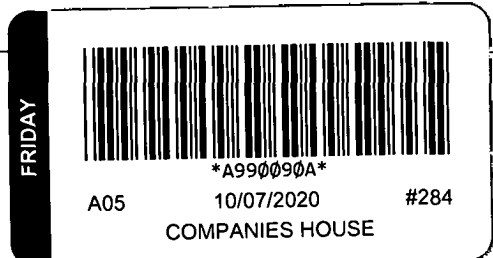


AM10

Notice of administrator's progress report



Companies House



1 Company details

Company number 06821379
Company name in full Cornish Farm Produce Limited

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

2 Administrator's name

Full forename(s) Siann
Surname Huntley

3 Administrator's address

Building name/number Leonard Curtis
Street 2nd Floor
40 Queen Square
Post town Bristol
County/Region
Postcode BS14QP
Country

4 Administrator's name ^①

Full forename(s) David
Surname Smithson

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

5 Administrator's address ^②

Building name/number Leonard Curtis
Street 2nd Floor
40 Queen Square
Post town Bristol
County/Region
Postcode BS14QP
Country

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

AM10

Notice of administrator's progress report

6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X *Shirley*

X

Signature date	d	1	d	0	m	0	m	7	y	2	y	0	y	2	y	0
----------------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Andrew Dally**

Company name **Leonard Curtis**

Address **2nd Floor**

40 Queen Square

Bristol

Post town

County/Region

Postcode **B S 1 4 Q P**

Country

DX

Telephone **0117 929 4900**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

CORNISH FARM PRODUCE LIMITED
(IN ADMINISTRATION)

Registered Number: 06821379

Court Ref: CR-2019-008548

High Court of Justice, Business and Property Courts of England and Wales

**Joint Administrators' first progress report in accordance
with Rule 18.3 of the Insolvency (England and Wales) Rules 2016**

Report period
20 December 2019 to 19 June 2020

10 July 2020

Siann Huntley and David Smithson - Joint Administrators
Leonard Curtis
2nd Floor, 40 Queen Square, Bristol BS1 4QP
Tel: 0117 929 4900 Fax: 0117 927 0000
General email: recovery@leonardcurtis.co.uk
Ref: SI/43/AJD/CL60B/1010

CONTENTS

- 1 Introduction
- 2 Statutory Information
- 3 Joint Administrators' Proposals
- 4 Progress of the Administration
- 5 Assets Still To Be Realised
- 6 Investigations
- 7 Joint Administrators' Remuneration and Disbursements
- 8 Joint Administrators' Expenses
- 9 Estimated Outcome for Creditors
- 10 Matters Still to be Dealt With
- 11 Extensions to the Administration
- 12 Next Report
- 13 Data Protection

APPENDICES

- A Summary of Joint Administrators' Approved Proposals
- B Summary of Joint Administrators' Receipts and Payments Account for the Period from 20 December 2019 to 19 June 2020
- C Summary of Joint Administrators' Time Costs for the Period from 20 December 2019 to 19 June 2020
- D Summary of Joint Administrators' Total Time Costs to Date Incorporating a Comparison with the Joint Administrators' Approved Fees Estimate
- E Summary of Joint Administrators' Expenses for the Period from 20 December 2019 to 19 June 2020 Incorporating a Comparison with the Joint Administrators' Statement of Likely Expenses
- F Leonard Curtis Policy regarding Fees, Expenses and Disbursements
- G Estimated Outcome Statement
- H Proof of Debt Form
- I Privacy Notice

CORNISH FARM PRODUCE LIMITED – IN ADMINISTRATION

**STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION**

**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL MEMBERS**

1 INTRODUCTION

- 1.1 This report has been produced in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ("the Rules") to provide creditors with an update on the progress of the Administration of Cornish Farm Produce Limited ("the Company") for the period from 20 December 2019 to 19 June 2020. This is the Joint Administrators' first progress report to creditors.

2 STATUTORY INFORMATION

- 2.1 Siann Huntley and David Smithson were appointed as Joint Administrators of the Company in the jurisdiction of High Court of Justice, Business and Property Courts of England and Wales, number CR-2019-008548 on 20 December 2019. The Administration appointment was made by the director of the Company. The Joint Administrators can confirm that there has been no change in office-holder since the date of Administration.
- 2.2 The Administration is being handled by the Bristol office of Leonard Curtis, which is situated at 2nd Floor, 40 Queen Square, Bristol, BS1 4QP.
- 2.3 The principal trading address of the Company was Unit 3a Woodacre Court, Burraton Road, Saltash, Cornwall, PL12 6LY. The business traded under its registered name.
- 2.4 The registered office address of the Company at the date of the appointment of the Joint Administrators was Abacus House, 129 North Hill, Plymouth, Devon PL4 8JY. Following the appointment, this was changed to 2nd Floor, 40 Queen Square, Bristol, BS1 4QP. The registered number of the Company is 06821379.
- 2.5 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Joint Administrators may be exercised by all or any of the persons holding that office.
- 2.6 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

3 JOINT ADMINISTRATORS' PROPOSALS

- 3.1 Attached at Appendix A is a summary of the Joint Administrators' approved proposals for achieving one of the three statutory purposes of Administration.
- 3.2 The Proposals were approved by creditors on 18 February 2020.
- 3.3 There have been no major amendments to, or deviations from, the proposals during the course of the Administration to date.
- 3.4 The objective of the Administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in administration).

- 3.5 This objective is likely to be achieved as the moratorium provided by the Joint Administrators' appointment has allowed for a sale of the Company's business to be completed on a quasi-going concern basis which achieved enhanced values for the assets and served to mitigate employee and finance creditor claims. Consequently, there is a reasonable prospect of a dividend being available to unsecured creditors which may not have been the case if the Company had been wound up without first being in administration.

4 PROGRESS OF THE ADMINISTRATION

- 4.1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 20 December 2019 to 19 June 2020.

Sale of Business and Assets

- 4.2 As previously reported to creditors, it was agreed that whilst a sale of the Company's business and assets was being explored, a connected company, Cornish Coleslaw Company Limited, would trade the business under a licence granted by the Joint Administrators in order to preserve the Company's goodwill and maximise the value obtained for its assets as well as mitigating some creditor claims. The licensee would meet all on-going trading expenses and account a share of 50% of any profits generated during the licence period to the administration estate.

The business was subsequently marketed with the assistance of our instructed Agents. Some interest was forthcoming and various information and assistance was provided to interested parties in undertaking their due diligence, albeit aside from one offer for the business as a whole (detailed below), third party offers received were for specific individual assets only. The nature of these offers neither provided the best overall outcome, nor were they in excess of amounts (on an individual basis) set out within the comparable offer described below.

Cornish Coleslaw submitted an offer to purchase the Company's business and assets which met with the recommendations of instructed agents Cerberus Group and noting the comments above. Progression of the sale was delayed due to the coronavirus pandemic but was formally completed on 20 May 2020 which brought the licence agreement to an end. The agreed sale consideration was £36,748 (including the beneficial interest held by the Company in certain assets subject to finance), of which £6,124.70 was payable on completion followed by 5 monthly instalments of £6,124.66. Payments have been received as specified in the sale agreement and the total of £12,249.36 has been received to date.

The Joint Administrators are in the process of compiling the profit and loss information to confirm the final trading results during the licence period. However, given the loss of turnover that the business suffered as a result of the Covid19 situation, realisations are at present uncertain.

Factored Book Debts

- 4.3 The Company's debtor ledger was subject to an invoice factoring agreement with Lloyds Bank Commercial Finance Limited ("Lloyds"). According to the Company's books and records, the gross balance of the debtor ledger as at 20 December 2019 totalled £311,030, with advances from Lloyds of £104,940.

Lloyds subsequently received debtor payments to clear its exposure in full and the remaining ledger was therefore re-assigned back to the Company. Surplus funds of some £50,359 were received from Lloyds and further collections of £1,657 have been made by the Joint Administrators. The outstanding ledger currently stands at circa £91,786 although it is noted that this comprises a number of bad or historic debts which may not be recoverable. Collection efforts are on-going and it is anticipated that debt recovery agents may be instructed in due course to pursue any remaining balances although the potential extent of further collections is currently uncertain.

CORNISH FARM PRODUCE LIMITED – IN ADMINISTRATION

Bank Interest

- 4.4 Bank interest in the sum of £10.27 has been received by the Joint Administrators during the reporting period.

5 ASSETS STILL TO BE REALISED

- 5.1. Save for the balance of the deferred consideration and the remaining book debts as referred to above, there are no other known assets to be realised.

6 INVESTIGATIONS

- 6.1 Following their appointment, the Joint Administrators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate.
- 6.2 After some initial enquiries, that assessment did not identify any possible further realisations. In addition, the Joint Administrators concluded that no further investigations were required. If, however, any creditor is aware of any particular matters which they consider require investigation, they should please send full details to this office at the address given at the front of this report.
- 6.3 Regardless of the above, the Joint Administrators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.

7 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Pre-Administration Costs

- 7.1 On 18 February 2020, creditors consented to the following pre-Administration costs and expenses being paid as an expense of the Administration:

Charged by	Services provided	Total amount charged £	Amount paid £	Amount unpaid £
Leonard Curtis	Assessing the financial position of the Company, review of whether an Administration purpose could be achieved, consultation with secured creditor, assistance with appointment formalities and discussions in respect of on-going trading arrangements.	£4,890	£4,890	-
Howells Solicitors	Statutory documentation, appointment particulars and preparation of licence to trade.	£4,880	£4,880	-

These costs have now been paid and are detailed in the receipts and payments account attached at Appendix B.

Joint Administrators' Remuneration

- 7.2 On 18 February, creditors agreed that the basis of the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising from the Administration for an amount not exceeding £34,980, as set out in a Fees Estimate.
- 7.3 The time charged by the Joint Administrators for the period of this report amounts to £63,581.50. This represents 150.1 hours at an average rate of £423.59 per hour. A summary of time costs incurred in the period is set out at

CORNISH FARM PRODUCE LIMITED – IN ADMINISTRATION

Appendix C, together with a detailed description of work undertaken in the period, attributable to each category of time costs, and an explanation of why it was necessary for that work to be performed.

- 7.4 Attached, at Appendix D, is a summary of time costs incurred to date compared with time costs as set out in the Joint Administrators' original fees estimate.
- 7.5 You will note that time costs incurred to date do exceed the time as set out in the Fees Estimate. As demonstrated at Appendix D, costs attributable to each category of time generally fall within those anticipated. The areas where significant variance has occurred when compared to the fees estimate relate predominately to "assets" and "liabilities" and associated administration.
- 7.6 As noted above, due to the issues arising from the coronavirus pandemic and the resulting UK lockdown, it took significantly longer than originally anticipated to finalise the sale of the Company's business and assets and more time was spent in respect to this category of time accordingly. Also, given the loss of turnover that the business suffered as a result of the Covid19 situation, some further employee redundancies unfortunately had to be made and additional time was therefore incurred in respect of "liabilities" in dealing with this matter.
- 7.7 The Administration is not yet complete and it is therefore anticipated that further time costs will be incurred in dealing with this matter. A revised Fees Estimate may potentially be required but the position will be reviewed in due course. Moreover, should information come to light during the course of the Administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to creditors for further approval. The information provided above is therefore for information purposes only.
- 7.8 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" (Version 4 – April 2017) which may be downloaded from:
- <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>
- 7.9 If you would prefer this to be sent to you in hard copy please contact Andrew Dally of this office on 0117 929 4900.
- 7.10 The remuneration drawn by the Joint Administrators to date totals £22,000 plus VAT.

8 JOINT ADMINISTRATORS' EXPENSES

- 8.1 Creditors will recall that the Joint Administrators have previously circulated a 'Statement of Likely Expenses' in this matter.

Expenses are separated into the following categories:

- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
 - (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in a particular case. Also included within this category are costs that are directly referable to the Administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 disbursements" and are subject to the approval of the creditors. On 18 February 2020, creditors also approved that category 2 disbursements could be drawn by the Joint Administrators, as detailed at Appendix F.
- 8.2 A copy of the Joint Administrators' statement of likely expenses, together with comparative details of expenses incurred during the current reporting period and confirmation as to whether those amounts are paid or unpaid is set out at Appendix E.

CORNISH FARM PRODUCE LIMITED – IN ADMINISTRATION

- 8.3 You will note that, in general, the nature and value of expenses incurred to date fall within those anticipated within the original statement of expenses save for some additional legal fees which were incurred in connection with the licence agreement and business sale.
- 8.4 During the Administration, the following professional advisors and / or subcontractors have been used due to their particular expertise and cost effectiveness in dealing with those specific matters indicated:

Name of Professional Advisor	Service Provided	Basis of Fees
Howells Solicitors	Legal advice / document preparation	Time costs
Cerberus Group	Asset valuation and sale advice	Time costs
Evolve IS	Handling of pension claims	Fixed fee

- 8.5 Attached at Appendix F is additional information in relation to the firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade. Please be aware that the firm's charge out rates have been amended with effect from 1 August 2019.
- 8.6 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with either the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may make a written request to the Joint Administrators for further information about remuneration or expenses set out in this report.
- 8.7 Under Rule 18.34 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court, on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or the remuneration or expenses charged by the Joint Administrators are, in all the circumstances, excessive.
- 8.8 The application must be made no later than eight weeks after receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question.
- 8.9 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the Administration.

9 ESTIMATED OUTCOME FOR CREDITORS

- 9.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.

Secured Creditors

- 9.2 Lloyds provided funding in accordance with an invoice factoring agreement with the Company. Lloyds hold security by way of a fixed charge over book debts and floating charges over the other assets of the Company dated 30 April 2014. As at the date of administration, advances from Lloyds were £104,940. Following subsequent debtor collections, Lloyds have now had its exposure repaid in full.

Preferential Claims

- 9.3 Preferential claims are estimated to amount to £2,462 and are expected to be paid in full.

Prescribed Part

- 9.4 As Lloyds have been repaid in full under its fixed charge, there is no requirement to set aside a prescribed part in this case.

Unsecured Non-Preferential Claims

- 9.5 Based upon the information currently available, it is anticipated that there should be sufficient funds available to allow a dividend to be paid to unsecured creditors, albeit the quantum of the return will be largely dependent on the final outcome of debtor realisations and the final level of creditor claims received. The distribution may be paid in the administration with the consent of the court or by a subsequently appointed Liquidator, should liquidation be the appropriate exit route from the administration process.
- 9.5 From April 2017, the Joint Administrators have had the discretion to admit claims from creditors with claims under £1,000 without receiving a proof of debt. The Joint Administrators confirm that, to date, no claims have been admitted under the small claims provisions.
- 9.6 If you have not already done so, please submit details of your claim to my office. A proof of debt form is attached at Appendix H for your ease of use.

10 MATTERS STILL TO BE DEALT WITH

- 10.1 Matters still to be dealt with before conclusion of the Administration include the following:
- The realisation of the remaining assets, as detailed in section 4; and
 - The settlement of unpaid remuneration and expenses.

11 EXTENSIONS TO THE ADMINISTRATION

- 11.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 11.2 In certain circumstances it may be necessary to extend the administrators' term of office. In the context of this case, this may be done for a specified period not exceeding twelve months with the consent of each secured creditor of the Company and a decision of the unsecured creditors in a decision procedure.
- 11.3 The appropriate body of creditors will be contacted in due course should an extension be required although the Joint Administrators currently do not anticipate that this will be necessary.

12 NEXT REPORT

- 12.1 The Joint Administrators are required to provide a progress report which must be delivered within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

13 DATA PROTECTION

- 13.1 Finally, when submitting details of your claim in the administration, you may disclose personal data to the Joint Administrators. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. The Joint Administrators act as Data Controllers in respect of personal data they obtain in relation to this administration and are therefore responsible for complying with Data Protection Law in respect of any personal data they process. The Joint Administrators' privacy notice, which is attached to this report at Appendix I, explains how they process your personal data. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

CORNISH FARM PRODUCE LIMITED – IN ADMINISTRATION

If you wish to discuss the issues raised in this report or require any additional information, please contact this office.

Yours faithfully

for and on behalf of

CORNISH FARM PRODUCE LIMITED



SIANN HUNTLEY

JOINT ADMINISTRATOR

Siann Huntley and David Smithson are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 19130 and 9317, respectively

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

SUMMARY OF JOINT ADMINISTRATORS' APPROVED PROPOSALS

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation ("CVL"). It is further proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the Company, and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65(3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Siann Huntley and/or David Smithson be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
20 DECEMBER 2019 TO 19 JUNE 2020**

	Estimated to realise £	This period £
RECEIPTS		
Debtors	43,811	52,431.07
Vehicles, Machinery & Equipment	36,748	12,249.36
Bank Interest	-	10.27
	<u>80,559</u>	<u>64,690.70</u>
PAYMENTS		
Joint Administrators' Remuneration		22,000.00
Solicitors' Fees and Expenses		9,450.70
Pre-Administration Costs		9,770.00
		<u>41,220.70</u>
		<u>23,470.00</u>

**SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 20 DECEMBER 2019 TO 19 JUNE 2020**

	Total		Average
	Units	Cost	Hourly Rate
		£	£
Statutory and Review	170	7,470.00	439.41
Receipts and Payments	79	2,987.50	378.16
Insurance	97	3,688.50	380.26
Assets	420	19,980.00	475.71
Liabilities	333	12,164.50	365.30
Debenture Holder	18	693.00	385.00
General Administration	218	10,709.00	491.24
Appointment	14	483.00	345.00
Post Appointment Creds Mtngs	112	3,864.00	345.00
Investigations	40	1,542.00	385.50
Total	1,501	63,581.50	
Average Hourly Rate (£)		423.59	
All Units are 6 minutes			

DESCRIPTION OF TIME SPENT BY CATEGORY

Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work has not directly resulted in any monetary value for creditors, it has ensured that the case was and continues to be managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work carried out under this category has comprised the following:

- Case management reviews. These have been carried out periodically throughout the life of the case. In the early stages of the case this involved regular team meetings to discuss and agree case strategy and included a month 3 review by the firm's Compliance team to ensure that all statutory and best practice matters had been dealt with appropriately;
- Allocation of staff, management of staff, case resourcing and budgeting. In general efforts have and will be made to keep case costs to a minimum where possible. However, given the nature of the this case, it has and will necessitate the ongoing attendance by senior members of staff;
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice; and
- The team was required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This resulted in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years.

Receipts and Payments

This category of work has not resulted in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank account;
- Management of case bank account to ensure compliance with relevant risk management procedures;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports;
- Timely completion of all post appointment tax and VAT returns; and
- Managing estate expenses and settlement of costs incurred by the Joint Administrators.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Review of the Company's existing insurance provision and liaising with insurers brokers and licensee to ensure adequate insurance cover was maintained during the licence trading period whilst minimising costs to the estate;
- Calculation and request of Joint Administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond was calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond was reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice; and
- Completion and submission of statutory notifications under the Pensions Act 2004 including liaising with the Company director to establish the existence of Company pension schemes, making the statutory notifications under s120 of the pensions legislation liaising with pension agents and the pension provider to understand the nature of the scheme, and submission of claims to the Redundancy Payments Service for reimbursement of any unpaid contributions if necessary.

CORNISH FARM PRODUCE LIMITED – IN ADMINISTRATION

Assets

- Work to achieve a sale of the Company's business and assets including:
 - Liaising with Cerberus regarding the adopted realisation strategy and arranging for them to appraise chattel assets, undertake marketing activity and have discussions with interested parties;
 - Thorough consideration of the offer received to ensure the interests of creditors were being served;
 - Negotiations with the purchaser around specific conditions of their offer;
 - Liaising with and instruction of Howells Solicitors in respect of the preparation, review and amendment of contractual documentation in order to progress sale to completion; and
 - Facilitating handover of business operations and assets.
- Arranging and overseeing the implementation and progression of trading under the licence agreement;
- Collation of profit and loss information in order to ascertain trading results and potential profit share;
- Liaising with Lloyds CF regarding the book debt collection and arranging for re-assignment of the ledger and transfer of surplus funds to the administration as appropriate;
- Liaising with debt collection agents and customers in order to recover the balance of the re-assigned debtor ledger; and
- Liaising with Company's bankers Lloyds Bank regarding the pre-appointment bank accounts and any post-administration credits received.

Liabilities / Debenture Holder

Statutory

- Review and reconciliation of Company records and correspondence to identify creditors;
- Processing of claims from the Company's creditors. The Company has approximately 80 trade and expense creditors whose claims have been initially recorded by the Joint Administrators at this stage;
- Calculating and processing the claims from the Company's employees who were made redundant. This included reviewing payroll information, preparation of RP14/a forms, liaising with the Redundancy Payments Office, and providing support in completing online forms and recording any excess preferential or unsecured claims; and
- Preparation and submission of periodic progress reports to creditors.

Non-statutory

- Dealing with general enquiries from the Company's creditors;
- Dealing with enquiries from the Company's employees; and
- Liaising with the Company's secured creditor Lloyds CF in relation to the administration proceedings.

General Administration

- General planning matters and practical issues;
- Initial attendance at the Company's trading premises to gather information;
- Setting up and maintaining the Joint Administrators' records; and
- Dealing with general correspondence and communicating with the directors and shareholders.

Appointment

- Statutory notifications to creditors and other stakeholders following the Administrators' appointment; and
- Preparation of case plan and initial appointment formalities.

Post Appointment Creditors' Decisions

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the administration.
- Preparation of correspondence to agree fee basis and Statement of Expenses in accordance with Insolvency (Amendment) Rules 2015; and
- Convening a decision by correspondence to agree fees with the body of creditors and reporting on the outcome.

Investigations

- Review the Company's financials and general books and records; and
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Companies Directors Disqualification Act 1986.

**SUMMARY OF JOINT ADMINISTRATORS' TOTAL TIME COSTS TO DATE
INCORPORATING A COMPARISON WITH THE JOINT ADMINISTRATORS' APPROVED FEE ESTIMATE**

	FEES ESTIMATE			INCURRED TO DATE			VARIANCE
	Total			Total			
	Units	Cost	Average	Units	Cost	Average	Cost
	No	£	hourly rate	No	£	hourly rate	£
Statutory and review	111	5,053.50	455.27	170	7,470.00	439.41	2,416.50
Receipts and payments	31	1,123.50	362.42	79	2,987.50	378.16	1,864.00
Insurance, bonding and pensions	18	621.00	345.00	97	3,688.50	380.26	3,067.50
Assets	220	9,750.00	443.18	420	19,980.00	475.71	10,230.00
Liabilities	205	7,612.50	371.34	333	12,164.50	365.30	4,552.00
Debenture Holder	22	975.00	443.18	18	693.00	385.00	(282.00)
General Administration	143	6,553.50	458.29	218	10,709.00	491.24	4,155.50
Appointment	14	483.00	345.00	14	483.00	345.00	-
Post Appointment Creditors' Decisions	23	847.50	368.48	112	3,864.00	345.00	3,016.50
Investigations	49	1,960.50	400.10	40	1,542.00	385.50	(418.50)
	836	34,980.00	418.42	1,501	63,581.50	423.59	28,601.50

All units are 6 minutes

APPENDIX E

**SUMMARY OF JOINT ADMINISTRATORS' EXPENSES FROM 20 DECEMBER 2019 TO 19 JUNE 2020
INCORPORATING A COMPARISON OF THE JOINT ADMINISTRATORS'
STATEMENT OF LIKELY EXPENSES**

Standard Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
AML Checks	Business Tax Centre	Electronic client verification	5.00	5.00	5.00	-	5.00
Bond Fee	AUA IRS	Insurance bond	260.00	260.00	260.00	-	260.00
Document Hosting	Pelstar Computing	Hosting of documents for creditors	70.00	28.00	28.00	-	28.00
Software Licence Fee	Pelstar Computing	Case management system licence fee	87.00	87.00	87.00	-	87.00
Statutory Advertising	Courts Advertising	Advertising	85.95	85.95	85.95	-	85.95
Storage Costs	Auctus	Storage of books and records	500.00	-	-	-	-
		Total standard expenses	1,007.95	465.95	465.95	-	465.95

Case Specific Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Agents' Fees	Cerberus Group	Costs of valuing and realising assets	5,000.00	TBC	TBC	-	TBC
Legal Fees and Expenses	Howells Solicitors	Costs of appointed solicitors	6,000.00	9,450.70	9,450.70	-	9,450.70
Debt Collection Expenses	TBC	Costs of debt collection agents	9,000.00	-	-	-	-
Insurance	AUA IRS	Open cover insurance	500.00	TBC	TBC	-	TBC
Pension agents	Evolve IS	Handling of pension claims	-	450.00	450.00	-	450.00
Category 2 Disbursements	Leonard Curtis	Disbursements requiring specific creditor / committee approval (e.g. staff mileage)	200.00	26.03	26.03	-	26.03
		Total case specific expenses	20,700.00	9,926.73	9,926.73	-	9,926.73

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard	Complex	1 Aug 2019 onwards	Standard	Complex
	£	£		£	£
Director	450	562	Director	525	656
Senior Manager	410	512	Senior Manager	445	556
Manager 1	365	456	Manager 1	395	494
Manager 2	320	400	Manager 2	345	431
Administrator 1	260	325	Administrator 1	280	350
Administrator 2	230	287	Administrator 2	250	313
Administrator 3	210	262	Administrator 3	230	288
Administrator 4	150	187	Administrator 4	165	206
Support	0	0	Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search

CORNISH FARM PRODUCE LIMITED – IN ADMINISTRATION

Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload, plus VAT.	<table> <tr> <th>Type</th><th>First 100</th><th>Every addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td>£10 p.a. or £25 for life of case</td><td></td></tr> </table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
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CVA	£10.00	£1.00																								
BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£91.80 - £102.00 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

APPENDIX G

ESTIMATED OUTCOME STATEMENT

	Estimated Outcome £
Assets	
Cash Balance in Hand	23,470
Balance of Business Sale Proceeds	24,499
Book Debts (90% provision applied)	9,179
	<u>57,148</u>
Less: Provision for Additional Costs of Administration and Realisations	
Joint Administrators' Fees	(12,980)
Agents' Fees	(5,000)
Unpaid Expenses as per Appendix E	(10,393)
Total Costs	<u>(28,775)</u>
Available for Preferential Creditors	37,953
Preferential Creditors (Employee Entitlements)	(2,463)
Net property available for prescribed part	<u>35,490</u>
Prescribed Part Fund	N/A
Available for Floating Charge Creditor	35,490
Floating Charge Holder	-
Surplus as regards floating charge holder	<u>35,490</u>
Add back prescribed part	-
Available for unsecured Creditors	<u>35,490</u>
Unsecured Claims Received to Date	(688,941)
Balance of Claims	(122,237)
	<u>(811,178)</u>
Surplus / (Shortfall) as regards Unsecured Creditors	<u>(775,688)</u>
Estimated Distribution to Creditors (p/£):	
Preferential Creditors	100p
Unsecured Creditors	4.4p

Proof of Debt – General Form
Relevant date: 20 December 2019

Please e-mail completed form to:

recovery@leonardcurtis.co.uk quoting ref: CL60B/AJD/PROOF

Name of Company in Administration:

Cornish Farm Produce Limited

Company registered number:

06821379

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

CORNISH FARM PRODUCE LIMITED – IN ADMINISTRATION

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.
3. **Please e-mail completed form to:**

recovery@leonardcurtis.co.uk quoting ref: CL60B/AJD/PROOF

PRIVACY NOTICE

Information we collect and hold about you

By requesting details of your claim in this insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation ("the GDPR"). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details.

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you.

Legal justification for processing your Personal Data

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

How we use your information

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate.

Who we share your information with

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation.

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

How long will we hold your Personal Data for?

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access.

Your rights in respect of your Personal Data

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

Your right to complain

You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

Contacting us

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, 5th Floor, Grove House, 248A Marylebone Road, London NW1 6BB Alternatively our Privacy Manager can be contacted by telephone on 0207 535 7000 or by email: privacy@leonardcurtis.co.uk.

Data Controller: LEONARD CURTIS