



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

### 1 Company details

Company number 03084650

Company name in full LRA Realisations Limited (formerly Azzurri Central Limited)

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) William James

Surname Wright

### 3 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E14 5GL

Country

### 4 Administrator's name ①

Full forename(s) Stephen John

Surname Absolom

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E14 5GL

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

|           |                   |                   |                   |                   |                   |                   |                   |                   |
|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| From date | <sup>d</sup><br>1 | <sup>d</sup><br>7 | <sup>m</sup><br>0 | <sup>m</sup><br>7 | <sup>y</sup><br>2 | <sup>y</sup><br>0 | <sup>y</sup><br>2 | <sup>y</sup><br>0 |
| To date   | <sup>d</sup><br>1 | <sup>d</sup><br>6 | <sup>m</sup><br>0 | <sup>m</sup><br>1 | <sup>y</sup><br>2 | <sup>y</sup><br>0 | <sup>y</sup><br>2 | <sup>y</sup><br>1 |

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*SA*

X

Signature date

|                   |                   |                   |                   |                   |                   |                   |                   |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <sup>d</sup><br>1 | <sup>d</sup><br>2 | <sup>m</sup><br>0 | <sup>m</sup><br>2 | <sup>y</sup><br>2 | <sup>y</sup><br>0 | <sup>y</sup><br>2 | <sup>y</sup><br>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 **Marlen Vaki**

Company name **KPMG LLP**

Address **15 Canada Square**

**Canary Wharf**

Post town **London**

County/Region

Postcode **E 1 4 5 G L**

Country

DX

Telephone **Tel +44 (0) 118 964 2000**

**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](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)**

# Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①  
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*

## 1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s) Christopher Robert  
Surname Pole

## 3 Insolvency practitioner's address

Building name/number One Snowhill  
Street Snow Hill Queensway  
Post town Birmingham  
County/Region  
Postcode B 4 6 G H  
Country



Joint  
Administrators'  
progress  
report for the  
period 17 July  
2020 to 16  
January 2021

LRA Realisations Limited  
(formerly Azzurri Central  
Limited) - in Administration

12 February 2021

Deemed delivered: 12  
February 2021

# Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 5).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+BK713E1001.html>. We hope this is helpful to you.

**Please also note that an important legal notice about this progress report is attached (Appendix 6).**

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# 1 Executive summary

On 17 July 2020, the Directors resolved to place the Company into administration and appoint the Joint Administrators. The notice of appointment was lodged at High Court of Justice Business and Property Courts of E & W Insolvency and Companies List (ChD) on 17 July 2020 and we were duly appointed.

This progress report covers the period from 17 July 2020 to 16 January 2021 ('the Period').

We delivered our Proposals to all known creditors on 31 July 2020. They were deemed approved without modification on 14 August 2020.

Immediately following our appointment on 17 July 2020, we completed a Pre-Pack which resulted in a sale of the majority of business and assets to the Purchasers. (Section 2 - Progress to date).

Based on the current estimates, we do not anticipate the Secured Creditors will be repaid in full. (Section 3 - Dividend prospects and dividends paid).

We are not aware of any preferential creditors of the Company. (Section 3 - Dividend prospects and dividends paid).

We do not expect that enough funds will become available to enable a distribution to unsecured creditors, other than the prescribed part. However, due to the large quantum of liabilities and restricted sum available under the Prescribed Part, any dividend will be less than 1p in the £. (Section 3 - Dividend prospects and dividends paid).

Please note: you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+BK713E1001.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Steve Absolom  
Joint Administrator



## 2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposals.

### 2.1 Strategy and progress to date

#### Strategy

In the circumstances, we consider that the Pre-Pack sale of the business and assets has enabled the objective of achieving a better result for the Company's creditors as a whole. It is unlikely the Company's IP would have generated the realisations attributable to the Company on a standalone basis.

Given that the Company was a non-trading entity, trading in administration was not an option available to the Joint Administrators.

#### Sale of business

As set out in the Joint Administrators' Proposals, further to KPMG undertaking an Early Options process to explore the sale, refinance and investment opportunities available to the Group, all offers received were considered by the Lenders. The Lenders then confirmed that the terms of an offer from Towerbrook were acceptable to them.

On 17 July 2020, the Joint Administrators executed the transaction which was predicated on acquisition of the Ask Italian and Zizzi IP, together with the shares in ARIL and the assets of other group entities.

### 2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

#### Sale consideration

The following Company assets were included in the Pre-Pack sale:

| Asset              |                  |
|--------------------|------------------|
|                    | Total (£)        |
| IP                 | 2,237,838        |
| Investments - ARIL | 138,072          |
| <b>Total</b>       | <b>2,375,910</b> |

Further detail in respect of all valuations undertaken as part of the sale process are included within the SIP16 memorandum in our Proposals

## Investigations

We have reviewed the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors. No matters came to light and our investigations are complete.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

## 2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

### Legal fees

Travers have been instructed on a time costs basis to assist with legal advice during the administration. A total of £6,399 has been paid in the Period.

## 2.4 Schedule of expenses

We have detailed the costs incurred during the Period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the Period but have not yet been paid are provided below.

### Administrators' fees

From the date of our appointment to 16 January 2021, we have incurred time costs of £37,154.

In the Period, £33,354 was drawn in this respect. This leaves a balance of £3,620 which has been incurred in the Period but not yet paid. This will be drawn in due course.

# 3 Dividend prospects and dividends paid

## 3.1 Secured Creditors

The Lenders hold fixed and floating charges over the assets of the Group with cross guarantees provided by the following group entities:

- ACL;
- ARL;
- ATL;

- CTL;
- Azzurri Midco 2 Limited;
- CDM Group Limited;
- CDM Holdco Limited; and
- Zizzi Restaurants Limited.

The Security Agent for the Lenders holds a debenture containing fixed and floating charges over the Company. The charge was created on 21 January 2015, with a supplemental debenture created on 2 February 2017 and registered with Companies House on 27 January 2015 and 7 February 2017 respectively.

At the date of appointment, the Lenders were owed £187,048,961.

Based on current estimates, we do not expect the Lenders will be repaid in full.

We obtained an independent security review from Travers which confirms that the fixed and floating charges were validly executed and registered.

During the Period, we have distributed £2,237,838.00 to the Secured Creditors - all of which relates to fixed charge realisations.

### **3.2 Preferential creditors**

We are not aware of any preferential claims against the Company.

### **3.3 Unsecured creditors**

Based on current estimates, we anticipate that unsecured creditors should receive a dividend of less than 1 pence in the £. The timing and amount of any dividend are dependent upon the realisations and associated costs of the administration.

## **4 Joint Administrators' remuneration, disbursements and pre-administration costs**

### **4.1 Joint Administrators' remuneration and disbursements**

During the Period, the Secured Creditors have provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 4 and the charge-out rates included in Appendix 4.

- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 4.

#### Time costs

From the date of our appointment to 16 January 2021, we have incurred time costs of £37,154. These represent 104 hours at an average rate of £357 per hour. In the Period, £33,354 was drawn in this respect.

#### Disbursements

During the Period we have incurred disbursements of £599. Of these £599 has been paid.

#### Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the Period. We have also attached our charging and disbursements policy.

## 4.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our Proposals:

| Pre-administration costs     |                                  |                  |                              |                    |
|------------------------------|----------------------------------|------------------|------------------------------|--------------------|
|                              | Disclosed<br>unpaid costs<br>(£) | Approved<br>(£)  | Paid in the<br>Period<br>(£) | Outstanding<br>(£) |
| KPMG fees                    | 15,903.30                        | 15,000.00        | 15,000.00                    | 0.00               |
| Legal fees and disbursements | 15,000.00                        | 15,000.00        | 15,000.00                    | 0.00               |
| <b>Total</b>                 | <b>30,903.30</b>                 | <b>30,000.00</b> | <b>30,000.00</b>             | <b>0.00</b>        |

On 17 September 2020, we obtained approval from the Secured Creditors to pay all of these pre-administration costs as an expense of the administration.

# 5 Future strategy

## 5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Preparing and submitting an unsecured claim in the relevant intercompany insolvencies to ensure a distribution is received in respect of intercompany debt;
- Making distributions to the secured and unsecured creditors should funds become available;
- Paying of the costs of the administration, including the Joint Administrators' remuneration and expenses;

- Complying with ongoing tax and VAT requirements for the Company and obtaining tax clearance; and
- Completing all statutory and compliance matters.

## **5.2 Discharge from liability**

The Secured Creditors have granted approval that we be discharged from liability in respect of any actions as Joint Administrators, from the filing of our final progress report with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

Should the circumstances of the administration change, we reserve the right to revert to the Court in order to obtain discharge from liability.

## **5.3 Future reporting**

We will provide a further progress report within one month of 16 July 2021 or earlier if the administration has been completed prior to that time.

## Appendix 1 Statutory information

### Company information

|                             |  |
|-----------------------------|--|
| Company name                | LRA Realisations Limited (formerly Azzurri Central Limited)            |
| Date of incorporation       | 27 July 1995   |
| Company registration number | 03084650   |
| Present registered office   | 15 Canada Square, Canary Wharf, London, E14 5GL                        |
| Trading address             | 3 <sup>rd</sup> Floor Capital House, 25 Chapel Street, London, NW1 5DH |
| Previous registered office  | 3 <sup>rd</sup> Floor Capital House, 25 Chapel Street, London, NW1 5DH |
| Company Directors           | Lindsay Allan Dunsmuir<br>Stephen Holmes                               |
| Company Secretary           | Lindsay Allan Dunsmuir   |

### Administration information

|  |  |
|--|--|
| Administration appointment                               | The administration appointment granted in High Court of Justice Business and Property Courts of E & W Insolvency and Companies List (ChD), 003101 of 2020  |
| Appointor  | Directors  |
| Date of appointment                                      | 17 July 2020   |
| Joint Administrators' details                            | Will Wright, Steve Absolom and Chris Pole  |
| Estimated values of the Net Property and Prescribed Part | Estimated Net Property is £297,000. Estimated Prescribed Part is £62,000.<br>The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3).                    |
| Prescribed Part distribution                             | The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply.<br><br>Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors. |
| Functions  | The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)   |
| Current administration expiry date                       | 16 July 2021   |

## Appendix 2 Joint Administrators' receipts and payments account

### LRA Realisations Limited (formerly Azzurri Central Limited) - in Administration

#### Abstract of receipts & payments

| Statement of affairs (£) |  | From 17/07/2020<br>To 16/01/2021 (£) | From 17/07/2020<br>To 16/01/2021 (£) |
|--------------------------|--|--------------------------------------|--------------------------------------|
| FIXED CHARGE ASSETS      |  |                                      |                                      |
| 2,237,838.00             | Sale of business - Intellectual Property | 2,237,838.00                         | 2,237,838.00                         |
| 138,072.00               | Sale of business - Investments           | 138,072.00                           | 138,072.00                           |
|                          | Shares                                   | 1.00                                 | 1.00                                 |
|                          |  | <u>2,375,911.00</u>                  | <u>2,375,911.00</u>                  |
| FIXED CHARGE COSTS       |  |                                      |                                      |
|                          | Pre-administration legal fees            | (15,000.00)                          | (15,000.00)                          |
|                          | Pre-administration Administrator fees    | (33,534.40)                          | (33,534.40)                          |
|                          | Administrator fees                       | (15,000.00)                          | (15,000.00)                          |
|                          | Legal fees                               | (6,399.00)                           | (6,399.00)                           |
|                          |  | <u>(69,933.40)</u>                   | <u>(69,933.40)</u>                   |
| FIXED CHARGE CREDITORS   |  |                                      |                                      |
| (190,091,142.00)         | Fixed charge creditor                    | (2,237,838.00)                       | (2,237,838.00)                       |
|                          |  | <u>(2,237,838.00)</u>                | <u>(2,237,838.00)</u>                |
| OTHER REALISATIONS       |  |                                      |                                      |
|                          | Bank interest, gross                     | 0.05                                 | 0.05                                 |
|                          | Funds held for provisions                | 54,346.00                            | 54,346.00                            |
| 346,758.00               | Intercompany debtors                     | NIL                                  | NIL                                  |
|                          |  | <u>54,346.05</u>                     | <u>54,346.05</u>                     |
| COST OF REALISATIONS     |  |                                      |                                      |
|                          | Administrators' expenses                 | (599.49)                             | (599.49)                             |
|                          |  | <u>(599.49)</u>                      | <u>(599.49)</u>                      |
| UNSECURED CREDITORS      |  |                                      |                                      |
| (9,939,259.00)           | Landlord creditors                       | NIL                                  | NIL                                  |
| (69,934,153.00)          | Connected companies                      | NIL                                  | NIL                                  |
| (3,500,000.00)           | HMRC                                     | NIL                                  | NIL                                  |
|                          |  | <u>NIL</u>                           | <u>NIL</u>                           |
| DISTRIBUTIONS            |  |                                      |                                      |
| (5,063,280.00)           | Ordinary shareholders                    | NIL                                  | NIL                                  |
|                          |  | <u>NIL</u>                           | <u>NIL</u>                           |
| <u>(275,805,166.00)</u>  |  | <u>121,886.16</u>                    | <u>121,886.16</u>                    |
| REPRESENTED BY           |  |                                      |                                      |
|                          | Floating ch. VAT rec'able                |                                      | 14,106.58                            |
|                          | Floating charge current                  |                                      | 107,779.58                           |

**LRA Realisations Limited (formerly Azzurri Central Limited) - in Administration**

**Abstract of receipts & payments**

|                          | From 17/07/2020<br>To 16/01/2021 (£) | From 17/07/2020<br>To 16/01/2021 (£) |
|--------------------------|--------------------------------------|--------------------------------------|
| Statement of affairs (£) |                                      |                                      |
|                          |                                      | <b>121,886.16</b>                    |



## Appendix 3      Schedule of expenses

| <b>Schedule of expenses (17/07/2020 to 16/01/2021)</b> |   |   |                  |
|--|---|---|------------------|
| Expenses (£)   | Incurred and paid<br>in the Period<br>(£) | Incurred in the<br>Period not yet paid<br>(£) | <b>Total (£)</b> |
| <b>Fixed charge costs</b>                              |   |   |                  |
| Pre-administration legal fees                          | 15,000.00                                 | 0.00  | <b>15,000.00</b> |
| Pre-administration Administrator fees                  | 15,000.00                                 | 0.00  | <b>15,000.00</b> |
| Legal fees   | 6,399.00                                  | 0.00  | <b>6,399.00</b>  |
| <b>Cost of realisations</b>                            |   |   |                  |
| Administrators' fees                                   | 33,534.40                                 | 3,620   | <b>37,154.50</b> |
| Administrators' expenses                               | 599.49                                    | 0.00  | <b>599.49</b>    |
| <b>TOTAL</b>   | <b>70,532.89</b>                          | <b>0.00</b>                                   | <b>70,532.89</b> |

### Requests for further information and right to challenge our remuneration and expenses

#### Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

#### Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Marlen Vaki at 15 Canada Square, Canary Wharf, London, E14 5GL.

## Appendix 4 Joint Administrators' charging and disbursements policy

### Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Marlen Vaki on 0207 3118140.

### Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

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

| <b>Charge-out rates (£) for: Restructuring</b> |                              |                              |                              |
|--|------------------------------|------------------------------|------------------------------|
| <b>Grade</b>                                   | <b>From 01 Jan 2020 £/hr</b> | <b>From 01 Oct 2020 £/hr</b> | <b>From 01 Jan 2021 £/hr</b> |
| Partner  | 690                          | 690                          | 690                          |
| Director                                       | 620                          | 620                          | 620                          |
| Senior Manager                                 | 560                          | 560                          | 560                          |
| Manager  | 467                          | 467                          | 467                          |
| Senior Administrator                           | 325                          | 325                          | 325                          |
| Administrator                                  | 236                          | 236                          | 236                          |
| Support  | 147                          | 147                          | 147                          |

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

## Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

*Category 1 disbursements:* These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

*Category 2 disbursements:* These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 45p per mile.

Use of company car – 60p per mile.

Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements from the date of our appointment to 16 January 2021.

| SIP 9 - Disbursements |               |            |            |            |               |
|-----------------------|---------------|------------|------------|------------|---------------|
| Disbursements         | Category 1    |            | Category 2 |            | Totals (£)    |
|                       | Paid (£)      | Unpaid (£) | Paid (£)   | Unpaid (£) |               |
| External printing     | 129.16        |            | NIL        |            | 129.16        |
| Postage               | 280.34        |            | NIL        |            | 280.34        |
| Sundry                | 189.99        |            | NIL        |            | 189.99        |
| <b>Total</b>          | <b>599.49</b> |            | <b>NIL</b> |            | <b>599.49</b> |

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements have been approved in the same manner as our remuneration.

## Narrative of work carried out for the Period - 17 July 2020 to 16 January 2021

The key areas of work have been:

|   |   |
|---|---|
| Statutory and compliance                  | collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences;<br>providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment;<br>issuing regular press releases and posting information on a dedicated web page;<br>preparing statutory receipts and payments accounts;<br>arranging bonding and complying with statutory requirements;<br>ensuring compliance with all statutory obligations within the relevant timescales.   |
| Strategy documents, Checklist and reviews | formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same;<br>briefing of our staff on the administration strategy and matters in relation to various work-streams;<br>regular case management and reviewing of progress, including regular team update meetings and calls;<br>meeting with management to review and update strategy and monitor progress;<br>reviewing and authorising junior staff correspondence and other work;<br>dealing with queries arising during the appointment;<br>reviewing matters affecting the outcome of the administration;<br>allocating and managing staff/case resourcing and budgeting exercises and reviews;<br>liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters;<br>complying with internal filing and information recording practices, including documenting strategy decisions. |
| Reports to debenture holders              | providing written and oral updates to representatives of the Secured creditors the progress of the administration and case strategy.  |
| Cashiering                                | setting up administration bank accounts;<br>preparing and processing vouchers for the payment of post-appointment invoices;<br>creating remittances and sending payments to settle post-appointment invoices;<br>reconciling post-appointment bank accounts to internal systems;<br>ensuring compliance with appropriate risk management procedures in respect of receipts and payments.  |
| Tax                                       | gathering initial information from the Company's records in relation to the taxation position of the Company;<br>submitting relevant initial notifications to HM Revenue and Customs;<br>reviewing the Company's pre-appointment corporation tax and VAT position;<br>analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations;<br>working initially on tax returns relating to the periods affected by the administration;<br>analysing VAT related transactions;<br>reviewing the Company's duty position to ensure compliance with duty requirements;<br>dealing with post appointment tax compliance.   |
| Shareholders                              | providing notification of our appointment;<br>responding to enquiries from shareholders regarding the administration;<br>providing copies of statutory reports to the shareholders.   |
| General                                   | reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9;<br>drawing remuneration in accordance with the basis which has been approved by the Secured Creditors;<br>locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.   |
| Open cover insurance                      | arranging ongoing insurance cover for the Company's business and assets;<br>liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place;<br>assessing the level of insurance premiums.  |
| Pensions                                  | collating information and reviewing the Company's pension schemes;<br>ensuring compliance with our duties to issue statutory notices;   |

|                           |  |
|---------------------------|--|
| Creditors and claims      | <p>drafting and circulating our Proposals;</p> <p>creating and updating the list of unsecured creditors;</p> <p>responding to enquiries from creditors regarding the administration and submission of their claims;</p> <p>reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</p> <p>drafting our progress report.</p>   |
| Investigations/ directors | <p>reviewing Company and directorship searches and advising the directors of the effect of the administration;</p> <p>liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies;</p> <p>arranging for the redirection of the Company's mail;</p> <p>reviewing the questionnaires submitted by the Directors of the Company;</p> <p>reviewing pre-appointment transactions;</p> <p>submitting the online director conduct assessment to the relevant authority.</p> |

#### Time costs

##### SIP 9 –Time costs analysis (13/07/2020 to 16/07/2020)

|   | Hours        | Time Cost (£)    | Average Hourly Rate (£) |
|---|--------------|------------------|-------------------------|
| <b>Pre-administration</b>                         |              |                  |                         |
| Asset Realisation                                 |              |                  |                         |
| Pre-Administration Sale of business - preparation | 27.00        | 12,850.50        | 475.94                  |
| Statutory and compliance                          |              |                  |                         |
| Appointment documents                             | 6.20         | 1,924.00         | 310.32                  |
| Pre-administration checks                         | 4.00         | 1,128.80         | 282.20                  |
| <b>Total in period</b>                            | <b>37.20</b> | <b>15,903.30</b> | <b>427.51</b>           |

##### SIP 9 –Time costs analysis (17/07/2020 to 16/01/2021)

|  | Hours | Time Cost (£) | Average Hourly Rate (£) |
|--|-------|---------------|-------------------------|
| <b>Administration &amp; planning</b>       |       |               |                         |
| Cashiering                                 |       |               |                         |
| Fund management                            | 0.10  | 23.60         | 236.00                  |
| General (Cashiering)                       | 5.10  | 1,285.40      | 252.04                  |
| Reconciliations (& IPS accounting reviews) | 1.60  | 521.70        | 326.06                  |
| General                                    |       |               |                         |
| Fees and WIP                               | 6.20  | 1,934.50      | 312.02                  |
| Statutory and compliance                   |       |               |                         |
| Appointment and related formalities        | 14.45 | 6,430.40      | 445.01                  |
| Appointment documents                      | 0.70  | 434.00        | 620.00                  |
| Bonding & Cover Schedule                   | 0.40  | 186.80        | 467.00                  |

**SIP 9 –Time costs analysis (17/07/2020 to 16/01/2021)**

|  | Hours         | Time Cost (£)    | Average Hourly Rate (£) |
|--|---------------|------------------|-------------------------|
| Budgets & Estimated outcome statements                               | 0.30          | 70.80            | 236.00                  |
| Checklist & reviews  | 5.60          | 1,585.00         | 283.04                  |
| Pre-administration checks  | 0.50          | 118.00           | 236.00                  |
| Statutory receipts and payments accounts                             | 0.30          | 97.50            | 325.00                  |
| Strategy documents   | 0.50          | 118.00           | 236.00                  |
| Tax  |               |                  |                         |
| Initial reviews - CT and VAT   | 5.70          | 1,825.80         | 320.32                  |
| Post appointment corporation tax                                     | 16.80         | 5,071.80         | 301.89                  |
| Post appointment VAT   | 2.70          | 884.50           | 327.59                  |
| <b>Creditors</b>   |               |                  |                         |
| Creditors and claims   |               |                  |                         |
| General correspondence   | 7.30          | 2,690.30         | 368.53                  |
| Notification of appointment  | 0.60          | 280.20           | 467.00                  |
| Pre-appointment VAT / PAYE / CT                                      | 0.25          | 59.00            | 236.00                  |
| Secured creditors  | 0.40          | 94.40            | 236.00                  |
| Statutory reports  | 22.80         | 8,241.00         | 361.45                  |
| Employees  |               |                  |                         |
| Pensions reviews   | 0.20          | 93.40            | 467.00                  |
| <b>Investigation</b>   |               |                  |                         |
| Directors  |               |                  |                         |
| D form drafting and submission                                       | 6.10          | 2,834.20         | 464.62                  |
| Directors' questionnaire / checklist                                 | 1.00          | 467.00           | 467.00                  |
| Statement of affairs   | 1.40          | 422.80           | 302.00                  |
| <b>Realisation of assets</b>   |               |                  |                         |
| Asset Realisation  |               |                  |                         |
| Cash and investments   | 0.50          | 310.00           | 620.00                  |
| Health & safety  | 0.30          | 140.10           | 467.00                  |
| Insurance  | 0.10          | 23.60            | 236.00                  |
| Leasehold property   | 1.20          | 283.20           | 236.00                  |
| Sale of business   | 1.05          | 627.00           | 597.14                  |
| <b>Total in period</b>   | <b>104.15</b> | <b>37,154.00</b> | <b>356.74</b>           |
| Brought forward time (appointment date to SIP 9 period start date)   | 0.00          | 0.00             |                         |
| SIP 9 period time (SIP 9 period start date to SIP 9 period end date) | 104.15        | 37,154.00        |                         |
| Carry forward time (appointment date to SIP 9 period end date)       | 104.15        | 37,154.00        |                         |



## Appendix 5      Glossary

|                                       |  |
|---------------------------------------|--|
| <b>ARL</b>                            | Azzurri Restaurants Limited – in Administration  |
| <b>ARIL</b>                           | Azzurri Restaurants Ireland Limited  |
| <b>ATL</b>                            | Azzurri Trading Limited – in Administration  |
| <b>Bridgepoint</b>                    | Bridgepoint Advisers   |
| <b>Company</b>                        | LRA Realisations Limited (formerly Azzurri Central Limited) – in Administration                |
| <b>MDCT</b>                           | MDCT Realisations Limited (formerly CDM Trading Limited) – in Administration                   |
| <b>Group</b>                          | Azzurri Group Limited and its subsidiaries   |
| <b>IP</b>                             | Intellectual property  |
| <b>Joint Administrators/we/our/us</b> | Will Wright, Steve Absolom and Chris Pole  |
| <b>KPMG</b>                           | KPMG LLP   |
| <b>Lenders/Secured Creditor</b>       | A consortium of eight lenders  |
| <b>NDA</b>                            | Non-disclosure agreement   |
| <b>Pre-Pack</b>                       | Pre-packaged transaction   |
| <b>Proposals</b>                      | Joint Administrators' statement of proposals delivered to all known creditors on 31 July 2020. |



|                       |  |
|-----------------------|--|
| <b>The Purchasers</b> | De Facto 2246 Limited  |
|                       | De Facto 2251 Limited  |
|                       | De Facto 2248 Limited  |
|                       | De Facto 2250 Limited  |
|                       | De Facto 2247 Limited  |
| <b>Security Agent</b> | Cooperatieve Rabobank U.A.   |
| <b>SPA</b>            | Sale and purchase agreement  |
| <b>Towerbrook</b>     | Towerbrook Capital Partners  |
| <b>Travers</b>        | Travers Smith LLP  |
| <b>TUPE</b>           | Transfer of Undertakings (Protection of Employment) Regulations 2006 |

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

## Appendix 6      Notice: About this report

This report has been prepared by Will Wright, Steve Absolom and Chris Pole, the Joint Administrators of LRA Realisations Limited (formerly Azzurri Central Limited) – in Administration (the ‘Company’), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This 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 the Company or any other company in the Group.

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 (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

William James Wright and Stephen John Absolom and Christopher Robert Pole are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

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The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, 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 administration.

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