

AM06

Notice of approval of administrator's proposals



Companies House

FRIDAY



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21/09/2018

#311

COMPANIES HOUSE

1 Company details

Company number 7 3 8 1 3 1 9

Company name in full CAU Restaurants Limited

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

2 Court details

Court name High Court of Justice, Business and Property Courts, London

Court case number 5 9 8 0 2 0 1 8

3 Administrator's name

Full forename(s) Matthew David

Surname Smith

4 Administrator's address

Building name/number 1 New Street Square

Street

Post town County/ London

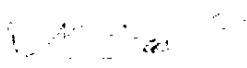
Region

Postcode E C 4 A 3 H Q

Country

AM06

Notice of approval of administrator's proposals

5	Administrator's name	
Full forename(s)	Robert James	
Surname	Harding	
		Other administrator Use this section to tell us about another administrator.
6	Administrator's address	
Building name/number	1 New Street Square	
Street		
Post town County/	London	
Region		
Postcode	E C 4 A 3 H Q	
Country		
		Other administrator Use this section to tell us about another administrator.
7	Date administrator(s) appointed	
Date	d 1 9 m 0 7 y 2 0 y 1 8	
8	Date statement of proposals delivered to creditors	
Date	d 0 5 m 0 9 y 2 0 y 1 8	
9	Date proposals were deemed to be approved	
Date	d 1 7 m 0 9 y 2 0 y 1 8	
10	Sign and date	
Administrator's signature	Signature X  X	
Signature date	d 2 0 m 0 9 y 2 0 y 1 8	



CAU Restaurants Limited ("CAU") (in administration) ("the Company")

**JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT
TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT
1986 (AS AMENDED) ("the Act")**

Registered Office: c/o
Deloitte LLP
Four Brindley Place
Birmingham
B1 2HZ

Matthew David Smith and Robert James Harding ("the Joint Administrators") were appointed Joint Administrators of the Company on 19 July 2018. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners.

For the purposes of paragraph 100(2) of Schedule B1 of the Act, the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

05 September 2018



Deloitte LLP
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London
EC4A 3HQ
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CAU Restaurants Limited (In Administration)

This Statement of the Joint Administrators' Proposals ("the Proposals") has been prepared pursuant to paragraph 49 of Schedule B1 of the Act, which requires that we, as the Joint Administrators, provide creditors with details of our proposals to achieve the purpose of the administration.

We do not think that the Company has sufficient property to enable a distribution to be made to unsecured creditors. As such we are not required to ask creditors to approve our proposals unless requested to do so by creditors whose total debts amount to at least 10% of the total debts of the Company.

If you would like to ask us to hold a decision procedure to consider our proposals please complete a Form for Requisitioned Decisions which is available for download from the website set up for the administration at www.deloitte.com/uk/caugauchq and return it to us by post or email no later than 19 September 2018. Please note that a deposit of £1,000 will be required towards the costs of initiating the decision procedure; such deposit may be refunded as an expense of these proceedings under Rule 15.19(4) Insolvency Rules 2018 ("the Rules"), if so decided by creditors.

In the event that a request for a decision procedure is not received by us within the above deadline, our proposals will be deemed approved on 19 September 2018 and a notice to that effect will be filed at Companies House.

We have also included the following information in this report:

- background of the Company;
- the circumstances giving rise to the appointment of the Joint Administrators;
- the progress of the administration to date; and
- the Joint Administrators' proposals for achieving the objective of the administration (Page 14).

Yours faithfully








For and on behalf of the Company

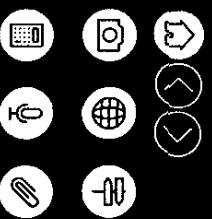
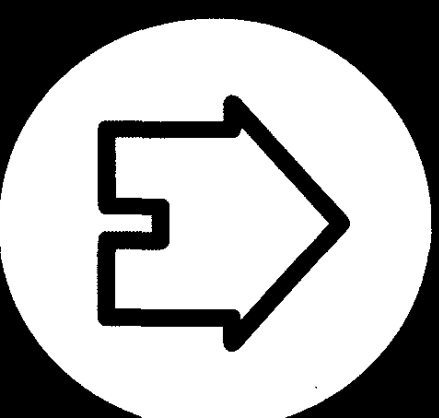
Joint Administrators

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private Company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

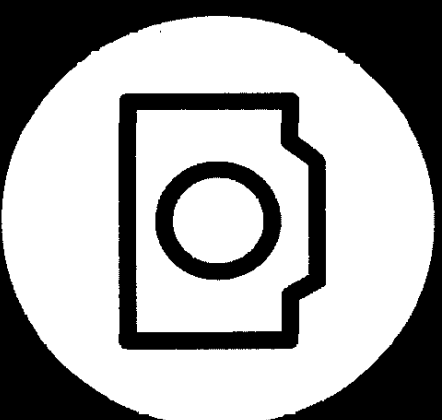
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Key messages



Key messages

Joint Administrators of the Company

Matthew David Smith
Robert James Harding

Deloitte LLP
1 New Street Square
London
EC4A 3HQ

Contact details

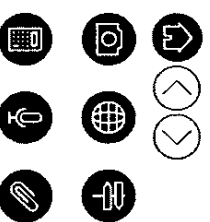
Email: nahseer@deloitte.co.uk

Website:

www.deloitte.com/uk/caugauchu

Tel: 0121 695 5250

Date proposals delivered to creditors: 5 September 2018

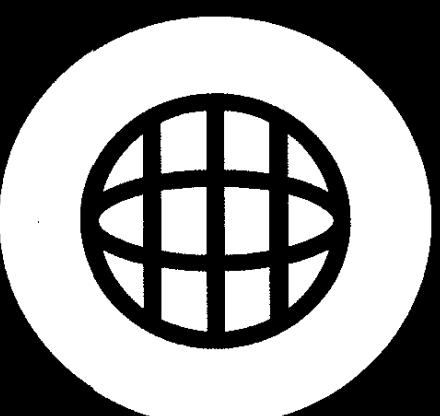


	Commentary
Purpose of the administration	<ul style="list-style-type: none">The purpose of the administration will be to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Joint Administrators' strategy	<ul style="list-style-type: none">The Company traded from 22 sites across the UK. Trading ceased on 19 July 2018.The Company was loss making, and a marketing process completed prior to administration did not attract any interest from a party likely to make an offer for the business. Consequently, it was the Joint Administrators' strategy to close the business and realise value for its assets; principally leasehold property, fixtures and fittings, stock and pre-appointment credit card receipts.
Approval of the proposals	<ul style="list-style-type: none">As there is no prospect of any funds being returned to unsecured creditors, our proposals will be deemed approved by creditors unless a decision procedure is requested under Rule 15.18. Please refer to Page 14 for further details.
Estimated Timescale	<ul style="list-style-type: none">On current information the duration of the administration is not likely to exceed 12 months, following which it is anticipated that the Company will move to dissolution as detailed on Page 16.
Estimated Costs and Estimate of work required to be done	<ul style="list-style-type: none">We propose to charge our fees on a fixed fee of £0.4m; andWe have provided an outline of the work we propose to undertake on Page 24.We anticipate that disbursements of approximately £2.7k will be incurred over the duration of the appointment. For further details see Page 25.We anticipate that third party costs in relation to legal fees and agents fees will be in the region of ££272k over the duration of the appointment as detailed on Page 18.
Estimated Outcomes	<p>On current information, we anticipate the following outcome for each category of creditor:</p> <ul style="list-style-type: none">Secured creditors – The secured creditors will not be repaid in full.Preferential creditors – There are no preferential creditors in the Company.Unsecured creditors – It is unlikely that there will be a distribution for unsecured creditors of the Company.
Proposals	<ul style="list-style-type: none">Our proposals for managing the business and affairs of the Company can be found on Page 14.

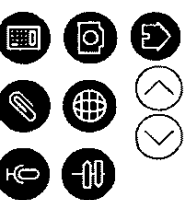


Background

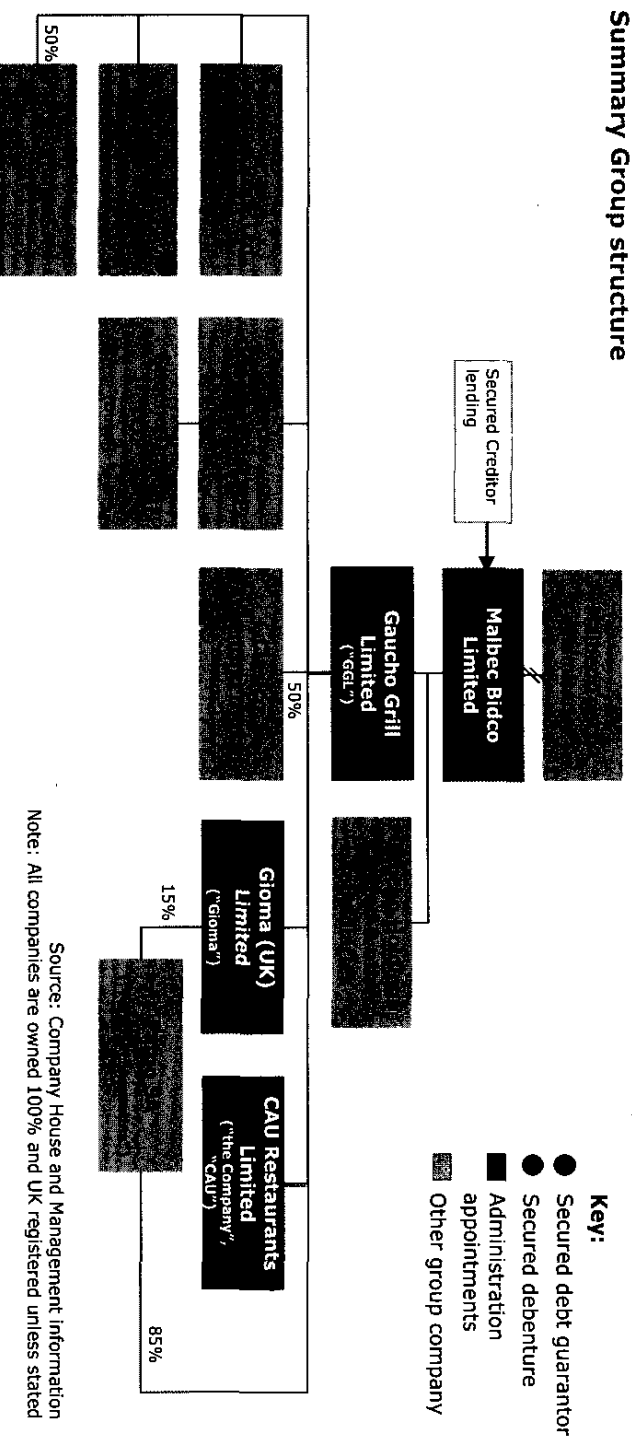
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Background The Company / Group



Summary Group structure



Source: Company House and Management Information
Note: All companies are owned 100% and UK registered unless stated

Background

Malbec Topco Limited and its subsidiaries (together "the Group") operated Argentinian-themed restaurants across two brands being Gauchito (16 UK restaurants) and CAU (22 UK restaurants), both of which have been subject to the wider pressures facing the UK Casual Dining sector. The Group operated three international restaurants through subsidiaries, which continue to trade and are not subject to insolvency proceedings. In addition, the Group also holds interest in three joint ventures:

- *Clasico* – single fast food restaurant in London, trading ceased on 25 July 2018;
- *Sucre* – single restaurant in Argentina which continues to trade; and
- *Patgo* – owns a vineyard in Argentina.

The Group as set out above was formed in January 2016 when GGL was acquired via Malbec Bidco Limited on behalf of funds controlled and managed by Equistone Partners Europe Limited ("Equistone").

The Group's head office is located in Central London.

The Company is the trading entity for the CAU brand, which focused on the casual end of the dining market. The Company holds 22 leases and was incorporated in September 2010.

Administrators were appointed over the Company, Gioma and GGL on 19 July 2018. Administrators were appointed over Malbec Bidco Limited ("Bidco") on 31 August 2018.

Employees

All UK employees of the Group, excluding senior management, were employed by Gioma. As such, the Company did not have any employees.

Officers of the Company

As at the date of the Joint Administrators' appointment, the directors of the Company were Mr Frank Bandura, Mr Paul Mason and Mr Oliver Meakin, the Company Secretary was Mr Frank Bandura. All three directors were employed by a holding company.

Background

The Company / Group

Security and banking facilities

The Group was financed by a syndicate of lenders ("the Secured Creditors") by way of:

- Two term loans (totalling £47.9m);
- A capital expenditure facility of £1.1m (drawn £1.1m at appointment);
- A £1m overdraft (nil balance at appointment).

In addition, the Group had an interest rate swap with Investec Bank PLC, one of the Secured Creditors, for which it had a liability of £21.5k at appointment.

The total exposure of the Secured Creditors as at the date of appointment, including the swap, was £49.0m.

The Secured Creditors provided funds into Bidco, and these were guaranteed by the Company, GGL, Gioma and Lundi Finance BV. Debentures were registered in favour of the Secured Creditors in the UK guarantor entities.

At the date of appointment the syndicate was comprised of five lenders, acting through Lloyds Bank PLC as agent. Since our appointment, four of the original lenders have sold their debt so that the syndicate is now comprised of two lenders: Investec Bank PLC and SC Lowy Primary Investments, Ltd.



Background

Summary financials

CAU Summary profit and loss account

£'000	Management Accounts for 6 months to 30-Jun-18	Management Accounts for 12 months to 31-Dec-17	Statutory Accounts for 12 months to 31-Dec-16
Turnover	10,957,036	25,498,336	25,507,748
Cost of Sales	(2,954,606)	(7,118,019)	(15,589,703)
Gross Profit	8,002,430	18,380,316	9,918,045
Gross Margin %	73	72	39
Other Expenses	(8,466,809)	(16,633,291)	(10,506,964)
EBITDA	(464,379)	1,747,025	(588,919)

Notes

1. EBITDA for 12 months to 31 December 2017 and 2 months to 30 June 2018 excludes head office costs
2. The gross margin in management accounts is higher than in the statutory accounts due to different allocations of costs between Cost of Sales and Other Expenses

CAU Summary balance sheet

£'000	Management Accounts for 6 months to 30-Jun-18	Management Accounts for 12 months to 31-Dec-17	Statutory Accounts for 12 months to 31-Dec-16
Tangible assets	7,966,173	8,160,782	23,007,901
Intangible assets	-	-	-
Fixed assets	7,966,173	8,160,782	23,007,901
Stock	337,043	404,190	466,635
Debtors	2,781,638	3,249,937	2,280,228
Cash at bank	3,300,261	5,455,536	3,871,445
Current Assets	6,418,942	9,109,663	6,598,308
Trade creditors	(38,441,691)	(37,426,171)	(34,200,826)
Secured Creditors	-	-	-
Total Liabilities	(38,441,691)	(37,426,171)	(34,200,826)
Net Assets	(24,056,576)	(20,155,726)	(4,594,617)

Overview of financial information

Extracts from the audited Company accounts for the 12 months to 31 December 2016, and management accounts for the 12 months to 31 December 2017 and six months to 30 June 2018, are shown opposite.

Please note that this information has not been verified by the Joint Administrators or by Deloitte LLP.

Profit and loss commentary

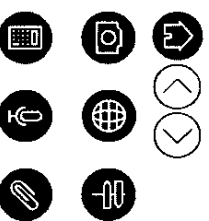
EBITDA (before head office costs) for the six months to 30 June 2018 was £(0.5)m, with this loss driven by a £1.5m reduction in sales against the comparable six month period in the prior year.

It should be noted that the EBITDA figures shown in the management accounts for the six months to June 2018 and the year to December 2017 are before any share of central costs (c£3.5m pa).

The statutory accounts results shown for 2016 include head office costs, which are excluded from the 2017 and 2018 management accounts (ie the figures shown opposite for 2016 and 2017 are not directly comparable).

Balance sheet commentary

Tangible assets principally comprise short term leasehold property. The large reduction in overall value is the result of an impairment to the leasehold property.



Background

Joint Administrators' appointment

Circumstances giving rise to the appointment of the Joint Administrators

Reasons for failure & financial distress

The Company, operating the CAU brand, has not achieved the growth trajectory expected when the concept was launched in 2010. The EBITDA generated (excluding head office costs) fell from £2.9m (before head office costs) to £1.7m between 2016 and 2017 despite the number of restaurants remaining at 22 throughout both years. After head office costs, it is estimated that CAU generated a loss in 2017 of c£1.8m. In the first six months of 2018, sales were 17.2% behind the same period in 2017.

Management attributes the significant underperformance of CAU to a combination of:

- The brand being challenging to sell to customers. It focused on a relaxed feel and operated in the casual dining space, but the prices charged were high relative to its competitors;
- High operating costs for a casual dining model;
- Site selections which did not complement the brand or which were too expensive; and
- Wider challenges in the mid-market casual dining sector in which CAU operated both from a demand side and costs pressures.

Due to the ongoing losses, the Company was reliant on the wider Group for funding to support ongoing trading.

Steps taken to remedy/turnaround

Gioma had guaranteed 19 of the 22 CAU leases and therefore it was not possible to close the CAU business without impacting on the solvency of Gioma (and therefore the wider Group).

In an attempt to stem the losses generated by the Company, Management developed, with the assistance of restructuring advisors, a Group turnaround plan that would have looked to close the CAU portfolio by way of a Company Voluntary Arrangement ("CVA") of the Company.

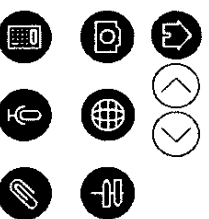
However, the losses generated by CAU were causing the wider Group to become cash constrained, so the decision was taken by Management in May 2018 to launch an accelerated sales process of the Gaucho business, alongside consideration of a CVA to wind down the CAU business.

The Secured Creditors agreed to waive certain covenants in order to allow the Group to implement a full sales process.

A number of offers were received for Gioma as part of this process, but no offers were received for the Company. However, notwithstanding significant interest in Gioma, due to a number of issues raised as part of the due diligence process, including guarantees provided by Gioma in respect of CAU lease liabilities and the added complication of needing to deliver a CVA of CAU alongside a sale of Gaucho, none of the offers presented were capable of being implemented.

When decision to appoint was made

Once it became clear that there were no acceptable offers for the Group and that a CVA of the Company would not be achievable, the directors held a board meeting on 17 July 2018 to resolve to place the Company into administration.



Background

Joint Administrators' appointment

Involvement of Deloitte pre-appointment

The Secured Creditors approached Deloitte in May 2018 to advise them in relation to the Group, and the following phases of work were undertaken.

Phase 1: Short term cash flow and business plan review (May 2018)

- Review of short term cash flow forecast for the period ending 31 August 2018;
- Review of the Group's business plan; and
- Review of the CAU CVA proposal presented by the Group.

Phase 2: Contingency planning and ad hoc advice (June – July 2018)

- Monitor the sales process being run by the Group's advisors;
- Contingency planning in the event that a solvent sale or successful CVA of the Company could not be achieved; and
- Ad hoc advice to the Secured Creditors as required.

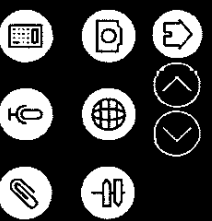
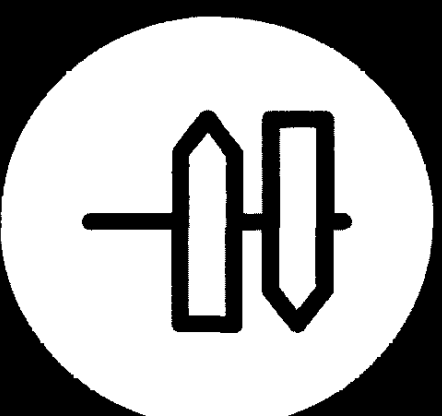
Following the completion of the above phases of work, Matthew David Smith and Robert James Harding of Deloitte were asked to take the appointment as Joint Administrators by the directors of the Company.





Post-appointment

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Post-appointment Purpose

Appointment of the Joint Administrators

Matthew David Smith and Robert James Harding, of Deloitte were appointed Joint Administrators of the Company on 19 July 2018, following the filing of a Notice of Appointment of Joint Administrators by the Company's directors.

Purpose of the administration

The Joint Administrators consider it unlikely for the Company to be rescued as a going concern, pursuant to paragraph 3 (1)(a) of Schedule B1 of the Act.

Accordingly, the purpose 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 wound up.

How the affairs and business of the Company have been managed and financed since appointment, and the Joint Administrators' intended strategy if their proposals are approved

Sale of business

Immediately following our appointment, we undertook an assessment of the Company's financial affairs to assess whether we would be able to continue to trade the Company's business within the administration.

Given the lack of interest from potential purchasers and the fact that the business was loss making, it was concluded that trading was not viable and therefore our strategy has been to wind down the Company in an orderly fashion.

As part of this strategy, the Joint Administrators have been seeking purchasers for the various assets of the Company, as described on Page 13.

Receipts and payment account

A receipts and payments account, detailing asset realisations achieved and costs paid up to 31 August 2018 for the Company is provided on Page 23.



Post-appointment Joint Administrators' strategy

Asset realisations

Leasehold property

The Company operated from 22 leasehold properties, all of which are now vacant.

The Administrators have worked together with GVA Grimley Limited ("GVA") to evaluate the leases and determine if any value can be generated, before seeking to hand any leases back to landlords which did not attract a lease premium .

In addition, we have been working with Deloitte Real Estate ("DRE"), who are specialist property advisors within Deloitte, to maximise realisations from the property portfolio.

An accelerated marketing exercise of the 22 Company leasehold property interests led by GVA has resulted in the agreement of Heads of Terms for the assignment of two leasehold property interests. The administrators are continuing to review their options in relation to the remaining 20 leases.

Chattel assets

As at the date of appointment, the Company owned tangible assets (including fixtures and fittings) which were located across its trading premises. We have engaged an independent chattel agent to secure, value and seek purchasers for these assets, and have been advised that these assets are likely to generate gross realisations of c£8-10k.

Rates refunds

Following the Administrators' appointment a review was undertaken by DRE to establish whether there were any rates refunds due to the Company. This work identified a small number of potential refunds.

To date, refunds of £493 have been received into the administration estate.

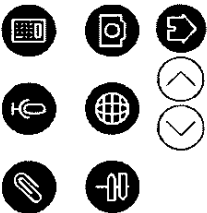
Insurance

£3,529 has been received into the administration estate in relation to a pre-appointment insurance claim.

Stock

Stock held on appointment related to food and beverages.

The majority of beverage stock was subject to Retention of Title ("ROT") and the administrators have sought to facilitate the return of this stock to suppliers where possible. The majority of food stock was perishable and thus had limited value. This stock was disposed of on appointment.



Post-appointment Joint Administrators' proposals

The Joint Administrators' proposals

Our proposals for the administration include:

- continuing to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses;
- assessing the affairs of the Company and enquiring, reviewing and reporting on the conduct of its directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Company or its management;
- continuing with enquiries into the conduct of the directors of the Company and continuing to assist any regulatory authorities with any investigation into the affairs of the Company;
- agreement of the claims of any secured and unsecured creditors against the Company unless we conclude, in our reasonable opinion, that the Company will have no assets available for distribution;
- distributing funds to any secured creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application;
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administration; and
- that, if the Company is to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

We will seek specific approval from the secured creditors to fix the basis of and the ability to draw our remuneration and expenses, and to agree the time of our discharge on conclusion of the administration. Please refer to Appendix C, D and E for further details.



Post-appointment Outcome for creditors

Estimated outcome for creditors

Secured creditors

The Company's records show the Secured Creditors at the date of our appointment were a syndicate of five lenders, acting through Lloyds Bank PLC as the security agent, owed a total of £49.0m.

These amounts are secured by way of fixed and floating charges granted on 17 February 2017 by the Company. Based on currently available information, we do not expect there will be sufficient asset realisations to repay all Secured Creditors in full.

Preferential creditors

There are no preferential creditors as the Company had no employees.

Unsecured creditors

Based on information provided in the statement of affairs there are c144 unsecured creditors with claims in the administration totalling £37.6m.

As detailed above, we do not anticipate that there will be sufficient asset realisations to enable a distribution to be made to unsecured creditors.

Prescribed Part

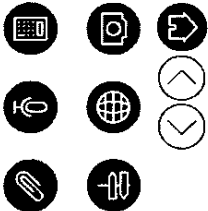
The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, referred to as the net property, as set out under section 176A of the Act. It applies only where the charge was created on or after 15 September 2003.

The Prescribed Part is calculated as a percentage of the net property and is subject to a statutory maximum of £600,000 per company.

Based on current information, we anticipate that there will be insufficient asset realisations to make a distribution to unsecured creditors even by way of the Prescribed Part.

Claims process

As there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received as this work will be performed only once the dividend prospects are certain.



Post-appointment Extensions & exit routes

Exit routes

In accordance with the provisions of the Act, the administration automatically comes to an end after one year, unless an extension is granted by the court or with consent of the creditors.

There are several possible exit routes from administration. Based on current information, we consider the following exit routes may be appropriate:

- *Dissolution* – If there is no further property which might permit a distribution to the Company's creditors, we may file notice to that effect with the Registrar of Companies and the Company will be dissolved three months later.
- *Compulsory Liquidation* ("WUC") – where there is a possibility, but no certainty, of recoveries being made or matters such as property to disclaim or further enquiry, it may be appropriate to ask the court to end the administration and to make an order to wind up the Company.
- *Creditors' Voluntary Liquidation* ("CVL") - Where a distribution to unsecured creditors will be made, other than by virtue of the Prescribed Part, we may file a notice to that effect with the Registrar of Companies. The administration will cease on the date that notice is registered and the Company will be wound up.

Please note that if the Company is placed into CVL, the Joint Administrators (or any person appointed as a replacement office holder) propose to be appointed as Joint Liquidators. The creditors may nominate a different person to be liquidators provided the nomination is made before the proposals are deemed approved.

- Any creditors' committee appointed in the administration will become a liquidation committee.
- For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by decision of the creditors) or, in specific circumstances, by the secured (and preferential) creditors.

In this case, we will request approval from the secured creditors of the Company for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress report.

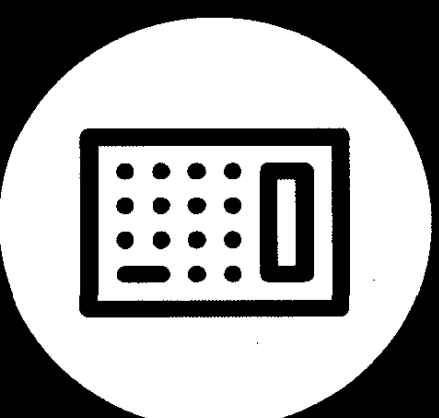




Remuneration and expenses

Creditors' Guide to Administrators'
Remuneration

18



Remuneration and expenses

Creditors' Guide to Administrators' Remuneration

Basis of Administrators' remuneration

Pursuant to Rule 18.16 of the Insolvency Rules 2016 ("the Rules"), the basis of the Joint Administrators' remuneration may be fixed:

- as a percentage of the value of the property with which the Joint Administrators have to deal;
- by reference to time properly given by the insolvency practitioners and their staff in attending to matters arising in the administration;
- as a set amount;
- or, any combination of the above.

There are no preferential creditors and based on current information there will be no funds available to the unsecured creditors.

Therefore, in accordance with Rule 18.18(4) of the Rules and in the absence of a creditors' committee, we will seek to fix the basis of our remuneration as a set amount of £0.4m with the consent of each secured creditor.

Full details of the work anticipated to be performed are provided at Appendix C.

Joint Administrators' Expenses

We anticipate that the following expenses will be incurred for the duration of the appointment:

- Statutory Advertising - we are required to give notice by advert in the London Gazette of the following matters: our appointment; and proposed distributions unsecured creditors. Each advert is £84 plus VAT.
- Legal Costs - we have instructed lawyers to assist in the following matters.
 - Advice in relation to administration matters - Hogan Lovells have been instructed to advise the administrators in relation to various matters regarding their appointment, and estimate their fee for so doing will be £100k plus VAT.
- Agent's Costs - we have instructed agents to assist in the following matters:
 - GVA have been instructed to value and market the CAU leases and estimate their fee for so doing will be c£67k plus VAT;
 - DRE have been instructed to assist in the sale of CAU leaseholds and assess any potential rates refunds, and their fee for so doing will be included in the administrators' fixed fee;
 - Wyles Hardy & Co have been instructed to assist with clearing the CAU sites, and valuing and selling any assets of value. Their fees for doing so are estimated to be c£105k plus VAT.

All professional costs will be reviewed and analysed in detail before payment is approved.

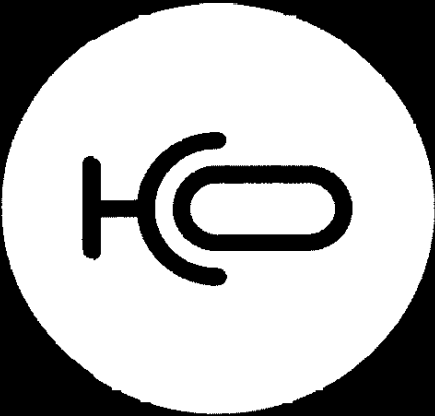




Additional information

Investigations

20



Additional information

Investigations

Investigations

As part of our duties, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Company.

In addition, we are required to consider the conduct of the Directors and any person we consider to have acted as a shadow or de facto director in relation to their management of the affairs of the Company and the causes of failure and we will submit a confidential report to the Insolvency Service, a division of the Department for Business, Innovation and Skills. Creditors who wish to draw any matters to our attention should contact us using the contact details given on Page 4 as soon as possible.

EU Regulations

As stated in the administration appointment documents, Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Company's premises at the date of our appointment please contact us as soon as possible.

Website

In order to facilitate communication, all statutory reports, documents and notices will be posted on to a website which has been set up specifically for the Company. The web address is www.deloitte.com/uk/caugauchgo.

All documents will be retained on the website which will remain live until two months after the conclusion of the proceedings. If you require hard copy documents, please contact Narinder Aheer using any of the contact details given on Page 4 and you will be provided, free of charge, with a hard copy of documents posted, either now or in the future, to the website.

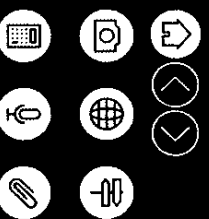
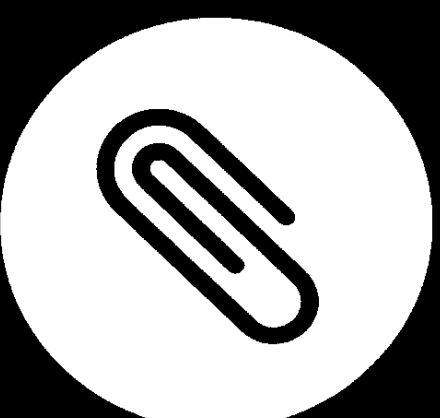
Please note that, other than notice of intended dividend, no further notice will be given to you when documents are uploaded to the website. It is thus important that you review the website regularly to check for updates, such as notices of decision procedures or our six monthly reports on progress.





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Appendices

Appendix A

Statutory Information

Statutory information

CAU Restaurants Limited

Company number	7381319
Registered Office	Deloitte LLP, Four Brindley Place, Birmingham, B1 2HZ
Previous Registered office	7 - 9 Swallow Street, London, W1B 4DE
Trading names	CAU Restaurants Limited
Previous names	N/A
Court	High Court of Justice
Court reference	5980 of 2018
Company directors	Frank Bandura Oliver James Meakin Paul Mason
Company Secretary	Frank Bandura



Appendices

Appendix B

Joint Administrators' receipts and payments account 19 July 2018 to 31 August 2018

	Notes	Period	To date
£			
Receipts			
Pre-Appointment Sales	1	107,778	107,778
Rates refunds	2	493	493
Bank Interest Gross	3	3	3
Insurance		3,529	3,529
Total receipts		111,803	111,803
Payments			
Other Property Expenses	3	125	125
Total payments		125	125
Balance		111,678	111,678
Made up of:			
Floating Chge Deposit A/c			111,678
Balance in hand			111,678

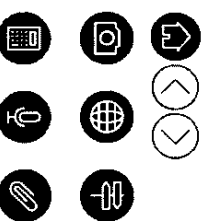
Notes to the receipts and payments account

Receipts

1. Upon appointment, a balance of £108k (being CAU net sales income) was transferred to the post-appointment bank account; and
2. CAU has received business rates refunds from local authorities as the Company had ceased to trade midway through the rateable period.

Payments

3. Property expenses relate to a sundry repair cost for the CAU Harrogate site.



Appendices

Appendix C

Joint Administrators' Estimate of Work to be undertaken – set fee basis

Details of work that the we anticipate will be undertaken and for which a set fee of £0.4m in the Company will be charged are provided below:

Statutory Tasks and Administration

- Formulating and implementing an appropriate strategy
- Notification of appointments for the Company
- Case set-up – including data capture and entry
- Case Management
- Cashiering – a bank account with monthly bank reconciliations
- Statutory reporting – progress reports, potential extension application, CDDA and a final report
- Specific issues such as data protection, health and safety

Assets

- Ensure that all assets are dealt with and realised
- Ensure that all cash in the Company's pre-appointment bank account are transferred
- Retention of title matters
- Property issues - seeking to realise premium value from leases where possible
- Orderly closure of trading – clean and tidy sites, facilitate return of third party goods where possible
- Liaising with suppliers, many of whom are common with Gioma, to facilitate the return of their goods held by CAU

Creditors

- Receipt and logging of proof of debt forms
- Resolving creditor queries
- Distributions to the secured creditors

Case specific matters

- Complete and file corporation tax returns as required
- File VAT returns as require and receipt of VAT repayments.



Appendices

Appendix D

Disbursements

Disbursements

We estimate that the following disbursements are likely to be incurred in relation to the administration.

Category 1 disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 1 disbursements	
£ (net)	
Travel and subsistence	1,500
Bond	230
Postage/Couriers	300
Total disbursements	2,030

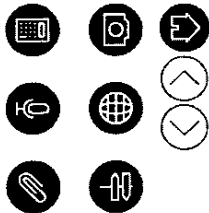
Category 2 disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs. Specific approval is required before these costs and expenses can to be drawn from the administration estate.

Category 2 disbursements	
£ (net)	
Mileage	500
Website set up	167
Total disbursements	667

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (currently up to 45p per mile).

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointment. As noted this cost will be split between the Company, Gioma and GGL.



Appendices

Appendix E

Joint Administrators' proposals

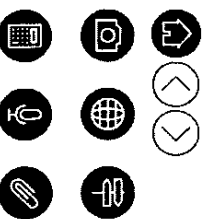
Our proposals will be deemed approved on 19 September 2018 unless a creditors' decision procedure is requisitioned in accordance with Rules 15.18 and 15.19 of the Rules 2016.

We will still need to obtain specific approval for the resolutions given below from the secured creditors:

1. Approval that the basis of the Joint Administrators' remuneration shall be fixed by:
 - a) A set fee of £0.4m, plus VAT.
2. Approval that the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of mileage and statutory websites, as detailed on page 25 be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses, (plus VAT where applicable) from the administration estate.
3. Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies.

A creditors' committee will not be formed unless we are requested to hold a decision procedure for purposes of forming a creditor's committee; please refer to page 1 of the proposals for details of the procedure in this regard.

Please note that if you wish to form a creditors' committee, you will also be expected to confirm your willingness to serve or be represented on the creditors' committee, including dealing with any business placed before the creditors' committee throughout the period of the administration (and in any follow on liquidation should a creditors' committee be formed.)



Appendices

Appendix F

CAU Restaurants Limited Directors' summary Statement of Affairs

£	Book value	Estimated to realise
Assets subject to fixed charge		
Less: Amounts due to fixed charge holders	(49,377,930)	(49,377,930)
Cash at Bank	2,066,699	2,066,699
Estimated surplus/(deficiency) to fixed charge holders	(47,311,232)	(47,311,232)
Assets subject to floating charge		
Stock	673,098	-
Debtors	1,295,617	471,308
Fixed Assets	4,917,513	775,000
Intercompany receivables	2,582,503	-
Estimated total assets available for preferential creditors	9,468,731	1,246,308
Preferential creditors		-
Estimated deficiency / surplus to preferential creditors		1,246,308
Estimated prescribed part of net property		(252,262)
Estimated total assets available for floating charge holders		994,046
Debt secured by floating charges		
Estimated deficiency / surplus after floating charges	(47,311,232)	(46,317,185)
Estimated prescribed part of net property (brought down)		252,262
Total assets available to unsecured creditors	(46,064,924)	(37,616,310)
Unsecured non-preferential claims		(83,681,234)
Estimated deficiency / surplus to creditors		24,199,339
Called up share capital		(59,481,695)
Estimated deficiency / surplus to members		(35,282,356)

Joint Administrators' comments

The Directors' full statement of affairs is available online. Please note that in accordance with Rule 3.35(4) of the Insolvency Rules 2016, names and addresses for employees and consumers who have paid deposits or in advance for the supply of goods and services will not be shown.

It should be noted that the £2.1m shown as cash at bank is an asset of Gioma (UK) Limited (in Administration) and shown in the statement of affairs for that company.

In accordance with the standard format of the statement of affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees).



Appendices

Important notice

Important Notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their proposals for achieving the purpose of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This document has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this document are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

The Joint Administrators act as agents of the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administration.

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AM06

Notice of approval of administrator's proposals



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 **Narinder Aheer**

Company name **Deloitte LLP**

Address
Four Brindleyplace
Birmingham

Post town **B1 2HZ**

County/Region

Postcode

Country

DX

Telephone

+44 121 632 6000



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 signed and dated the form.



Important information

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



Where to send

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

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



Further information

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

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