

AM10

Notice of administrator's progress report



Companies House

FRIDAY



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1 Company details

Company number 0 4 9 5 1 0 2 5

Company name in full Adam & Baka Ltd

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Howard

Surname Smith

3 Administrator's address

Building name/number KPMG LLP, 1 Sovereign Square

Street Sovereign Street

Post town Leeds

County/Region

Postcode L S 1 4 D A

Country

4 Administrator's name ①

Full forename(s) David James

Surname Costley-Wood

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number KPMG LLP, 1 Sovereign Square

Street Sovereign Street

Post town Leeds

County/Region

Postcode L S 1 4 D A

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	^d 3	^d 1	^m 0	^m 7	^y 2	^y 0	^y 1	^y 8	
To date	^d 3	^d 0	^m 0	^m 1	^y 2	^y 0	^y 1	^y 9	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X	<i>Harold Smith</i>	X						
Signature date	^d 2	^d 5	^m 0	^m 2	^y 2	^y 0	^y 1	^y 9	

AM10

Notice of administrator's progress report



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 **Emma Loten**

Company name **KPMG LLP**

Address **1 Sovereign Square
Sovereign Street**

Post town **Leeds**

County/Region

Postcode **L S 1 4 D A**

Country

DX

Telephone **Tel +44 (0) 113 231 3575**



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 or email 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



Joint
Administrators'
progress
report for the
period 31 July
2018 to 30
January 2019

Adam & Baka Ltd - in
Administration

26 February 2019



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 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, www.kpmg.co.uk/adam&baka. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 8).

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1 Executive summary

- This progress report covers the period from 31 July 2018 to 30 January 2019 (the 'Period').
- As previously reported, upon their appointment the Joint Administrators reviewed the Company's financial position and made the decision to continue to trade, in order to continue rent collection from tenants, whilst the properties were marketed for sale. To date, rent of £290,773 has been collected (Section 2 - Progress to date).
- Sanderson Weatherall was instructed to market the Company's property assets for sale. The marketing campaign has been run throughout the Period, and offers have been received and accepted for all properties. It is anticipated that these sales will complete shortly (Section 2 - Progress to date).
- The sale of 182 Hammerton Street, Bradford was completed on 26 October 2018 to Volaille Properties Limited for a consideration of £950,000 (Section 2 – Progress to date).
- Clarion has been instructed during the Period to advise on the property disposals and draft sale contracts (Section 2 - Progress to date).
- UNB benefits from first ranking security over the Company's assets. The amount outstanding to UNB, as at the date of appointment, was approximately £3.0 million. During the Period, a distribution of £913,700 was made to UNB. Based on current estimates, UNB is expected to make a full recovery on its outstanding debt. (Section 3 - Dividend prospects and dividends paid).
- Leo Group benefits from second ranking security over the assets of the Company. Based on current estimates, Leo Group will suffer a shortfall on its lending of approximately £4.4 million (Section 3 - Dividend prospects and dividends paid).
- The Company had no employees as at the date of the Administration appointment; the Joint Administrators do not anticipate any preferential claims. (Section 3 - Dividend prospects and dividends paid).
- Based on current estimates, it is highly unlikely that there will be sufficient funds in the Administration to enable a distribution to unsecured creditors (Section 3 - Dividend prospects and dividends paid).
- During the Period, the Secured Creditors granted a 12-month extension to the period of the Administration.
- Time costs of £337,313 have been incurred to date. (Section 4 – Joint Administrators' remuneration, disbursements and pre-Administration costs).
- Please note: you should read this progress report in conjunction with our previous progress report and Proposals issued to the Company's creditors which can be found at www.kpmg.co.uk/adam&baka. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Howard Smith
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 previous progress report.

2.1 Strategy and progress to date

Strategy

As previously reported, upon their appointment the Joint Administrators reviewed the Company's financial position to determine whether it was viable, and in the interest of creditors, to continue to trade.

Given the nature of the Company's business, the Joint Administrators made the decision to continue to collect rent from tenants whilst the sites were marketed for sale. To date, rent of £290,773 has been collected.

Sanderson Weatherall was instructed by the Joint Administrators to market Company's properties for sale. The marketing process continued during the Period, and offers have been received and accepted for all properties.

Clarion has been instructed to draft and review legal documentation for the property sales and provide legal advice where required.

During the Period, 182 Hammerton Street, Bradford was sold to Volaille Properties Limited for total consideration of £950,000. Following this, a distribution of £913,700 was made to the first ranking Secured Creditor, UNB.

Sales of the remaining properties are expected to complete shortly.

Trading

The Joint Administrators have continued to trade the business whilst the properties have been marketed for sale. Trading will continue until the properties are sold.

As previously reported, Revive Asset Limited was instructed to manage the Company's properties. To date, costs of £16,787 have been paid for this work, which has involved:

- rent collection;
- alerting the Joint Administrators to any health and safety issues and dealing with these where required;
- assisting with queries in relation to the sales of the properties; and
- general day to day management of the properties.

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.

Freehold/Leasehold property

During the Period, 182 Hammerton Street, Bradford was sold for consideration of £950,000 to Volaille Properties Limited.

Rent

During the Period, rent of £165,688 has been collected from the tenants.

Please note that Appendix 2 currently shows floating charge account balance of £5,320. This is due to a number of tenants paying directly into the floating charge current account. These funds will be transferred to the fixed charge account shortly.

Bank interest

During the Period, bank interest of £229 has been realised. A total of £207 is fixed charge interest and £22 is floating charge interest.

Sundry income

An amount of £200 was received during the Period for scrap metal.

Investigations

We have continued to review 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.

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.

Agents' fees and disbursements

During the Period, fees of £14,787 and disbursements of £105 have been paid to Revive Asset Limited for property management services.

Freehold property costs

Costs of £6,716 have been paid in the Period for various property repairs.

EPC Costs

EPC surveys were undertaken by Clarius Eco Limited, in order to assist with the sale of the properties. During the Period costs of £6,165 have been paid for these surveys.

Irrecoverable VAT

The Company was not VAT registered. During the Period irrecoverable VAT of £6,124 has been incurred.

Legal fees and disbursements

Womble Bond Dickinson was instructed to provide ad hoc legal advice to the Joint Administrators and draft appointment documentation. In addition, WBD drafted sale contracts and advised on the sale of 182 Hammerton Street, Bradford. During the Period, legal fees of £4,000 and disbursements of £338 have been paid to WBD.

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.

Insurance

During the Period, costs of £48,928 have been incurred for the insurance of the Company's assets.

Agents' fees

During the Period costs of £14,648 have been incurred by SW.

Solicitors' fees

During the Period, legal fees of £12,295 have been incurred by WBD.

During the Period, legal fees of £17,500 have been incurred by Clarion.

3 Dividend prospects and dividends paid

3.1 Secured creditors

United National Bank Limited

UNB has the benefit of first ranking security over the assets of the Company (dated 20 May 2008 and 18 August 2014), and a deed of priority dated 18 August 2014.

During the Period, a distribution of £913,700 has been made to UNB.

Based on current estimates, UNB will recover its indebtedness of approximately £3.0 million in full.

Leo Group

Leo Group Limited has the benefit of second ranking security over the Company's assets by virtue of a debenture dated 11 March 2016, and cross guarantees dated 11 March 2016 and 3 November 2016, assigned from Cullingworth LLP in May 2017.

Based on current estimates, Leo Group is expected to suffer a shortfall on its outstanding debt, which is £4.4 million according to the Directors' Statement of Affairs.

3.2 Preferential creditors

The Company had no employees and therefore we do not anticipate any preferential claims against the Company.

3.3 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors.

4 Joint Administrators' remuneration, disbursements and pre-Administration costs

4.1 Joint Administrators' remuneration and disbursements

We are seeking approval from the Secured Creditors for the basis of our remuneration to be on a time costs basis, as detailed in the Proposals.

Time costs

From 31 July 2018 to 30 January 2019, we have incurred time costs of £153,788. This represents 468 hours at an average rate of £329 per hour.

Remuneration

During the Period, we have not drawn any remuneration.

Disbursements

During the Period, we have incurred disbursements of £13.68. None of these have yet been paid.

Additional information

We have attached a revised fees estimate at Appendix 4. Our estimated time costs will increase due to managing the freehold properties for an extended period of time.

We have attached a revised expenses estimate at Appendix 5. Our estimated expenses will increase because of the extended property holding period together with the number of maintenance and health and safety matters at the properties.

We have attached (Appendix 6) 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 from 31 July 2018 to 30 January 2019. 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			
	Paid (£)	Unpaid (£)	Total (£)
KPMG time costs	NIL	9,472	9,472
Solicitors time costs	NIL	15,141	15,141
Total	NIL	24,613	24,613

Approval of our pre-Administration costs, as an expense of the Administration, is being sought from the Secured Creditors.

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:

- collecting rent from the tenants of the Company's freehold properties;
- *realising the remaining assets of the Administration, being the freehold properties in Bradford, West Yorkshire;*
- making further distributions to the Secured Creditors of the Company;
- obtaining tax clearance; and
- settling all remaining outstanding liabilities of the Administration.

5.2 Extension of the Administration

During the Period the Secured Creditors granted a 12 month extension to the period of the Administration.

The Administration is currently due to end on 30 January 2020.

5.3 Discharge from liability

During the Period the Secured Creditors have granted approval that we be discharged from liability in respect of any actions as Joint Administrators, upon the filing of our final progress report at Companies House.

Should the circumstances of the Administration change, we reserve the right to revert to the unsecured creditors in order to obtain discharge from liability.

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

5.4 Future reporting

We will provide a further progress report within one month of 30 July 2019 or earlier if the Administration has been completed prior to that time.

Appendix 1 Statutory information

Company information	
Company name	Adam & Baka Ltd
Date of incorporation	3 November 2003
Company registration number	04951025
Present registered office	KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA
Company Directors	Mr Ghulam Gelani Sarwar Mr Ghulam Mustafa Mr Ghulam Mujitba Mr Mohammed Iftikhar-ul-Hassan Sarwar
Company Secretary	Mr Ghulam Gelani Sarwar

Administration information	
Administration appointment	The Administration appointment granted in High Court of Justice, Business and Property Courts in Leeds, Insolvency and Companies List, 107 of 2018
Appointor	QFC – Leo Group Limited
Date of appointment	31 January 2018
Joint Administrators' details	Howard Smith and David Costley-Wood
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	30 January 2020

Appendix 2 Joint Administrators' receipts and payments account

Adam & Baka Ltd - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 31/12/2018 to 30/01/2019 (£)	From 31/01/2018 to 30/01/2019 (£)
FIXED CHARGE ASSETS			
6,750,000.00	Freehold property	950,000.00	950,000.00
	Rent	165,688.33	290,773.13
	Bank interest, gross	206.54	243.69
		<u>1,115,894.87</u>	<u>1,241,016.82</u>
FIXED CHARGE COSTS			
	Legal fees	(4,000.00)	(4,000.00)
	Legal disbursements	(338.00)	(338.00)
	Agents'/Valuers' fees	(14,787.11)	(16,787.11)
	Agents' disbursements	(105.00)	(315.00)
	EPC costs	(6,165.00)	(6,165.00)
	Bank charges	(20.00)	(20.00)
	Loan from fixed account	NIL	(559.08)
	Freehold property costs	(6,716.20)	(8,111.55)
	Irrecoverable VAT	(6,123.67)	(6,844.73)
		<u>(38,254.98)</u>	<u>(43,140.47)</u>
FIXED CHARGE CREDITORS			
	Fixed charge creditor	(913,700.00)	(913,700.00)
		<u>(913,700.00)</u>	<u>(913,700.00)</u>
OTHER REALISATIONS			
	Bank interest, gross	22.29	22.29
	Loan to floating account	NIL	559.08
	Sundry income	200.45	200.45
		<u>222.74</u>	<u>781.82</u>
COST OF REALISATIONS			
	Irrecoverable VAT	NIL	(42.68)
	Re-direction of mail	NIL	(303.00)
	Statutory advertising	NIL	(213.40)
		<u>NIL</u>	<u>(559.08)</u>
UNSECURED CREDITORS			
1,475,086.00	Trade & expense	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>8,225,086.00</u>		<u>164,162.63</u>	<u>284,399.09</u>

Adam & Baka Ltd - in Administration

Abstract of receipts & payments

Statement of affairs (€)

From 31.07.2018

To 30.01.2019 (€)

From 31.01.2018

To 30.01.2019 (€)

REPRESENTED BY

Fixed charge current

279,079.09

Floating charge current

5,320.00

284,399.09

Appendix 3 Schedule of expenses

Schedule of expenses			
	Incurring and paid in the Period (£)	Incurring in the Period and not yet paid (£)	Total (£)
Fixed charge costs			
Officeholders' fees and disbursements	-	337,313.45	337,313.45
Legal fees and disbursements	4,338.00	29,795.00	34,133.00
Agents'/Valuers' fees	14,787.11	14,648.00	29,435.11
Agents'/Valuers' disbursements	105.00	-	105.00
Freehold property costs	6,716.20	-	6,716.20
Irrecoverable VAT	6,123.67	-	6,123.67
Insurance	-	48,928.38	48,928.38
EPC costs	6,165.00	-	6,165.00
Bank charges	20.00	-	20.00
Total	38,254.98	430,684.83	468,939.81

Please note that the accrual for our remuneration has been based on time costs since the date of appointment. This will be adjusted, where appropriate, when the basis of our remuneration is approved.

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 Emma Loten at KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA.

Appendix 4 Joint Administrators' revised fees estimate

Estimated time costs for the engagement

	Notes	Estimated Total Cost per Initial Estimate (£)	Time Costs to Date (£)	Revised Estimated Total hours	Revised Estimated Time cost (£)	Revised Estimated Average hourly rate (£)
Administration & planning						
Bankrupt/Director/Member	Note 1	7,385.00	1,075.00	5.00	1,075.00	215.00
Cashiering	Note 2	4,998.00	22,424.50	113.40	31,915.00	281.44
General	Note 3	15,075.50	839.00	6.40	2,189.00	342.03
Statutory and compliance	Note 4	45,256.70	66,390.95	274.75	90,065.95	327.81
Tax	Note 5	27,121.00	15,287.75	53.35	21,217.75	397.71
Creditors						
Creditors and claims	Note 6	15,232.00	41,882.50	161.60	55,222.50	341.72
Committees		-	-	-	-	-
Employees		172.00	172.00	0.80	172.00	215.00
Investigation						
Directors	Note 7	25,816.50	12,111.50	41.40	12,111.50	292.55
Investigations	Note 8	6,561.00	315.50	1.10	315.50	286.82
Realisation of assets						
Realisation of assets	Note 9	48,466.50	176,814.75	607.35	205,698.75	338.68
Trading						
Trading		-	-	-	-	-
Total		196,084.20	337,313.45	1,265.15	419,982.95	331.96

Further details on our time costs are below:

Note 1 – Our time costs to date are less than our initial estimate. Accordingly, we have reduced our estimated time costs for correspondence with the Directors.

Note 2 – Cashiering costs have exceeded our initial estimate given the extended property holding period. In addition, the majority of rent is collected in cash and has to be counted and allocated between tenants individually. Monthly reconciliations are also performed on the fixed and floating charge bank accounts. Accordingly, we have increased our anticipated costs to £31,915.

Note 3 – Our time costs are less than our initial budget, due to the Company having limited books and records and, therefore, we have decreased our estimated costs to £2,189.

Note 4 – Our time costs to date have exceeded our initial budget, due to the extension of the Administration period. In addition, further time costs will be incurred for all closure related formalities. Accordingly, we have increased our estimated costs to £90,066.

Note 5 – Our time costs to date are less than our initial estimate, therefore we have reduced our total anticipated costs to £21,218.

Note 6 – Our time costs to date have exceeded our initial estimate due to an extended holding period of the properties, the subsequent extension to the Administration and further reporting requirements to creditors. We have therefore increased our estimated time costs to £55,223.

Notes 7 and 8 – Our time costs to date for investigation work are less than our initial estimate. We do not expect any further investigation work to be required, therefore we have decreased our estimated time costs.

Note 9 – Our time costs to date have exceeded our initial estimate due to an extended property holding period, monitoring the rent collections, and a number of health and safety issues at the properties. Accordingly, we have increased our estimated costs to £205,699.

Appendix 5 Joint Administrators' revised expenses estimate

Summary of Expenses from appointment

		Total for Administration			
Expenses (£)	Narrative	Prior disclosure	Paid to date (£)	Future costs (£)	Total (£)
Fixed charge costs					
Officeholders' fees and disbursements	Note 1	183,525	-	196,084	196,084
Legal fees and disbursements		90,000	4,338	85,662	90,000
Storage costs		1,500	-	1,500	1,500
Insurance	Note 2	102,619	-	151,215	151,215
Rates and utilities		15,000	-	15,000	15,000
Pre-Administration costs		24,613	-	24,613	24,613
Contingency		50,000	-	50,000	50,000
Agents'/Valuers' fees		48,739	16,787	31,952	48,739
Agents'/Valuers' disbursements	Note 3	210	315	5,000	5,315
Loan to floating account		-	559	-	559
EPC costs	Note 4	-	6,165	-	6,165
Freehold property costs	Note 5	8,895	8,112	5,000	13,112
Irrecoverable VAT		71,349	6,845	64,504	71,349
Bank charges		-	20	20	40
Cost of realisations					
Irrecoverable VAT		43	43	-	43
Re-direction of mail		303	303	-	303
Statutory advertising		213	213	-	213
TOTAL		597,009	43,700	630,550	674,250

Note 1 – Approval of our fees estimate of £196,084 has been requested from the Secured Creditors. Accordingly, we have included this amount in our expenses estimate.

Note 2 – Our insurance costs have increased due to the condition of the properties, health and safety requirements and the extended property holding period.

Note 3 – It is anticipated that our Agents' disbursements will increase due an extended period property marketing.

Note 4 – EPC inspections were arranged and undertaken to enable the properties to be marketed for sale. No further costs are anticipated in relation to this.

Note 5 – It is anticipated that costs for repairing and maintaining the properties will increase due to a number of health and safety issues at the properties.

Appendix 6 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, pensions and health and safety advice 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/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Emma Loten on 0113 3800606.

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.

Table of charge-out rates

Charge-out rates (£) for: Restructuring

Grade	From 01 Nov 2016 £/hr	From 01 Jan 2019 £/hr
Partner	625	655
Director	560	590
Senior Manager	510	535
Manager	425	445
Senior Administrator	295	310
Administrator	215	225
Support	131	140

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 (excluding VAT) during the period 31 July 2018 to 30 January 2019.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Mileage		NIL		4.68	4.68
Travel		9.00		NIL	9.00
Total		9.00		4.68	13.68

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

The Category 2 disbursements have not yet been approved.

Narrative of work carried out for the period 31 July 2018 to 30 January 2019

The key areas of work have been:

Statutory and compliance	■ collating information to enable us to carry out our statutory duties, including details of assets;
	■ posting information on a dedicated web page;

	<ul style="list-style-type: none"> ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ obtaining approval from the Secured Creditors for a 12-month extension of the Administration; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ monitoring and reviewing the Administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; ■ briefing of our staff on the Administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the Administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of sales contracts; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of the Secured Creditors regarding the progress of the Administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ dealing with post appointment tax compliance.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Trading	<ul style="list-style-type: none"> ■ preparing cash flow statements to monitor the cash position; ■ attending to tenant queries and correspondence; ■ raising, approving and monitoring purchase orders and setting up control systems for trading; ■ making direct contact with various tenants as necessary to provide additional information, including agreeing rental positions; ■ ensuring ongoing provision of emergency and other essential services to site.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with agents regarding the sale of assets; ■ reviewing outstanding debtors and management of debt collection strategy; ■ seeking legal advice in relation to the rental position.
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's freehold properties, including review of leases; ■ communicating with tenants regarding rent, tenancy matters and other issues; ■ performing land registry searches.
Health and safety	<ul style="list-style-type: none"> ■ liaising with health and safety specialists in order to manage all health and safety and environmental issues, including ensuring that legal and licensing obligations are complied with; ■ liaising with the Health and Safety Executive regarding the Administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Creditors and claims	<ul style="list-style-type: none"> ■ updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the Administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;

- agreeing secured claims;
- arranging distributions to the secured creditors;
- drafting our progress report.

Time costs

SIP 9 –Time costs analysis (31/07/2018 to 30/01/2019)

	Hours	Time Cost £	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	36.05	9,735.75	270.06
Reconciliations (& IPS accounting reviews)	1.60	404.50	252.81
General			
Fees and WIP	2.40	666.00	277.50
Statutory and compliance			
Appointment and related formalities	0.40	214.00	535.00
Budgets & Estimated outcome statements	2.40	708.00	295.00
Checklist & reviews	35.45	9,692.75	273.42
Extension related formalities	4.60	1,002.00	217.83
Pre-Administration checks	2.00	1,250.00	625.00
Reports to debenture holders	8.80	3,292.00	374.09
Strategy documents	3.10	1,310.00	422.58
Tax			
Post appointment corporation tax	6.80	2,205.50	324.34
Post appointment VAT	1.30	512.50	394.23
Creditors			
Creditors and claims			
General correspondence	2.00	489.00	244.50
Secured creditors	25.40	11,028.50	434.19
Statutory reports	41.00	12,155.50	296.48
Realisation of assets			
Asset Realisation			
Debtors	3.50	912.50	260.71
Freehold property	187.25	69,496.50	371.14
Insurance	37.70	12,672.50	336.14
Rent	64.45	15,750.25	244.38
Stock and WIP	1.10	247.50	225.00
Vehicles	0.20	43.00	215.00
Total in period	467.50	153,788.25	328.96

SIP 9 –Time costs analysis (31/07/2018 to 30/01/2019)

	Time Cost hours	Average £/hour, Range (if applicable)
Brought forward time (appointment date to SIP 9 period start date)	576.05	183,525.20
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	467.50	153,788.25
Carry forward time (appointment date to SIP 9 period end date)	1,043.55	337,313.45

Appendix 7 Glossary

Clarion	Clarion Solicitors Limited
Company	Adam & Baka Ltd - in Administration
Directors	Registered Directors of the Company: <ul style="list-style-type: none">- Ghulam Gelani Sarwar- Ghulam Mujitba- Ghulam Mustafa- Mohammed Iftikhar – UI – Hassan
Joint Administrators/we/our/us	Howard Smith and David Costley-Wood
KPMG	KPMG LLP
Leo Group	Leo Group Limited
Revive	Revive Asset Limited
Sanderson Weatherall or SW	Sanderson Weatherall LLP
Secured Creditors	UNB and Leo Group
UNB	United National Bank Limited
Womble Bond Dickinson or WBD	Womble Bond Dickinson (UK) LLP

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 8 Notice: About this report

This report has been prepared by Howard Smith and David Costley-Wood, the Joint Administrators of Adam & Baka Ltd – 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.

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.

Howard Smith and David James Costley-Wood 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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