

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



A07 *A7ZPKUWR* 20/02/2019 #184
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 Administrator's name

Full forename(s) Matthew David

Surname Smith

3 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

4 Administrator's name

Full forename(s) Robert James

Surname Harding

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

5 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

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 9	^m 0	^m 7	^y 2	^y 0	^y 1	^y 8
To date	^d 1	^d 8	^m 0	^m 1	^y 2	^y 0	^y 1	^y 9

7 Progress report

☐ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

[Handwritten Signature]

X

Signature date

^d 1	^d 5	^m 0	^m 2	^y 2	^y 0	^y 1	^y 9
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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	Narinder Aheer
Company name	Deloitte LLP
Address	Four Brindley Place
Post town	Birmingham
County/Region	
Postcode	B 1 2 H Z
Country	
DX	
Telephone	+44 121 695 5250



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

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

Progress report to creditors for the period 19 July 2018 to 18 January 2019 pursuant to Rules 18.2 to 18.6 inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules").

Court Case No. 5980 of 2018
High Court of Justice
Company Number: 7381319






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

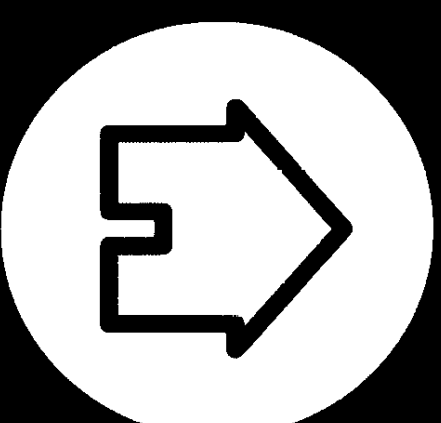


Matthew David Smith and Robert James Harding ("the Joint Administrators") were appointed Joint Administrators of the Company on 19 July 2018 by the directors of the Company. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents 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 by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("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.

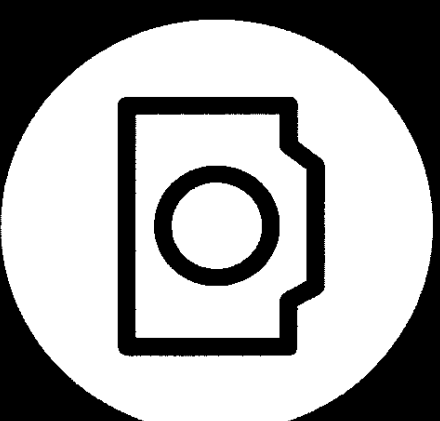
Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

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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

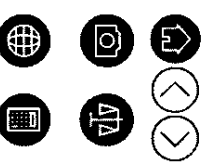
Contact details

Email: naheer@deloitte.co.uk

Website:

www.deloitte.com/uk/caugauch

Tel: 0121 695 5250



	Commentary
Purpose of administration	<ul style="list-style-type: none"> 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.
Progress of administration	<ul style="list-style-type: none"> Trading ceased on 19 July 2018 immediately following our appointment. Pre-appointment sale receipts amounting to £109k which were in transit on appointment have been paid to the estate. Wyles Hardy were instructed to assist with valuing and selling any assets of value, to date they have realised £53k. We have achieved a lease assignment of the Liverpool site and the surrender of six other properties. Refunds totalling £36k have been realised from rating authorities.
Costs	<ul style="list-style-type: none"> The basis of our fees has been fixed as a set amount of £0.4m. To date no fees have been drawn. Please see Page 11 for further details. Disbursements of £2.6k have been incurred in the report period which is in line with our initial estimate. Please refer to Page 12 for further details. Third party costs of £111k have been incurred in the report period which is in line with our initial estimate. Please refer to Page 6 for further details.
Outstanding matters	<ul style="list-style-type: none"> Arrange for the remaining lease assignments / surrenders to be completed. Arrange for any outstanding invoices to be paid. File the VAT and tax returns due. Case closure matters.
Dividend prospects	<ul style="list-style-type: none"> Secured creditors will not be paid in full. There are no preferential creditors in the Company, as all of the restaurant staff were employed by CAU's sister company, Gioma (UK) Limited. Insufficient funds have been realised from the Company's assets, accordingly there will be no funds available for unsecured creditors of the Company.
Extension to administration period	<ul style="list-style-type: none"> We do not anticipate that it will be necessary to extend the period of the administration which is due to end on or before 18 July 2019.



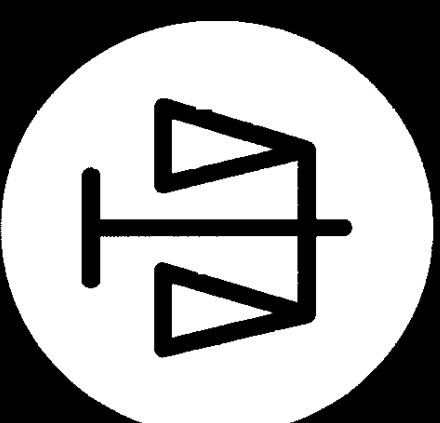
Progress of the administration

Summary

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Receipts and payments

7



Progress of the administration Summary

Progress of the administration

Work done during the report period

Secured Lender Funding

Funds totalling £500k have been received from the secured creditors, via the sister company Gioma (UK) Limited ("Gioma"), to fund the ongoing work being undertaken by the administrators. Any surplus funds remaining in the estate once all costs are settled will be refunded to Gioma.

Pre-Appointment Sales

On our appointment £109k was held in the Company bank account and with the merchant service provider in relation to sales made prior to the administration. These monies have been since been swept to the administrators bank account.

Leasehold property

The Company operated from 22 leasehold properties, all of which were vacated upon appointment.

The administrators have worked together with GVA Grimley Limited ("GVA") to review the leases and determine if any value can be generated from their assignment.

An accelerated marketing exercise was undertaken for the Company's leasehold properties by GVA and has resulted in the assignment of one leasehold property.

The lease assignment was completed for the site in Liverpool realising £268k. A further lease assignment was agreed in principle and a deposit paid of £28k, however the interested party withdrew prior to completion.

A further six landlords have accepted surrender of the leases and the sites have been handed back to the landlords.

The administrators are continuing to seek to agree informal surrenders in relation to the remaining 15 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 engaged Wyles Hardy,

an independent chattel agent, to secure, value and seek purchasers for these assets. During the report period we have received £53k into the administration estate.

Rates refunds

Following the Administrators' appointment a review was undertaken by Deloitte Real Estate ("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 £36k 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 to mitigate the level of creditor claims. The majority of food stock was perishable and thus had limited value. This stock was disposed of on appointment for health and safety reasons.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case set-up and management
- Attending sites
- Statutory reporting
- Appointment notifications
- Correspondence
- CDDA reporting
- Cashiering functions

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.



Progress of the administration Summary

Progress of the administration

Work done (continued)

Director Conduct Reports

We have complied with our statutory duty to report on the conduct of the Company's directors and submitted our confidential report to the Insolvency Service on 17 October 2018.

Investigations

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Company.

Having completed this review no further avenues of recovery have been identified.

If you have any information that you feel should be brought to our attention, please contact us in writing using the contact details on Page 3.

Cost of the work done during the report period

The costs and expenses incurred during the report period are detailed below. Overall, we do not anticipate that the total costs and expenses will exceed the estimates provided in our proposals.

- Legal Costs – we have instructed lawyers to assist in the following matters.
 - Hogan Lovells have been instructed to advise the administrators in relation to various matter regarding their appointment and the property leases, and estimated their fee to be circa. £100k plus VAT. To date they have billed £73k.
- Agents' Costs – we have instructed agents to assist in the following matters:
 - GVA have been instructed to value and market the CAU leases and estimated their fee for so doing would be £67k plus VAT. To date they have billed £38k.
 - Wyles Hardy & Co have been instructed to assist with clearing the CAU sites, valuing and selling any assets of value. Their fees for doing so are estimated to be c£105k plus VAT. To date they have not billed the administration estate.

Costs have been paid, as shown in the receipts and payments account on Page 7, further invoices are expected to be raised in the next period.

All professional costs are reviewed and analysed in detail before payment was approved.



Progress of the administration Receipts and payments

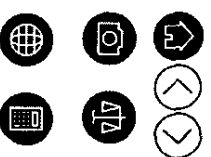
Joint Administrators' receipts and payments account 19 July 2018 to 18 January 2019

£	SoA values	Notes	To date
Receipts			
Lease Premium			268,094
Non-refundable deposit for an abandoned lease assignment			28,450
Rates refunds			· 36,381
Pre-appointment sales receipts			108,586
Fixtures and Fittings			52,976
Secured Lender Funding (via Gloma (UK) Limited)			500,000
Landlord Contribution			1,200
Licence Refund			1,000
Assignment of Interco Loan from Lundl			1
Insurance Refund			3,529
Bank Interest Gross		A	572
Fixed Assets	775,000	C	-
Debtors & Prepayments	471,308	C	-
Total receipts	1,246,308		1,000,789
Payments			
Contact Personnel			5,250
Rent settlement			27,991
Agents/Valuers Fees			37,960
Legal Fees			72,505
Irrecoverable VAT			999
Storage Costs			829
Other Property Expenses			410
Bank Charges			8
Secured Lender Distribution			1
Total payments			145,952
Balance			854,837
Made up of:			
VAT Receivable		B	29,976
Floating Chge Deposit A/c		A	825,765
Trade Creditors			(905)
Balance in hand			854,837

A receipts and payments account is provided opposite, detailing the transactions in the administration to 18 January 2019, being all transactions since the date of our appointment.

Notes to receipts and payments account

- A – All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.
- B – All sums shown above are shown net of VAT, which is recoverable and will be accounted for to H M Revenue & Customs in due course.
- C – Statement of affair values are displayed separately, as they are made up of more than one item.

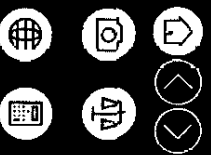
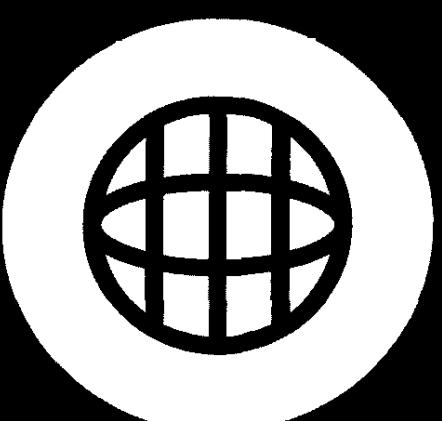




Information for creditors

Outcome

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Information for creditors Outcome

Secured creditors

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 a fixed and floating charges granted on 17 February 2017 by the Company.

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.

There has not been sufficient asset realisation to repay the secured creditors in full.

Preferential creditors

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

Prescribed Part

As detailed in the Proposals we do not anticipate there to be a prescribed part fund available for distribution to unsecured creditors.

Unsecured creditors

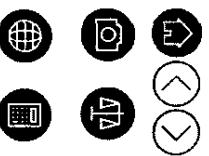
On present information insufficient funds will be realised to enable a dividend to be paid to unsecured creditors.

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. This work will be undertaken, if required, only once the dividend prospects are certain.

Exit

As detailed in our proposals, we consider that dissolution will be the most appropriate exit route from administration due to there not being sufficient assets available to make a distribution to unsecured creditors.

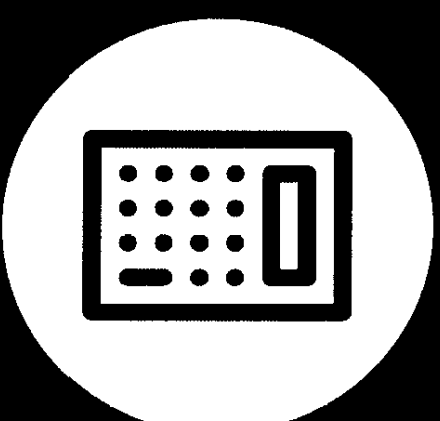




Remuneration and expenses

Joint Administrators' remuneration

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Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

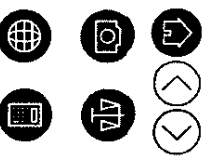
"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/caugauch0.

Should you require a paper copy, please send your request in writing to us at the address on Page 3 of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 27 September 2018 by the secured creditors as a set amount of £0.4m, plus VAT thereon.

To date we have not drawn any remuneration against the agreed set fee of £0.4m, we will look to draw the Joint Administrators' remuneration during the next period.



Remuneration and expenses

Detailed information

Category 1 Disbursements

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

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.

Disbursements

Our disbursements to date are in line with estimates provided in the proposals and are summarised below:

Category 2 Disbursements

Specific approval is required before these costs and expenses can be drawn from the administration estate secured creditors on 27 September 2018.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Details of all disbursements are given below, these will be paid in the next reporting period.

Category 1 disbursements

£ (net)	Estimated	Incurring in report period	Total cost for the period of the appointment	Unpaid
Travel and subsistence	1500	1,414	1,414	1,414
Bond	230	230	230	230
Postage/Couriers	300	761	761	761
Total disbursements	2030	2,405	2,405	2,405

Category 2 disbursements

£ (net)	Estimated	Incurring in report period	Total cost for the period of the appointment	Unpaid
Mileage	500	72	72	72
Website set up	167	167	167	167
Total disbursements	667	239	239	239

Creditors' right to request information

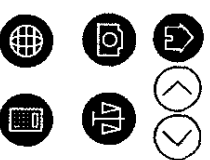
Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.



Deloitte.

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