

**Liquidator's Progress  
Report****S.192****Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

03997571

Name of Company

Bramwell Pubs and Bars Limited

We  
A O'Keefe  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

K J Coates and P M Saville  
6 New Street Square  
London  
EC4A 3BF

the liquidators of the company attach a copy of our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 05/05/2015 to 04/05/2016

Signed



Date

16.6.16.

AlixPartners  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

Ref 11252-004/MCB/COK/JEC/SAD/BHOLL/MTA

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# Liquidators' Progress Report for the period 5 May 2015 to 4 May 2016

Bramwell Pubs and Bars Limited  
In Liquidation

16 June 2016

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## **1 Why this report has been prepared**

- 1 1 As you will be aware Anne O'Keefe, Kevin Coates and Peter Saville (the Liquidators) were appointed on 5 May 2015
- 1 2 In accordance with UK insolvency legislation, a liquidator is required to provide a progress report covering the period of 12 months commencing on the date on which a company entered into liquidation and every subsequent period of 12 months. This progress report covers the period 5 May 2015 to 4 May 2016 (the Period) and this report should be read in conjunction with all previous reports.
- 1 3 This report has been prepared in accordance with rule 4.49C of the Insolvency Rules 1986
- 1 4 The purpose of this report is to provide statutory and financial information about the Company and to provide an update on the progress of the Liquidation, including details of assets realised during the Period, details regarding the Liquidators' fees and the expected outcome for each class of creditor
- 1.5 Details of the Liquidators' fees and costs incurred are detailed at Appendix C to D
- 1 6 More information relating to the Liquidation process, Liquidators' fees and creditors' rights can be found on AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received
- 1 7 If you require a hard copy of this report or have any queries in relation to its contents or the Liquidation generally, please contact Jenna Carr on 0161 838 4553, by email at [creditorreports@alixpartners.com](mailto:creditorreports@alixpartners.com), or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB

## 2 Summary information for creditors

### Estimated dividend distributions

Description	Agreed debt £	Estimated/actual level of return £ or pence/£
Secured creditor	47,434,588	35,084,000
Unsecured creditors	9,685,016	3 8 pence in the pound

#### Notes:

At the start of the preceding Administration, the secured creditor was owed a total of £47.43 million. Distributions totalling £33.65 million were made in the Administration and the secured creditor has received a further £600,000 to date during the Liquidation. The final distribution is dependent upon the settlement of the lease assignment, as detailed in section 3.3

Unsecured creditor claims were agreed at £9.69 million and funds totalling £367,001 were available after costs. A first and final dividend of 3.8 pence in the pound was distributed to the unsecured creditors on 8 April 2016.

In respect of unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution are split on a pro-rata basis amongst these creditors, regardless of the size of their claims.

For further information please refer to section 5 of this report.

### **3 Progress of the Liquidation**

- 3 1 Attached at Appendix B is the Liquidators' Receipts and Payments Account for the Period. With the exception of legal fees in the sum of £160 and the Liquidators' fees and disbursements, all costs incurred in the Period have been paid.
- 3 2 In addition to their primary role of realising the assets of the Company and distributing them to creditors in accordance with their statutory priorities, the Liquidators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Liquidators have set out information in respect of the progress of these duties in addition to that of the realisation of assets and distribution of available funds. The detail provided is intended to provide users of this report with information to allow them to understand how the Liquidators' fees and expenses as set out in Appendix C have been incurred.

#### **Realisation of assets**

##### **Pubs**

- 3 3 As previously reported, there remains one lease to be assigned to Stonegate Pub Company Limited following its purchase of 78 pubs in the Administration. This matter has been protracted due to prolonged lapses in communication from the other parties involved in the assignment process, with regards to the settlement of rent arrears and dilapidations, as well as dealing with professional costs. A settlement agreement has been finalised and it is anticipated that the assignment will complete by the end of June 2016. The outcome of this matter will have no impact on the position of the unsecured creditors.
- 3 4 The leases of the pubs which were not sold during the Administration, and where informal surrenders had not been accepted by the landlords, have all now been disclaimed.

##### **Trading**

- 3 5 A trading loss of £67,537 was detailed in the Administrators' Final Progress Report. Following conclusion of all trading matters, discussions with HMRC regarding the amount due in respect of Machine Games Duty continued during the Liquidation. A payment of £62,525 was made during the Period in full settlement of this liability. As such, the final trading loss was £130,062.
- 3 6 During the Period, correspondence has been received from HMRC advising that a large sum of VAT receivable due to the Company had been offset against overdue PAYE for periods during 2014 and 2015. On review of the information provided by HMRC, and in conjunction with the records of payments in relation to these periods, the amount to be offset was disputed in full by the Liquidators.
- 3 7 HMRC was unable to evidence its conclusion that an amount of PAYE was outstanding, therefore this amount was deducted from the dividend paid in respect of HMRC's unsecured claim.

##### **Other**

- 3 8 During the Period, rates refunds totalling £96,615 have been received. No further funds are expected in this regard.
- 3 9 Bank interest of £1,095 has been received in the Period.
- 3 10 A total of £783 has been received in the Period relating to utility refunds.

### **Administration (including statutory reporting)**

- 3 11 In addition to their duties relating to realising and distributing the assets of the Company, the Liquidators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986. These include, notifying the stakeholders of the appointment and preparing annual reports to creditors advising of the progress of the Liquidation. The Liquidators are responsible for liaising with HMRC to determine the final position in respect of corporation tax, PAYE, VAT and other taxes that may be owed by or to the Company, and for filing tax returns for the duration of the Liquidation.
- 3 12 In order to ensure the matters of the Liquidation are being progressed sufficiently, the Liquidators have a duty to conduct periodic case reviews and complete case checklists. In addition, the Liquidators' treasury function will also comply with cash accounting requirements including raising payments, processing journal vouchers and posting receipts, preparing bank reconciliations and statutory returns.
- 3 13 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex.

### **Creditors (claims and distribution)**

- 3.14 During the course of the Liquidation and preceding Administration, unsecured creditors were invited to provide details of their claims. Any claims received were recorded and held on file until such time as the Liquidators were in a position to make a dividend to unsecured creditors.
- 3 15 Claims totaling £16.43 million were received from 323 creditors including suppliers, landlords, utility companies and rating authorities. These claims were reviewed and agreed, or further information requested in support of the claim where the backing supplied was not sufficient.
- 3 16 The Liquidators also reviewed the claims of the 582 employees to ascertain whether any unsecured claims existed and reconciled these claims against the records held by the Redundancy Payments Service.
- 3 17 Ultimately, claims totaling £9.69 million were agreed for dividend purposes. Details of the estimated outcome for creditors can be found in section 5.

### **Outstanding matters**

- 3 18 Upon completion of the assignment detailed in section 3.3, the Administrators will finalise all costs of the Liquidation and issue a final distribution to the secured creditor, before moving the case to closure and calling the final meetings of members and creditors. It is anticipated that the final meetings will be held within the next three to four months.

## **4 Investigations**

- 4.1** The Liquidators conducted investigations into the conduct of the directors and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administrations and Insolvent Liquidations. Based upon the outcome of the investigations, there were no matters identified that required further action.



## 5 Estimated outcome for creditors

### Secured creditor – The Royal Bank of Scotland Plc as security agent (the Agent)

- 5.1 The Company granted fixed and floating charges to the Agent on 27 September 2012. Individual charges were also granted by the Company to the Agent over specific pubs. As previously advised, the Agent is a security agent for the two secured funders, Apollo Management International LLP and Varde Investment Partners. At the date of the Administrators' appointment, a total of £47.43 million, (excluding interest and accrued charges) was owed under its securities.
- 5.2 Distributions in the preceding Administration totalled £33.65 million. A further £600,000 has been distributed in the Period. A final distribution will be made on conclusion of the lease assignment and associated costs, as detailed in section 3.3. It is estimated that the secured creditor will suffer a shortfall.

### Preferential creditors

- 5.3 Preferential creditors were owed £85,713. They received a dividend of 100 pence in the pound on 11 December 2014 during the preceding Administration.

### Unsecured Creditors' Fund

- 5.4 Where there is a floating charge which was created on or after 15 September 2003, the Liquidators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'Prescribed Part'.
- 5.5 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Liquidators were required to create an Unsecured Creditors' Fund.
- 5.6 The value of the Company's net floating charge property was £2.06 million. Arising from this, the amount available for distribution, after costs, was £367,001. Claims were agreed from 314 unsecured creditors, who were owed a total of £9.69 million. A first and final dividend of 3.8 pence in the pound has been distributed to this class of creditor.

### Unclaimed dividends

- 5.7 All cheques paid to unsecured creditors should be banked as soon as possible, and in any event must be banked within six months of the date of the cheque. Any cheques which have not cleared by 8 October 2016 will be cancelled and the proceeds will be forwarded to The Insolvency Service, Estate Accounts Directorate, Unclaimed Monies Team, PO Box 3690, Birmingham B2 4UY.
- 5.8 If your cheque is cancelled on or after this date, please allow ten working days to pass before submitting a claim to The Insolvency Service. To make a claim, creditors should contact the Insolvency Service by email at: [eaips.unclaimed@insolvency.gov.uk](mailto:eaips.unclaimed@insolvency.gov.uk) and put **Bramwell Pubs and Bars Limited** as the subject.

- 5 9     The transfer of responsibility to the Insolvency Service is a routine step which requires Liquidators of an insolvent company to transfer unclaimed dividends to the agency six months after the cheques were issued. The agency will hold the funds for the subsequent six years, after which it will return any money that remains unclaimed to HM Treasury, however, this does not affect creditors' rights to claim funds after the six years has passed.

## 6 What happens next

### Creditors' rights

- 6.1 Within 21 days of the receipt of the report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Liquidators provide further information about their fees or expenses which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this progress report, make an application to court on the grounds that the basis fixed for the Liquidators' fees is inappropriate, or that the fees or the expenses incurred by the Liquidators as set out in this progress report are excessive.

### Next report

- 6.3 The Liquidators are required to provide a progress report within two months of the end of the next year of the Liquidation. If the Liquidation has been completed before then, a final meeting will be called, and a draft report circulated before that meeting.

Yours faithfully



Anne O'Keefe  
Liquidator

Encs

## Appendix A. Statutory information

### Company information

Company name	Bramwell Pubs and Bars Limited
Registered number	03997571
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Lunar House, Fieldhouse Lane, Globe Park, Buckinghamshire, SL7 1LW
Trading address	Various – please see the Administrators' previous reports
Trading name	Various – please see the Administrators' previous reports

### Liquidators' information

Name	Address	IP number	Name of authorising body
Anne Clare O'Keefe	c/o AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	008375	Insolvency Practitioners Association
Kevin James Coates	c/o AlixPartners, 6 New Street Square, London, EC4A 3BF	009261	Insolvency Practitioners Association
Peter Mark Saville	c/o AlixPartners, 6 New Street Square, London, EC4A 3BF	009029	Insolvency Practitioners Association

### Other relevant information

Creditors approved in the preceding Administration that any act required or authorised to be done by the Liquidators may be done by all or any one or more of them

## Appendix B. Receipts and Payments Account for the period 5 May 2015 to 4 May 2016

	£
<b>Fixed charge assets</b>	
Receipts	
Surplus from Administration	697,510
Bank interest	513
	<b>698,023</b>
Payments	
Final Administrators' fees	23,000
Liquidators' fees	13,000
Legal fees	19,845
Legal disbursements	305
Bank charges	19
	<b>(56,169)</b>
Distributions	
Fixed chargeholder	250,000
	<b>(250,000)</b>
<b>Balance of fixed charge assets</b>	<b>391,854</b>

Statement of Insolvency Practice 7 states the headings used in the Receipts and Payments Account should follow those used in any prior statement of affairs (SOA) or estimated outcome statement.

The SOA was provided by the Company's directors at the commencement of the Administration and provided estimated to realise values for the categories of assets to be realised

The receipts above represent funds passed into Liquidation from the Administration, and as such, a meaningful comparison to the SOA by category cannot be made.

	£
<b>Floating charge assets</b>	
Receipts	
Surplus from Administration	1,143,965
Rates refunds	96,615
Sundry receipts	783
Bank interest	582
	<b>1,241,945</b>
Payments	
Final Administrators' fees	67,834
Category 1 disbursements	
Stationery and postage	137
Telephone charges	5
Liquidators' fees	
General	84,000
Unsecured Creditors' Fund	45,000
Category 1 disbursements	
Statutory advertising	169
Stationery and postage	4,126
Category 2 disbursements	
Photocopying and printing	274
Debt collection fees	13,356
Payroll agents' fees	685
Game rent	11,914
Machine Games Duty	62,525
Insurance of assets	112,210
Pre-appointment deposit refund	11,500
Sundry expenses	983
Bank charges	45
	<b>(414,763)</b>
Distributions	
Floating chargeholder	350,000
Unsecured creditors	
3 81p/£, 08/04/2016	367,001
	<b>(717,001)</b>
<b>Balance of floating charge assets</b>	<b>110,181</b>
<b>Total balance</b>	<b>502,035</b>
<b>Represented by</b>	
Interest bearing accounts	472,673
VAT receivable	29,362
	<b>502,035</b>

Note The above is subject to small rounding differences

## Appendix C. Liquidators' fees, details of time spent and disbursements

A copy of 'A Creditors' Guide to Liquidations' can be downloaded from AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>) If you would prefer this to be sent to you in hard copy please contact the Liquidators and they will forward a copy to you

Where a company which is in administration moves into winding up under paragraph 83 of schedule B1 to the Insolvency Act 1986, and the administrator becomes the liquidator, the basis of fees fixed in the administration automatically applies in the subsequent Liquidation. The basis agreed is by reference to the time properly spent by the Liquidators and their staff on matters arising in the Liquidation

To date, Liquidators' fees of £142,000 have been drawn on account. Of this amount, £45,000 was paid from the Unsecured Creditors' Fund in relation to the costs of agreeing the claims of the unsecured creditors and making the distribution. Final Administrators' fees totalling £90,834 have also been drawn in the Period

### Liquidators' details of time spent to date

The Liquidators' time costs for the Period are £152,128. This represents 530 hours at an average rate of £287 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity

	Employee grade (hours)				Hours incurred	Cost incurred	Average rate per hour
	Managing director Director	Associate director Senior associate	Associate of analyst	Junior analyst support			
<b>Administration and planning</b>							
Planning	-	0.8	-	-	0.8	240.00	480
Strategy and control	13.5	3.7	3.4	3.8	24.4	12,062.00	492
Statutory duties	0.1	2.5	-	1.7	4.3	1,834.00	357
Case administration	0.2	2.0	2.9	17.4	22.5	8,829.00	246
Accounting and treasury	1.6	3.8	14.1	48.5	68.0	16,583.00	237
Internal documentation	0.1	-	1.1	5.2	6.4	1,490.00	228
<b>Investigations</b>							
Director conduct reports	0.4	0.5	0.3	0.3	1.5	655.00	437
Other investigations	-	-	-	1.8	1.8	346.00	200
<b>Realisation of assets – fixed charge</b>							
Asset realisation strategy	-	-	0.1	-	0.1	35.00	330
Asset identification and valuation	-	-	0.2	1.4	1.6	360.00	219
Sale of assets	-	34.0	-	-	34.0	14,654.00	432
Recovery of assets	-	-	-	1.1	1.1	220.00	200
Dealing with third party assets	-	-	2.8	4.1	6.9	1,839.00	262
Asset accounting and administration	0.2	1.0	1.9	13.2	16.3	3,735.00	228
<b>Realisation of assets – floating charge</b>							
Asset realisation strategy	-	-	0.2	-	0.2	76.00	330
Asset identification and valuation	-	-	-	0.8	0.8	186.00	200
Sale of assets	-	2.0	-	-	2.0	926.00	460
Recovery of assets	-	4.7	0.7	1.3	6.7	2,683.00	400
Dealing with third party assets	-	30.4	1.8	22.7	54.9	18,225.00	332
Asset accounting and administration	1.0	-	1.1	21.1	23.2	4,834.00	208
<b>Creditors</b>							
Creditor claims	-	-	-	2.0	2.0	400.00	200
Creditor strategy	-	-	-	1.2	1.2	240.00	200
Reporting to creditors	1.0	8.8	4.0	8.1	22.7	7,842.00	345
Secured creditors	-	18.1	7.7	-	25.8	11,491.00	428
Preferential creditors	-	-	-	1.8	1.8	284.00	168
Unsecured creditors	0.4	12.8	21.5	152.3	187.0	48,194.00	254
Employees	-	8.2	0.3	2.7	11.2	737.00	230
<b>Totals</b>	<b>18.8</b>	<b>128.8</b>	<b>63.9</b>	<b>226.4</b>	<b>629.4</b>	<b>152,128.00</b>	<b>237</b>

Details of the progress of the Liquidation to date, and matters that are outstanding or partially complete, together with an explanation of why the work was undertaken are set out in section 3

### Disbursements

Category 1 disbursements of £4,295 have been drawn on account. Approval to draw category 2 disbursements has carried over from the Administration and £274 has been drawn in relation to the category 2 disbursements detailed in Appendix D

## **Appendix D. Additional information in relation to the Liquidators' fees pursuant to Statement of Insolvency Practice 9**

### **Policy**

Detailed below is AlixPartners' policy in relation to:

- staff allocation and the use of sub-contractors,
- professional advisors; and
- disbursements

### **Staff allocation and the use of sub-contractors**

The Liquidators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a managing director, an associate director or a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Liquidators' charge-out rate schedule overleaf provides details of all grades of staff

With regard to support staff, time spent by cashiers in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution

The following services are being provided on this assignment by external sub-contractors

Service type	Service provider	Basis of fee arrangement	Cost to date £
Rates rebates and refunds	Consultium Property Limited	20% of collections	492
Rates rebates and refunds	Gerald Eve LLP	15 p of collections	12,864

### **Professional advisors**

On this assignment the Liquidators have used the professional advisors listed below. The Liquidators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis

Name of professional advisor	Basis of fee arrangement
Dentons UKMEA LLP (legal advice)	Hourly rate and disbursements
Brodies LLP (legal advice)	Hourly rate and disbursements
Willis Towers Watson Limited (insurance)	Risk based premium

The Liquidators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.



## Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Liquidators and their staff will also be chargeable.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include:

- photocopying – charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying,
- printing – charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour; and
- business mileage for staff travel - charged at the rate of 45 pence per mile

## Charge-out rates

A schedule of AlixPartners' charge-out rates for this assignment effective from 1 February 2016 is detailed below, together with those applicable prior to that date. Time is charged by managing directors and case staff in units of six minutes.

Description £	Rates from 1 February 2016	Description £	Rates pre 1 February 2016
Managing director 1	490	Managing director 1	490
Managing director 2	450	Managing director 2	450
Director	430	Director	430
Associate director	370	Associate director	360
Senior associate	295	Senior associate	295
Associate	260	Associate	260
Analyst	240	Analyst	230
Junior analyst	150	Junior analyst	150
Senior treasury associate	170	Senior treasury associate	170
Treasury associate	110	Treasury associate	110
Treasury analyst	85	Treasury analyst	85
Support	85	Support	85