,698)	(3,333)
Gross profit	113	142	259
Admin expenses	(20)	(7)	(74)
Operating profit	(93)	(135)	185
Exceptional items	(83)	20	10
Interest receivable & similar income	-	5	2
Interest payable & similar charges	(8)	(43)	(28)
Profit before tax	(2)	117	169

Details of the Company's share capital and holdings

Authorised share capital	£3,639,002 (ordinary £1 shares)	
Issued share capital	3,639,002 Ordinary shares of £1	
Shareholders	Coffee Republic Plc	3,639,002



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Coffee Republic (UK) Limited
Goodbean Limited
(all in administration)*

*KPMG LLP
5 February 2010*

Appendix 2a

Joint Administrators' receipts and payments account - Coffee Republic (UK) Limited

Coffee Republic (UK) Limited (In Administration)

Administrators' Abstract of Receipts & Payment to 6 January 2010

	Statement of Affairs (£)	From 07/07/2009 To 06/01/2010 (£)	Total (£)
POST APPOINTMENT SALES			
Sales		<u>125 051 12</u>	<u>125 051 13</u>
		125 051 13	125 051 13
PURCHASES			
Purchases		33 727 15	33 727 15
Promotions		<u>5 672 51</u>	<u>5 672 51</u>
		(39 399 66)	(39 399 66)
OTHER DIRECT COSTS			
Direct labour		78 028 74	78 028 74
Direct expenses		<u>2 411 51</u>	<u>2 411 51</u>
		(80 440 25)	(80 440 25)
TRADING EXPENSES			
Rent		82 611 58	82 611 58
Rates		2 074 38	2 074 38
Heat & light		1 626 96	1 626 96
Telephone Telco/Fax		702 29	702 29
Bank charges & interest		3 285 31	3 285 31
HP Leasing payments		280 30	280 30
Hire of equipment		4 714 29	4 714 29
Repairs and maintenance		488 00	488 00
Sundry expenses		675 78	675 78
Ransom payments		<u>1 175 39</u>	<u>1 175 39</u>
		(97 634 28)	(97 634 28)
TRADING SURPLUS (DEFICIT)			
		<u>(92,423 06)</u>	<u>(92,423 06)</u>
ASSET REALISATIONS			
Leasehold property		2 00	2 00
Leasehold property costs reimbursement		750 00	750 00
Furniture & equipment	91 450 00	67 000 00	67 000 00
Stock	7 283 00	10 000 00	10 000 00
Book debts	138 579 00	2 353 27	2 353 27
Business information		1 00	1 00
Intellectual Property Rights		1 00	1 00
Goodwill		1 116 992 00	1 116 992 00
Cash at bank		70 539 70	70 539 70
Rent		142 383 22	142 383 22
Contribution to costs	<u>239 312 00</u>	<u>750 00</u>	<u>750 00</u>
		1 410 772 19	1 410 772 19
OTHER REALISATIONS			
Bank interest gross		554 12	554 12
Sundry refunds	58 034 00	11 752 33	11 752 33
Trading Surplus (Deficit)		<u>(92 423 06)</u>	<u>(92 423 06)</u>
		(80 116 61)	(80 116 61)
COST OF REALISATIONS			
Legal Expenses		886 00	886 00
Administrators' expenses		11 85	11 85
Intercompany loan		38 900 22	38 900 22
Agents/Valuers' fees		2 075 00	2 075 00
Agents/Valuers' fees property		1 900 00	1 900 00
Legal fees		52 770 53	52 770 53
Environment Agency fees		60 00	60 00
Leasehold Costs		750 00	750 00
Storage costs		60 75	60 75
Statutory advertising		315 72	315 72
Rates		(9 86)	(9 86)
Other property expenses		18 697 50	18 697 50
Bank charges		959 56	959 56
Room Booking		<u>55 00</u>	<u>55 00</u>
		(117 975 27)	(117 975 27)
	<u>277,346 00</u>	<u>1,212,680 31</u>	<u>1,212,680 31</u>
REPRESENTED BY			
Floating charge VAT receivable			24 178 79
Floating charge current			1 229 263 07
Floating charge VAT payable			(10 761 55)
			<u>1,212,680 31</u>



*Coffee Republic Franchising Limited
Coffee Republic (UK) Limited
Goodbean Limited
(all in administration)*

*KPMG LLP
5 February 2010*

Appendix 2b

Joint Administrators' receipts and payments account – Coffee Republic Franchising Limited

Coffee Republic Franchising Limited (In Administration)

Administrators' Abstract of Receipts & Payment to 6 January 2010

	Statement of Affairs (£)	From 07/07/2009 To 06/01/2010 (£)	Total (£)
POST-APPOINTMENT SALES			
Sales		5,077 41	5 077 41
		<u>5 077 41</u>	<u>5 077 41</u>
TRADING EXPENSES			
Telephone/Tele/Fax		528 75	528 75
		<u>(528 75)</u>	<u>(528 75)</u>
TRADING SURPLUS/(DEFICIT)		<u>4,548 66</u>	<u>4,548 66</u>
ASSET REALISATIONS			
Book debts		181,554 07	181 554 07
Contacts & Agreements		1 00	1 00
Rent		1 106 00	1 106 00
		<u>182,661 07</u>	<u>182 661 07</u>
OTHER REALISATIONS			
Bank interest gross		65 49	65 49
Sundry refunds		11 50	11 50
Trading Surplus/(Deficit)		4 548 66	4 548 66
		<u>4 625 65</u>	<u>4 625 65</u>
COST OF REALISATIONS			
Legal fees		15 446 33	15 446 33
Statutory advertising		315 72	315 72
Bank charges		15 64	15 64
Room Booking		55 00	55 00
		<u>(15 832 69)</u>	<u>(15 832 69)</u>
		<u>171,454 03</u>	<u>171,454 03</u>
REPRESENTED BY			
Floating ch VAT receivable			2 446 78
Floating charge current			169 804 43
Floating ch VAT payable			(797 18)
			<u>171,454 03</u>

Notes

The Director's Statement of Affairs showed no assets with a realisable value



*Coffee Republic Franchising Limited
Coffee Republic (UK) Limited
Goodbean Limited
(all in administration)*

*KPMG LLP
5 February 2010*

Appendix 2c

Joint Administrators' receipts and payments account – Goodbean Limited

Goodbean Limited (in administration)

Administrators' receipts and payments account for 7 July 2009 to 6 January 2010

	Statement of Affairs £	From 07/07/2009 To 06/01/2010 £	Total £
POST-APPOINTMENT SALES			
Sales		<u>82 893 27</u>	<u>82 893 27</u>
		82 893 27	82 893 27
PURCHASES			
Purchases		24,436 14	24 436 14
Promotions		<u>1 836 16</u>	<u>1 836 16</u>
		(26 272 30)	(26 272 30)
OTHER DIRECT COSTS			
Direct labour		<u>21 713 54</u>	<u>21 713 54</u>
		(21 713 54)	(21,713 54)
TRADING EXPENSES			
Telephone/Telex/Fax		86 70	86 70
Repairs and maintenance		473 19	473 19
Sundry expenses		<u>966 28</u>	<u>966 28</u>
		(1 526 17)	(1 526 17)
TRADING SURPLUS/(DEFICIT)		<u><u>33,381 26</u></u>	<u><u>33,381 26</u></u>
ASSET REALISATIONS			
Household property	12 000 00	3 00	3 00
Contribution to costs		750 00	750 00
Rent		5139 08	5139 08
Furniture & equipment		47 000 00	47 000 00
Cash at bank		223 94	223 94
Rates Refund		1 239 16	1 239 16
Tax refunds (pre-appoint)		<u>600 00</u>	<u>600 00</u>
		54 955 18	54 955 18
OTHER REALISATIONS			
Bank interest gross		54 01	54 01
Trading Surplus/(Deficit)		<u>33 381 26</u>	<u>33 381 26</u>
		33 435 27	33 435 27
COST OF REALISATIONS			
Agents'/Valuers' fees property		400 00	400 00
Legal fees		11,739 69	11 739 69
Statutory advertising		315 72	315 72
Other property expenses		2 587 50	2 587 50
Bank charges		510 52	510 52
Room Booking		<u>55 00</u>	<u>55 00</u>
		(15 608 43)	(15 608 43)
	<u><u>12,000 00</u></u>	<u><u>72,782 02</u></u>	<u><u>72,782 02</u></u>
REPRESENTED BY			
Floating ch VAT receivable			11 699 45
Floating charge current			79 295 10
Floating ch VAT payable			(18,212 53)
			<u><u>72,782 02</u></u>



*Coffee Republic Franchising Limited
Coffee Republic (UK) Limited
Goodbean Limited
(all in administration)*

*KPMG LLP
5 February 2010*

Appendix 3a

Analysis of the Joint Administrators' time costs for period 7 July 2009 to 6 January 2010 - Coffee Republic (UK) Limited

Coffee Republic (UK) Limited (in administration)

Time costs analysis for the period 7 July 2009 to 6 January 2010

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Trading							
Asset Realisation							
Health & safety			1 00		1 00	£225 00	£225 00
Cashiering							
General (Cashiering)		7 60		3 10	10 70	£2 757 50	£257 71
Employees							
Correspondence			67 75		67 75	£13 332 75	£196 79
DTI redundancy payments service			2 00		2 00	£390 00	£195 00
Pensions reviews		2 10	0 90		3 00	£874 50	£291 50
Tax							
Initial reviews CT and VAT		1 50	4 00		5 50	£1 380 00	£250 91
Post appointment VAT	0 40	1 30	1 00		2 70	£817 00	£302 99
Trading							
Cash & profit projections & strategy		15 00			15 00	£5 395 00	£359 67
Purchases and trading costs	0 50	41 50	153 40		195 40	£47 424 50	£242 70
Sales		22 00	5 00		27 00	£8 630 00	£319 63
Administration & planning							
Cashiering							
Fund management		0 50	0 20		0 70	£247 50	£353 57
General (Cashiering)		18 60	7 40	9 80	35 80	£8 623 50	£240 88
Reconciliations (& IPS accounting reviews)		3 00	0 70		3 70	£1 105 50	£298 78
General							
Books and records		5 00	0 30	11 80	17 10	£3 246 50	£189 85
Fees and WTP			5 95	0 70	6 65	£1 397 25	£210 11
Shareholders/Bankrupt							
Notification of appointment			2 00		2 00	£450 00	£225 00
Statutory and compliance							
Appointment and related formalities	2 10	1 40	37 34	2 00	42 84	£8 895 60	£207 65
Bonding and bordereau			0 70	0 80	1 50	£241 50	£161 00
Checklist & reviews		1 20	1 80		3 00	£891 00	£297 00
Pre-appointment checks	3 00				3 00	£1 545 00	£515 00
Statutory advertising			6 50		6 50	£1 072 50	£165 00
Statutory receipts and payments accounts			3 00		3 00	£495 00	£165 00
Strategy documents	5 60	29 50		0 20	35 30	£14 767 50	£418 34
Tax							
Initial reviews CT and VAT		6 50	7 70		14 20	£4 359 00	£306 97
Post appointment corporation tax	0 50	1 00	1 70		3 20	£1 045 00	£326 56
Post appointment PAYE		0 60	1 90		2 50	£619 50	£247 80
Post appointment VAT		4 60	6 90		11 50	£3 279 50	£285 17
Creditors							
Creditors and claims							
Agreement of claims		0 90			0 90	£384 50	£405 00
Agreement of preferential claims		0 70			0 70	£224 00	£320 00
Agreement of unsecured claims			0 50		0 50	£112 50	£225 00
General correspondence	2 50	37 40	79 45		119 35	£28 969 75	£242 73
Legal claims		2 00		0 80	2 80	£894 00	£319 29
Notification of appointment		0 40			0 40	£128 00	£320 00
Pre-appointment VAT / PAYE / CT		1 30	0 20		1 50	£486 50	£324 33
ROT Claims			5 10		5 10	£877 50	£172 06
Statutory reports	7 80	21 40	69 15	8 50	106 85	£25 201 25	£235 86
Employees							
Correspondence		7 90	53 70		61 60	£13 806 50	£224 13
DTI redundancy payments service		1 90	5 00		6 90	£1 673 00	£242 46
Pensions reviews		0 10	0 10		0 20	£54 50	£272 50
Investigation							
Directors							
Correspondence with directors		2 00		0 30	2 30	£841 50	£365 87
D form drafting and submission	1 90	2 40	9 10		13 40	£3 962 00	£295 67
Directors questionnaire / checklist		0 50	0 50		1 00	£285 00	£285 00
Statement of affairs		1 00	4 00		5 00	£1 065 00	£213 00
Investigations							
Review of pre-appt transactions			0 60		0 60	£135 00	£225 00
Realisation of assets							
Asset Realisation							
Cash and investments	3 25	2 00			5 25	£2 313 75	£440 71
Debtors	0 50	3 30	0 40	0 20	4 40	£1 679 50	£381 70
Deferred consideration		0 50			0 50	£202 50	£405 00
Freehold property			2 30	13 00	15 30	£1 882 50	£123 04
Leasehold property	4 20	77 20	507 25	1 10	589 75	£140 891 75	£238 80
Office equipment, fixtures & fittings			0 20		0 20	£45 00	£225 00
Open cover insurance		0 50	0 40		0 90	£274 50	£305 00
Other assets			1 50		1 50	£337 50	£225 00
Rent			2 80		2 80	£522 00	£186 43
Sale of business	52 40	210 10	53 85	61 50	377 85	£122 832 75	£325 08
Total in period	84 65	536 40	1 115 24	113 80	1 850 09	£483 569 85	£261 38

All staff who have worked on this assignment including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time.
The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge-out rates.



*Coffee Republic Franchising Limited
Coffee Republic (UK) Limited
Goodbean Limited
(all in administration)*

*KPMG LLP
5 February 2010*

Appendix 3b

Analysis of the Joint Administrators' time costs for period 7 July 2009 to 6 January 2010 - Coffee Republic Franchising Limited



Coffee Republic Franchising Limited (in administration)

Time costs analysis for the period 7 July 2009 to 6 January 2010

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Trading							
Asset Realisation							
Health & safety			1 00		1 00	£225 00	£225 00
Cashiering							
General (Cashiering)		2 40	0 80	0 70	3 90	£1 021 50	£261 92
Employees							
Correspondence			1 15		1 15	£189 75	£165 00
Pensions reviews		2 60	0 10		2 70	£854 50	£316 48
Tax							
Initial reviews - CT and VAT		0 50	3 00		3 50	£835 00	£238 57
Post appointment VAT	0 40	1 30	0 50		2 20	£704 50	£320 23
Trading							
Purchases and trading costs			0 25		0 25	£56 25	£225 00
Sales			1 00		1 00	£225 00	£225 00
Administration & planning							
Cashiering							
Fund management			0 20		0 20	£45 00	£225 00
General (Cashiering)		1 80	2 30	2 10	6 20	£1 278 00	£206 13
Reconciliations (& IPS accounting reviews)			0 60		0 60	£123 00	£205 00
General							
Books and records			0 30		0 30	£67 50	£225 00
Fees and WIP			5 20	0 30	5 50	£1 201 50	£218 45
Statutory and compliance							
Appointment and related formalities	1 30		11 50		12 80	£3,257 00	£254 45
Bonding and bordereau				0 80	0 80	£84 00	£105 00
Checklist & reviews			1 70		1 70	£382 50	£225 00
Statutory advertising			2 50		2 50	£412 50	£165 00
Statutory receipts and payments accounts			1 00		1 00	£165 00	£165 00
Strategy documents	1 50			0 20	1 70	£793 50	£466 76
Tax							
Initial reviews - CT and VAT			3 00		3 00	£669 00	£223 00
Post appointment corporation tax			1 30		1 30	£292 50	£225 00
Post appointment VAT		1 50			1 50	£480 00	£320 00
Creditors							
Creditors and claims							
General correspondence	2 60		15 75	1 30	19 65	£4 749 25	£241 69
Legal claims		1 20			1 20	£486 00	£405 00
Statutory reports	3 50	9 70	31 75	3 50	48 45	£11 842 75	£244 43
Employees							
Pensions reviews		0 20	0 50		0 70	£176 50	£252 14
Investigation							
Directors							
D form drafting and submission		1 10	8 00		9 10	£2 245 50	£246 76
Directors questionnaire / checklist		0 50	0 50		1 00	£285 00	£285 00
Realisation of assets							
Asset Realisation							
Debtors	1 50	32 50	269 05		303 05	£61 396 25	£202 60
Leasehold property	0 20	0 90	97 40	1 00	99 50	£22 487 50	£226 01
Sale of business	10 30	7 40	9 50		27 20	£9 869 00	£362 83
Stock and WIP			5 35		5 35	£882 75	£165 00
Total in period	21 30	63 60	475 20	9 90	570 00	£127 785 00	£224 18

All staff who have worked on this assignment including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent

The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge-out rates



*Coffee Republic Franchising Limited
Coffee Republic (UK) Limited
Goodbean Limited
(all in administration)*

*KPMG LLP
5 February 2010*

Appendix 3c

Analysis of the Joint Administrators' time costs for period 7 July 2009 to 6 January 2010 – Goodbean Limited

Goodbean Limited (in administration)

Time costs analysis for the period 7 July 2009 to 6 January 2010

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Trading							
Asset Realisation							
Health & safety			1 00		1 00	£225 00	£225 00
Cashiering							
General (Cashiering)		6 90	1 60	0 20	8 70	£2 589 00	£297 59
Employees							
Correspondence			2 35		2 35	£387 75	£165 00
Pensions reviews		2 30	0 30		2 60	£803 50	£309 04
Tax							
Initial reviews CT and VAT		0 50	2 00		2 50	£610 00	£244 00
Post appointment VAT	0 40	1 30	1 00		2 70	£817 00	£302 59
Trading							
Cash & profit projections & strategy		7 00			7 00	£2 410 00	£344 29
Purchases and trading costs		22 00	52 60		74 60	£18 740 00	£251 21
Sales		7 00	2 50		9 50	£2 652 50	£279 21
Administration & planning							
Cashiering							
Fund management			0 20		0 20	£45 00	£225 00
General (Cashiering)		2 40	5 30	2 00	9 70	£2 140 50	£220 67
Reconciliations (& IPS accounting reviews)			1 10		1 10	£235 50	£214 09
General							
Books and records			0 30		0 30	£67 50	£225 00
Fees and WIP			4 70		4 70	£1 057 50	£225 00
Statutory and compliance							
Appointment and related formalities	0 10		13 50		13 60	£2 969 00	£218 31
Bonding and bordereau				0 80	0 80	£84 00	£105 00
Checklist & reviews		3 50	4 30		7 80	£2 385 00	£305 77
Statutory advertising			2 00		2 00	£330 00	£165 00
Statutory receipts and payments accounts			3 00		3 00	£495 00	£165 00
Strategy documents		2 00		0 20	2 20	£831 00	£377 73
Tax							
Initial reviews CT and VAT			1 30		1 30	£286 50	£220 38
Post appointment VAT		1 00	0 50		1 50	£432 50	£288 33
Creditors							
Creditors and claims							
General correspondence		6 00	17 50		23 50	£5 467 50	£232 68
ROT Claims			0 60		0 60	£135 00	£225 00
Statutory reports	2 50	9 70	25 25	1 50	38 95	£10 130 25	£260 08
Employees							
Correspondence			0 30		0 30	£67 50	£225 00
Pensions reviews		0 20	0 50		0 70	£176 50	£252 14
Investigation							
Directors							
D form drafting and submission		1 10	8 00		9 10	£2 245 50	£246 76
Directors questionnaire / checklist		0 50	0 50		1 00	£285 00	£285 00
Realisation of assets							
Asset Realisation							
Debtors			0 40		0 40	£90 00	£225 00
Leasehold property		1 00	21 65		22 65	£4 766 25	£210 43
Other assets			0 50		0 50	£112 50	£225 00
Rent			1 00		1 00	£225 00	£225 00
Sale of business	2 10	5 00	13 50		20 60	£5 079 00	£246 55
Total in period	5 10	79 40	189 25	4 70	278 45	£69 373 75	£249 14

All staff who have worked on this assignment including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent

The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates

Coffee Republic (UK) Limited

Coffee Republic Franchising Limited

Goodbean Limited

Summary of charge out rates in operation during the course of the administration

	7 July 2009 to 6 January 2010
	£
Restructuring	
Partner	515
Director	440
Senior Manager	405
Manager	320
Senior Administrator/Assistant Manager	225
Administrator	165
Support Staff	105
Tax	
Partner	515
Senior Manager	405
Administrator	165