

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

SATURDAY



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A07

20/06/2020

#14

COMPANIES HOUSE

1 Company details

Company number 0 5 0 4 5 5 4 7

Company name in full Hummus Brothers Limited

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

2 Court details

Court name High Court of Justice

Court case number 0 0 5 0 6 8 - 2 0 1 8

3 Administrator's name

Full forename(s) Ben

Surname Woodthorpe

4 Administrator's address

Building name/number 22 York Buildings

Street John Adam Street

Post town London

County/Region

Postcode W C 2 N 6 J U

Country



AM22

Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ①

Full forename(s) Mark
Surname Supperstone

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

6 Administrator's address ②

Building name/number 22 York Buildings
Street John Adam Street
Post town London
County/Region
Postcode W C 2 N 6 J U
Country

② Other administrator
Use this section to tell us about another administrator.

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.
Full forename(s) Board of
Surname Directors

8 Proposed liquidator's name

Full forename(s) Ben
Surname Woodthorpe
Insolvency practitioner number 1 8 3 7 0

9 Proposed liquidator's address

Building name/number 22 York Buildings
Street John Adam Street
Post town London
County/Region
Postcode W C 2 N 6 J U
Country



AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s)	Mark
Surname	Supperstone
Insolvency practitioner number	9 7 3 4

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

11 Proposed liquidator's address^②

Building name/number	22 York Buildings
Street	John Adam Street
Post town	London
County/Region	
Postcode	W C 2 N 6 J U
Country	

② Other liquidator
Use this section to tell us about another liquidator.

12 Period of progress report

From date	d 2 5	m 1 2	y 2 0 1 9
To date	d 1 2	m 0 6	y 2 0 2 0

13 Final progress report

☒ I have attached a copy of the final progress report.

14 Sign and date

Administrator's signature	Signature X <i>bsnloathamp</i> X
Signature date	d 1 2 m 0 6 y 2 0 2 0



**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 Deborah Islam

Company name ReSolve Advisory Limited

Address 22 York Buildings

Post town London

County/Region

Postcode WC2N 6JU

Country

DX

Telephone 020 7702 9775

**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 and dated 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



Our ref: ADMHBL01/BW/NBM/DI/040

15 June 2020

T 020 7702 9775
F 0845 094 1160

TO ALL KNOWN MEMBERS AND CREDITORS

www.resolvegroupuk.com

Dear Sirs

HUMMUS BROTHERS LIMITED – IN ADMINISTRATION (the Company)

Please find enclosed the Administrators' final report on the progress of the Administration of the Company for the period from 25 December 2019 to 12 June 2020 which should be read in conjunction with the Administrators' previous report to creditors.

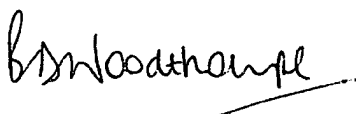
Rights of creditors

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the administrators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Should you have any queries in relation to this matter please do not hesitate to contact Deborah Islam of this office.

Yours faithfully
For and on behalf of
Hummus Brothers Limited



Ben Woodthorpe
Joint Administrator

For enquiries regarding this correspondence please contact:

Contact name: Deborah Islam
Phone number: 020 7702 775
Email: deborah.islam@resolvegroupuk.com

The affairs, business and property of the Company are being managed by the administrator. Partners and staff acting as administrators, administrative receivers or supervisors act as agents of the company over which they are appointed at all times, and without personal liability. Cameron Gunn, Mark Supperstone, Chris Farrington and Ben Woodthorpe are licensed to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales. Please refer to the firm's privacy notice setting out your rights and explaining how your data will be used. The notice can be found on our website here www.resolvegroupuk.com/policies2/.

Hummus Brothers Limited – In Administration

Administrators' final progress report
For the period 25 December 2019 to 12 June 2020

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10. Summary

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- II Receipts and payments account
- III Administrators' charge out rates, disbursement policy and narrative
- IV Administrators' time costs summary

1. INTRODUCTION

This report is the Administrators' final progress report for the period 25 December 2019 to 12 June 2020 (the Reporting Period), and should be read in conjunction with the Administrators' Proposals dated 17 August 2018 and progress reports dated 23 January 2019, 17 July 2019 and 22 January 2020, copies of which are available on request to this office, free of charge. As this is the Administrators' final report it contains details of matters dealt with throughout the Administration as well as those dealt with in the Reporting Period.

Please find attached the statutory information relating to the Company at **Appendix I**.

2. ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

The following matters have been dealt with since the Administrators' appointment:

- Completed the wind down and vacated the Company's premises including the disposal of perishable food items
- Dealt with ongoing employee queries and correspondence
- Liaised with HM Revenue & Customs with respect to the Company's tax affairs and filed post-appointment VAT returns
- Continued to liaise with agents, Lambert Smith Hampton (LSH) and Cedar Deane in relation to the Company's leasehold premises and tangible assets
- Liaised with solicitors, Kerman & Co LLP (Kerman), in relation to the various leasehold issues
- Offered the landlords of the Holborn, Hackney and Exmouth Market premises informal surrenders of the leases on behalf of the relevant company and in conjunction with the directors of these companies
- Agreed and completed an assignment of the lease of the Eastcheap premises
- Entered into an exclusivity agreement with a potential assignee of the Soho lease and continued to liaise with them in respect of the planning application required in order to complete the assignment
- Received funds on account from the potential assignee of the Soho premises for the ongoing rent due and paid this to the landlord
- Collected rents due from the sub-tenants occupying both the Cheapside and Exmouth Market sites
- Liaised with utility companies with respect to ongoing charges and updated the relevant contact details for each site once the respective lease was either informally surrendered or assigned
- Liaised with the secured creditor, HSBC Bank plc (HSBC) regarding the release of cash at bank following its deduction in respect of its outstanding liabilities
- Liaised with HSBC Invoice Finance (UK) Limited (HSBCIF), with respect to their charge over the Company's book debts and recovery of the excess funds and residual ledger
- Liaised with the Redundancy Payments Service (RPS) in relation to employee claims and entitlements
- Dealt with ad hoc creditor correspondence and telephone calls
- Continued to assist with the return of third party assets
- Completed the required statutory investigations into the Company and the circumstances leading to the Administration
- Filed the associated report with the Secretary of State within the prescribed timeframe
- Assisted the directors in administering the wind down of the subsidiary companies

Matters dealt with during the Reporting Period:

- Drafted and issued the Administrators' progress report dated 22 January 2020
- Dealt with ongoing employee queries and correspondence
- Finalised outstanding insurance costs of the relevant sites
- Maintained the Administrators' cash book
- Settled outstanding storage costs of the Company's books and records
- Continued to assist the directors in administering the wind down of the Company's group entities
- Engaged accountants, Arram Berlyn Gardner LLP (ABG) to assist with the Company's post appointment corporation tax affairs,
- Declared and paid a preferential dividend to employees of 100 pence in the pound, and
- Addressed statutory duties associated with the Administration.



3. RECEIPTS AND PAYMENTS

The Administrators' receipts and payments account (R&P) for the Reporting Period is attached at **Appendix II**.

4. ASSETS

There have been no further realisations during the Reporting Period.

The following assets were dealt with during the course of the Administration:

Property

As previously reported, the Company operated from a number of sites across London. The table below outlines the current status of each of the leasehold interests:

Property	Leaseholder	Status at the date of this report
Peek House 20 Eastcheap, London EC3M 1EB	HBL	Assignment completed
88 Wardour Street, London W1F 0TJ (Soho)	HBL	Assignment completed
62 Exmouth Market, London EC1 4QE	HBL	Landlord forfeited
12 Gray's Inn Road, London WC1X 8HG	HBL	Break clause activated pre-administration, effective 25/06/18
Unit 3A, Victoria House, 36 - 67 Southampton Row, London WC1B 4DA	Hummus Brothers (Holborn) Ltd	No interest in the lease - Informal surrender offered to the landlord
128 Cheapside, London EC2V 6BT	Hummus Brothers (Cheapside) Ltd	Landlord forfeited
378 Mentmore Terrace, London E8 3PH	Hummus Brothers (Hackney) Ltd	Landlord forfeited

The assignment of the Eastcheap lease to Yuni Ltd completed on 30 October 2018 for the value of £50,000. The total gross receipt was £73,562 including VAT and a contribution to the rent. After costs, legal and agents fees the final net premium paid to the Administration was £31,639. The landlord also paid to the Administration the rent deposit held of £16,550.

The Administrators previously thought an assignment of the Holborn lease would be possible and, as the lease is held by a subsidiary of the Company, Hummus Brothers (Holborn) Ltd, were hoping an assignment could be completed to allow a distribution of the surplus funds after all costs to the Company as the sole shareholder. To achieve this the Administrators were assisting the directors of Hummus Brothers (Holborn) Ltd with their negotiations with the landlord. However, during the Reporting Period the directors were made aware of the sale of the ultimate freehold of the building. The purchaser of the freehold did not engage with the assignment process and accordingly the lease had to be informally surrendered by Hummus Brothers (Holborn) Ltd. Unfortunately therefore, this course of action has not resulted in a benefit to the Administration.

The process of the assignment of the Soho lease took longer than originally anticipated but was subsequently completed on 4 June 2019 for £100,000.

No further property interests remain to be realised.

Debtors

The Company's book debts were assigned to HSBCIF as a part of an invoice factoring facility. The directors' statement of affairs stated the debtors totalled £15,893. HSBCIF advised the total ledger assigned was slightly higher, at £22,079. The majority of the debts have been collected by HSBCIF and its secured claim against the Company has been extinguished by those collections.

Outside of the Reporting Period, the Administrators have received a cheque of £3,939 from HSBCIF in respect of the excess funds from the collection of the book debts. In addition HSBCIF has reassigned two remaining debtors back to the Company totalling £4,572, which the Administrators will attempt to collect. Further details of the funds collected are detailed in section 5.



Cash at bank and petty cash

To date, £114,026 has been received in respect of the Company's cash at bank and petty cash.

Fixtures, fittings, plant, machinery and stock

LSH sold the Company's plant and machinery for £5,900 plus VAT. The Administrators agreed that this sum should be paid directly to LSH to part-pay their costs in dealing with all the valuation and removal of the assets, together with the disposal of the food waste. This transaction has occurred outside of the Reporting Period and therefore is not shown in the receipts and payments account. No further realisations are expected from this source. Details of LSH's costs are to be found later in this report.

5. DIVIDEND PROSPECTS

Secured creditors

HSBC Bank plc and HSBC Invoice Finance (UK) Limited were each granted security by the Company. As previously reported, no sums now remain outstanding to either secured creditor.

Preferential creditors

On 12 May 2020, a first and final dividend of £41,936 was paid to the preferential creditors representing 100 pence in the pound.

Non-preferential unsecured creditors

The Statement of Affairs included unsecured creditors with an estimated total liability of £1,997,305. To date, claims totalling £342,477 have been received, however the Administrators anticipate that this sum is likely to increase as a number of creditors have yet to formally return a proof of debt form. It should be noted that no adjudication on creditors' claims has been completed.

Once the Company has been placed into Liquidation, the Administrators will formally advertise for unsecured creditors to submit claims. Once claims have been adjudicated, the Administrators will then be able to provide an estimated level of dividend payable to the unsecured creditors. It should be noted that the dividend amount is likely to be nominal (i.e. less than 5 pence in the pound).

6. PRE-ADMINISTRATION COSTS

On 31 August 2018, pre-appointment fees totalling £23,563 and pre-appointment expenses incurred of £8 were approved by creditors. At present no sums have been drawn in this regard.

7. ADMINISTRATORS' REMUNERATION

The Administrators' remuneration was previously authorised via a decision procedure on 31 August 2018 to be drawn on a time cost basis.

The Administrators' time costs for the Reporting Period amount to £32,157 representing 97.40 of hours work at an average charge out rate of £330.15 per hour, bringing cumulative time costs to £231,116.

The Administrators have drawn no remuneration during the Reporting Period, therefore cumulative Administrators' remuneration drawn to date remains at £66,667. The balance of the Administrators' outstanding remuneration will be carried over to the Liquidation, however the Administrators propose to cap the level of the fee that they draw in this matter in order to see a return being made to unsecured creditors. The Administrators advise that the Administrators' time costs are larger than originally anticipated, predominantly due to protracted leasehold property assignments, particularly in respect of the Soho property which took substantially longer to conduct than originally predicted.

A schedule of the Administrators' charge-out rates, disbursement policy and a narrative description of the work undertaken in the Administration to date, together with the time costs incurred to date is attached as **Appendices III and IV**.



The Administrators' time costs are higher than expected due to the protracted negotiations relating to the assignment of the leases. Please note the Administrators do not anticipate seeking an increased fee estimate at this stage in order to preserve the distribution level to the unsecured creditors. Please see below for a comparison of the Administrators' time spent to date as opposed to the Administrators' original fees estimate:

Work Classification	Fees Estimate £	Actual Time Spent £
Administration & Planning	29,880	42,311
Investigations	10,290	6,677
Realisation of Assets	31,075	83,315
Creditors	34,600	48,157
Statutory	53,420	50,656
Total Time Spent	159,265	231,116

Further work is required including, but not limited to, declaring a distribution to the unsecured creditors, adjudicating upon their claims and processing payments to both the employees and HMRC in respect of the required deductions for PAYE and NIC, finalising post appointment tax affairs, settling outstanding costs and preparing the case for closure. The Administrators estimate this will result in further time costs of approximately £15,000. As detailed above, at present the Administrators do not propose to request an increase in their fee estimate.

The relevant creditor's guide to Administrators' Fees can be found under the heading Creditor Guides on my website at <http://www.resolvegroupuk.com/resources/>. Please note there are different versions of the guides, and in this case you should refer to the latest version. A hard copy can be obtained on request, free of charge, from this office.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

8. ADMINISTRATORS' EXPENSES

The Administrators confirm the basis of charging category 2 disbursements was approved by the creditors on 31 August 2018.

The Administrators' total expenses to 12 June 2020 amount to £1,101, of which £73 was incurred during the Reporting Period. The Administrators have drawn the sum of £1,028. Estimated future costs are likely to be £200 which include the printing and postage costs of reporting to creditors.

A summary of the Administrators' expenses incurred and paid are detailed below:

Category 1 disbursements	Amount £	Paid £	Outstanding £
Advertising	81	81	0
Bonding	375	375	-
IT Support	110	110	-
Mail redirection	303	303	-
Postage	103	71	32
Travel - taxi	26	26	-
	998	966	32

Category 2 disbursements	Amount £	Paid £	Outstanding £
Printing and Stationery	103	62	41
	103	62	41



Professional advisors

The following agents or professional advisors have been utilised during the Reporting Period:

Professional advisor	Nature of work	Fee arrangement	Fees incurred to date £	Paid £	Estimated future fees £
ABG	Accountants	Fixed fee	750	750	-

ABG

ABG was engaged to assist with the preparation and filing of the Company's post appointment corporation tax returns and advise what, if any, tax was payable to HMRC following the completion of the sales of the Company's leasehold properties.

9. FURTHER INFORMATION AND COMPLAINTS

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Should you have any comments or complaints regarding this Administration, please contact Ben Woodthorpe in the first instance. If you consider that we have not dealt with your comment or complaint appropriately, you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within ReSolve not involved in the Administration. A request for a review can be made in writing to the Compliance Manager, ReSolve Advisory Limited, 22 York Buildings, London WC2N 6JU or by email to cameron.gunn@resolvegroupuk.com.

If you still feel that you have not received a satisfactory response then you may be able to make a complaint to the Complaints Gateway operated by the Insolvency Service. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email ip.complaints@insolvency.gsi.gov.uk, or you may phone 0300 6780015. The Complaints Gateway will in turn determine if such complaint should be addressed by Mr Supperstone's and Mr Woodthorpe's regulatory body. Details of the relevant call charges and opening hours can be found here: <http://www.resolvegroupuk.com/policies2/>.

10. SUMMARY

The Administration will shortly be brought to a conclusion and the Company will be placed to Creditors' Voluntary Liquidation. This will enable a distribution to the unsecured creditors to be paid.

The following matters will need to be finalised in the Liquidation:

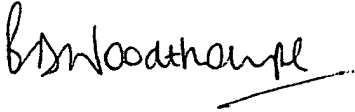
- Finalisation of the Company's post appointment tax matters
- Settle outstanding professional costs, including the Administrators' remuneration
- Reclaim VAT from HM Revenue & Customs
- Declare and pay a distribution to unsecured creditors, and
- Preparation of the case for closure.

Following the move from Administration to Liquidation, the Administration will end as approved in the Administrators' proposals. It is estimated that the Liquidation should take a further nine months to complete following which the Liquidators' files will be closed



Should you have any queries in relation to this matter please do not hesitate to contact Deborah Islam of this office.

Yours faithfully
For and on behalf of
Hummus Brothers Limited



Ben Woodthorpe
Joint Administrator

For enquiries regarding this correspondence please contact:

Contact name: Deborah Islam
Phone number: 020 7702 9775
Email: deborah.islam@resolvegroupuk.com

The affairs, business and property of the Company are being managed by the administrator

Partners and staff acting as administrators, administrative receivers or supervisors act as agents of the company over which they are appointed at all times, and without personal liability

Cameron Gunn, Mark Supperstone, Chris Farrington, Lee Manning, Ben Woodthorpe and Simon Jagger are licensed to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales

Please refer to the firm's privacy notice setting out your rights and explaining how your data will be used. The notice can be found on our website here www.resolvegroupuk.com/policies2/.



APPENDIX I

STATUTORY INFORMATION

Company name: Hummus Brothers Limited

Previous company name: Humus Brothers Limited

Registered office: c/o ReSolve Advisory Limited, 22 York Buildings, London WC2N 6JU
Former registered office: 128 Cheapside, London, EC2V 6BT

Registered number: 05045547

Date of incorporation: 16 February 2004

Trading addresses: 128 Cheapside, London, EC2V 6BT
Peek House, 20 Eastcheap, London, EC3M 1EB
88 Wardour Street, London, W1F 0TJ
Unit 3A, 36-67 Southampton Row, London, WC1B 4DA
62 Exmouth Market, London, EC1 4QE
378 Mentmore Terrace, London, E8 3PH
12 Gray's Inn Road, London, WC1X 8HG

Principal trading activity: Take-away food shops and mobile food stands

Joint Administrators: Ben Woodthorpe Insolvency Practitioner Number: 18370
Mark Supperstone Insolvency Practitioner Number: 9734

Former Joint Administrator: Simon Harris Insolvency Practitioner Number: 11372

Joint Administrators' address: ReSolve Advisory Limited, 22 York Buildings, London, WC2N 6JU

Date of appointment: 25 June 2018

Court name and reference: High Court of Justice, Business & Property Courts of England and Wales, Insolvency and Companies List
CR – 2018 - 005068

Appointment made by: The Board of Directors

Paragraph 100(2) Statement: Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone

Charges

Chargeholder	Nature of Charge	Date Created	Status
HSBC Bank plc	Debenture	30 March 2005	Outstanding
HSBC Invoice Finance (UK)	Fixed and Floating	7 October 2014	Outstanding
Lloyds Bank Plc	Rent Security Deposit Deed	13 July 2005	Outstanding
HSBC Bank plc	Assignment of Rights	18 December 2015	Outstanding



APPENDIX II

RECEIPTS AND PAYMENTS ACCOUNT

ADMINISTRATORS' RECEIPTS AND PAYMENTS
FROM 25 JUNE 2018 (DATE OF APPOINTMENT) TO 12 JUNE 2020

	Estimated to realise - Directors' statement of affairs	Period 25-Jun-18 to 24-Dec-18	Period 25-Dec-18 to 24-Jun-19	Period 25-Jun-19 to 24-Dec-19	Period 25-Dec-19 to 12-Jun-20	Total receipts/ payments to date
RECEIPTS	£	£	£	£	£	£
Accounts receivable	15,893	-	3,939	-	-	3,939
Leasehold properties*	180,000	50,000	100,000	-	-	150,000
Rent deposit - Wardour Street	29,375	-	14,053	-	-	14,053
Rent deposits	46,793	16,550	-	-	-	16,550
Petty Cash	3,307	3,326	117	-	-	3,443
Cash at Bank	134,542	134,568	852	-	-	135,419
Equipment, fixtures and fittings	10,000	-	5,900	-	-	5,900
Rents receivable	-	40,005	37,347	-	-	77,352
Rates Refund	-	3,517	3,281	-	-	6,797
Sundry refund	-	-	-	428	-	428
	419,910	247,965	165,488	428	-	413,881
PAYMENTS						
Legal fees		19,803	13,741	5,000	-	38,544
Professional fees		-	-	-	750	750
Legal disbursements		98	458	30	216	803
Agents / Valuers fees		7,500	20,000	-	-	27,500
Agents / Valuers disbursements		-	4,025	-	-	4,025
Secured creditor**		23,868	-	-	-	23,868
Rents payable		38,269	96,889	-	-	135,157
Deposit for landlords' costs		-	1,000	-	-	1,000
Insurance of assets		377	175	-	255	807
Storage		1,609	216	216	-	2,041
Employees - Preferential Dividend		-	-	-	3,852	3,852
Redundancy Payments Service - Pref Dividend		-	-	-	36,711	36,711
HMRC - PAYE/NIC - On Preferential Dividend		-	-	-	1,373	1,373
Sundry payment		150	-	-	-	150
Office Holders' fees		25,000	-	41,667	-	66,667
Office holders' expenses		-	-	1,028	-	1,028
Pre-appointment marketing fees		195	-	-	-	195
Utilities		-	-	1,516	-	1,516
		116,869	136,504	49,457	43,157	345,986
Balance (receipts less payments)						67,895
Represented by						
Administration current account - non interest bearing						67,680
Net VAT receivable						215
TOTAL CASH IN HAND						67,895

* Receipt and costs now grossed up in R&P for the assignment of the Soho premises following receipt of invoices from the landlord to enable a full reconciliation of the costs. Leasehold property sale was for £100,000.

** Balance of fixed charge secured creditor payment paid from floating charge reserves

*** Fixed and floating charge R&P has been combined as it is understood that there are no sums outstanding to any creditors under its fixed or floating charges.



APPENDIX III

ADMINISTRATORS' CHARGE OUT RATES, DISBURSEMENT POLICY AND NARRATIVE

Administrators' charge out rates

The Administrators are remunerated on a time cost basis. Charge-out rates used are appropriate to the skills and experience of a member of staff and the work that they perform. Time is recorded in six minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

The hourly charge-out rates used on this case are as follows:

Staff grade	Rate per hour from 1 January 2020 (£)	Rate per hour from 30 April 2018 (£)
Partner	625 - 755	550 - 755
Director	515	450
Senior Manager	435	395
Manager	375	350
Assistant Manager	305	305
Senior Administrator	255	255
Administrator	220	220
Junior Administrator	175	175

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Advisory Limited.

Disbursement policy

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling (non-mileage), postage, statutory advertising and other expenses made on behalf of the assignment.

Indirect charges (Category 2 disbursements) require separate approval and the basis of charging these is as follows:

- Photocopying 20 pence per sheet
- Mileage 45 pence per mile

Narrative of work carried out:

Administration and Planning

Case planning

- Preparing the documentation and dealing with the formalities of appointment
- Review and storage of Company records
- Liaising with the directors throughout the appointment process
- Assisting the directors with the formalities required to place the Company into administration
- Considering the employee position of the Company, and
- Case planning and administration.

Cashiering

- Dealing with the day to day management of the internal cash book
- Making payments and dealing with receipts, and
- Reconciling the Company's bank account.

General administration

- Statutory notifications and advertising
- Case bordereau
- Preparing the documentation required
- Dealing with all routine correspondence
- Liaising with insurers regarding initial cover
- Updating the Insurers with respect to the disposal of assets
- Maintaining physical case files and electronic case details, and
- Liaising with the Company's directors regarding provision of information.

Creditors

Secured

- Liaising with HSBC and HSBCIF with respect to sums due to these secured creditors and planning the release of surplus funds.

Unsecured

- Dealing with creditor correspondence, emails and telephone conversations, and
- Maintaining up to date creditor information on the case management system.

Employees

- Liaising with employees with respect to their redundancy
- Obtaining information from the case records about employee claims
- Completing documentation for submission to the RPS
- Corresponding with employees regarding their claims, and
- Liaising with the RPS regarding employee claims.

Investigations

General investigations

- General investigation into the Company's affairs, and
- Statutory investigation into the directors' conduct, including preparation and submission of required reports.

D-returns

- Preparing and completing the report on the directors' conduct and submitting the online form.

Realisation of Assets

Sale of business / assets

- Liaising with LSH and Cedar Dean regarding the securing, valuation and sale of Company assets
- Correspondence with LSH and Cedar Dean regarding recommendations of acceptance on the offers received for the Company's assets
- Providing information to the interested parties, and
- Internal correspondence and meetings regarding assets.

Book debts

- Liaising with the directors in relation to the Company's book debts, and
- Emails and correspondence with HSBCIF.

Leasehold property

- Liaising with the landlords, LSH, Cedar Dean and Kerman in respect of the assignment or surrender of leases as applicable
- Completion of leasehold property interests, and
- Supervision of site clearance.

Retention of title and third-party assets

- Dealing with retention of title claims and third-party assets and where appropriate, coordinating the return of such assets.

Other assets

- Dealing with the disposal of the residual stock, and



- Reviewing offers in respect of intangible assets, goodwill and intellectual property.

Statutory

Statutory paperwork / form completion

- Preparation and delivery of all statutory documentation
- Informing Companies House of the Administration
- Liaising with solicitors regarding appointment documentation, and
- Internal discussions in relation to the timings of the appointment and preparing for the appointment.

Reporting to creditors

- Drafting reports to the members and creditors, and
- Dealing with statutory issues required under Insolvency Act 1986, the Insolvency Rules 2016 and the Statements of Insolvency Practice.

Reasons why this work is required

Administration and planning:

This represents the routine administrative work that is required of the office holders and their staff, together with the control and supervision of the work done on the case by the office holders and their staff. It does not give direct financial benefit to the creditors but has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the SIP, which set out required practices that office holders must follow.

Investigations:

Insolvency legislation gives the office holders powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holders are required by the SIP to undertake an initial investigation to determine whether there are potential recovery actions for the benefit of creditors and any time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors. Any approval for an increase in fees will be sought as necessary. Such recovery actions will be for the benefit of the creditors and the office holders will provide an estimate of that benefit if an increase in fees is necessary.

The office holders are also required by legislation to report to the Department for Business, Energy and Industrial Strategy on the conduct of the directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.

Realisation of assets:

This is the work that needs to be undertaken to protect and then realise the known assets, which should directly benefit creditors.

Creditors:

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the RPS. That work will include dealing with queries received from both the ex-employees and the RPS to facilitate the processing of the claims. The office holders are required to undertake this work as part of his statutory functions.

Claims of creditors - The office holders need maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holders will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holders are required to undertake this work as part of their statutory obligations.

Statutory:

These activities involve complying with legislation including but not limited to; The Insolvency Act 1986, The Insolvency Rules 2016, The Companies Act 2006, The Bribery Act 2010, the Money Laundering Regulations 2007, Statement of Insolvency Practice (England and Wales) and Pension Regulations. These activities do not add any direct benefit to creditors and they form part of the statutory obligations of the Administration.



APPENDIX IV

ADMINISTRATORS' TIME COSTS SUMMARY

A total of 97.40 hours were spent at an average charge out rate of £330.15 bringing the total time costs for the Reporting Period to £32,157. A summary table is shown below:

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration & Planning									
Case planning / monitoring	0.90	562.50	0.80	348.00	5.50	1,679.00	7.20	2,589.50	359.65
Cashiering	1.40	754.00	2.00	870.00	4.00	921.00	7.40	2,545.00	343.92
General administration	0.20	125.00	2.80	1,194.00	3.20	797.00	6.20	2,116.00	341.29
	2.50	1,441.50	5.60	2,412.00	12.70	3,397.00	20.80	7,250.50	348.58
Creditors									
Unsecured	-	-	1.80	759.00	1.00	227.50	2.80	986.50	352.32
Employees	0.80	500.00	-	-	2.20	761.00	3.00	1,261.00	420.33
	3.80	2,505.00	4.60	1,977.00	50.00	15,011.50	58.40	19,493.50	333.79
Realisation of Assets									
Book debts	-	-	-	-	-	-	-	-	-
Sale of business / assets	-	-	2.10	913.50	-	-	2.10	913.50	435.00
Property - freehold and leasehold	-	-	-	-	-	-	-	-	-
Other assets	0.20	125.00	0.20	87.00	0.50	152.50	0.90	364.50	405.00
	0.20	125.00	2.30	1,000.50	0.50	152.50	3.00	1,278.00	426.00
Statutory									
Statutory paperwork / form completion	-	-	-	-	6.70	1,172.50	6.70	1,172.50	175.00
Reporting to creditors	0.80	500.00	1.20	522.00	5.90	1,679.50	7.90	2,701.50	341.96
	0.80	500.00	1.20	522.00	12.60	2,852.00	14.60	3,874.00	265.34
Total hours and cost	7.30	4,571.50	14.30	6,172.50	75.80	21,413.00	97.40	32,157.00	330.15

ADMINISTRATORS' CUMULATIVE TIME COSTS SUMMARY

A total of 713.10 hours have been spent at an average charge out rate of £324.10 bringing the total time costs since appointment to £231,116. A summary table is shown below:

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration & Planning									
Case planning / monitoring	6.20	3,477.50	9.60	3,450.50	40.20	9,773.50	56.00	16,701.50	298.24
Cashiering	3.60	1,834.00	14.30	5,494.50	23.80	5,304.50	41.70	12,633.00	302.95
Reporting	-	-	-	-	-	-	-	-	-
Compliance / technical	-	-	-	-	-	-	-	-	-
General administration	1.30	846.00	16.20	6,406.00	24.40	5,724.50	41.90	12,976.50	309.70
	11.10	6,157.50	40.10	15,351.00	88.40	20,802.50	139.60	42,311.00	303.09
Creditors									
Secured	0.20	110.00	0.50	197.50	-	-	0.70	307.50	439.29
Preferential	3.00	2,005.00	45.70	14,302.50	3.90	938.50	52.60	17,246.00	327.87
Unsecured	1.50	883.00	5.90	2,324.50	78.10	19,907.50	85.50	23,115.00	270.35
Employees	1.90	1,105.00	2.20	761.00	23.80	5,622.00	27.90	7,488.00	268.39
Creditors committee	-	-	-	-	-	-	-	-	-
	6.60	4,103.00	54.30	17,585.50	105.80	26,468.00	166.70	48,156.50	288.88
Investigations									
General investigation	0.20	110.00	0.60	261.00	9.70	3,395.00	10.50	3,766.00	358.67
D returns	-	-	1.40	553.00	9.30	2,358.00	10.70	2,911.00	272.06
Other investigation	-	-	-	-	-	-	-	-	-
Preparing / submitting D Report	-	-	-	-	-	-	-	-	-
Legal action	-	-	-	-	-	-	-	-	-
	0.20	110.00	2.00	814.00	19.00	5,753.00	21.20	6,677.00	314.95
Realisation of Assets									
Book debts	-	-	1.30	513.50	3.10	964.00	4.40	1,477.50	335.80
Sale of business / assets	-	-	8.70	3,318.00	12.10	2,909.50	20.80	6,227.50	299.40
Property - freehold and leasehold	32.80	18,895.50	57.30	22,597.50	83.30	23,432.50	173.40	64,925.50	374.43
Retention of title	-	-	-	-	-	-	-	-	-
Other assets	1.60	1,098.00	9.80	3,159.00	19.30	6,428.00	30.70	10,685.00	348.05
	34.40	19,993.50	77.10	29,588.00	117.80	39,734.00	229.30	83,315.50	363.35
Statutory									
Statutory paperwork / form completion	3.30	1,815.00	19.30	7,443.50	49.50	13,486.00	72.10	22,744.50	315.46
Filing documents with CH / Court	-	-	-	-	23.00	7,962.50	23.00	7,962.50	346.20
Reporting to creditors	6.80	3,807.50	17.30	6,224.50	37.10	9,917.00	61.20	19,949.00	325.96
	10.10	5,622.50	36.60	13,668.00	109.60	31,365.50	156.30	50,656.00	324.09
Trading									
Day one matters	-	-	-	-	-	-	-	-	-
Ongoing trading administration	-	-	-	-	-	-	-	-	-
Close down	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total hours and cost	62.40	35,986.50	210.10	77,006.50	440.60	118,123.00	713.10	231,116.00	324.10

