

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

06924509

Name of Company

BRE Realisations Limited (formerly Birthdays Retail Limited)

I / We

A C O'Keefe, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB

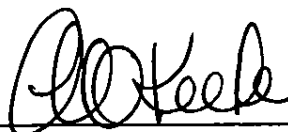
S V Freakley, 10 Fleet Place, London, EC4M 7RB

P M Saville, 10 Fleet Place, London, EC4M 7RB

the liquidator(s) of the company attach a copy of my/our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 30/10/2013 to 29/10/2014

Signed



Date

1 / 12 / 14

Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

Ref 10570-023/CWIL/SCW/KWEL/LEB/MB

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# Liquidators' Progress Report for the period 30 October 2013 to 29 October 2014

BRE Realisations Limited  
(formerly Birthdays Retail Limited)  
In Liquidation

1 December 2014

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## **1 Why this report has been prepared**

- 1 1 As you will be aware Anne O'Keefe, Peter Saville and Simon Freakley (the **Liquidators**) were appointed on 30 October 2013, following the filing of form 2 34B at Companies House, moving the Company from Administration to Creditors' Voluntary Liquidation
- 1 2 In accordance with UK insolvency legislation, a liquidator is required to provide a progress report covering the period of 12 months commencing on the date on which a company entered into liquidation and every subsequent period of 12 months. This progress report covers the period 30 October 2013 to 29 October 2014 (the **Period**)
- 1 3 This report has been prepared in accordance with rule 4 49C of the Insolvency Rules 1986
- 1 4 The purpose of this report is to provide statutory and financial information about the Company and to provide an update on the progress of the Liquidation, including details of assets realised during the Period, details regarding the Liquidators' fees and the expected outcome for each class of creditor
- 1 5 Details of the Liquidators' fees and costs incurred are detailed at Appendix D to E
- 1 6 More information relating to the Liquidation process, Liquidators' fees and creditors' rights can be found on Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received.
- 1:7 If you require a hard copy of this report or have any queries in relation its contents or the Liquidation generally, please contact Leeleya Bachoco on 0161 838 4549 or by email [creditorreports@zolfocooper.eu](mailto:creditorreports@zolfocooper.eu) or in writing to the offices of Zolfo Cooper at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

## 2 Summary information for creditors

### Estimated dividend distributions

Description	Estimated debt £	level of return £ or likely pence/£
Secured creditor	35 million	49,551
Unsecured creditors	24.9 million	0.005 pence in the pound

### Notes:

#### Secured creditor

Barclays Bank PLC (**Barclays**), acting as security agents for Lakeshore Lending Limited (**Lakeshore**), hold fixed and floating charges registered against the Company and across the Clintons group. As at the date of the former Administrators' appointment, on 9 May 2012, Lakeshore were owed approximately £35 million (excluding accrued interest and charges).

To date, £49,551 has been distributed during the course of the Liquidation of the Company and a further £36.2 million was distributed in the former Administration and from other group companies.

No further distributions will be made to the secured creditor.

#### Preferential creditors

All preferential creditors were paid in full in the preceding Administration.

#### Unsecured creditors

In respect of the unsecured creditors, UK Insolvency legislation stipulates that creditors of the same class should be treated equally. Hence, the funds available for distribution will be split on a pro-rata basis amongst all creditors, regardless of the size of their claims.

The estimated debt of the unsecured creditors has been taken from the directors' Statement of Affairs (**SOA**), which was provided in the former Administration. To date, the Liquidators' have received claims from 105 creditors totalling £1.63 million.

A dividend will be available to the unsecured creditors but the timing of the distribution is uncertain at this point. The Liquidators estimate that the dividend will be less than 1 pence in the pound.

Please note that the likely levels of returns are based upon estimates and are subject to change.

For further information please refer to section 5 of this report.

### **3 Progress of the Liquidation**

- 3 1 Attached at Appendix B is the Liquidators' Receipts and Payments Account for the Period. The Liquidators' Receipts and Payments Account is prepared on a cash basis. All costs incurred in the Period have been paid.

#### **Transfer from the Administration**

- 3 2 A total of £626,248 was transferred from the Administration.

#### **Leasehold sale**

- 3 3 A sale of several leaseholds was completed in the Administration to Harrison Hall Limited, and the sales consideration was collected by CCE Realisations Limited (formerly Clinton Cards (Essex) Limited) (Clintons). Following the Liquidation of Clintons and the Company, a reconciliation of the funds was completed. Included within the sale were two leases which belonged to the Company. Therefore, a transfer of £43,000 was received from Clintons in the Liquidation.

#### **Prepayment of rent**

- 3 4 During the preceding Administration, the Administrators paid rent totalling £49,551 in relation to rent for stores which were transferred to Lakeshore under the Transaction Sales Agreement. A refund for the pre-payment of rent has been received in the Period.

#### **Rates refund**

- 3 5 As advised in the Joint Administrators' Final report, Consultiam Property Limited (CAPA), continue to pursue possible rates refunds. During the Period a total of £14,777 has been received. Further realisations will be made but the quantum is uncertain at this time.

#### **Bank interest**

- 3 6 All funds received in the Liquidation are held on an interest bearing account and a total of £4,681 has been realised in the Period.

#### **Game liability**

- 3 7 Following the ruling in Pillar Denton Limited and others v Jervis and others (2014) (Game Ruling), in certain circumstances, landlords may have a claim relating to any beneficial occupation of a property by the Company during the period following the appointment of the former Joint Administrators.
- 3 8 The Liquidators' are in the process of finalising their strategy on this matter and will provide a further update in the next progress report. Until this matter has been resolved, the Liquidators are not in a position to distribute a dividend to the unsecured creditors.

## **4 Investigations**

- 4.1 The Liquidators conducted investigations into the conduct of the directors and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 - Investigations by Office Holders in Administrations and Insolvent Liquidations. Based upon the outcome of the investigations, there were no matters identified that required further action.

## **5 Estimated outcome for creditors**

### **Secured creditor - Barclays Bank PLC**

- 5 1 As previously advised, Barclays act as security agents for Lakeshore, who hold fixed and floating charges registered against the Company and across the Clintons group were owed approximately £35 million (excluding accrued interest and charges) as at the date of the former Administration
- 5 2 To date, £49,551 has been distributed during the course of the Liquidation and a further £36.2 million has been distributed in the former Administration of the Company and from other group companies. The Liquidators have requested confirmation from Lakeshore that the debt has been discharged in full.

### **Preferential creditors**

- 5 3 The Company's preferential creditors were paid in full in the preceding Administration. It is not anticipated that any further claims will be received in the Liquidation.

### **Unsecured Creditors' Fund**

- 5 4 Where there is a floating charge which was created on or after 15 September 2003, the Liquidators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'Prescribed Part'
- 5 5 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Liquidators are required to create an Unsecured Creditors' Fund. Based on present information, the Liquidators estimate the value of the Company's net floating charge property to be £639,770. Arising from this, the value of the Unsecured Creditors' Fund is estimated to be £130,954, excluding any costs incurred in agreeing and distributing the dividend.

### **Unclaimed dividends**

- 5 6 All cheques paid to preferential creditors should have been banked. Any cheques which did not clear have now been cancelled and the proceeds forwarded to The Insolvency Service, Estate Accounts Directorate, Unclaimed Monies Team, PO Box 3690, Birmingham B2 4UY.
- 5 7 If your cheque has been cancelled please contact The Insolvency Service to make a claim by email at [eaips.unclaimed@insolvency.gsi.gov.uk](mailto:eaips.unclaimed@insolvency.gsi.gov.uk) and put BRE Realisations Limited - in Liquidation as the subject.
- 5 8 The transfer of responsibility to the Insolvency Service (**Agency**) is a routine step which requires Liquidators of an insolvent company to transfer unclaimed dividends to the Agency six months after the cheques were issued. The Agency will hold the funds for the subsequent six years, after which it will return any money that remains unclaimed to HM Treasury, however, this does not affect creditors' rights to claim funds after the six years has passed.



## **6 What happens next**

### **Creditors' rights**

- 6.1 Within 21 days of the receipt of the report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Liquidators provide further information about their fees or expenses which have been itemised in this progress report
- 6.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this progress report, make an application to court on the grounds that the basis fixed for the Liquidators' fees is inappropriate, or that the fees or the expenses incurred by the Liquidators as set out in this progress report are excessive

### **Next report**

- 6.3 The Liquidators are required to provide a progress report within two months of the end of the next year of the Liquidation. If the Liquidation has been completed before then, a final meeting will be called, and a draft report circulated before that meeting

Yours faithfully



Anne O'Keefe  
Liquidator

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## Appendix A. Statutory information

### Company information

Company name	BRE Realisations Limited (formerly Birthdays Retail Limited)
Registered number	06924509
Registered office	c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	The Crystal Building, Langston Road, Loughton, Essex, IG10 3TH
Trading address(es)	The Company traded under several stores nationwide
Trading name(s)	Birthdays and Pure Party

### Liquidators' information

Name	Address	IP number	Name of authorising body
Anne O'Keefe	Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	008375	Insolvency Practitioners Association
Peter Saville	Zolfo Cooper, 10 Fleet Place, London, EC4M 7RB	009029	Insolvency Practitioners Association
Simon Freakley	Zolfo Cooper, 10 Fleet Place, London, EC4M 7RB	008291	Insolvency Practitioners Association

### Other relevant information

Creditors approved in the preceding Administration that any act required or authorised to be done by the Liquidators may be done by all or any one or more of them.

## Appendix B. Receipts and Payments Account for the period 30 October 2013 to 29 October 2014

	Period £
<b>Floating charge assets</b>	
<b>Receipts</b>	
Transfer from Administration	626,248
Leasehold sale	43,000
Prepayments of rent	49,551
Rates refund	14,777
Bank interest	4,681
	<u>738,257</u>
<b>Payments</b>	
Liquidators' fees	28,802
Former Administrators' fees	12,123
Legal fees and disbursements	5,927
Payroll agent's fees	156
Agent's/valuer's fees	2,847
Category 1 disbursements	
Stationery and postage	1,565
Statutory advertising	85
Category 2 disbursements	
Photocopying and printing	258
	<u>(51,763)</u>
<b>Distributions</b>	
Floating chargeholder	49,551
	<u>(49,551)</u>
<b>Total balance</b>	<u><b>636,943</b></u>
<b>Represented by</b>	
Interest bearing account	628,516
VAT receivable	8,427
	<u><b>636,943</b></u>

Statement of Insolvency Practice 7 states that headings used in the Receipts and Payments Account should follow those used in any prior SOA or estimated outcome statement

The SOA was provided by the Company's directors at the commencement of the Administration and provided estimated to realise values for the categories of assets to be realised.

The receipts above represent funds passed into Liquidation from the Administration, and as such, a meaningful comparison to the SOA by category cannot be made

## Appendix C. Time Analyses and details of time spent

The Liquidators' time costs for the Period are £23,771 This represents 93 hours at an average rate of £255 per hour

The time costs for dealing with Unsecured Creditors' Fund for the period 22 April 2013 to 29 October 2014 are £25,792 This represents 96 hours at an average rate of £269 per hour.

Detailed below are Time Analyses which provides details of the costs incurred by activity and by staff grade

### Liquidation

	Employee grade (hours)				£	
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Average rate per hour
<b>Administration and planning</b>						
Planning			0.5		0.5	140.00
Strategy and control	1.6		3.7	0.4	5.7	1,974.00
Statutory duties	1.4		1.7	1.5	4.6	1,450.00
Case administration	1.4		4.5	0.9	6.8	2,173.50
Accounting and treasury	3.3	0.1	3.4	10.6	17.4	4,254.00
Internal documentation	0.4		4.6	3.9	8.9	2,150.00
<b>Investigations</b>						
Director conduct reports	0.2		1.3	0.2	1.7	502.00
Other investigations			0.4	-	0.4	112.00
<b>Realisation of assets - floating charge</b>						
Recovery of assets			0.2	0.1	0.3	72.00
Dealing with third party assets	0.3		6.8	11.8	18.9	3,933.00
Asset accounting and administration	0.8		6.5	10.1	17.4	3,857.00
<b>Creditors</b>						
Reporting to creditors	0.6		1.3	1.3	3.2	979.00
Secured creditors	0.8		2.4		3.2	1,128.00
Preferential creditors	0.2		1.3		1.5	458.00
Employees			1.2	1.5	2.7	588.00
<b>Totals</b>	<b>11.0</b>	<b>0.1</b>	<b>39.8</b>	<b>42.3</b>	<b>93.2</b>	<b>23,770.50</b>

### Unsecured Creditors' Fund

	Employee grade (hours)				£	
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Average rate per hour
<b>Creditors</b>						
Accounting and treasury	0.8		0.1	0.4	1.3	486.00
Internal documentation			4.8		4.8	1,344.00
Creditor claims			0.5	0.5	1.0	245.00
Creditor strategy	0.1		1.8		1.9	604.00
Unsecured creditors	4.9	0.4	58.6	21.6	85.5	22,716.50
Employees			1.3	0.2	1.5	396.00
<b>Totals</b>	<b>5.8</b>	<b>0.4</b>	<b>67.1</b>	<b>22.7</b>	<b>96.0</b>	<b>25,791.50</b>

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

- **Administration and planning** - implementing and monitoring the initial case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here
- **Investigations** - conducting investigations into the directors' conduct together with the Company's dealings prior to the appointment of the Liquidators and Administrators and the submission of a report to the Department for Business, Innovation and Skills pursuant to the Company Directors Disqualification Act 1986
- **Realisation of assets: floating charge** - liaising with CAPA in respect of the rates refund and dealing with prepayment of rent. Time incurred dealing with the Game ruling is also recorded in this section. Time has been spent dealing with the disclaiming of a number of leases.
- **Creditors** - notifying creditors of the move from Administration to Liquidation and preparing statutory reports. Time has also been spent dealing with employee claims and reporting to the secured creditor
- **Unsecured Creditors' Fund** - dealing with all unsecured creditor queries, implementing and monitoring the claims agreement strategy and time spent agreeing the claims of unsecured creditors is recorded in this section

## **Appendix D. Liquidators' fees and disbursements**

### **Liquidators' fees**

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

Where a company which is in administration moves into winding up under paragraph 83 of Schedule B1 to the Insolvency Act 1986, and the administrator becomes the Liquidator, the basis of fees fixed in the administration automatically applies in the subsequent Liquidation. The basis agreed by reference to the time properly spent by the Liquidators and their staff on matters arising in the Liquidation.

To date, fees of £28,802 have been drawn on account

### **Disbursements**

Category 1 disbursements of £1,650 have been drawn on account. Category 2 disbursements of £258 have also been drawn in relation to the below

- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying.
- Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour

## **Appendix E. Additional information in relation to the Liquidators' fees pursuant to Statement of Insolvency Practice 9**

### **Policy**

Detailed below is Zolfo Cooper's policy in relation to:

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

### **Staff allocation and the use of sub-contractors**

The Liquidators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a partner, an associate director or a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Liquidators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, time spent by cashiers in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The following services are being provided on this assignment by external sub-contractors

Service type	Service provider	Basis of fee arrangement	Cost to date £
Employee claim processing	Payco ERA Limited	Hourly rate and disbursements	156

### **Professional advisors**

On this assignment the Liquidators have used the professional advisors listed below. The Liquidators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Travers Smith LLP (legal advice)	Hourly rate and disbursements
Consultiam Property Limited (property agents)	Success fee based on cost savings

The Liquidators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

### **Disbursements**

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case

advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Liquidators and their staff will also be chargeable

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the resolution approved by creditors in the preceding Administration on 21 December 2012. Details of category 2 disbursements charged on this case are provided in Appendix E

## Charge-out rates

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

Description £	Rates from 1 April 2014	Description £	Rates pre 1 April 2014
Partner 1	595	Partner 1	590
Partner 2	540	Partner 2	540
Director	520	Director	470
Associate director	440	Associate director	430
Senior associate	390	Senior associate	390
Associate	330	Associate	320
Analyst	280	Analyst	280
Junior analyst	200	Junior analyst	160
Senior treasury associate	230	Senior treasury associate	230
Treasury associate	155	Treasury associate	155
Treasury analyst	100	Treasury analyst	100
Support	84	Support	84