

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Chomette Limited	Company number 03803564
In the High Court of Justice Chancery Division (full name of court)	Court case number 5814 of 2012

(a) Insert full
name(s) and
address(es) of
administrator(s)

We (a)
David M Riley
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

David J Dunckley
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU


*Delete as
applicable

attach a copy of our proposals in respect of the administration of the above company

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

(b) 4 September 2012

Signed


Joint Administrator

Dated

5.09.12

Contact Details.

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

The contact information that you give will be visible to researchers of the public record

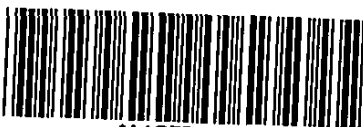
David M Riley
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

DX Number

020 7184 4300
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

FRIDAY



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A27

07/09/2012

#201

COMPANIES HOUSE

Our Ref DMR/ZLC/ALO/EZF/C01407/PF7

To the creditors

Recovery and Reorganisation

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB

T +44 (0)161 953 6900
F +44 (0)161 953 6405
www.grantthornton.co.uk

3 September 2012

Dear Sirs

Chomette Limited - In Administration High Court of Justice Chancery Division Case Number 5814 of 2012

1 Introduction

- 1.1 Following our appointment as joint administrators of the above company by the Director on 16 July 2012, David Riley and I are submitting our proposals pursuant to paragraph 49(1) of Schedule B1 to the Insolvency Act 1986 for achieving the objectives of the administration
- 1.2 This report contains the information required by Rule 2.33 of the Insolvency Rules 1986
- 1.3 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them

2 Statutory information

- 2.1 The company's statutory details are as follows

Registered number	03803564
Date of incorporation	5 July 1999
Registered office	c/o Grant Thornton UK LLP 4 Hardman Square Spinningfields Manchester M3 3EB
Authorised share capital	943,750
Issued Share Capital	943,750
Director	Shareholding
Bernadette Considine	Nil
Secretary	Shareholding
None	Nil

Chartered Accountants

Member firm within Grant Thornton International Ltd

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales No. OC307742 Registered office: Grant Thornton House, Melford Street, Euston Square, London NW1 2EP

A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business

- 2.2 The administration constitutes 'main proceedings' under the EC Regulation on Insolvency Proceedings

3 Background to administrators' appointment

- 3.1 The company imports chinaware, glassware and kitchenware principally supplying to retailers, distributors, hotels and restaurants in the UK and Ireland and was incorporated in 1999. The company trades from its head office and showroom in Wimbledon, as well as a storage facility in Peterborough.
- 3.2 In December 2011, two directors resigned and Bernadette Considine was appointed as sole director with an agreement to purchase the Company's shareholding. The shares are currently held with Minshaw Limited, of which Ms Considine is the sole director, and have yet to be paid for in full.
- 3.3 Grant Thornton UK LLP (the Firm) was first consulted by HSBC Invoice Finance (HSBCIF) and HSBC Bank plc (HSBC), who hold qualifying floating charges over the assets of the company, on 30 May 2012, with a view to the Firm giving advice on the company's financial position. On 21 June 2012 the Firm was further instructed by the company to provide assistance in assessing the potential sale of the business and consideration of options available to the company.
- 3.4 Prior to that consultation, neither we nor the firm had any dealings or involvement with the company or its Director.
- 3.5 Prior to the Firm's engagement by the company's Director, HM Revenue & Customs had attended at the company's premises to instigate recovery proceedings in respect of outstanding PAYE and VAT. Following our investigations it became apparent that the company was not able to manage on its existing working capital lines without significant investment and, as such, the company sought to progress a sale of business.
- 3.6 Despite initial interest from a number of parties a sale of business could not be achieved.
- 3.7 Having considered all the options, the Director concluded that the best route for the company was for it to be placed into administration and subsequently, on 16 July 2012 made the direct appointment of administrators in accordance with paragraph 22 of Schedule B1 to the Insolvency Act 1986.
- 3.8 The objective of an administration is to rescue the company as a going concern or to achieve a better result for the company's creditors as a whole than would be likely if the company were wound up, or if neither of these is reasonably practicable, to realise property in order to make a distribution to one or more secured or preferential creditors.

4 Assets and liabilities

- 4.1 The director has been requested to prepare a statement of affairs of the company, but has not yet done so. An estimate of the financial position of the company is attached at Appendix A, together with a list of the names and addresses of the creditors, the amount of their debts and details of any security held.

Assets

- 4 2 At the date of appointment, the principal asset of the company was its stockholding, consisting of chinaware, glassware and kitchenware (c £1.2m at cost), as well as a sales ledger totalling c £1.2m as detailed below. HSBCIF has security over the sales ledger and any surplus from the ledger has been assigned to HSBC by the company.
- 4 3 The company also has a 10% shareholding in Pullivuyt spa, a French registered company who supply porcelain and glass to the company. Solicitors for the administrators are currently reviewing the documentation relating to the shareholding and at present a value cannot be applied to this asset.
- 4 4 There are also chattel assets including fixtures and fittings and computer equipment as well as motor vehicles.

Liabilities

- 4 5 At the date of appointment a number of employees had outstanding claims for arrears of salary and wages. Accordingly, employees will have preferential claims for these arrears up to the statutory limit.
- 4 6 There are two secured creditors. HSBCII holds a fixed charge over the company's book debts and a floating charge over the company assets. Both charges are dated 31 December 2007 and at the date of appointment HSBCIF were owed £328k.
- 4 7 HSBC holds a fixed and floating charge over the company's assets dated 10 September 1999 and at the date of appointment were owed £434k. HSBC also has the benefit of a legal assignment from the company for any surplus funds available from the sales ledger.
- 4 8 It is anticipated that the secured creditors will be paid in full, accordingly details of the prescribed part of the company's net property under Section 176A of the Insolvency Act 1986, have not been included in Appendix A.
- 4 9 On present information it is anticipated that the secured creditors will be paid in full and as such a distribution to unsecured creditors will be made. This will be dependent upon on-going collection of the book debts and the sale of the company's stock.

5 Conduct of the administration

- 5 1 Upon the appointment of the joint administrators we immediately attended the company's head office and showroom in Wimbledon, as well as the storage facility in Peterborough. The first priority was to secure and insure the assets of the company.
- 5 2 We instructed our agents Winterhill Largo plc to attend the premises to prepare an inventory and valuation of the stock held.
- 5 3 Following our appointment meetings were held with all of the company's 29 employees and following a review of the staffing requirements 18 of the 29 staff were made redundant.

- 5.4 The joint administrators continued to seek a sale of the business as a going concern. Whilst meetings and discussions were held with a number of parties, unfortunately, a sale could not be achieved.
- 5.5 The obstacle to a sale was principally due to interested parties seeking what were considered unrealistic assurances that continued service from key suppliers would be forthcoming in order to preserve the company's supply chain. The rescue of the company cannot be achieved because, despite the marketing of the company, a sale to an interested party could not be achieved.
- 5.6 Accordingly, the joint administrators have adopted a strategy of an orderly wind-down by way of disposing of the stock to the company's existing customer base. This is in order to maximise the realisable value of the stock for the benefit of the creditors, as well as, assisting with the preservation and recovery of the company's sales ledger.
- 5.7 To date, c. £320k of orders have been completed and where possible paid for on a pro-forma basis.
- 5.8 A summary of the administrators' receipts and payments account covering the period 16 July 2012 to 30 August 2012 is attached at Appendix B.
- 5.9 Some receipts have been credited to HSBCIF's bank account or the company's pre-appointment account in error. The joint administrators are currently reconciling these receipts so that they can be transferred to the appropriate bank account and hence will not be showing in the Receipt and Payments summary.

6 Proposals for achieving the objective of the administration

- 6.1 In accordance with paragraph 3(3) of Schedule B1 to the Insolvency Act 1986, the joint administrators must perform their functions with the objective of,
1. rescue the Company as a going concern, or
 2. to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration) or,
 3. to realise property in order to make a distribution to one or more secured or preferential creditors.
- 6.2 The joint administrators will pursue the objective of achieving a better result for the creditors as a whole than would be likely if the Company were wound up first. This objective will be achieved by continuing to manage the business of the Company for as long as it is appropriate in attempting a more advantageous realisation of assets.
- 6.3 It is proposed that the administration will end by the company going into creditors' voluntary liquidation, or if there are no monies available for unsecured creditors, by the dissolution of the company. If the company is placed into creditors' voluntary liquidation, it is proposed that the administrators in office at that date will be appointed liquidators, any act in the liquidation to be done by any one or more of the liquidators. However, creditors may

nominate a different liquidator or liquidators if nomination to that effect is received before the approval of these proposals

7 Administrators' remuneration and disbursements

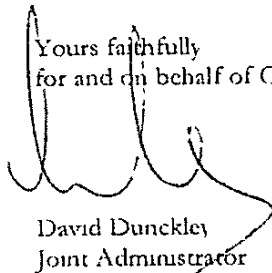
- 7.1 The creditors' committee, if appointed, should determine the basis of the administrators' remuneration. If a committee is not appointed, a resolution of the creditors will be required
- 7.2 Pre-administration costs unpaid at the date of appointment of the administrators may also be approved by the creditors' committee or creditors under Rule 2.67A to rank as an expense of the administration. Approval of the statement of proposals does not constitute approval either of the administrators' remuneration or of unpaid pre-administration costs
- 7.3 Pre-administration costs in respect of our solicitors, Eversheds LLP, in the sum of £5,310.00 (plus VAT) have been incurred. This sum covers the work undertaken to progress the appointment of joint administrators as well as reviewing HSBCIF and HSBC's security
- 7.4 Pre-administration costs total £19,269. The sum of £10k (plus VAT), incurred by the administrators has been approved by HSBCIF and will be paid from fixed charge realisations. This work includes work undertaken in advising and assisting HSBCIF with adopting a strategy to protect and assist with the collection of the sales ledger. The joint administrators will seek approval from the creditors for further pre-appointment costs, in the sum of £9,269 (plus VAT), which relate to placing the company into administration
- 7.5 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively, we will supply this information by post on request
- 7.6 The administrators will request that their remuneration be calculated according to the time properly given by the administrators and their staff in attending to matters arising in the administration. Time is charged in 6 minute units
- 7.7 The administrators will charge out of pocket expenses at cost. Mileage is charged at standard rates which comply with HMRC limits or AA recommended rates. VAT is added to disbursement charges as necessary
- 7.8 Payments of the administrators' remuneration and disbursements are to be met from funds held in the administration in priority to the claims of creditors, and, after approval of the basis, the administrators may draw sums on account
- 7.9 Post appointment time costs to date amount to £112,208. An analysis of time in accordance with Statement of Insolvency Practice 9 is attached at Appendix C

8 Meeting of creditors

- 8.1 A meeting of creditors, pursuant to paragraph 51 of Schedule B1 to the Insolvency Act 1986 will be held on 21 September 2012 at 11am at the offices of Grant Thornton UK LLP, 30 Finsbury Square, London EC2P. Formal notice of the creditors meeting is enclosed.
- 8.2 A proxy form is enclosed which should be completed and returned to me by 20 September 2012 if you cannot attend the meeting and wish to be represented.
- 8.3 In order to be entitled to vote under Rule 2.38 at the meeting you must give me, not later than 1200 hours on 20 September 2012 details in writing of your claim. A proof of debt for completion and documents supporting your claim should also be forwarded to me.

Should you have any queries regarding this matter, please contact Matthew Drinkwater on 0161 953 6386.

Yours faithfully
for and on behalf of Chomette Limited



David Dunckley
Joint Administrator

The affairs, business and property of Chomette Limited are being managed by David M Rilev and David J Dunckley, appointed as joint administrators on 16 July 2012.

CHOMETTE LIMITED - ESTIMATED STATEMENT OF AFFAIRS

A - Summary of Assets

Assets

Assets specifically pledged

Book Debts

Less due to HSBC Invoice Finance (UK) Limited

Estimated surplus (assigned to HSBC Bank plc)

Less due to HSBC Bank plc

Fixed charge surplus

Assets subject to floating charge

Stock

Investments

Leasehold property

Plant & machinery and office equipment

Fixtures & fittings

Motor vehicles

Employee benefit trust

Prepayments

Fixed charge surplus

Estimated total assets available for preferential creditors

Book value	Estimated to realise
£	£
1,061,000	798,000
1,061,000	798,000
(328,000)	(328,000)
-	(328,000)
733,000	470,000
(434,000)	(434,000)
-	36,000
1,200,000	120,000
272,000	Uncertain
52,000	-
67,000	5,000
9,000	-
12,000	9,000
65,000	-
187,000	-
-	36,000
-	170,000

CHOMETTE LIMITED - STATEMENT OF AFFAIRS

A2 - Summary of Liabilities

Estimated total assets available for preferential creditors	170,000 00
Liabilities	
Preferential creditors	(29,000.00)
Estimated surplus as regards preferential creditors	<u>141,000 00</u>
Estimated prescribed part of net property where applicable	-
Estimated total assets available for floating charge holders	<u>141,000 00</u>
Debts secured by floating charge	-
Estimated shortfall of assets after floating charges	<u>-</u>
Estimated prescribed part of net property brought down	-
Total assets available to unsecured creditors	<u>141,000 00</u>
Unsecured non preferential claims	(758,937 12)
Estimated deficiency as regards non preferential creditors	<u>(617,937 12)</u>
Shortfall to floating charge creditors	-
Estimated deficiency as regards creditors	<u>(617,937 12)</u>
Issued and called up capital	943,750 00
Estimated deficiency as regards members	<u>(1,561,687 12)</u>

Chomette Limited - in administration
 Receipts and payments account
 from 16 July 2012 to 3 September 2012

	Statement of affairs £	Total £
Receipts		
Book Debts		6,162 11
Sales		135,527 10
Exd Ch VAT on Sales		14,082 17
		<u>155,771 38</u>
Payments		
Expenses		157 36
Carriage		5,314 79
Refunds		574 01
Net Wages		31,183 52
II/Phone Charges		648 52
Purchases		2,040 97
PAYE / NI		10,729 12
Commission		14,419 91
Rent		7,332 52
Bank Charges		1,016 70
Statutory Advertising		76 50
Other Property Expenses		133 57
Vat on Purchases		42 01
Exd Ch VAT on Purchases		3,360 86
		<u>77,030 36</u>
Balance - 3 September 2012		<u><u>78,741.02</u></u>
Made up as follows		
Fixed Current Account		78,741 02
		<u><u>78,741 02</u></u>

Chomette Limited - in Administration - C30201407 - SIP 9 TIME COST ANALYSIS

Job(s) Administration, CMU

Transaction period All transactions

Export version

Standard	Partner		Manager		Executive		Administrator		Total		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Avg Hrly Rate
Administration and Planning	11 45	5,496 00	4 60	1,958 00	84 45	21,351 00	29 50	4,281 50	130 00	33,086 50	254 51
Creditors	5 50	2,640 00	20 30	8,932 00	19 30	5,403 00			45 10	16,975 00	376 39
Hiatus period											
Investigations			2 30	1,012 00	2 20	627 00			4 50	1,639 00	364 22
Realisation of Assets	2 75	1,320 00	40 60	17,864 00	39 90	11,274 00			83 25	30,458 00	365 86
Trading			25	93 75	107 90	29,956 50			108 15	30,050 25	277 86
Total	19 70	9,456 00	68 05	29,859 75	253 75	68,611 50	29 50	4,281 50	371 00	112,208 75	302 45

Total fees billed to date (Time) £

Rule 2 35

Notice of a meeting of Creditors

Name of Company Chomette Limited	Company number 03803564
In the High Court of Justice Chancery Division (full name of court)	Court case number 5814 of 2012

(a) Insert full name(s)
and address(es) of
administrator(s)

Notice is hereby given by (a)
David M Riley
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

David J Dunckley
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

(b) Insert full name and
address of registered
office of the company

that a meeting of creditors of (b)

Chomette Limited
4 Hardman Square
Spinningfields
Manchester
M3 3EB

(c) Insert details of place
of meeting

is to be held at (c)

(c) Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

(d) Insert date and time
of meeting

on (d) 21 September 2012

at 11 00am

The meeting is

*Delete as applicable

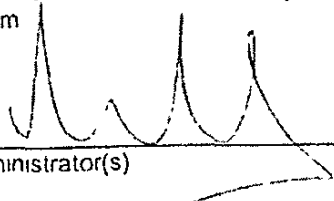
- * (1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ('the schedule')
~~* (2) an initial creditors' meeting requested under paragraph 52(2) of the Schedule~~
~~* (3) to consider revisions to my proposals under paragraph 54(2) of the Schedule~~
~~* (4) a further creditors' meeting under paragraph 55 of the Schedule~~
~~* (5) a creditors' meeting under paragraph 62 of the Schedule~~

I invite you to attend the above meeting

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented

In order to be entitled to vote under Rule 2 38 at the meeting you must give to me, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of your claim

Signed



Joint / Administrator(s)

DAVID DUNCKLEY

Dated

04/09/12

*Delete as applicable

A copy of the *proposals/ revised proposals is attached

PROOF OF DEBT

Chomette Limited - In Administration

In The 5814 Of 2012

Date of Administration: 16 July 2012

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration (see above)	
4	Details of any documents by reference to which the debt can be substantiated [Note: the Administrator may call for any document or evidence to substantiate the claim at his discretion]	
5	If total amount above includes outstanding uncapitalised interest please state the amount	
6	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under Section 386 of and schedule 6 to the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	<p>Category</p> <p>Amount(s) claimed as preferential £</p>
7	Particulars of how and when debt incurred	
8	Particulars of any security held, the value of the security and the date it was given	
9	Particulars of any reservation of title claimed including details of goods supplied their value and when supplied	
10	<p>Signature of creditor or person authorised to act on his behalf</p> <p>Name in BLOCK LETTERS</p> <p>Position with or relation to creditor</p>	<p>_____</p> <p>_____</p> <p>_____</p>

Proxy (Administration)

Chomette Limited

Name of Creditor _____

Address _____

Name of Proxy Holder

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

1 _____

2 _____

3 _____

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 21 September 2012, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)

Voting Instructions for resolutions

*Please delete as appropriate

1 For the acceptance/rejection* of the administrator's proposals/revised proposals* as circulated

2 For the appointment of

of

representing

as a member of the creditors' committee

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature

Remember there may be resolutions on the other side of this form

Gazette advertisement of initial creditors' meeting
Para 51 Schedule B1 Insolvency Act 1986

Company name	Chomette Limited
Company number	03803564
Registered office	4 Hardman Square, Spinningfields, Manchester, M3 3EB
Principal trading address	307 Merton Street, London, SW18 5JS
Registered name(s) in previous 12 months	N/a
Trading name(s)	Chomette Ltd
Nature of business	Wholesale of china, wallpaper and glassware
Name of office holder 1	David M Riley
Office holder number 1	8959
Name of office holder 2	David J Dunckley
Office holder number 2	9467
Address of office holder(s)	30 Finsbury Square, London, EC2P 2YU
Capacity of office holder(s)	Joint Administrator
Email address or phone number	0161 953 6379
Name of alternative contact	Alison Orrell
Date of Appointment	16 July 2012
Court name and case number	High Court of Justice Chancery Division/5814 of 2012

An initial creditors' meeting is to take place at 11 00am at the offices of Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU on 21 September 2012 for the purpose of considering the administrators' statement of proposals and to consider establishing a creditors' committee. If no creditors' committee is formed at this meeting a resolution may be taken to fix the basis of the administrators' remuneration.

A creditor wishing to vote must give to the administrators, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of the debt which he claims to be due to him and must lodge with the administrators any proxy which he intends to be used on his behalf.