

**2.17B**

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company Adiwell Limited	Company number 05167787
In the High Court of Justice, Chancery Division, Manchester District Registry (full name of court)	Court case number 2987 of 2015

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

I/We (a)  
Kerry Bailey  
BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

Sarah M Rayment  
BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

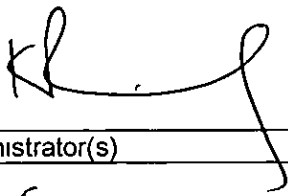
\*Delete as applicable

attach a copy of \*my/our proposals in respect of the administration of the above company

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

(b) 6 November 2015

Signed

  
 Joint / Administrator(s)

Dated

06/11/2015

**Contact Details:**

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

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

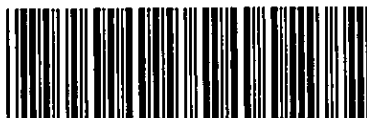
Kerry Bailey  
BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester  
M3 3AT

DX Number

01618 177 500

DX Exchange

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



\*A4JO06VC\*

A08

07/11/2015

#402

COMPANIES HOUSE

SATURDAY

**Adiwell Limited**  
**In Administration**

Statement to Creditors pursuant to Rule 2.33  
of the Insolvency Rules 1986 and Statement of  
Proposals under Paragraph 49 of Schedule B1  
of the Insolvency Act 1986

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## ADIWELL LIMITED - IN ADMINISTRATION

Registered No. 05167787

Registered office situated at c/o BDO LLP, 3 Hardman Street, Spinningfields, Manchester

In the High Court of Justice, Chancery Division, Manchester District Registry

2987 of 2015

### 1 INTRODUCTION

- 1.1 This report is addressed to the members and creditors of Adiwell Limited ("the Company") and incorporates the Joint Administrators' proposals. Neither of the objectives in paragraph 3(1)(a) or (b) of Schedule B1 to the Insolvency Act 1986 ("the Schedule") are presently considered to be achievable in respect of the Company (see section 5 below) and consequently we do not propose to call a meeting of creditors to consider the Joint Administrators' proposals. There are not anticipated to be sufficient asset realisations to enable us to make any distribution to unsecured creditors, other than possibly by virtue of the requirement to set aside a prescribed part of the Company's net property for the satisfaction of the Company's unsecured debts.
- 1.2 Under Paragraph 52 of the Schedule if at least 10% of creditors require us to call a meeting they must notify us using form 2.21B (attached) by 18 November 2015. Please note that before such a meeting can be held we will require a deposit towards the cost of convening the meeting. Such deposit may be repaid subject to the approval of the other creditors. The level of deposit that we would require from the requisitioning creditor(s) would be £1. This is assuming that the debts of the requisitioning creditor(s) represent 10% or more of the Company's total debts. The deposit has been set at this level to ensure that it does not act as an obstacle in preventing creditors requisitioning a meeting. Where no creditors' meeting is held to consider the Joint Administrators' proposals, the proposals will have been deemed to be approved.
- 1.3 If a creditors' meeting were to be held, creditors may approve the proposals with or without modifications subject to the Joint Administrators' agreement to any such modifications. If the creditors reject the Joint Administrators' proposals a report will be sent to the High Court of Justice, Chancery Division, Manchester District Registry confirming that the creditors have rejected the proposals. The Court may then discharge the Administration and make consequential directions. Alternatively, it may adjourn the hearing or make some other Order as it thinks fit.
- 1.4 If the Joint Administrators' proposals are approved, either following a creditors' meeting or deemed approved, the Joint Administrators will continue to control the business of the Company to the extent that it has not been transferred. The Joint Administrators would at some later date arrange for the Company to exit from the Administration, details in this regard are provided later in this report.
- 1.5 In the event that you make a complaint to us but are not satisfied with the response from us then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.
- 1.6 The Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>. Creditors may access information setting out creditors' rights in respect of the approval of Joint Administrators' remuneration at <https://www.r3.org.uk/what-we-do/publications/professional/fees>.

**2 EVENTS LEADING UP TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS**

- 2.1 The Company was incorporated on 1 July 2004 as a joint property venture between Flodrive Holdings Limited ("FHL") and EBNZ Limited
- 2.2 The Company owns and manages 12 commercial and residential properties. Four of the properties were funded by West Bromwich Commercial Limited ("WBCL"), with the remainder being financed by HSBC Bank Plc ("HSBC") (together "the Banks").
- 2.3 The Company has historically been loss making and the audited accounts for the year ended 30 April 2014 suggest that it was insolvent on a balance sheet basis. However, the joint venture partners have been financially supportive, making contributions when required.
- 2.4 In May 2015, the Company's facilities provided by WBCL matured and it transpired that there was a deficiency in the loan to value on the properties secured by WBCL's lending.
- 2.5 In light of this, WBCL engaged Kerry Bailey and Sarah Rayment of BDO LLP to conduct a review of the financial position of the Company. Following the completion of this review, representatives of WBCL and HSBC entered into discussions with the directors of the Company regarding their management strategy and cash flow requirements for the immediate future.
- 2.6 It was established that there was a risk that the Company's income could become insufficient to meet the expenses associated with managing the properties charged to WBCL. As a result, and following further discussions with the Company, WBCL issued a formal demand for repayment of their loans.
- 2.7 The Company was unable to satisfy WBCL's formal demand and on 14 September 2015, Kerry Bailey and Sarah Rayment were appointed Joint Administrators, by WBCL under their Qualifying Floating Charge, pursuant to Paragraph 14 of the Schedule.
- 2.8 For the purpose of paragraph 100 of the Schedule the Joint Administrators can confirm that any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators, jointly or alone. Under the provisions of paragraph 100(2) of the Schedule, the Joint Administrators carry out their functions jointly and severally and neither Administrator has exclusive power to exercise any function.

**3 STATEMENT OF AFFAIRS AND STATUTORY INFORMATION**

- 3.1 At Appendix 1 is a record of the names of the Company's directors and company secretary together with details of their shareholdings.
- 3.2 We attach at Appendix 2 to this report a summary of the estimated statement of affairs of the Company at the date of our appointment, prepared by one of the directors. The Joint Administrators have requested a Statement of Concurrence from the other two directors. The Joint Administrators have reviewed the statement of affairs but have not carried out any audit or detailed verification work at this time.

**4 PRESCRIBED PART**

- 4.1 Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003. All floating charges registered against the Company were created after 15 September 2003, so the provisions of the prescribed part will apply.

4 2 The Joint Administrators are awaiting formal legal advice regarding the treatment of rent receipts that were invoiced prior to our appointment and which have been received following our appointment, specifically if the receipts fall to the Banks' fixed or floating charges

4 3 If it follows that the rent receipts are subject to the Banks' floating charge, the Joint Administrators estimate that after allowing for costs the value of the Company's net property will be £307,132 and this means that the prescribed part should be £75,426

4.4 All future rents will be subject to the Banks' fixed charge

## **5 ACHIEVING THE PURPOSE OF THE ADMINISTRATION**

5 1 Pursuant to Paragraph 3(1) of the Schedule the Administrators are required to perform their functions with the objective of achieving the statutory purpose of an administration, which consists of three objectives.

(a) The first objective is rescuing the company as a going concern (i.e. restructuring the company's business, resulting in the survival of the company)

(b) If the first objective cannot be achieved, the Administrators work towards the second objective of achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration)

(c) The final objective is realising property in order to make a distribution to one or more secured or preferential creditors.

5.2 After reviewing all information available, it became apparent that, due to the extent of the Company's liabilities objectives (a) and (b) could not be achieved. The Joint Administrators are therefore working towards achieving objective (c).

## **6 MANAGEMENT OF THE COMPANY'S AFFAIRS SINCE THE JOINT ADMINISTRATORS' APPOINTMENT**

### **6.1 Initial Actions**

6 1 1 Following our appointment as Joint Administrators, we undertook a review of the Company's current financial position to establish any urgent action that was required to be taken in respect of the tenants and the immediate cash requirements of the property portfolio. Steps were taken to secure the rental income and the Joint Administrators opened designated bank accounts for this purpose

6.1 2 The Joint Administrators appointed Addleshaw Goddard LLP ("Addleshaws") to advise upon the validity of the Joint Administrators' appointment and to review each Banks' security documentation to ensure that rental income distributions were completed correctly based on the Banks' respective securities.

6 1 3 At the date of appointment one of the properties, an operational hotel, was in the final stages of a sales process, with an offer having been received and approved by HSBC and Heads of Terms ("HOT") having been issued. The Joint Administrators have liaised with the instructed agents and solicitors and the sale is being progressed on the agreed terms, but with appropriate amendments to the agreements to reflect the administration of the Company and the basis upon which the Administrators acting on behalf of the Company will contract. The details of the terms of this sale are confidential.

6.1.4 The directors have been fully cooperative and have provided information when requested. They have expressed an interest in assisting the Joint Administrators with

decisions relating to the management of the portfolio, particularly in respect of the properties subject to HSBC's charges. The Joint Administrators consider that any planned strategy will benefit from the directors' experience in dealing with these properties and will liaise with them when appropriate to do so.

## 6.2 Property Portfolio

6.2.1 The Company's property portfolio comprises eleven commercial properties, including the hotel mentioned earlier, and one joint use commercial and residential property. Of the twelve properties, four are subject to WBCL's security with the remaining eight subject to legal mortgages held by HSBC. All of the properties are fully let

6.2.2 The properties are being assessed on an individual basis and the Banks are considering their options. In the circumstances, the property values and the amounts secured are commercially sensitive and are therefore, not disclosed. Further details on the properties are provided below

### West Bromwich Building Society

#### Address

7 Norfolk Street, Kings Lynn  
2 High Street, Sheffield  
25 Sankey Street, Warrington  
111-117 Northumberland Street, Newcastle

#### Lessor

W H Smith  
Barclays Bank  
Barclays Bank  
Argos

### HSBC Bank

#### Address

72-78 Rosemary Road, Clacton on Sea  
Brook Meadow Hotel, Wirral  
220 Hoylake Road, Moreton  
Unit 9A & 9D Farnham Industrial Estate

#### Lessor

QD Market Towns Limited  
Bespoke Hotels Limited  
Heron Foods Limited  
4th Dimension & QVS Electrical  
Wholesale

Unit 2 Farnham Industrial Estate  
Restoration House, Wirral  
96 High Road, Ilford

Howden Joinery  
Howden Joinery  
Warren James Jewellers &  
Residential flat

33 Fleet Street, Torquay

Warren James Jewellers

## 6.3 Trading during the Administration

6.3.1 As the Joint Administrators were appointed shortly before payment of the September quarter, rents of £304,233 plus VAT of £42,838 fell due on 29 September 2015. The decision was taken to allow those rents to be paid in to the Company's pre-administration bank account with HSBC. It was agreed with HSBC that those rents would in due course be paid over to the Administrators' designated trust account

6.3.2 The majority of the September quarter rents have been subsequently paid in to the Company's pre-administration HSBC account. HSBC have paid the rents in respect of the WBCL properties of £221,550 over to the Administrators' designated trust account for those rent receipts.

- 6.3.3 The HSBC rents of £102,232 have been paid over in part (£86,982). It was agreed after discussions with HSBC that £15,250 would be retained to cover charges that were being applied to the Company's account and that this would be treated as an initial distribution
- 6.3.4 Addleshaws have advised that the September quarter rents are to be treated as subject to the Banks' floating charge securities, but the December quarter rents will be subject to their fixed charge securities
- 6.3.5 All tenants have received letters to advise them of the administration and to amend their payee details for rent to the Joint Administrators' designated trust accounts. Rent demands with the new bank account details will be issued at the start of December 2015.
- 6.3.6 With the agreement of the Banks, rental receipts will be used to defray the expenses associated with the management of their respectively charged properties. Specific trust accounts for HSBC and WBCL have been opened to ensure all income and expenditure is correctly apportioned between the Banks
- 6.3.7 The hotel, which is currently under offer, is subject to a management agreement with Bespoke Hotels Limited. While the sale is being progressed, the hotel continues to operate as normal, however this is a traditionally quiet period of trading for the hotel industry and it is anticipated that there will be an operating loss for the months of October and November before the busy Christmas period
- 6.3.8 The management agreement requires the Company to make contributions to cover any losses and ensure essential payments are made. In the event that it becomes necessary to provide funds to Bespoke Hotels Limited to meet operating losses and/or essential expenses, the Joint Administrators will discuss those funding requirements with HSBC.

#### 6.4 Other Assets

- 6.4.1 We understand that a balance of £28,000 may be being retained by WBCL in respect of the proceeds of sale on a property. The Joint Administrators will investigate the existence of these funds and the ability for them to be realised or claimed by WBCL under right of set-off.

#### 6.5 Achieving the purpose of the Administration

- 6.5.1 The Joint Administrators will continue to manage the business and affairs of the Company in order to achieve the statutory purpose of the administration. This may involve engaging with agents to review the portfolio, implementing improvement strategies and disposing of loss making properties. Any strategy will be agreed and implemented with the respective lender, WBCL or HSBC.

### 7 INVESTIGATION

- 7.1 The Joint Administrators have a duty to investigate the affairs of the Company to establish if there are any actions that can be pursued for the benefit of the creditors as a whole and also the conduct of the directors. In this latter respect the Joint Administrators must submit a confidential report to the Secretary of State regarding the conduct of all directors and shadow directors during the three years before the administration.
- 7.2 If creditors wish to bring to our attention any matters that merit investigation they should contact the Joint Administrators c/o of BDO LLP, 3 Hardman Street, Manchester, M3 3AT quoting reference 00255534.



**8 PROSPECTS FOR CREDITORS****8.1 Secured Creditors**

8.1.1 WBCL hold legal charges over the four properties detailed in subsection 6.2.2. They also hold deeds of rental assignment in respect of those properties.

8.1.2 In addition, they hold a floating charge debenture over the assets and undertaking of the Company.

8.1.3 HSBC hold legal charges over the remaining eight properties in the Company's portfolio.

**8.2 Preferential creditors**

8.2.1 We do not anticipate receiving any preferential claims in this matter, as the Company had no employees.

**8.3 Unsecured Creditors**

8.3.1 At the date of our appointment, the directors did not believe that there were any outstanding trade and expense creditors. We have received one claim for £40 from a utility company relating to a property that was empty for a short period of time. It is possible that there may be other claims of this nature and the directors are checking their records to assess the likelihood of such claims being received.

**8.4 HM Revenue and Customs**

8.4.1 Prior to the appointment of the Joint Administrators, we understand that the Company was up to date with the filing of its returns with HM Revenue & Customs. However, the final pre-administration VAT return will include an output tax liability in respect of the September quarter rent demands. This is estimated to be £43,000 and is subject to the final VAT returns being submitted, which the Joint Administrators are in the process of completing.

8.5 On present information, it is not anticipated that there will be sufficient funds available to enable a dividend to be paid to unsecured creditors, other than by virtue of the prescribed part.

**9 OTHER MATTERS**

9.1 The Insolvency Service has established a central gateway for considering complaints in respect of insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

**10 EC REGULATIONS ON INSOLVENCY PROCEEDINGS**

10.1 The EC Regulation on Insolvency Proceedings 2000 will apply to these proceedings as the registered office of the Company at the date of Administration was situated in England. The proceedings are main proceedings as defined in Article 3 of the EC Regulation.

**11 JOINT ADMINISTRATORS' REMUNERATION**

11.1 Attached at Appendix 3 is a schedule that summarises the time that has been spent in dealing with matters arising in this administration up to 6 November 2015. This shows a total of £42,506, being 138 hours at an average charge out rate of £308 per hour.

- 11.2 The Joint Administrators are obliged to fix their remuneration in accordance with Rule 2.106(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either as a percentage of the value of the property with which the Joint Administrators have to deal, by reference to the time the Joint Administrators and their staff spend in attending to matters in this administration or a fixed amount. Remuneration may be fixed on one or a combination of any of the foregoing bases.
- 11.3 Where no meeting of creditors is being convened because there will be insufficient property to enable a distribution to be made to unsecured creditors (other than by reason of the prescribed part which is mentioned above) our remuneration and any category 2 disbursements will be subject to the approval of the secured creditors as set out in Rule 2.106(5A)(a) of the Insolvency Rules 1986. We will therefore seek approval of our remuneration from the Banks in due course.

## **12 POSSIBLE OUTCOMES FOR THE COMPANY AND CREDITORS**

- 12.1 The Insolvency Act 1986 and Insolvency Rules 1986 provide a variety of options regarding the possible exit routes for the Company from the Administration, being primarily a Company Voluntary Arrangement, Liquidation or dissolution of the Company.
- 12.2 As it is presently envisaged that there will be no distribution to the unsecured creditors (other than by virtue of the prescribed part), once all realisations are completed or there is no prospect of future realisations and all funds have been distributed, the Joint Administrators propose that they would then make the necessary arrangements for the Company to be dissolved and removed from the Companies Register pursuant to paragraph 84 of the Schedule.
- 12.3 However, if it is the Joint Administrators' belief that it will not be possible to realise all the Company's assets prior to the expiration of the administration order (whether extended previously or not by the court or with consent) and it is most cost effective way to place the Company in to liquidation, then the Joint Administrators propose that subject to the provisions of Paragraph 79 of the Schedule, an application would then be made to the court to end the Administration and for the Company to be wound-up. The Joint Administrators may, if they so desire, request that they be appointed Joint Liquidators pursuant to Section 140(1) of the Insolvency Act 1986.

## **13 STATEMENT OF PROPOSALS UNDER PARAGRAPH 49 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986**

- 13.1.1 In accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 the Joint Administrators make the following proposals for achieving the purpose of the Administration:

### **Formal Proposals - the Joint Administrators propose that:**

- (a) That the Joint Administrators do all such things and generally exercise all of the powers as Administrators contained in Schedule 1 of the Insolvency Act 1986, as they at their discretion consider desirable or expedient in order to achieve the purposes of the administration, to protect and preserve the assets of the Company or maximise the realisation of those assets or for any purpose incidental to these proposals
- (b) That the Administrators, at their sole discretion and at a time they see fit, are empowered to either:

- Make application to Court to end the Administration pursuant to Paragraph 79 of Schedule B1 of the Insolvency Act 1986, following which, the Administrators request that the Company be Compulsorily wound-up and Kerry Bailey and Sarah Rayment be appointed Joint Liquidators if they so desire, or,
  - File the necessary documents with the Court and with the Registrar of Companies to dissolve the Company pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986.
- (c) That they make payments to the secured creditors and if appropriate, a distribution to the unsecured creditors from the Prescribed Part
- 13.1.2 As the Administrators have made a statement under Paragraph 52 of the Schedule and decided not to summon a meeting of creditors, the above proposals will be deemed to have been accepted unless creditors request that a meeting be convened
- 13.1.3 A request of a meeting to be summoned must be made in accordance with Paragraphs 52(2) - (4) of the Schedule and Rule 2.37 of the Rules, i.e.:
- I. The request must represent the wishes of creditors whose claims total at least 10% of the total debts of the Company; and
  - II The request must be made on Form 2.21B which is to state the purpose of the proposed meeting and, if the request is made by more than one creditor, must be accompanied by each supporting creditor's written statement of concurrence, and
  - III The request must be made within 8 business days from the date on which the proposals were issued, or made available, to creditors.
- 13.1.4 The requesting creditor(s) are to deposit with the Joint Administrators £1 in respect of the costs of the meeting. However, the meeting may subsequently resolve that such costs are to be paid as an expense of the administration.

Dated 6 November 2015

.....  
Kerry Bailey  
Joint Administrator

**Adiwell Limited  
In Administration**

**Statutory Information**

**Company Number:** 05167787

**Date of Incorporation:** 1 July 2004

**Address of Registered Office:** 3 Hardman Street, Manchester, M3 3AT  
Formerly 4th Floor, Centre Heights, 137 Finchley Road,  
London, NW3 6JG

**Directors:** AM Khalastchi  
PSD Khalastchi  
EMF Khalastchi

**Company Secretary:** AK Tanna

**Nominal Share Capital:** £1 - divided into 1 ordinary shares of £1 each

**Registered Shareholders:** No of £1 ordinary shares held

Flodrive Holdings Limited

1
1

**Trading Results:**

Y/E	Turnover £	Gross Profit £	Net Profit (after tax) £	Directors' remuneration £	Balance on P & L A/c £
30 April 2014	2,462,000	16,531	Nil	Nil	Nil

## Notice requiring submission of a statement of affairs

Name of Company <b>Adiwell Limited</b>	Company number <b>05167787</b>
In the High Court of Justice, Chancery Division, Manchester District Registry	Court case number <b>2987 of 2015</b>

(a) Insert full name of each person required to submit statement

The Administrator(s) require(s) a statement of affairs to be prepared and submitted by

(a)  
Frank Khalastchi;  
Peter Khalastchi; and  
Anthony Khalastchi.

(b) Insert full name of company

as to the affairs of (b) Adiwell Limited ("the company")

(c) Insert full name and address of each person sent this notice

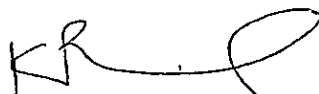
A notice requiring submission of a statement of affairs has been sent to each of the following persons (c) Frank Khalastchi, Peter Khalastchi and Anthony Khalastchi all of 3 Court Lodge, 48 Sloane Square, London, SW1W 8AT

(d) Insert name of administrator(s)

The statement of affairs must be submitted within 11 days of receipt of this notice to (d) Kerry Bailey and Sarah M Rayment ("the administrators")

(e) Insert full address

at (e) BDO LLP 3 Hardman Street, Manchester, M3 3AT



\_\_\_\_\_  
Name of Administrator(s)

Dated

16.9.15

### WARNING

It is an offence under paragraph 48(4) of Schedule B1 to the Insolvency Act 1986 if you fail without reasonable excuse to comply with this requirement.

(f) Delete words in brackets if not applicable

Section 235 of the Insolvency Act 1986 places a duty on you (f) (as an officer of the company) to provide the administrator with information and attend upon him if required. I have to warn you that failure to submit the statement of affairs as required by this notice, or to co-operate with the administrator under section 235 of the Insolvency Act 1986, may make you liable to a fine and, for continued contravention, to a daily default fine.

## Statement of affairs

Name of Company <b>Adiwell Limited</b>	Company number <b>05167787</b>
In the <b>High Court of Justice, Chancery Division, Manchester District Registry</b>	Court case number <b>2987 of 2015</b>

(a) Insert name and  
address of registered  
office of the company

Statement of affairs of (a) Adiwell Limited whose registered office is situated at c/o  
BDO LLP, 3 Hardman Street, Spinningfields, Manchester.

(b) Insert date

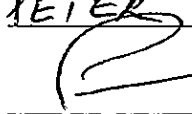
On the (b) 14 September 2015, the date that the company entered administration

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### Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 14 September 2015 the date that the company entered administration.

Full  
name PETER KHACASTCH

Signed 

Dated 15-10-2015

# A - Summary of Assets

## Assets

### Assets subject to fixed charge:

Assets	Book Value £ 000	Estimated to Realise £ 000
7 Norfolk St - Kings Lynn	2,400	1,800
2 High St - Sheffield	3,550	2,550
25 Sankley St - Warrington	1,650	950
111/117 Northumberland St Newcastle	5,500	3,500
Total assets for West Brom	13,100	8,800
Less: West Brom loan debts	(12,117)	(12,117)
	983	(3,317)

72/78 Rosemary Rd - Clacton-on-Sea	1,860	1,000
Brookmeadow Hotel - Southwicks	2,000	875
220 Hoxlake Rd - Mowton	630	530
Unit 9A/D Farnham Trading Estates	6,100	1,100
Unit 2 Farnham Trading Estates	780	780
Restoration Hse - Tennyson Way	575	660
96 High Rd - Ilford	1,300	500
33 Fleet Street, 4 Rock Rd, Torquay	720	350
Total assets for HSBC	9,165	6,395
Less: HSBC loan debts	(11,131)	(11,131)
	(1,966)	(4,736)

### Assets subject to floating charge:

NONE

### Uncharged assets:

NONE

Estimated total assets available for preferential creditor

(983) (8053)

Signature



Date

15-10-2015

## A1 - Summary of Liabilities

	Estimated to realise £650
Estimated total assets available for preferential Creditors (carried from page A)	£(8,053)
<b>Liabilities</b>	
Preferential creditors:-	
Estimated deficiency/surplus as regards preferential creditors	£
Estimated prescribed part of net property where applicable (to carry forward)	£
Estimated total assets available for floating charge holders	£
Debts secured by floating charges	£
Estimated deficiency/surplus of assets after floating charges	£(8,053)
Estimated prescribed part of net property where applicable (brought down)	£
Total assets available to unsecured creditors	£650
Unsecured non-preferential claims (excluding any shortfalls to floating charge holders) HMRC — VAT	£(43) £(43)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£(8,096)
Shortfall to floating charge holders (brought down)	£
Estimated deficiency/surplus as regards creditors	£
Issued and called up capital	£1
Estimated total deficiency/surplus as regards members	£(8,096)

Signature



Date

15-10-2015



# COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
Floodrive	3 Court Lodge, 48 Scares	1	£1	Ordinary share held on 11/4/86 for the Beneficial owners
HSDengs Limited	Square, London SW1W 8AT	—	—	Beneficial owner
Floodrive	3 Court Lodge, 48 Scares	—	—	Beneficial owner
HSDengs Limited	Square, London SW1W 8AT	—	—	Beneficial owner
EBNZ Limited	16 Great Queen Street Convent Garden London WC2G 5AH	—	—	Beneficial owner
TOTALS		1	£1	

Signature\_

Date \_\_\_\_\_

15-10-2015

## COMPANY CREDITORS

**Note:** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

[illegible]

**Signature**

Date \_\_\_\_\_

15-10-2015

## Statement of concurrence

Name of Company  
Adiwell Limited

Company number  
05167787

In the High Court of Justice, Chancery Division, Manchester  
District Registry

Court case number  
2987 of 2015

(a) Insert full name and address  
of registered office of company  
to which statement of affairs  
relates

With regards the Statement of Affairs of (a) Adiwell Limited, 3 Hardman Street, Spinningfields,  
Manchester, M3 3AT

("the company")

(b) Insert date statement of truth  
on the statement of affairs was  
made

made on (b) 15 October 2015

(c) Insert full name of person  
who made the statement of truth  
on the statement of affairs being  
concurrent with

by (c) Peter Khalastchi

### Statement of Truth

(d) Insert full name and address  
of person making statement

I (d) Frank Khalastchi

\*Delete as applicable

\* concur with the Statement of Affairs of the above company and I believe that the facts stated in  
the Statement of Affairs are a full, true and complete statement of the affairs of the company on  
the date that it entered administration

OR

(e) Please list matters in the  
statement of affairs which you  
are not in agreement with, or  
which you consider to be  
erroneous or misleading, or  
matters to which you have no  
direct knowledge and indicate  
reason for listing them

~~\*concur with the Statement of Affairs of the above company, subject to the following  
qualifications~~

(e) \_\_\_\_\_

and believe that, subject to these qualifications, the facts stated in the statement of affairs are a  
full, true and complete statement of the affairs of the company on the date that it entered  
administration

Full name FRANK KHALASTCHI

Signed 

Dated 28/10/15

## Statement of concurrence

Name of Company  
Adiwell Limited

Company number  
05167787

In the High Court of Justice, Chancery Division, Manchester  
District Registry

Court case number  
2987 of 2015

(a) Insert full name and address  
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made on (b) 15 October 2015

(c) Insert full name of person  
who made the statement of truth  
on the statement of affairs being  
concurrent with

by (c) Peter Khalastchi

### Statement of Truth

(d) Insert full name and address  
of person making statement

I (d) ANTHONY Khalastchi

\*Delete as applicable

\* concur with the Statement of Affairs of the above company and I believe that the facts stated in  
the Statement of Affairs are a full, true and complete statement of the affairs of the company on  
the date that it entered administration

OR

(e) Please list matters in the  
statement of affairs which you  
are not in agreement with, or  
which you consider to be  
erroneous or misleading, or  
matters to which you have no  
direct knowledge and indicate  
reason for listing them

~~\*concur with the Statement of Affairs of the above company, subject to the following~~  
qualifications

(e)

and believe that, subject to these qualifications, the facts stated in the statement of affairs are a  
full, true and complete statement of the affairs of the company on the date that it entered  
administration

Full name

<sup>MEMNASHI</sup>  
ANTHONY Khalastchi

Signed

Anthony Khalastchi

Dated

30-10-2015

Adiwell Limited - In Administration

Joint Administrators' Time Costs

00255534

Adiwell Limited - ADM

Name of Assignment

Summary of Time Charged and Rates Applicable for the Period ending 06/11/2015

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV RT
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
A Pre Appointment Matters	1 00	691 00	2 10	610 20	5 60	1,075 20			9 25	1,507 75			2 10	610 20	290 57
B Steps on Appointment			3 75	1,733 50	0 25	48 00							15 85	3,273 95	206 56
C Planning and Strategy	6 50	5,087 50	6 55	2,507 90	6 25	1,200 00	0 40	76 80	4 85	524 90			4 00	1,781 50	445 38
D General Administration	2 00	1,382 00	33 15	12,448 30	4 00	768 00			13 50	2,200 50			24 55	9,397 10	382 77
E Assets Realisation/Dealing	0 35	169 40	3 60	871 20	0 35	67 20							52 65	16,798 80	319 07
H Creditor Claims													4 30	1,107 80	257 63
I Reporting	1 50	1,036 50	8 20	3,636 40	17 50	3,360 00			8 00	1,504 00			35 20	9,536 90	270 93
	11.35	8,366 40	57 35	21,807 50	33 95	6,518 40	0 40	76 80	35 60	5,737 15	0 00	0 00	138 65	42,506 25	

Net Total	138 65	42,506 25
Secretarial Expense		0 00
Other Disbursements		153 00
Grand Total		42,659 25

Adiwell Limited - In Administration

Receipts and Payments Account

**Adiwell Limited  
(In Administration)**

**Administrators' Abstract Of Receipts And Payments  
To 03 November 2015**

RECEIPTS	Statement of Affairs (£)	Total (£)
Book debts		
WB 2 High Street, Sheffield		56,250 00
WB 25 Sankey Street, Warrington		26,250 00
WB 7 Norfolk Street, Kings Lynn		42,000 00
WB 111-117 Northumberland Street		97,050.00
HSBC 72-78 Rosemary Road, Clacton on Sea		26,662 50
HSBC Unit 2 Farnham Industrial Estate		18,570 00
HSBC Restoration House, Wirral		16,500 00
HSBC 220 Holylake Road, Moreton		21,000 00
HSBC 96 High Road Ilford		6,000.00
HSBC 33 Fleet Street & Rock Road, Torquay		6,250 00
		<hr/> 316,532.50 <hr/>
 PAYMENTS		
Ground Rents		
Wirral Council (Tarran Ind Est )		1,134 25
Waverley Council (Unit 2, 9/9a Farnham Trad. Est )		476 10
Waverley Council (Unit 1, 9/9a Farnham Trad. Est.)		705 53
HSBC Bank Plc		8,000 00
		<hr/> 10,315.88 <hr/>
Net Receipts/(Payments)		<hr/> 306,216.62 <hr/>
 MADE UP AS FOLLOWS		
Fixed Account 1 - West Brom		221,550.00
Fixed Account 2 - HSBC		84,666.62
		<hr/> 306,216 62 <hr/>



**Adiwell Limited - In Administration**

**A Creditors Guide to Administrators' Fees**

## **1 Introduction**

1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

## **2 The nature of administration**

2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
  - achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,
- or, if the administrator thinks neither of these objectives is reasonably practicable
- realising property in order to make a distribution to secured or preferential creditors

## **3 The creditors' committee**

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

## **4 Fixing the administrator's remuneration**

4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed

- as a percentage of the value of the property which the administrator has to deal with,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the administrator,
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply), the administrator's remuneration may be

fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of -

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors -
  - each secured creditor of the company, and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

## **5. Review of remuneration**

5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

## **6. Approval of pre-administration costs**

6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Disclosure of such costs must be included in the administrator's proposals and should follow the principles and standards set out in section 7.

6.2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.

6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

## **7 What information should be provided by the administrator?**

### **7.1 When fixing bases of remuneration**

7.1.1 When seeking agreement for the basis or bases of remuneration, the administrator should provide sufficient supporting information to enable the committee or the creditors to make an informed judgement as to whether the basis sought is appropriate having regard to all the circumstances of the case. The nature and extent of the information provided will depend on the stage during the conduct of the case at which approval is being sought. The appendix to this guide sets out a suggested format for the provision of information.

7.1.2 If any part of the remuneration is sought on a time costs basis, the administrator should provide details of the minimum time units used and current charge-out rates, split by grades of staff, of those people who have been or who are likely to be involved in the time costs aspects of the case. 7.1.3 The administrator should also provide details and the cost of any work that has been or is intended to be sub-contracted out that could otherwise be carried out by the administrator or his or her staff

7.1.4 If work has already been carried out, the administrator should state the proposed charge for the period to date and provide an explanation of what has been achieved in the period and how it was achieved, sufficient to enable the progress of the case to be assessed and whether the proposed charge is reasonable in the circumstances of the case. Where the proposed charge is calculated on a time costs basis, the administrator should disclose the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. The administrator should also provide details and the cost of any work that has been subcontracted out that could otherwise be carried out by the administrator or his or her staff

## **7.2 After the bases of remuneration have been fixed**

The administrator is required to send progress reports to creditors at specified intervals (see paragraph 8.1 below). When reporting periodically to creditors, in addition to the matters specified in paragraph 8.1, the administrator should provide an explanation of what has been achieved in the period under review and how it was achieved, sufficient to enable the progress of the case to be assessed. Creditors should be able to understand whether the remuneration charged is reasonable in the circumstances of the case (whilst recognising that the administrator must fulfil certain statutory obligations and regulatory requirements that might be perceived as bringing no added value for the estate). Where any remuneration is on a time costs basis, the administrator should disclose the charge in respect of the period, the time spent and the average charge-out rates, in larger cases split by grades of staff and analysed by appropriate activity. If there have been any changes to the charge-out rates during the period under review, rates should be disclosed by grades of staff, split by the periods applicable. The administrator should also provide details and the cost of any work that has been sub-contracted out that could otherwise be carried out by the administrator or his or her staff

## **7.3 Disbursements and other expenses**

7.3.1 Costs met by and reimbursed to the administrator in connection with the administration should be appropriate and reasonable. Such costs will fall into two categories

- Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the administration 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 administrator or his or her staff
- Category 2 disbursements. These are costs that are directly referable to the administration but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the administration on a proper and reasonable basis, for example, business mileage

Category 1 disbursements can be drawn without prior approval, although the administrator should be prepared to disclose information about them in the same way as any other expenses. Category 2 disbursements may be drawn if they have been approved in the same manner as the administrator's remuneration. When seeking approval, the administrator should explain, for each category of expense, the basis on which the charge is being made

7.3.2 The following are not permissible

- a charge calculated as a percentage of remuneration,
- an administration fee or charge additional to the administrator's remuneration;
- recovery of basic overhead costs such as office and equipment rental, depreciation and finance charges

## **8 Progress reports and requests for further information**

8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include:

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),

- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of
- whether payment was actually made during the period of the report,
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period,
- the date of approval of any pre-administration costs and the amount approved,
- a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses

8.2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

8.3 The administrator must provide the requested information within 14 days, unless he considers that

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the administrator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

## **9. Provision of information - additional requirements**

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is -

- the total number of hours spent on the case by the administrator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

## **10 What if a creditor is dissatisfied?**

10.1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

10.2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers

that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing

10.3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration

#### **11 What if the administrator is dissatisfied?**

11.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration

#### **12 Other matters relating to remuneration**

12.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors

12.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court

12.3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.

12.4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them

#### **13. Effective date**

This guide applies where a company enters administration on or after 1 November 2011

## Appendix

### Suggested format for the provision of information

Professional guidance issued to insolvency practitioners sets out the following suggested format for the provision of information when seeking approval of remuneration. However, the level of disclosure suggested below may not be appropriate in all cases, and will be subject to considerations of proportionality. In larger or more complex cases the circumstances of each case may dictate the information provided and its format.

#### Narrative overview of the case

In all cases, reports on remuneration should provide a narrative overview of the case. Matters relevant to an overview are

- the complexity of the case,
- any exceptional responsibility falling on the administrator,
- the administrator's effectiveness,
- the value and nature of the property in question

The information provided will depend upon the basis or bases being sought or reported upon, and the stage at which it is being provided. An overview might include

- an explanation of the nature, and the administrator's own initial assessment, of the assignment (including the anticipated return to creditors) and the outcome (if known),
- initial views on how the assignment was to be handled, including decisions on staffing or subcontracting and the appointment of advisers,
- any significant aspects of the case, particularly those that affect the remuneration and cost expended;
- the reasons for subsequent changes in strategy,
- the steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, and fee drawing,
- any existing agreement about remuneration,
- details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees,
- in a larger case, particularly if it involved trading, considerations about staffing and managing the assignment and how strategy was set and reviewed,
- details of work undertaken during the period,
- any additional value brought to the estate during the period, for which the administrator wishes to claim increased remuneration

#### Time cost basis

Where any part of the remuneration is or is proposed to be calculated on a time costs basis, requests for and reports on remuneration should provide

- An explanation of the administrator's time charging policy, clearly stating the units of time that have been used, the grades of staff and rates that have been charged to the assignment, and the policy for recovering the cost of support staff. There is an expectation that time will be recorded in units of not greater than 6 minutes
- A description of work carried out, which might include
  - details of work undertaken during the period, related to the table of time spent for the period;
  - an explanation of the grades of staff used to undertake the different tasks carried out and the reasons why it was appropriate for those grades to be used,
  - any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make
- Time spent and charge-out summaries, in an appropriate format

It is useful to provide time spent and charge-out value information in a tabular form for each of the time periods reported upon, with work classified (and sub-divided) in a way relevant to the circumstances of the case.

The following areas of activity are suggested as a basis for the analysis of time spent

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The level of disclosure suggested above will not be appropriate in all cases, and considerations of proportionality will apply.

- where cumulative time costs are, and are expected to be, less than £10,000 the administrator should, as a minimum, state the number of hours and average rate per hour and explain any unusual features of the case,
- where cumulative time costs are, or are expected to be, between £10,000 and £50,000, a time and charge-out summary similar to that shown above will usually provide the appropriate level of detail (subject to the explanation of any unusual features),
- where cumulative time costs exceed, or are expected to exceed, £50,000, further and more detailed analysis or explanation will be warranted



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Adiwell Limited - In Administration

Policy of BDO LLP in respect of Fees and Disbursements



## Adiwell Limited - In Administration

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows: This in no way implies that staff at all such grades will work on the case

### GRADE £

Partner	484
Director	335
Senior Manager	285-310
Manager	213-242
Executive	119-181
Junior Executive	66-82
Cashier	181-192
Support Staff	66

The rates charged by BDO LLP, 3 Hardman Street, Manchester, M3 3AT are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time Units of time can be as small as 3 minutes BDO LLP records work in respect of insolvency work under the following categories:-

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

### 1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories



## 2) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

## 3) Category 2

Insolvency practice additionally provides for the recharge of expenses such as postage, stationery, photocopying charges, telephone, fax and other electronic communications, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency Rules 1986, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP, in respect of this appointment is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency Rules 1986 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP

6 November 2015

## Rule 2 37

## Creditor's request for a meeting

Name of Company Adiwell Limited	Company number 05167787
In the High Court of Justice, Chancery Division, Manchester District Registry (full name of court)	Court case number 2987 of 2015

(a) Insert full name and address of the creditor making the request

I (a)

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

request a meeting of the creditors of (b)  
Adiwell Limited

c/o BDO LLP  
3 Hardman Street  
Spinningfields  
Manchester

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the requesting creditor's claim is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the purpose of the meeting

The purpose of the meeting is (e)

Signed

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Dated

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## PROOF OF DEBT

In The High Court of Justice  
Chancery Division  
Companies Court

No 2987 of 2015

Adiwell Limited  
- In Administration -

Date of Administration 14 September 2015

- 1a Name of creditor
- 1b If Company - registered number
- 2 Address of creditor
- 3 Total claim including VAT and interest as at the date of the appointment of administrators £  
(see overleaf)
- 4 Details of documents by which debt can be substantiated (please attach copy documents)
- 5 Amount of any interest included in claim £
- 6 Is the whole or part of the debt preferential? Yes / No  
If so, state amount, and details £  
See notes overleaf
- 7 Particulars of how and when debt incurred
- 8 Particulars and value of any security held and the date it was given
- 9 Details of any reservation of title in respect of goods to which the debt refer
- 10 Signature of creditor or other authorised person . . . . .  
Name in BLOCK LETTERS . . . . .  
Creditor's reference . . . . .
- 11 Position or Relationship with Creditor . . . . .
- 12 Address (if person signing is not the Creditor)

**For Use of Administrator Only**

13    Admitted to vote for £

Date

Joint Administrator

14    Admitted preferentially  
for £

Date

Joint Administrator

Admitted non-preferentially  
for £

Date

Joint Administrator

**Guidance Notes re Preferential Debts:**

The categories of preferential debts under S 386(1) of the Insolvency Act 1986 are as follows

- pension scheme contributions
- remuneration etc of employees
- Levies on Coal & Steel Productions.

**VAT Bad Debt Relief**

The provisions of the Finance Act, 1990, came into effect on 26 July, 1990, and introduced changes in the way that VAT on Bad Debts is recovered

Your claim overleaf must be quoted inclusive of VAT. You may claim relief on your VAT return when the debt is at least six months old and has been written off. Any dividend you receive in respect of this claim will include payment in respect of the VAT element of your debt and you will be responsible for declaring such VAT to HM Revenue & Customs