

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

Bramwell Pubs and Bars Limited

Company number

03997571

In the High Court of Justice,  
Chancery Division  
Companies Court

(full name of court)

Court case number

7519 of 2013

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

I/We (a)

P M Saville  
Zolfo Cooper  
10 Fleet Place  
London  
EC4M 7RBK J Coates  
Zolfo Cooper  
10 Fleet Place  
London  
EC4M 7RBA C O'Keefe  
Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

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

From

To

(b) Insert date

(b) 1 May 2014

(b) 30 October 2014

Signed

Joint Administrator

Dated

24.11.14

**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

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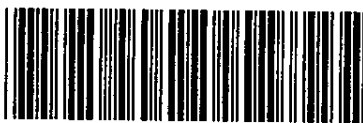
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# **Administrators' Progress Report for the period 1 May 2014 to 30 October 2014**

**Bramwell Pubs and Bars Limited  
In Administration**

**24 November 2014**

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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 Administrators) were appointed on 31 October 2013.
- 1.2** In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which a company entered into administration and every subsequent period of six months. This progress report covers the period 1 May 2014 to 30 October 2014 (the Period) and should be read in conjunction with all previous reports.
- 1.3** This report has been prepared in accordance with rule 2.47 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 Administration, including details of assets realised during the Period, details regarding the Administrators' fees and the expected outcome for each class of creditor.
- 1.5** As a reminder, an administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:
- Objective 1: rescuing a company as a going concern;
  - Objective 2: achieving a better result for a company's creditors as a whole than would be likely if a company were wound up (without first being in administration); or
  - Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.6** In this case the Administrators are pursuing the second statutory objective. Further details on the actions taken to achieve that objective can be found in section 3 of this report.
- 1.7** Details of the Administrators' fees and costs incurred are detailed at Appendices D to H.
- 1.8** More information relating to the Administration process, Administrators' fees and creditors' rights can be found on Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received.
- 1.9** If you require a hard copy of this report or have any queries in relation to the contents of this report or the Administration generally, please contact Kate Wngley on 0161 838 4562, [creditorreports@zolfocooper.eu](mailto:creditorreports@zolfocooper.eu) or write to Zolfo Cooper's office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

## 2 Summary of information for creditors

### Estimated dividend for creditors

Description	Estimated/actual debt £	Likely level of return £ or pence/£
Secured creditor	47,434,588	31,916,000
Preferential creditors	85,695	100 pence in the pound
Unsecured creditors	13,158,021	1 pence in the pound
Shareholders	101	-

### Notes:

The secured creditor has received distributions totalling £31.8 million to date under its fixed and floating charges. Further amounts are expected to be available for distribution, however, the secured creditor will suffer a shortfall.

Preferential creditor claims have been agreed and total £85,695. Sufficient funds are available to enable preferential creditors to be paid in full.

The directors' statement of affairs (SOA) detailed unsecured creditors of £13.2 million. Funds totalling £176,000 are expected to be available to unsecured creditors, which would result in a dividend of one pence in the pound.

Funds available for the unsecured distribution and dividend rate is detailed before taking into account the costs of making the distribution.

In respect of preferential or 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 all creditors of each class, regardless of the size of their claims.

For further information please refer to section 4 of this report.

### 3 Progress of the Administration

- 3.1 Attached at Appendices B and C are the Administrators' Receipts and Payments Account and Trading Receipts and Payments Account for the Period, together with Cumulative Accounts for the period since appointment. Appendix D has details of costs incurred in the Period which have not yet been paid.

#### Administration purpose and strategy

- 3.2 As detailed within the Administrators' Statement of Proposals dated 13 December 2013, the Administrators are pursuing the second statutory objective, to achieve a better result for the Company's creditor as a whole than would be likely if the Company were wound up (without first being in Administration).
- 3.3 This objective has been achieved through sales of the Company's business and assets which have resulted in a significant reduction in preferential and unsecured creditor claims, as the majority of employees have transferred to the purchasers of the pubs.
- 3.4 The Administrators extended the Administration for a period of six months with consent from the secured and preferential creditors, to ensure sufficient time is available assign the remaining leases to the relevant purchasers. The Administration will now automatically end on 30 April 2015.

#### Pubs and trading

- 3.5 As previously reported, the Administrators closed 60 pubs, some of which were traded for a period prior to closure. 5 pubs were subsequently sold and informal surrenders were requested from the landlords of the remainder, of which 13 have been accepted to date.
- 3.6 The deferred consideration of £14 million due following the sale of 78 pubs to Stonegate Pub Company Limited (Stonegate) was received on 15 May 2014 and is allocated below. Of these pubs, negotiations are ongoing in respect of one remaining lease assignment.

Asset	Paid in the Period £	Total amount £
Freehold property	2,168,717	5,266,433
Leasehold property	11,166,856	27,120,094
Intellectual property	4,118	10,000
Goodwill	-	1
Fixtures and fittings	321,204	780,000
IT equipment	2,059	5,000
Stock	337,046	818,470
Contracts	-	1
Trading records	-	1
<b>Total</b>	<b>14,000,000</b>	<b>34,000,000</b>

- 3.7 In order for the lease assignment to complete on certain pubs, Stonegate had to pay rent arrears in the sum of £31,291. This amount was deducted from the amount due to be paid by Stonegate and is shown on the Receipts and Payments Account at Appendix B.
- 3.8 45 pubs have been sold to other purchasers and the leases to 37 have been assigned to date. The remaining 6 are in the process of assignment and will result in additional realisations of £151,000 for leasehold premiums and £22,000 in respect of fixtures and fittings.
- 3.9 The licences to occupy in respect of these properties have been extended whilst negotiations continue with the relevant landlords. A total of £68,500 has been received in the Period in respect of the costs associated with these extensions.
- 3.10 Total realisations of £5.3 million and £29.6 million have been made for the freehold and leasehold pubs, respectively. A total of £25,011 has been received in relation to goodwill in the Period.
- 3.11 LT Pub Management Plc (LTM) is currently finalising the payable ledger in respect of pubs traded under the Administrators' control prior to the completion of sales. There are also sales receipts totalling £351,236 which are still to be reconciled and allocated accordingly.
- 3.12 The Receipts and Payments Account currently shows a trading profit of £198,371 however, once all remaining costs have been finalised, a significant overall trading loss is expected to be incurred.

### **Fixtures and fittings**

- 3.13 As detailed in section 3.6, the deferred consideration relating to fixtures and fittings was received from Stonegate on 15 May 2014. A further £295,016 has been received within the Period relating to other sales, bringing total realisations in this regard to £1.3 million.

### **IT equipment**

- 3.14 Funds totalling £2,071 have been received in the Period in relation to IT equipment, the majority of which relates to the deferred consideration from Stonegate.

### **Stock**

- 3.15 A total of £1.3 million has been received in relation to stock following the sales of the majority of the pubs, of which, £360,121 was received during the Period. However, a number of retention of title claims have been settled totalling £839,900 and the net realised figure for stock is therefore £492,844. The final site sales are not expected to realise significant additional funds in relation to stock and there are no retention of title claims outstanding.

### **Debtors**

- 3.16 Further book debt recoveries in the sum of £252,394 have been made during the Period, bringing total realisations to £446,367.

- 3.17 The remaining book debts are not recoverable as the debtors have applied set-off in respect of the amounts due to them by the Company.

### **Other**

- 3.18 Refunds of prepaid rent and service charge totalling £412,167 have been received in the Period. Rent deposits paid to landlords pre-appointment in the sum of £90,250 have also been recovered.
- 3.19 As previously advised, rent collected on behalf of the purchasers has been held in a rent account which will be either repaid to the purchaser on sale completion or discharged to the landlord as and when rent falls due. In the Period, net payments totalling £32,357 have been made, leaving a balance of £42,977.
- 3.20 A total of £9,906 has been received from purchasers in relation to costs incurred for stock valuations.
- 3.21 Rates refunds totalling £140,060 have also been received during the Period, in addition to sundry receipts of £10,225.
- 3.22 Cash float funds have been banked in the Period in the sum of £2,125. Bank interest of £3,809 has also been received.



## **4 Estimated outcome for creditors**

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

- 4.1 The Company granted a fixed and floating charge to the Agent on 27 September 2012. Individual charges were also granted by the Company to Agent over specific pubs. As detailed previously, the Agent is a security agent for the two secured funders, Apollo Management International LLP and Varde Investment Partners. At the date of appointment, a total of £47.4 million (excluding interest and charges) was owed under the securities.
- 4.2 In the Period, £15.3 million has been distributed to the Agent to forward to the two secured creditors. This brings total distributions to date to £31.8 million. Further distributions will be available following completion of the residual site sales, however, a shortfall is expected to be incurred.

### **Preferential creditors**

- 4.3 Preferential claims totalling £85,695 have been received and on 9 October 2014, the Administrators issued notice of their intention to declare a dividend to the preferential creditors. A dividend of 100 pence in the pound is available to preferential creditors and will be paid shortly.

### **Unsecured Creditors' Fund**

- 4.4 Where there is a floating charge which was created on or after 15 September 2003, the Administrators 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'.
- 4.5 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Administrators are required to create an Unsecured Creditors' Fund. Based on present information, the Administrators estimate the value of the Company's net floating charge property to be £865,000. Arising from this, the value of the Unsecured Creditors' Fund is estimated to be £176,000. A dividend of approximately one pence in the pound will be available based on claims being received in line with the amount stated in the SOA. The final dividend rate is dependent on the level of claims received.

## 5 What happens next

### Creditors' rights

- 5.1 Within 21 days of the receipt of this 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 Administrators provide further information about their fees or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 5.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis fixed for the Administrators' fees are inappropriate, or that the fees charged or the expenses incurred by the Administrators during the period of this report are excessive.

### Next report

- 5.3 As detailed in section 3.4, the Administration has been extended and will now automatically end on 30 April 2014. Should the Administration be extended by a further period, the Administrators will provide a progress report within one month of the end of the next six months of the Administration.
- 5.4 If the Administration has been finalised without a further extension being required, the Administrators will provide a progress report once the Administration has been concluded and the Company has moved in Company Voluntary Liquidation. For details of the proposed exit route please see Appendix I.

For and on behalf of  
Bramwell Pubs and Bars Limited



Anne O'Keefe  
Administrator  
Encs

## Appendix A. Statutory information

### Company information

Company name	Bramwell Pubs and Bars Limited
Registered number	03997571
Registered office	c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Lunar House, Fieldhouse Lane, Globe Park, Buckinghamshire, SL7 1LW
Trading address	Various
Trading name	Various
Court details	High Court of Justice, Chancery Division, Companies Court
Court reference	7519 of 2013

### Appointor's information

Name	Address	Position
The Royal Bank of Scotland Plc	250 Bishopsgate, London, EC2M 4AA	Floating charge holder

### Administrators' information

Name	Address	IP number	Name of authorising body
Anne O'Keefe	Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	008375	Insolvency Practitioners Association
Kevin Coates	Zolfo Cooper, 10 Fleet Place, London, EC4M 7RB	009261	Insolvency Practitioners Association
Peter Saville	Zolfo Cooper, 10 Fleet Place, London, EC4M 7RB	009029	Insolvency Practitioners Association

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

### Extension of Administration

The Administration has been extended for a period of six months with the consent of the secured and preferential creditors. The Administration will now end on or before 30 April 2015.

**Appendix B. Receipts and Payments Account for the period  
1 May 2014 to 30 October 2014 and a Cumulative  
Account for the period since appointment**

Statement of Affairs	Period	Cumulative
£	£	£
<b>Fixed charge assets</b>		
<b>Receipts</b>		
560,000 Freehold property	2,168,717	5,266,433
Leasehold property	12,247,336	29,636,216
Intellectual property	4,118	10,000
Goodwill	25,011	25,029
Contribution to legal costs	1,500	60,530
Extension fees	68,500	76,000
Hypothec - fixtures and fittings	-	26,042
Bank interest	1,922	3,623
	<u>14,517,104</u>	<u>35,103,873</u>
<b>Payments</b>		
Administrators' fees	-	500,000
Legal fees	150,270	709,550
Legal disbursements	40	5,595
Agents'/valuers' fees	184,500	266,475
EPC costs	-	35,900
Licence fees	-	2,000
Rent and Insurance	-	156,952
Assignment settlement	-	250,000
Utilities	31,686	31,686
Rent arrears - Stonegate deductions	31,291	31,291
Security	-	33,952
IT	-	340
Bank charges	67	147
	<u>(397,854)</u>	<u>(2,023,888)</u>
<b>Distributions</b>		
Secured creditors	14,461,362	30,961,362
Hypothec claim cost	-	26,042
	<u>(14,461,362)</u>	<u>(30,987,404)</u>
<b>Balance of fixed charge assets</b>	<u><b>(342,112)</b></u>	<u><b>2,092,581</b></u>

Statement of Affairs £	Period £	Cumulative £
<b>Floating charge assets</b>		
<b>Receipts</b>		
Trading records	-	1
Contracts	11	30
Rights of action	12	27
Fixtures and fittings	616,220	1,314,689
IT equipment	2,071	5,027
Stock	360,121	1,332,744
Contributions to stock count fees	9,906	12,538
Book debts	252,394	446,367
Contract settlement	-	50,000
Cash floats	2,125	408,155
Sub tenants	(5,850)	1,144
Pre-appointment trading refunds	-	29,838
Insurance refund	-	4,383
Sundry receipts	10,225	15,492
Rent deposit refund	90,250	197,886
Rent prepayment refund and service charge	412,167	442,955
Rent account	(32,357)	42,977
Rates refund	140,060	833,194
Trading profit/(loss)	(239,064)	198,371
Bank interest	1,888	4,376
	<b>1,620,179</b>	<b>5,340,195</b>

Statement of Affairs £	Period £	Cumulative £
<b>Payments</b>		
<b>Administrators' fees</b>		
Statutory	441,151	569,226
Trading	58,849	530,774
Pre-appointment fees	-	77,000
<b>Category 1 disbursements:</b>		
Specific penalty bond	623	623
Statutory advertising	-	85
Storage costs	-	6,607
Stationery and postage	2,566	15,814
Redirection of mail	195	390
Property agents' fees	-	202
Debt collection fees	26,819	133,408
Agents'/valuers' fees	3,802	11,526
Employee agents's fees	1,692	5,419
Legal fees	-	300,571
Legal disbursements	-	8,253
Irrecoverable VAT	-	8,486
Customer deposit refunds	-	5,062
Removal of assets	-	23,032
Retention of title costs	163,500	839,900
Bank charges	488	1,084
	<u>(699,685)</u>	<u>(2,537,462)</u>
<b>Distributions</b>		
Floating chargeholder	(800,000)	(800,000)
<b>Balance of floating charge assets</b>	<u>120,494</u>	<u>2,002,732</u>
<b>Total balance</b>		<u>4,095,313</u>
<b>Represented by</b>		
Interest bearing accounts		3,894,672
VAT receivable		200,641
		<u>4,095,313</u>

**Appendix C. Trading Receipts and Payments Account for the period  
1 May 2014 to 30 October 2014 and a Cumulative  
Account for the period since appointment**

	Period £	Cumulative £
<b>Sales</b>		
Stonegate funding	-	26,000
Customer deposits	(3,750)	1,469
<b>Sales:</b>		
Stock	-	8,156,664
Machine income	-	261,957
Other	-	13,524
Unallocated	148,237	351,236
	<u>144,487</u>	<u>8,810,850</u>
<b>Purchases</b>		
Wet purchases	50,733	2,850,669
Food purchases	7,450	633,642
	<u>(58,183)</u>	<u>(3,484,311)</u>
<b>Other direct costs</b>		
Cleaners	2,821	121,677
Entertainment	2,185	262,408
Security	4,219	306,354
Gaming	1,654	1,654
Stock takes	57,128	57,128
Wages and salaries	24,629	2,379,036
PAYE and national insurance	3,788	388,701
	<u>(96,424)</u>	<u>(3,516,958)</u>

	Period £	Cumulative £
<b>Trading expenditure</b>		
Sundry expenses	-	2,265
Rents	-	33,924
Rates	44,854	76,414
Utilities	25,830	291,233
Satellite television	116,297	160,757
LTM fees	-	391,500
Insurance	-	1,285
Professional fees	-	21,162
Cash expenses	-	230,810
Lease/HP payments	1,296	5,713
Hire of equipment	213	4,295
Repairs and maintenance	2,436	70,757
Employee expenses	-	5,239
Server charges	-	16,288
Interest on secured creditor funding	-	6,892
Sales team costs and disbursements	-	7,621
Card machine and processing costs	(2,604)	76,945
Payroll agent's fees	499	56,665
Booking commissions	1,782	1,782
Payroll licence costs	478	14,654
IT	10,122	26,133
Sales system licence cost	-	8,825
Premises licence fees	27,576	54,146
Premises legal fees	100	45,562
Bank charges	64	342
	<b>(228,944)</b>	<b>(1,611,210)</b>
<b>Trading profit/(loss)</b>	<b>(239,064)</b>	<b>198,371</b>



## Appendix D. Cost incurred and not yet paid

The analysis of the receipts and payments for the Period excludes the following costs which have been incurred but not yet paid. All costs will be paid within the period agreed with each supplier.

Cost category	Supplier	Amount not yet paid £
Rates agent	Consultium Property Limited	671
	Gerald Eve LLP	3,698
Employee matters	Payco ERA Limited	63
Insurance	Willis Limited	158,205
Agents	Chrstie, Owen & Davies Limited	36,475*
<b>Total</b>		<b>199,112**</b>

\*The Administrators are in discussions with their agents and legal advisers regarding the outstanding amounts due. The Administrators have not yet agreed payment of these amounts.

\*\*Further amounts are due to LTM, suppliers and utility companies for the period the Administrators were in occupation of the pubs. LTM are in the process of finalising the trading position, at which point any amounts will be paid. The Administrators are unable to quantify the amounts due until LTM have finalised the payables ledger.

## Appendix E. Time Analysis and details of time spent

The Administrators' time costs for the Period are £290,207. This represents 872 hours at an average rate of £233 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by activity and by staff grade.

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
<b>Administration and planning</b>							
Planning	-	-	0.5	-	0.5	140.00	280
Strategy and control	6.6	3.4	13.2	1.5	24.7	9,586.50	388
Statutory duties	-	-	-	0.2	0.2	20.00	100
Case administration	-	1.3	0.5	8.6	10.4	2,437.00	236
Accounting and treasury	4.5	3.5	14.0	48.6	70.6	16,213.00	230
Internal documentation	5.0	8.5	19.9	15.4	48.8	13,115.00	269
<b>Realisation of assets - fixed charge</b>							
Asset realisation strategy	-	18.2	-	-	18.2	8,008.00	440
Asset identification and valuation	-	-	0.4	0.1	0.5	132.00	264
Sale of assets	-	167.7	46.8	0.8	215.3	86,022.00	400
Recovery of assets	-	1.7	-	-	1.7	748.00	440
Dealing with third party assets	-	1.2	17.9	1.9	21.0	5,860.00	279
Asset accounting and administration	0.5	10.9	11.5	12.1	35.0	10,636.50	304
<b>Realisation of assets - floating charge</b>							
Asset realisation strategy	-	-	0.7	-	0.7	211.00	301
Asset identification and valuation	-	-	1.3	-	1.3	429.00	330
Sale of assets	0.4	-	-	0.1	0.5	258.00	516
Recovery of assets	-	1.0	7.3	0.5	8.8	2,654.00	302
Dealing with third party assets	0.5	6.7	-	0.5	7.7	3,100.50	403
<b>Trading</b>							
Trading strategy	-	58.9	3.2	-	62.1	24,742.00	398
Trading activities	-	14.5	36.1	6.9	57.5	17,233.00	300
Accounting and administration	3.5	8.8	36.4	54.6	103.3	23,078.50	223
<b>Creditors</b>							
Creditor claims	-	-	0.6	-	0.6	168.00	280
Internal documentation	-	-	0.2	0.2	0.4	96.00	240
Creditor strategy	-	-	1.8	-	1.8	504.00	280
Reporting to creditors	3.5	82.1	12.8	12.3	110.7	44,185.50	399
Secured creditors	-	17.2	-	0.2	17.4	7,614.00	438
Preferential creditors	-	2.0	1.8	3.9	7.7	2,254.00	293
Unsecured creditors	-	3.2	3.6	21.5	30.3	7,701.00	254
Employees	-	0.5	1.0	12.5	14.0	3,040.00	217
<b>Totals</b>	<b>24.5</b>	<b>413.3</b>	<b>231.5</b>	<b>202.4</b>	<b>871.7</b>	<b>290,206.50</b>	<b>333</b>

Principal areas of activity during the Period are discussed in further detail below.

- Administration and planning - progressing and monitoring the case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
- Realisation of assets: fixed charge - progressing the realisation strategy, ongoing licence assignments, dealing with landlords and rent matters, finalising the sales process. Time has also been incurred complying with security and insurance requirements at the pubs.
- Realisation of assets floating charge - dealing with landlord and lease matters, liaising with agents regarding rate refunds. Time has also been spent dealing with a number of retention of title claims.
- Trading - preparing trading budgets and forecasts, liaising with suppliers and customers, managing employee issues and overseeing the trading of the pubs by LT. Treasury time relating to trading receipts and payments is also recorded here.
- Creditors - Dealing with creditors and preparing statutory reports. Time has also been spent dealing with employee claims and reporting to the secured creditor.

A Cumulative Time Analysis for the period since the Administrators' appointment is attached at Appendix F.

## Appendix F. Cumulative Time Analysis for the period since appointment

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
<b>Administration and planning</b>							
Planning	4.5	0.5	20.6	25.7	51.3	12,234.60	238
Strategy and control	126.8	17.1	69.6	13.2	226.7	103,177.00	455
Statutory duties	2.4	6.0	20.2	0.6	29.2	10,031.00	344
Case administration	-	2.8	11.9	12.6	27.3	7,372.00	270
Accounting and treasury	10.4	9.2	45.0	83.2	147.8	36,179.50	245
Travel and waiting time	-	19.4	111.9	26.7	158.0	47,230.00	299
Internal documentation	5.8	9.7	87.3	104.7	207.5	47,896.00	231
<b>Investigations</b>							
Director conduct reports	0.5	1.0	7.8	-	9.3	2,931.50	315
<b>Realisation of assets - fixed charge</b>							
Asset realisation strategy	24.0	76.8	57.5	3.7	162.0	62,990.00	389
Asset identification and valuation	-	55.8	5.9	7.6	69.3	26,434.00	381
Sale of assets	41.3	635.3	238.8	81.5	996.9	372,172.50	373
Recovery of assets	-	1.7	0.5	-	2.2	908.00	413
Dealing with third party assets	-	10.6	29.7	174.5	214.8	40,494.00	189
Asset accounting and administration	0.5	21.4	21.9	41.0	84.8	22,640.50	267
<b>Realisation of assets - debtors</b>							
Debt collection	-	3.9	19.4	1.6	24.9	8,058.00	324
Internal and external documentation	-	-	7.4	16.8	24.2	4,740.00	197
<b>Realisation of assets - floating charge</b>							
Asset realisation strategy	1.5	5.6	5.2	0.8	13.1	4,898.00	374
Asset identification and valuation	-	4.0	13.0	3.5	20.5	6,407.00	313
Sale of assets	16.2	0.6	49.1	17.3	83.2	26,107.50	314
Recovery of assets	-	3.0	10.8	1.5	15.3	4,812.00	315
Dealing with third party assets	0.8	13.5	145.8	0.5	160.6	51,150.00	318
Asset accounting and administration	2.5	1.0	12.8	12.5	28.8	7,424.50	258
<b>Trading</b>							
Trading strategy	17.9	129.2	185.7	10.2	343.0	123,153.00	359
Trading activities	26.6	116.9	790.6	58.7	992.8	304,432.00	307
Accounting and administration	18.2	28.1	157.3	313.5	517.1	109,393.00	212
<b>Creditors</b>							
Creditor claims	-	-	0.6	2.0	2.6	488.00	188
Internal documentation	-	-	0.2	0.6	0.8	160.00	200
Creditor strategy	-	-	1.8	-	1.8	504.00	280
Reporting to creditors	7.0	187.9	27.2	14.6	236.7	96,243.50	407
Secured creditors	0.6	69.2	9.4	2.3	81.5	33,718.50	414
Preferential creditors	-	2.0	1.8	3.9	7.7	2,254.00	293
Unsecured creditors	-	17.1	95.0	26.4	138.5	40,397.00	292
Employees	10.9	34.3	81.1	18.2	144.5	47,179.00	331
<b>Totals</b>	<b>318.4</b>	<b>1,483.6</b>	<b>2,342.8</b>	<b>1,077.9</b>	<b>5,222.7</b>	<b>1,664,229.60</b>	<b>319</b>

## **Appendix G. Administrators' fees and disbursements**

### **Fees**

A copy of 'A Creditors' Guide to Administrations' can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact the Administrators and they will forward a copy to you.

Approval of the Administrators' fees and category 2 disbursements has been sought in accordance with rule 2.106 of the Insolvency Rules 1986. On 31 December 2013 the secured and preferential creditors approved that the basis of the Administrators' fees be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration.

To date, fees totalling £1.6 million have been drawn on account. Of this amount, £530,774 has been drawn in respect of the supervision of trading.

### **Disbursements**

Category 1 disbursements of £23,519 have been drawn on account. If category 2 disbursements are incurred, they will be drawn in accordance with the resolution approved by creditors.

## Appendix H. Additional information in relation to the Administrators' fees pursuant to Statement of Insolvency Practice 9

### Policy

Detailed below is Zolfo Cooper's 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 Administrators' 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 partner, an associate director or 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 Administrators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, time spent by treasury staff 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 £
Employee claim processing	Payco ERA Limited	Time cost	5,419
Managing the pubs	LT Pub Management Plc	Fixed price per pub per week	391,500
Rates rebate and refunds	Consultium Property Limited	Fixed percentage of rates collected	108,241
Rates rebate and refunds	Gerald Eve LLP	Fixed percentage of rates collected	25,166
Payroll agents	Petticoat Management Limited	Time cost	56,665

## Professional advisors

On this assignment the Administrators have used the professional advisors listed below. The Administrators 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 UKEMA LLP (legal advice)	Hourly rate and disbursements
Willis Limited (insurance)	Risk based premium
Christie, Owen & Davies Limited (valuation and disposal advice)	Percentage of realisations
Edward Symmons LLP (valuation and disposal advice)	Fixed fee

The Administrators' 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 Administrators and their staff will also be chargeable.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the resolution approved by creditors.

## Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 April 2014 is detailed below, together with those applicable prior to that date. Time is charged by partners and case staff in units of six minutes.

Description £	Rates from 1 April 2014	Description £	Rates pre 1 April 2014
Partner 1	595	Partner 1	595
Partner 2	540	Partner 2	540
Director	520	Director	470
Associate director	440	Associate director	430
Senior associate	390	Senior associate	390
Associate	330	Associate	320
Analyst	280	Analyst	280
Junior analyst	200	Junior analyst	160
Senior treasury associate	230	Senior treasury associate	230
Treasury associate	155	Treasury associate	155
Treasury analyst	100	Treasury analyst	100
Support	84	Support	84

## **Appendix I. Exit route and discharge from liability**

### **Creditors voluntary liquidation (CVL)**

As a dividend is available to unsecured creditors by virtue of the Unsecured Creditors' Fund, once the Administration is concluded the Administrators will file a notice at the Registrar of Companies in order that the Administration ceases and the Company automatically moves into CVL. The Administrators will send copies of these documents to the Company and its creditors. The Administrators' appointment will end following the registration of the notice by the Registrar of Companies. In accordance with the Proposals, the Administrators will become the Liquidators of the Company.

### **Discharge from liability**

The secured and preferential creditors approved on 31 December 2013 that the Administrators will be discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointment as Administrators ceases to have effect.