

# AM03

## Notice of administrator's proposals



Companies House

THURSDAY



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24/05/2018

#160

COMPANIES HOUSE

### 1 Company details

Company number 0 8 6 5 2 1 1 9

Company name in full LRL1 Limited  
formerly Lawson Robb London Limited

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

### 2 Administrator's name

Full forename(s) Nicola Elaine

Surname Layland

### 3 Administrator's address

Building name/number Eagle Point

Street Little Park Farm Road

Post town Segensworth, Fareham

County/Region Hampshire

Postcode P O 1 5 5 T D

Country

### 4 Administrator's name

Full forename(s) Michael Robert

Surname Fortune

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

### 5 Administrator's address

Building name/number Eagle Point

Street Little Park Farm Road

Post town Segensworth, Fareham

County/Region Hampshire

Postcode P O 1 5 5 T D

Country

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

AM03

## Notice of Administrator's Proposals

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### Statement of proposals



I attach a copy of the statement of proposals

7

### Sign and date

Administrator's  
Signature

Signature

×

*[Handwritten Signature]*

×

Signature date

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<sup>d</sup>

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<sup>y</sup>

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Eagle Point  
Little Park Farm Road  
Segensworth  
Fareham  
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PO15 5TD

Telephone: 01489 550 440  
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21st May 2018

## TO ALL CREDITORS

NL/MF/SW/KL/CG/AJ/L9033

### **LRL1 Limited formerly Lawson Robb London Limited in administration**

#### **Notice of administration and administrators proposals**

The company was placed into administration on 16th May 2018 the notice of appointment is enclosed to that effect. We attach to this letter a report setting out our administration proposals.

#### **What is administration?**

Administration is a UK insolvency procedure. As a result of the appointment, the company has a wide-ranging protection that prevents any other insolvency procedure. Any petition for the winding up of the company is dismissed. A receiver cannot be appointed. No resolution may be passed, or order made for the winding up of the company.

The company also has extensive protection against any action by a creditor seeking to enforce payment. No steps may be taken to enforce any security over the company's property, to repossess goods in the company's possession under any hire purchase agreement, or to repossess goods under any reservation of title claim. No other proceedings, execution or other legal process may be commenced or continued and no distress may be levied against the company except with the consent of the administrators or the leave of the court.

#### **What has happened to the business?**

The business has been sold, full details of the sale of the business are set out in the attached proposals, also attached to this letter is a summary sheet of details relating to the disposal of the business.

#### **How do you submit a claim?**

The attached form can be posted to this office, sent by fax to 01489 550 499 or e-mail to [creditors@portbfs.co.uk](mailto:creditors@portbfs.co.uk). Alternatively you can submit your claim using the creditor portal.

#### **What happens if you have a retention of title or similar claim to assets?**

It is possible that your terms and conditions of sale include a retention of title clause, which gives rise to a claim over any stocks or other assets held by the company. If this is the case, you are not entitled to remove these goods without our permission, because of the effect of the administration.

Firstly, we need to assess whether you have a valid claim. We shall endeavour to do this as quickly as possible and, to this end, we have a standard questionnaire to help you provide the information we need. If you believe you have a retention of title claim you should e-mail [creditors@portbfs.co.uk](mailto:creditors@portbfs.co.uk) for a questionnaire. **Please note that we are unable to accommodate visits without an appointment.**

#### **What happens if you hold property or money belonging to the company?**

Please inform us as soon as possible if you hold any property or monies belonging to the company. Please note that you are not authorised to deal with them without prior confirmation in writing from us.



Portland Business & Financial Solutions Ltd. Registered No. 3830668.

Directors: Carl D Faulds, Mike Fortune, Steve Godwin.

All our Licensed Insolvency Practitioners are authorised by the Insolvency Practitioners Association.

Please be advised we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.



South West Office  
Discovery Court, 551-553 Wallisdown Road,  
Poole, Dorset BH12 5AG  
Tel: 01202 712 810

London Office  
90 Long Acre, Covent Garden,  
London WC2E 9RZ  
Tel: 020 7925 2651  
Fax: 020 7925 2652

**Do you have any concerns over the insolvency of the company?**

Under insolvency legislation, administrators have a duty to consider the conduct of those who have been directors of the company at any time within the three years before the date of their appointment. We also have a duty to consider whether any civil proceedings should be taken for the recovery of, or contributions to, the company's assets.

If there is any matter of which you consider we should be aware, please let us know in writing and in confidence to our address at the head of this letter or by email to us at [creditors@portbfs.co.uk](mailto:creditors@portbfs.co.uk). Please note that this request for information forms part of our firm's usual procedures. It does not imply that there may be any grounds for criticism of any person concerned in the company's affairs.

Nicola Layland  
**Joint Administrator**

**LRL1 Limited formerly Lawson Robb London Limited in administration****Joint administrators' proposals**

- 1 We shall continue to manage the affairs, business and property of the company as administrators whilst we complete the final aspects of the sale of the business and collect the remaining debts, as detailed later in this report.
- 2 Where asset realisations allow, the cost of the administration procedure along with any preferential claims and any secured claims will be settled during the administration.
- 3 We state, in accordance with paragraph 52(1)(b) of schedule B1 to the Insolvency Act 1986, that we do not think the company has sufficient property to enable a distribution to be made to unsecured creditors. Furthermore, there will not be a prescribed part in this matter. (The prescribed part is that amount set aside for unsecured creditors in accordance with section 176A of Insolvency Act 1986 from the distribution that would otherwise be made to a floating chargeholder).
- 4 We shall carry out a standard investigation into the events leading up to the failure of the company and scrutinise preceding transactions with a view to recovery for creditors. In addition to covering the requirements of Statement of Insolvency Practice 2: investigations by office holders in administrations and insolvent liquidation (SIP 2), the scope of the investigation will be defined through consultations with the major creditors affected by the cost of the work and likely recoveries.
- 5 Unless our current thought that there is insufficient property to enable a distribution for unsecured creditors alters, we shall arrange for the dissolution of the company, in accordance with paragraph 84 of schedule B1 to the Insolvency Act 1986, once the functions of administration are completed.
- 6 If we do subsequently think there could be a distribution for unsecured creditors, then the administration will instead move to creditors' voluntary liquidation, in accordance with paragraph 83 of schedule B1 to the Insolvency Act 1986. We propose that the joint administrators will become the joint liquidators, although creditors are entitled to nominate other practitioners to act if this is done before these proposals are considered. The liquidators' powers will be joint and several, as the administrators' are.
- 7 In the event that a creditors' committee is not formed, our remuneration as administrators shall be fixed on the basis set out in rule 18.16(2)(b) Insolvency (England and Wales) Rules 2016, (by reference to the time properly given by the office holders and their staff in attending to matters arising in the administration). The disbursements and expenses necessarily incurred in connection with this case will be reimbursed according to the details given in this document. Fees and disbursements can be drawn on account as the time and cost accrues. An estimate of the administrators' fees and expenses, together with details of the time costs to date and the remuneration policy is enclosed. (Note: this proposal relating to our remuneration will be approved if and only if approved by a majority of preferential creditors and a specific resolution is being put to them). Fees and disbursements can be drawn on account as the time and cost accrues. An estimate of the administrators' fees and expenses, together with details of the time costs to date and the remuneration policy is enclosed.
- 8 We shall be seeking approval by a decision of the creditors for pre-administration costs. This includes our own outstanding fees as a fixed fee of £10,000 plus VAT, for work undertaken before the company entered into administration but with a view to it doing so including agreeing a "pre-pack" sale. The services included in this cost are more fully described in this document. (Note: this proposal relating to our pre-appointment costs will be approved if and only if approved by a majority of preferential creditors and a specific resolution is being put to them).
- 9 In accordance with paragraph 98 of Schedule B1 to the Insolvency Act 1986, our discharge from liability in respect of any action as administrator takes effect when we file the prescribed forms at Companies House to cause the administration to cease.

**LRL1 Limited formerly Lawson Robb London Limited in administration (“the company”)**

**Statement accompanying joint administrators’ proposals**

Full registered name	LRL1 Limited	Former name	Lawson Robb London Limited
Former registered office (before being changed to the administrators' office)	Lawson Robb 533 Kings Road London W9 2HD	Trading addresses in the last six months	Lawson Robb 533 Kings Road London W9 2HD
Other trading names in the last six months		Registered number	08652119
Name of administrators and licensing bodies	Nicola Elaine Layland	Insolvency Practitioners Association	
	Michael Robert Fortune	Insolvency Practitioners Association	
Address of administrators	Portland Business & Financial Solutions, Eagle Point, Little Park Farm Road, Segensworth, Fareham, PO15 5TD E-mail <a href="mailto:creditors@portbfs.co.uk">creditors@portbfs.co.uk</a>		
Date of appointment	16 <sup>th</sup> May 2018	Appointor	Directors of the company
Allocation of administrators' powers	All the powers and functions of an administrator are exercisable by either or both of the appointed administrators		
EC regulations	The EC Regulation concerning insolvency proceedings applies to this administration and these are main proceedings.		
Supervising court	High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List ChD	Court reference no	CR-2018-004070
Date proposals delivered to creditors	23rd May 2018		
Rights with regard to remuneration and expenses	Creditors can access a guide setting out their rights with regard to remuneration and expenses by visiting <a href="https://www.r3.org.uk/what-we-do/publications/professional/fees">https://www.r3.org.uk/what-we-do/publications/professional/fees</a>		
	Shareholding		
Name of directors Alexandra Lawson Charlotte Wolfe Big Yellow Sunshine Ltd Little Pink Tree Ltd	1 ordinary share 1 ordinary share		
Company secretary	None		
Other significant stakeholders	None		

**1 The circumstances leading to the appointment of an administrator**

- 1.1 The company operated as an interior architecture and design house, trading from leasehold premises in Chelsea, London for high net worth clients. At the date of administration the company had ten employees, including the directors.
  - 1.1.1 The business originally commenced trading in 2003 through the company Lawson Robb Associates Limited (“Associates”). In 2013 Associates sold its brand and Intellectual Property to Lawson Robb Lifestyle Solutions Limited (“Lifestyle”). Its tangible assets were sold to the company, with the employees also transferring under TUPE.
  - 1.1.2 The company has been the trading business since 2013, a licence fee was charged by Lifestyle for the use of the IP and brand.
  - 1.1.3 The company specialised in high quality residential and five star hospitality designs, focussing on the luxury end of the market. The company had a specialist team to ensure that the work undertaken was of the appropriate quality. The company relied upon recommendations and referrals for work.

## **LRL1 Limited formerly Lawson Robb London Limited in administration (“the company”)**

### **Statement accompanying joint administrators’ proposals**

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- 1.1.4 The business traded successfully for a number of years, reaching turnover of £2m, relying on its loyal customers and referrals. More recently insufficient time was spent driving the sales and insufficient funds were invested in marketing the business. One of the directors, who was responsible for sales was out of the business whilst her family were young, and this gap was not filled.
- 1.1.5 The market has dropped, particularly following Brexit. Previously projects taken on were for £100k+, more recently 60% of the work undertaken had been in the £15-40k bracket. This was not profitable and resulted in losses for the company. The company had a very good brand, delivery and operations, but the sales performance had been poor.
- 1.1.6 The company experienced a significant bad debt in 2017 when a contract was mismanaged by a former employee, this ultimately cost the company £400k. Whilst the company had grown back it was still trying to fill the hole. Whilst it appeared that there was a pipeline of work, the time to convert the sale had been extending and caused cashflow issues. The market since the bad debt had been at best flat.
- 1.1.7 The most recent financial results for the company are summarised below

	Year ending 31 July		
	2017	2016	2015
	£	£	£
<b>Turnover</b>	1,848,262	1,895,005	1,250,665
<b>Gross margin</b>	702,001	1,011,107	769,129
	38%	53%	61%
<b>Overheads</b>	1,104,171	836,109	768,234
<b>Interest receivable</b>	-	52	36
<b>Interest Payable</b>	9	3,186	51
<b>Tax on (loss)/profit</b>	(35,075)	35,075	178
<b>Net profit/loss</b>	(367,104)	136,789	702
<b>Dividends</b>	-	(135,380)	(8,000)
<b>Retained earnings</b>	(367,104)	1,409	(7,298)
<b>Balance on reserves</b>	(363,759)	3,345	1,936

- 1.1.8 The cashflow of the company suffered, the debt due to HMRC as well as suppliers began to increase.
- 1.1.9 At the start of the year the directors felt that the company required investment to turn around its fortunes. The directors therefore contacted potential interested parties who would be able to put funds into the company and push forward the sales.
- 1.1.10 Over several months more than 60 parties were contacted and provided with information to find an investor or a buyer for the business. Considerable time was spent working with interested parties to get investment secured. During this period the sales continued to fall.
- 1.1.11 Despite this work no offer to invest was received. One interested party advised that whilst they would not purchase the shares of the company due to the level of debts, it would be interested in a sale of the business.
- 1.1.12 Following negotiations it became clear that the sales price would be insufficient to meet the debts outstanding and therefore that the company was insolvent
- 1.1.13 The company’s accountant suggested that the directors of the company should seek advice with regard to the financial affairs of the company.

## **LRL1 Limited formerly Lawson Robb London Limited in administration (“the company”)**

### **Statement accompanying joint administrators’ proposals**

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- 1.1.14 As part of any deal, the purchasers wished to acquire the brand and Intellectually Property owned by Lifestyle. At this stage the company had a significant debt due to it by Lifestyle. To facilitate a sale it was resolved that the brand and Intellectual Property should be transferred from Lifestyle to the company in part satisfaction of the debt outstanding.
- 1.1.15 A condition of the sale was that the company name be changed to LRL1 Limited prior to the completion of any sale. The name of Lifestyle was separately changed to LRLS1 Limited and Associates to LRA1 Limited.
- 1.1.16 The company was facing increasing pressure from HM Revenue and Customs, who were threatening to issue a winding up petition, following a visit from an Enforcement Officer. If the company were to cease to trade due to a petition being issued it was anticipated that a sale of the business could not be achieved.
- 1.1.17 The company came under increasing pressure from a number of suppliers and was threatened with bailiff action. A customer of the company also threatened action in respect of advanced payments made for a contract not being completed. It was clear that action would need to be taken to preserve any goodwill which was dissipating.
- 1.2 The directors first took our advice in April 2018. We explained the options and arranged for an agent to value of the assets of the company and to advise on the best disposal process. The agent considered the marketing already undertaken and the current interested party. They concluded that due to the bespoke nature of the company any further marketing would likely have a detrimental effect. They were also concerned that the interested party may pull out, and they were not confident that another sale would be possible elsewhere. The agent did not believe that further marketing would lead to a better return.
- 1.3 We worked with the agent to increase the initial offer made by the interested party. During this time the salaries to the staff became payable. The best and final offer received was £37k payable immediately upon completion for the contracts, furniture and equipment, goodwill, intellectual property and any stock. A further consideration of 50% of any net profit on the existing contracts where the net profit exceeds £200k would be paid.
- 1.4 A number of customers had paid in advance for furniture (totalling £205k) which had not been supplied by the company. As part of the sale the purchasers would assume responsibility for these contracts and bear the burden of the purchase of the furniture in respect of the deposits made.
- 1.5 The purchaser advised that they intended for one of the directors of the company to become a director and shareholder of the new company in due course, provided that she meet certain conditions they set out. It therefore appeared that the sale could be perceived to be a sale to a connected party. We therefore advised the interested party that they should approach the pre-pack pool with regard to the sale.
- 1.6 The interested party considered this and whether they wished to approach the pool. Following these considerations an application was made to the pool. The opinion advised that they did not find anything to suggest that the grounds for the proposed pre-package sale were unreasonable.
- 1.7 Whilst this and the negotiations were continuing the bank withdrew the overdraft facility. As a result the cash flow was significantly impacted. The salaries became due, and there were no funds in the company to be able to make payment. If the salaries were not paid any goodwill would be significantly impacted as it was expected that the employees would leave, given the parlous financial position of the company.
- 1.8 The interested party made payments to the employees for the salary for April in order to preserve the goodwill and allow the business to trade for a short period whilst the sale was concluded. The interested party agreed to meet the salary cost, with the amount being treated as additional consideration for the business if a sale was agreed.
- 1.9 Following acceptance of the offer solicitors were instructed to complete a sale as quickly as possible. Once the terms of the sale were agreed, the company was placed into administration to complete the sale of the business on 16<sup>th</sup> May 2018.



## **LRL1 Limited formerly Lawson Robb London Limited in administration (“the company”)**

### **Statement accompanying joint administrators’ proposals**

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#### **2 Achieving the purpose of administration**

##### **2.1 The statutory objectives of administration are**

- to rescue the company as a going concern,
- to achieve a better result for the company’s creditors as a whole than would be likely in a winding up without administration
- to realise property in order to make a distribution to secured or preferential creditors.

##### **2.2 We are obliged to pursue the first objective in the first instance; only if this is not practicable, we should pursue the second objective and then the third in that order.**

##### **2.3 We concluded that it was not realistic in practice to be able to rescue the company as a going concern. This reflected the following obstacles:-**

- The inability and/or unwillingness of shareholders to provide further capital to ensure solvency.
- The inability of the company to secure additional banking facilities.
- The company had no funds with which to pay for supplies, which would need to be paid for on a cash on delivery basis.
- The business was fundamentally loss-making in the current structure and would only be able to survive by being taken over by a stronger owner and/or without the encumbrance of onerous contracts.
- The directors had already sought to find a buyer for the company as a going concern over a number of months and had been unable to conclude a sale.
- We were reluctant to allow the company to continue trading for an extended period during the administration. Our commercial judgement was that the risk of likely losses was not justified by the likelihood of success in restructuring the company. Conversely, an approach of a sale and distribution of proceeds was preferable.

##### **2.4 We concluded that it was not realistic in practice to be able to achieve a better result for the company’s creditors as a whole than would be likely in a winding up without administration, due to the level of debt due to the preferential creditors it is not anticipated at this stage that there will be a dividend to unsecured creditors.**

##### **2.5 The administrators objective is to realise property in order to make a distribution to secured or preferential creditors. This will be achieved by the completion of the sale of the business and collection of any debtors which is more fully explained below.**

#### **3 Management of the affairs of the company**

##### **3.1 Following our appointment, we took steps to safeguard the assets and to notify creditors of our appointment.**

##### **3.2 Immediately upon appointment, we concluded a transaction to sell the business to Allect 1 Limited that had been negotiated adopting an approach that is known as “pre-pack”. In accordance with Statement of Insolvency Practice 16 and so that creditors can understand how this approach was in their interests, we set out as an enclosure details about the steps that were taken. More details are set out below –**

- The company had a number of projects underway, with billing is up to date. In most cases the billing exceeded the level of work undertaken.
- No work in progress has been included in the sale.
- The company had taken significant deposits from customers for purchase of furniture which could not be fulfilled, this would severely impact upon the brand and reduce the value of the business.
- As part of the contract for sale the purchaser is obligated to undertake the work and purchase the furniture where deposits have been paid.
- Overall the contracts represent a negative liability.

## **LRL1 Limited formerly Lawson Robb London Limited in administration (“the company”)**

### **Statement accompanying joint administrators’ proposals**

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- It is anticipated that significant costs would need to be spent to complete the projects to attempt to make any profits on those contracts where it could be achievable.
  - An alternative to a sale could have been for the administrators to trade the company in order to complete the projects and therefore be entitled to the profits. This was discounted as:-
    - The nature of the clients, properties and contracts were such that the completion and realisation of any potential balances due was considered to be relatively high risk.
    - The company was loss making and we had concerns to allow trading in administration as the costs of monitoring and trading would likely outweigh any uplift in value.
    - There was no cash available for trading and therefore external funding would be required to pay for trading costs until the projects were completed, this would have been extremely difficult to secure.
    - The projects would not complete in short order and therefore there would be protracted trading
    - A number of the projects had clauses which allowed them to be cancelled upon administration.
    - Due to the nature of the work, there would likely be issues raised by the clients which would need to be rectified before payment would be received
    - A director would have been critical to liaise with the customers, due to the uncertainty with regard to the future of the company it was unlikely wither would have stayed for any length of time.
    - Continuing to trade to complete the projects was therefore not a viable option, particularly as the administrators’ costs would likely be disproportionate to the return, together with the risks involved.
  - We were concerned that given the customers serviced by the company, they would have concerns with regard to trading with a company in administration and would likely go elsewhere, reducing the goodwill of the company.
  - The director had spent considerable time attempting to find a buyer prior to the administration and had been unable to do so. The director had contacted Angel Investors, construction companies, large suppliers, architects, groups of companies and funders.
  - The parties contacted were either uninterested or unable to complete in time given the financial pressures faced by the company.
  - Our agent, Lambert Smith Hampton felt that any marketing of the business could result in clients of the business being taken by its competitors.
  - The agent had concerns that if the current purchaser dropped out that there were no other interested parties in a sale of the business as goodwill and as a result the value would be significantly dissipated.
  - In this case the interested party is not connected to the company, although we are aware that one of the current directors has an opportunity to become a director and non-majority shareholder of the purchasing company in the future.
  - The purchaser would be responsible for ongoing trading, saving the costs of administration. They are also be responsible for fulfilling the clients furniture orders.
  - The agent provided in-situ and ex-situ valuations of the assets of the company. Both of these are lower than the offer received from the purchaser.
  - The agents recommended an immediate sale upon appointment through a “pre-pack” administration, once the offer was such that it was sufficient to warrant the sale.
- 3.3 We have regarded the debts owed to the company separately from the other business assets. There are a number of trade debtors, although there are disputes on these accounts. It is unlikely that there would be any material realisation from the sale of these debts. These will be pursued during the administration to establish what can be realised.

## **LRL1 Limited formerly Lawson Robb London Limited in administration ("the company")**

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- 3.4 There are two intercompany debts, due from Lifestyle and Associates. From the financial information received to date neither of these companies have any assets or monies available in order to repay the amounts showing as outstanding. We will review the position to establish if there are any funds that could be realised for the benefit of creditors.
- 3.5 We have instructed third parties to handle certain aspects of the administration on our behalf where it was either more cost effective for others to do so or where we needed a particular expertise that we did not have available amongst the staff of this firm or of the company.
- We have retained Lester Aldridge as solicitors to provide legal advice during the administration on matters such as issues about the administration process and implementation of asset sale documents.
  - We instructed this party once we had checked they were suitably qualified for the task in hand, taking references about their expertise unless we have had previous direct experience of using them, and once they had agreed to work to an acceptable cost structure. Former company officers were only engaged where we were satisfied that their prior employment would bring cost-effectiveness without compromising the competence or integrity of our overall service.
- 3.6 We shall be arranging for distributions of the funds under our control to any secured or preferential creditors. If any funds arise for unsecured creditors, the distribution will need to be handled by a subsequent liquidation.
- 3.7 We have arranged for the sale of the business assets, excluding the debtors, as set out above.

#### **4 Estimated outcome for creditors**

- 4.1 We have instructed the directors to provide us with a statement of the company's affairs as at the date of our appointment in the prescribed form as we have only very recently been appointed it has not been received. In the meantime, we have prepared our own summary of the financial position of the company and set this out at Appendix A along with our commentary.
- 4.2 The statement of affairs shows the estimated value of the net property that will be available to creditors and includes a list of shareholders and names and addresses of creditors with the amounts due to them. This includes details of any security. The creditors' details have been compiled from the company's records it does not reflect the formal process of asking creditors to submit claims and assessing them for dividend purposes so it is subject to adjustment in due course.
- 4.3 At Appendix B is our estimated outcome statement, this shows our best estimate of the recovery for creditors.
- 4.4 In summary, our preliminary estimate is that the likely recovery for creditors from this administration is as follows.

Category of claim	Estimate claims (£)	Likely recovery
Secured creditors	None	N/A
Preferential creditors - arrears of pay and holiday pay due to employees	9,014	65% subject to realisation and costs
Unsecured creditors	417,815	No dividend anticipated unless significant recovery possible from the debtors of the company.

- 4.5 In this case, unsecured creditors will not benefit from the availability of any prescribed part. This is the requirement to set aside for the benefit of unsecured creditors a proportion of the funds that would otherwise be paid to a floating charge holder. In this case there is no floating charge creditor.
- 4.6 There have been no receipts or payments to date as the sale proceeds are currently held by the solicitors assisting with the sale.

#### **5 Administrators' remuneration**

- 5.1 In the first instance, it is for the creditors' committee, if one is formed, to approve the basis of the remuneration of administrators. In the absence of a creditors' committee, we are required to seek approval for the basis of our remuneration by a resolution of the general body of creditors.

## **LRL1 Limited formerly Lawson Robb London Limited in administration (“the company”)**

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- 5.2 Enclosed is notice of the decision with regard to the formation of a creditors’ committee by deemed consent. This decision is separate from the decision with regard to the administrators’ proposals.
- 5.3 As we have made a declaration under paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986 that we do not believe there will be a distribution to unsecured creditors, the decision with regard to our remuneration is only passed if approved by each secured creditor and a majority by value of preferential creditors voting on the resolution.
- 5.4 If no committee is formed we propose a decision on our remuneration by voting by correspondence. Notice of this decision is also enclosed. Only secured and preferential creditors are entitled to vote on this decision. This decision is separate from the decision with regard to the administrators’ proposals.
- 5.5 We propose that the basis of our remuneration as administrators shall be fixed on the basis set out in rule 18.16(2)(b) Insolvency (England and Wales) Rules 2016, (by reference to the time properly given by the office holders and their staff in attending to matters arising in the administration). In addition we shall charge reasonable out of pocket expenses in accordance with the schedule of rates for disbursements and out of pocket expenses published by us from time to time. Fees and disbursements can be drawn on account as the time and cost accrues. The same basis of remuneration will also apply if we are subsequently appointed as liquidators of the company.
- 5.6 An estimate of the administrators’ fees and expenses, “Statement of Insolvency Practice 9: A Guide to Administrators’ Fees”, together with details of the time costs to date and the remuneration policy is enclosed at appendix C.
- 5.7 We shall report on the current time cost position and amounts drawn as remuneration in our progress reports to creditors. An illustration of the likely overall cost is given in the statement of affairs discussed earlier.

#### **6 Pre-administration costs**

- 6.1 Our unpaid fees and our unpaid expenses incurred in the period prior to the company entering administration, but with a view to it doing so, can be settled as an expense of the administration if approved by creditors in a similar way to our remuneration.
- 6.2 In addition, any cost incurred in connection with the making of the appointment already qualifies as an administration expense under the rules.
- 6.3 We enclose notice of the decision for the pre-appointment costs by voting by correspondence. Only preferential creditors are entitled to vote on this decision. This decision is separate from the decision with regard to the administrators’ proposals.
- 6.4 Our costs for the pre-administration period are a fixed fee of £10,000 all of which is unpaid. This covers the following
- considering whether the objective of administration can be met so the appointment could be accepted;
  - assisting the directors of the company to make the appointment;
  - instructing agents to value the assets and recommending ways to deal with them;
  - considering the offer for the business with the directors and agents;
  - following recommendation from the agents, entering into negotiations with the interested party;
  - agreement of the sale agreement including instructions to solicitors and provision of information;
  - negotiation with solicitors and purchasers with regard to the sale;
  - agreement of terms ready for immediate completion;
  - more details are set out in section 1 to 3 of this report.

## **LRL1 Limited formerly Lawson Robb London Limited in administration (“the company”)**

### **Statement accompanying joint administrators’ proposals**

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6.5 In carrying out these services, we incurred disbursements which we propose to recharge in line with our standard policy. We also incurred expenses through instructing other professionals to assist us. It was important that these were engaged as soon as possible and before the administration could start so that a proper assessment could be made to ensure that administration was indeed the appropriate procedure and a viable strategy was able to be prepared before it commenced. The parties engaged and the costs involved are as follows:-

- Lester Aldridge solicitors were instructed and have advised with regard to the sale of the business. Its costs for these services on a time cost basis amount to £5,000 plus VAT and this is sought as an administration expense.
- Lambert Smith Hampton chattel agents were instructed and have advised about the asset values and the best means to achieve a sale of the business. Their costs amount to £4,000 plus VAT and this is being sought as an administration expense.

#### **7 Matters requiring investigation**

7.1 We shall carry out a standard investigation into the events leading up to the failure of the company and scrutinise preceding transactions with a view to recovery for creditors. In addition to covering the requirements of SIP2, the scope of the investigation will be defined through consultations with the major creditors affected by the cost of the work and likely recoveries.

7.2 We have so far considered very briefly whether there are transactions that happened before our appointment that could require review and action with a view to enhancing the recoveries for creditors. This is to provide information to creditors about the potential for such actions so they can influence the future direction of the insolvency process. We are not aware of any matters to bring to the attention of creditors at this stage.

7.3 As well as exploring any areas with a view to financial recovery for creditors administrators and liquidators are also required to report on the circumstances of their appointment to the Insolvency Service, which then considers whether director disqualification proceedings are appropriate.

7.4 If creditors have any information that would assist us in either of these functions, we would appreciate hearing from you as soon as possible.

#### **8 Exit from administration**

8.1 The administrators will continue to complete the outstanding matters relating to the earlier sale of the business and collect in the outstanding debts. Where asset realisations allow, the cost of the administration procedure along with any preferential claims and secured claims will be settled during the administration.

8.2 We do not anticipate that there will be sufficient funds to distribute to unsecured creditors. If this proves to be the case when realisations have been completed, then the administration will end in accordance with paragraph 84 of schedule B1 to the Insolvency Act 1986 and the company will be dissolved three months after our notice to this effect is filed at Companies House.

8.3 If it does transpire that there are sufficient realisations for a distribution to unsecured creditors, then the administration will move to creditors’ voluntary liquidation, in accordance with paragraph 83 of schedule B1 to the Insolvency Act 1986, when it is possible to make a distribution. We propose that the joint administrators will become the joint liquidators, although creditors are entitled to nominate other practitioners to act if this is done before these proposals are considered.

#### **9 Approval of proposals**

9.1 As we have made a declaration under Paragraph 52(1)(b) that we do not believe there will be sufficient funds for a distribution to unsecured creditors and as we are following the objective of realising the company’s assets and distributing the proceeds to preferential and secured creditors, it is not a statutory requirement to convene a decision making procedure to approve these proposals. These proposals will be taken as approved if no objections are received within the eight business days of the delivery of these proposals.

**LRL1 Limited formerly Lawson Robb London Limited in administration (“the company”)**  
**Statement accompanying joint administrators’ proposals**

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**10 Decision making procedures**

- 10.1 The decision with regard to the formation of the creditors’ committee will be by deemed consent with a decision date of 11<sup>th</sup> June 2018.
- 10.2 The decision with regard to the administrators’ remuneration will be by voting by correspondence with a decision date of 11<sup>th</sup> June 2018 for preferential creditors only.
- 10.3 The decision with regard to the administrators’ pre appointment costs will be by voting by correspondence with a decision date of 11<sup>th</sup> June 2018 for preferential creditors only.
- 10.4 The decision with regard to the administrators’ disbursements will be by voting by correspondence with a decision date of 11<sup>th</sup> June 2018 for preferential creditors only.

**11 Appendices and enclosures**

	<b>Appendix</b>
Statement of affairs of the company as at the appointment date including a list of creditors.	A
Estimated outcome statement	B
Portland’s fee and disbursements estimate and policy, including a summary of the time costs to date in this case.	C
SIP 16 disclosure	D
Notice of the decision making procedures – deemed consent	
Notice of the decision making procedures – voting by correspondence	
Proof of debt form	

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge:</b>		
<b>Assets subject to floating charge:</b>		
<b>Uncharged assets:</b>		
Intellectual Property & Goodwill		19,999.00
Office Furniture and equipment	8,511.00	2,000.00
Contracts		15,000.00
Stocks		1.00
Book debts	26,780.00	5,000.00
Intercompany debt - LRLS1 Limited	96,525.00	NIL
Intercompany debt - LRA1 Limited	19,877.00	NIL
<b>Estimated total assets available for preferential creditors</b>		<b>42,000.00</b>

**A1 - Summary of Liabilities**

		Estimated to Realise £
<b>Estimated total assets available for preferential creditors (Carried from Page A)</b>		42,000.00
<b>Liabilities</b>		
Preferential Creditors:-		
Employees - holiday and arrears of pay	9,013.71	9,013.71
<b>Estimated deficiency/surplus as regards preferential creditors</b>		32,986.29
Debts secured by floating charges pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		NIL
		32,986.29
Estimated prescribed part of net property where applicable (to carry forward)		NIL
<b>Estimated total assets available for floating charge holders</b>		32,986.29
Debts secured by floating charges post 14 September 2003		
		NIL
<b>Estimated deficiency/surplus of assets after floating charges</b>		32,986.29
Estimated prescribed part of net property where applicable (brought down)		NIL
<b>Total assets available to unsecured creditors</b>		32,986.29
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade and expense creditors	160,441.19	
Employee claims for arrears of wages	2,578.88	
Directors' claims for arrears of wages	60,623.32	
Directors' expenses	3,156.39	
Credit Cards	26,452.89	
Informal overdraft	1,916.00	
HM Revenue & Customs - PAYE and NI	96,570.00	
HM Revenue & Customs - VAT	2,328.00	
Landlord claim	63,747.87	
		417,814.54
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)</b>		(384,828.25)
<b>Estimated deficiency/surplus as regards creditors</b>		(384,828.25)
Issued and called up capital		
Ordinary Shareholders	2.00	2.00
<b>Estimated total deficiency/surplus as regards members</b>		(384,830.25)



**Portland Business & Financial Solutions**  
**LRL1 Limited formerly Lawson Robb London Limited**  
**B - Company Creditors**

**Appendix A**

Key	Name	Address	£
CA00	ADT Fire and Security plc	Customer Accounts, Tyco Park, Grimshaw Lane, Newton Heath, Manchester, M40 2WL	172.22
CA01	Alter London	22-26 Brunel Road, East Acton, London, W3 7XR	2,881.20
CA02	Altfield	Unit 2/22 Chelsea Harbour Design, Lots Road, London, SW10 0XE	407.70
CA03	Angel Springs	Angel House, Shaw Road, Wolverhampton, WV10 9LE	158.85
CA04	Appnova Limited	17 Hanover Square, London, W1S 1BN	1,440.00
CA05	Art Design Studio	1 Scotts Road, 24-10 Shaw Centre, Singapore, 228208	1,500.00
CA06	Artiq Studios	27-29 Containerville, 5-10 Corbridge Crescent, London, LE2 9DS	3,055.50
CA07	American Express	Amex House, Edward Street, Brighton, BN88 1AH	4,732.97
CB00	Baker	117 Chelsea Harbour Design Centre, Chelsea Harbour Drive, London, SW10 0XE	565.72
CB02	Blakenhall & Company Ltd	5th Floor, 8 - 9 Queen Street, London, EC4N 1SP	63,747.87
CB03	Busy Bees Benefits Ltd	Latchford House, Shenstone Business Park, Lynn Lane, Shentons, Staffordshire, WS10 0SB	525.76
CB04	Barclaycard CB05	Barclaycard House, 1234 Pavilion Drive, Northampton, NN4 7SG	21,719.92
CB06	BLM Solicitors	King's House, 42 King Street West, Manchester, M3 2NU	4,905.60
CC00	Barclays Bank Plc	Notting Hill Gate, Leicestershire, Leicester, LE87 2BB	1,916.00
CE00	Castle Water	Craighall Castle, Blairgowrie, PH10 7JB	4,268.78
CE00	Ebony & Ivory	83 Merghani Street, Heliopolis, Cairo, Egypt	8.66
CE01	Evitavonni London	South Dome, Harbour Avenue, Fulham, London, SW10 0XE	0.06
CE02	Experian	The Sir John Peace Building, Experian Way, NG2 Business Park, Nottingham, NG80 1ZZ	294.00
CF00	Fawkes & Reece	68 Cornhill, London, EC3V 3QX	3.00
CF01	Fine Quality Feather	Unit 1, Whitworth Road, Frome, BA11 4BY	87.10
CF02	First Mile	Screenworks, 22 Highbury Close, London, N5 2ER	1,009.20
CF03	Franklin & Franklin	12 Chestnut Avenue, Braintree, Essex, CM77 7YJ	1,344.00
CG00	Global Office Supplies	Global House, 300 Broadway, Bexley Heath, DA6 8AH	510.44
CG01	GP & J Baker	Chelsea Harbour Drive, Chelsea, London, SW10 0XE	65.40
CH00	Hedley's Humpers	3 St Leonard's Road, London, NW10 6SX	11,290.90
CH01	Hobs	9-11 Grosvenor Gardens, London, SW1W 0BD	732.63
CH02	Houseology	28 Speirs Wharf, Glasgow, G4 9TG	623.20
CJ00	James Todd & Co	1/2 The Barn, Oldwick, West Stoke Road, Chichester, PO18 9AA	11,074.97
CJ01	Julian Chichester Ltd	Ground Floor Centre, Dome Design Centre, Chelsea Harbour, London, SW10 0JE	745.20

**Portland Business & Financial Solutions**  
**LRL1 Limited formerly Lawson Robb London Limited**  
**B - Company Creditors**

**Appendix A**

Key	Name	Address	£
CK00	KBS	159 Daragan Crescent, Belfast, Co Antrim, Northern Ireland, BT3 9JP	694.94
CL00	Lelievre	108 Chelsea Harbour Design Centre, 201 Chelsea Harbour Drive, Fulham, London, SW10 0XE	162.03
CL01	Littlefish	Price House, 37 Stoney Street, Nottingham, NG1 1LS	2,081.40
CL02	London Removals	Man & Van Services, 222 Kingston Road, London, SW19 3NL	100.00
CM00	Ms A Matan		320.00
CM01	MC Maeve	Unit 1, 5 Eastfields Avenue, London, SW18 1FU	126.00
CM02	MH Media Global Ltd	Innovation House, Discovery Park, Ramsgate Road, Sandwich, CT13 9FD	120.00
CM03	Multiple Electrical Engineering Services	Unit 4, Crosshatch House, Cross Road, Tadworth, KT20 5SR	216.00
CN00	Nespresso UK Ltd	1 City Place, Gatwick, RH6 0PA	80.45
CN01	Network Ventures Financial Strategies	1st Floor, 3 Foxoak park, Common Road, Dunnington, York, YO19 5RZ	10,260.00
CN02	Nia Thomas	43 Berkeley Square, Mayfair, London, W1J 5FJ	450.00
CN03	NLA Media	Mount Pleasant House, Lonsdale Gardens, Tunbridge Wells, TN1 1HJ	1,328.40
CN04	Novacastrian	21 Forest Croft, Taymouth Rise, SE23 3UN	300.00
CN05	Npower	Payment Processing Centre, PO Box 203, Leeds, LS14 3WE	619.95
CP00	Pitmans LLP	107 Cheapside, London, EC2V 6DN	6,452.00
CP01	Porta Romana	6-8 Chelsea Harbour Drive, Chelsea, London, SW10 0XE	17.09
CP02	Mr P Gulati	pratikgulati@gmail.com	72.41
CP03	Prestige Cars and Couriers	6 & 7 River Reach, Gartons Way, London, SW11 3SX	117.38
CP04	Printalicious Ltd	648 Portslade Road, Battersea, SW8 3DH	2,374.56
CP05	PRS for Music	2 Pancras Square, London, N1C 4AG	161.96
CR00	RGB Network	14 - 15 Lower Grosvenor Place, London, SW1W 0EX	11,355.60
CR01	Robert Langford	533 King's Road, Chelsea, London, SW10 0TZ	1,680.00
CR02	Royal Borough of Kensington	Business Rates, PO BOX 214, Erith, DA8 9GF	30,038.50
CS00	SES	Maynard Court, 4 Fletcher Road, London, W4 5AW	1,701.60
CS01	Sloane Cleaning Services	40 King's Road, Chelsea, London, SW3 4UD	1,116.36
CS02	Spitfire Network Services	139 Clapham Road, London, SW9 0HP	84.60
CS03	Stackhouse Poland	7 Holyrood Street, London, SE1 2EL	2,369.92
CS04	Standard Life	Dundas House, 20 Brandon Street, Edinburgh, EH3 5PP	1,966.70
CS05	Stellar Business Consulting Pty Ltd	Stellar Business Consulting Pty Ltd, ABN 20 617 895 002, PO Box 917, Rozelle NSW 2039, Australia	26,509.76

**Portland Business & Financial Solutions**  
**LRL1 Limited formerly Lawson Robb London Limited**  
**B - Company Creditors**

**Appendix A**

Key	Name	Address	£
CS06	Symposium International Limited	3 Stephenson Yard, 1 Stephendale Road, London, SW6 2LR	3,138.00
CT00	Talk Talk	Trinity Court, 34 West Street, Sutton, SM1 1SH	224.92
CT01	Technology 2 Ltd	Fraser House, Rumford Court, Runford Place, Liverpool, L3 9DD	540.00
CT02	Terence M. Timms	Franklin Industrial Estate, 20 Franklin Road, London, SE20 8HW	4,000.00
CT03	The Local Project	19a Boundary Street, Darlington, NSW 2010, Australia	233.50
CU00	UK Safety Management Ltd	5 Temple Point, Bullerthorpe Lane, Leeds, LS15 9JL	236.63
CV00	Viking	Vikingn Payments, PO Box 9998, Leicester, LE41 9GS	363.85
CW00	We Clear Junk Ltd	Unit 5, Bridge Park Harrow Road, London, NW10 0RG	414.00
CW01	Wick & Tallow Ltd	Lee Place Farm, Blackgate Lane, Pulborough, West Sussex, RH20 1DF	525.80
CW02	Worlds End Couriers Ltd	8 Sullivan Enterprise Centre, London, SW6 3DJ	177.79
CX00	HM Revenue & Customs	Enforcement & Insolvency Service (EIS), Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	2,328.00
CX01	HM Revenue & Customs	Enforcement & Insolvency Service (EIS), Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	96,570.00
CZ00	Z Clean Ltd	24 Fernside Avenue, Feltham, TW13 7BL	39.00
<b>71 Entries Totalling</b>			<b>351,455.95</b>

Portland Business & Financial Solutions  
 LRL1 Limited formerly Lawson Robb London Limited  
 C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HW00	Ms Charlotte Joanna Helen Wolfe	533 Kings Road, Chelsea, London, SW10 0TZ	Ordinary Ordinary	1.00	1	1.00	1.00
HZ00	Ms Alexandra Jane Crawford Laws	110 Elgin Avenue, London, W9 2HD		1.00	1	1.00	1.00
2 Ordinary Entries Totalling				1.00	2		

**LRL1 Limited formerly Lawson Robb London Limited in administration**

**Notes to statement of affairs**

**1 Basis of statement**

- 1.1 As the directors have yet to provide a statement of affairs, we have prepared the statement to illustrate our estimate of the likely recovery for creditors.

**2 Business sale**

- 2.1 The equipment, rights to continue the contracts, fixtures and fittings, goodwill, Intellectual Property and stock were included in the sale to Allect 1 Limited as detailed in the main part of this report.
- 2.2 The sale was made shortly after appointment following negotiations that took place beforehand in an arrangement known as a "pre-pack". A table providing pertinent information to demonstrate that this transaction was in the interests of creditors is set out later at appendix D.
- 2.3 We are pursuing the company's debtor book and the amount estimated to be recovered from this source has been estimated using the information provided by the directors.
- 2.4 The intercompany debts will be subject to reconciliation, as the IPR and goodwill was transferred to the company shortly prior to the administration in part satisfaction of the debt due by Lifestyle.

**3 Connected party transactions**

- 3.1 As set out in the report and table, the sale has been made to Allect 1 Limited, a company currently unconnected with the company in administration. We are aware that Charlotte Wolfe, a director of the company, has the opportunity to become a director and shareholder of the purchasing company and therefore at that stage it may be a connected party. For the purposes of the pre-pack the sale was put before the pre-pack pool.

**4 Costs of realisations and insolvency**

- 4.1 Details of the basis of the administrators' remuneration are given elsewhere in this document and are set out in the estimated outcome statement.

**5 Preferential claims**

- 5.1 Preferential claims comprise £800 of arrears of pay per employee and unlimited holiday pay. As a result of TUPE, for those employees transferred to the business, any amounts owing to them over the statutory limit of £509 per week will be a claim against the purchaser rather than the company in administration.

**6 Prescribed part**

- 6.1 The prescribed part is that amount set aside for unsecured creditors from the net property being the distribution that would otherwise be made to a floating chargeholder. It is calculated as 50% of the first £10k and 20% of the balance, subject to a limit of £600k.
- 6.2 There is no floating charge in this matter and therefore the prescribed part does not apply.

**7 Unsecured creditors**

- 7.1 A schedule of unsecured claims is provided within this appendix.

## Estimated outcome statement as at 16th May 2018

Assets	Book Value £	Estimated to realise £
<b>Business sale proceeds:-</b>		
Intellectual property and goodwill		19,999
Office furniture and equipment	8,511	2,000
Contracts		15,000
Stocks		1
<b>Other assets:-</b>		
Book debts	26,780	5,000
Intercompany debt - LRLS1 Limited	96,525	-
Intercompany debt - LRA1 Limited	19,877	-
	151,693	42,000
Cost of insolvency, say		(36,000)
<b>Liabilities</b>		
Preferential creditors		
Arrears of wages & holiday pay	(11,047)	(9,014)
Net property	140,646	(3,014)
Less prescribed part		-
Amount available to floating charge creditor	140,646	(3,014)
Amount due to floating chargeholder	-	-
Amount available for unsecured creditors	140,646	-
Unsecured creditors:-		
Trade and expense accounts	(160,441)	(160,441)
PAYE and NI Contributions	(96,570)	(96,570)
VAT	(2,328)	(2,328)
Director expenses	(3,156)	(3,156)
Directors' claims for arrears of wages	(60,623)	(60,623)
Credit cards	(26,453)	(26,453)
Informal overdraft	(1,916)	(1,916)
Employees' claims for arrears of wages	(28,698)	(2,579)
Customer deposits for furniture	(204,352)	-
Shortfall on customer contracts	(95,000)	Uncertain
Landlord arrears of rent	(63,748)	(63,748)
Landlord future rent and dilapidations	-	-
	(743,285)	(417,815)
Net asset deficiency	(321,347)	(423,842)
Estimated dividend for unsecured creditors		0%

**Fees policy**

In line with most professional practices, we normally calculate our fees on the basis of the time spent by each member of staff dealing with a particular assignment.

Staff of the appropriate grades, are allocated to each task on each assignment, according to the size and complexity of the matter, and they record their time in six minute units. Cost rates for each grade are then used to evaluate the fee.

We are required to provide creditors with an analysis of the time we anticipate spending on an assignment and the areas of work we anticipate the time will be spent.

The anticipated work tasks in this case are as follows:-

**Administration and planning**

There is a level of statutory compliance work that is necessary irrespective of the size of company or level of assets. This time, expected to be up to 10 hours during the course of the administration, at a cost of £1,984, would be spent in the following areas:-

- Filing of statutory paperwork at Companies House.
- Statutory advertising in the London Gazette.
- Implementation and regular review of statutory bond.
- Maintenance of case files in line with regulatory requirements.
- Preparation of budget and regular budget reviews.

**Realisation of assets**

It is expected that up to 16 hours at a cost of £3,351 will be spent carrying out the following:-

- Agreeing and implementing the strategy of the case at the outset.
- Periodical case reviews.
- Liaising with agents with regard to a sale of the tangible assets.
- Collection of the deferred terms of the sale agreement.
- Assignment of the leases as set out in the sale agreement.
- Collection of the company's book debts through debt collection procedures including where possible resolving disputes.
- Collection of intercompany debts where possible.
- Liaise with third parties regarding entitlement to any funds received.
- Identifying any refunds / over payments due to the company and pursuing recovery.
- Making enquires of and liaising with the company's bank.
- Review of book keeping records and insurance policies to ensure that all assets have been identified.

**Creditors**

Although it is not anticipated that there will be a dividend payable to unsecured creditors, as administrators we have a duty to provide information to creditors. We also need to deal with creditor calls in a professional manner and respond to letters where required. We expect the time spent on these tasks will be up to 24 hours at a cost of £4,118 and will be spent carrying out the following:

- Liaising with employees with regard to their claims against the company and assistance to complete the online application for payment from the Redundancy Payments Office in respect of arrears of pay.
- Completion of submission of Insolvency Practitioners forms to the Redundancy Payments Office
- Dealing with queries from employees by written correspondence or by telephone.
- Noting creditor claims as received.
- Agreeing and paying a distribution to preferential creditors if appropriate.

- Adding additional creditors to the case and ensuring that all correspondence is sent accordingly.
- Dealing with retention of title creditors.
- Arranging for any items owned by third parties, particularly under finance agreements to be dealt with accordingly
- Liaising with third parties on property issues.
- Dealing with queries from creditors, by written correspondence or by phone including for insurance purposes.
- Completion of post appointment VAT and Corporation tax returns.

### Investigations

In administration, the administrator has a duty to undertake an investigation into the affairs of the company, particularly the conduct of the directors, in the period leading up to the administration, as required under SIP 2.

There is also a statutory duty imposed on the administrator to submit a director conduct report to the Insolvency Service with regard to the failure and the conduct of the directors to establish whether it is appropriate for disqualification proceedings to be brought by the Insolvency Service against one or more of the directors. The investigation is expected to take at least 17 hours at a cost of £3,869. With the time spent in the following areas:-

- Taking possession and scheduling of the company's accounting books and records.
- Sending out and pursuing director questionnaires and reviewing their contents.
- Reviewing the company's accounting books and records to identify any matter for disqualification or which could lead to an asset recovery action.
- Completion and submission to the Insolvency Service.
- Dealing with queries from the Insolvency Service.

If there were any claims found which could lead to a cost effective recovery for the unsecured creditors this estimate will increase, we will write to creditors at this time as a request for funding may be necessary.

### Reporting

There is a duty to provide creditors with a first report, proposals and then followed by progress reports and a final report at the conclusion of the administration. The time anticipated on reporting is expected to be at least seven hours at a cost of £1,678.

### Detailed analysis

A more detailed analysis, applicable to all cases can be found here <http://www.portbfs.co.uk/fees/TimeDetailed.pdf>

### Hourly rates

The effectively hourly rates are currently as follows:-

	Cost per hour (£)
Director/office holder	340
Client director	280
Case manager	220
Senior Insolvency administrator	185
Case administrator	145
Administrator	115
Cashiers	115
Support staff	80

These rates apply with effect from 1<sup>st</sup> December 2017. They are reviewed periodically, typically every 1-2 years, and could therefore increase during any particular assignment.



**Fee estimate**

A summary of estimated fee for this case is summarised below,

Category of work	Estimated		
	Hours	Cost (£)	Average hourly rate (£)
Realisation of assets	16	3,351	212
Administration and planning	10	1,984	207
Creditors	24	4,118	174
Investigations	17	3,869	226
Reporting	7	1,678	243
Trading	-	-	-
Estimated total	73	15,000	205

**Pre appointment**

We are seeking approval by a decision of the creditors for pre-administration costs. This includes our own outstanding fees as a fixed fee of £10,000 plus VAT, for work undertaken before the company entered into administration but with a view to it doing so including agreeing the "pre-pack" sale. The services included in this cost are more fully described in the proposals.

**Disbursement policy****Category 1 – no approval required**

Where expenses are incurred through third parties specifically in respect of the assignment, they are recharged to the case as incurred, for example statutory advertising, external room hire, fidelity bond, rail travel and external storage. These are defined as category 1 disbursements in SIP9 and approval is not required.

It is expected that the costs for these disbursements will be as follows

Expense	Estimated cost (£)
Bond	250
Statutory advertising	154
External storage	25
Insurance	-
<b>Total</b>	<b>429</b>

**Category 2 – approval required**

Other expenses can be recharged to the assignment based on a share or allocation of a cost that Portland incurs centrally. These are defined as category 2 disbursements in SIP 9 and approval is required. Typically such expenses and the method of allocation are as follows:-

Postage and stationery	-	Three times postage cost
Photocopying and printing	-	10p per copy
Facsimile	-	£1 per page
Mileage	-	HM Revenue and Customs agreed rate
Room hire	-	£120 per meeting
Storage (Portland archive)	-	£50 per box per year
Company searches	-	Two times cost
Virtual meeting/conference call	-	£10 per meeting/call
Banking fee	-	£10 per case

Expense	Estimated cost (£)
Postage and stationery	499
Photocopying and printing	400
Mileage	20
Room hire	-
Virtual meeting/conference call	-
Storage (Portland archive)	100
Facsimile	20
Company searches	10
Banking fee	10
<b>Total</b>	<b>1,059</b>

**Associated party expenses**

Portland Legal Debt Collection Limited, trading as Debtcol, is an associated company of Portland Business & Financial Solutions. Where it is deemed appropriate, having considered the cost effectiveness and expertise required, this firm may be instructed to pursue outstanding debts. Commercial fees are agreed on a percentage of realisation basis taking into account the complexity and age of the debt.

In this case it is proposed that a collection fee of 15% be charged.

The debtors in this case are a maximum of £26,783. Although not all debts will be passed to Debtcol, to provide an estimate, the maximum debt collection fee would be £4,017.

**Third party expenses**

It is expected that during the course of the administration, it will be necessary to instruct the following third parties –

Lester Aldridge Solicitors - Completion of any remaining terms of the sale - £750

**Details of time costs and disbursements to date**

The proposals have been drafted to be distributed following the appointment, there are therefore no post appointment costs or disbursements to report.

**Rights with regard to remuneration and expenses**

Creditors can access a guide setting out their rights with regard to remuneration and expenses by visiting

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

## Summary of details relating to the disposal of business assets

**Explanatory note:** This schedule has been prepared to provide creditors with details about the steps taken to sell the business assets and the outcome of that exercise. Further details can be found in the main body of the proposals.

The source of the administrators' initial introduction	Contact by the directors via the company's accountants to Portland once financial difficulties were apparent, following its reputation as a leading insolvency practice in this area and on recommendation by professional advisors.
The extent of the administrators' involvement prior to appointment	Once first consulted in April 2018, Portland advised the directors on the insolvency options. Having decided to adopt administration, based upon that advice, the firm assisted the company with the procedural aspects to initiate the appointment. Portland has not been paid a fee for its services in the pre-appointment period and proposes to charge a fee of £10,000 plus VAT as an administration expense for its services in connection with the appointment, as set out in the body of the proposals.
Any marketing activities conducted by the company and/or the administrators	<p>Prior to the administration the directors of the company had approached over 60 parties the directors believed may be interested in purchasing the company, business or its assets. Over several months the directors were unable to find a buyer for the company. Only one party showed any real interest in the purchase of the business.</p> <p>On the advice of our agents no further marketing was undertaken.</p> <p>The agents advised that an open marketing campaign appeared unlikely to find additional purchasers able to acquire at short notice given the result of the previous marketing carried out.</p>
Any valuations obtained of the business or the underlying assets	<p>A valuation of the tangible assets has been provided by Lambert Smith Hampton, qualified valuers specialising in insolvency situations, whose instruction was managed by this firm on behalf of the company.</p> <p>The valuation set out that the assets had a value significantly less than that offered for the pre-pack sale.</p>
The alternative courses of action that were considered by the administrators, with an explanation of possible financial outcomes	<p>The directors explored all other possible options prior to adopting administration, latterly with the guidance of this firm, with a view to saving the company. We reviewed this decision immediately upon appointment, not least because saving the company as a going concern is a priority objective of administration. Unfortunately, the already poor prospects of achieving this had only worsened with the appointment.</p> <p>The directors had previously sought to find a buyer for the company as a going concern and had been unable to find a buyer despite their best efforts.</p> <p>Because of the extent of its liabilities, the company required significant additional funding and/or an arrangement with creditors in order to achieve this. We concluded that this would not happen for the following reasons.</p> <ul style="list-style-type: none"> <li>• None of the shareholders were willing to advance further funds to the company and accepted that it could not be saved.</li> <li>• It was not realistic to expect new shareholders to invest or acquire the existing shares, because of the financial position, the poor anticipated returns and the short period available for due diligence.</li> <li>• It was unrealistic to expect a lending facilities to be granted because of the absence of security, questionable future cash flow and poor track record.</li> </ul>

	<ul style="list-style-type: none"> <li>• The insolvency of the company inevitably impacts on the confidence of third parties in the effectiveness of the management of the company.</li> <li>• The appointment of administrators has irreversibly affected the goodwill of the business, with customers and suppliers now being concerned about the merits of trading with it in the future.</li> <li>• Further details are set out in the main proposals document.</li> </ul>
Why it was not appropriate to trade the business, and offer it for sale as a going concern, during the administration	<p>The decision not to trade the business during administration was a commercial judgement call that we made for the following reasons.</p> <ul style="list-style-type: none"> <li>• We were concerned that the likelihood of trading losses in a marketing period was not justified by the potential for an enhancement in sale proceeds, compared to the outcome that was immediately available upon appointment.</li> <li>• The professional costs of marketing the business of this size over an extended period would have been out of proportion to the likely benefits.</li> <li>• The agents were concerned that the administration would likely irreversibly affect the goodwill of the company and felt that customers would likely determine contracts.</li> <li>• The administrators would have been unable to complete the loss making contracts and those contracts where deposits for furniture had been taken as it would not have been cost effective to do so. This would have further harmed the goodwill of the business.</li> <li>• There were insufficient assets to meet any trading losses during the administration period and we were not prepared to bear the risk of unpaid administration trading expenses.</li> <li>• We could not identify a third party with the vested interest to fund the administration trading and/or to indemnify against trading losses.</li> <li>• We believed that the business would quickly dissipate through customers, suppliers and employees moving elsewhere. We wanted to conclude a sale before they did so.</li> <li>• There were practical difficulties in obtaining supplies to allow for adequate sales to be completed.</li> <li>• We were not confident that we would be able to comply with the various working practice regulations in force.</li> <li>• Further details are set out in the main proposals document.</li> </ul>
Details of requests made to potential funders to fund working capital requirements	<p>We were unable to put together a viable lending proposition for existing lenders to advance further funds to the company particularly as the lenders had withdrawn the overdraft facility shortly prior to administration.</p> <p>We were not able to identify potential new lenders in the time available. Realistically, this was not a good prospect for any new lending.</p>
Details of the efforts made to consult with major creditors	<p>No consultation was undertaken with the creditors of the company.</p> <p>There was concern that if suppliers became aware of the administration they may take action against the company prior to the appointment which would have harmed the sale.</p>
The date of the transaction	16 <sup>th</sup> May 2018.

Details of the assets involved and the nature of the transaction	The assets sold comprise the entire business goodwill and tangible assets excluding any outstanding book debts.
The consideration for the transaction, terms of payment, and any condition of the contract that could materially affect the consideration	The consideration is £37,000 payable immediately upon completion. A further consideration of 50% of any net profit on the existing contracts where the net profit exceeds £200,000. Prior to the sale the purchasers settled the April salaries, this has been recorded as additional consideration for the sale.
Details of how this is part of a wider transaction	<p>The sale of the business will result in 10 employees continuing to be employed, who would otherwise be made redundant if the sale of the business could not be achieved.</p> <p>Customers have paid £205k in respect of furniture which has not been ordered. If the sale were not completed this would lead to claims against the company. As part of the sale the purchaser has committed to fulfilling these orders.</p> <p>The sale of the business will significantly reduce any claims from landlord in respect of future rent and dilapidations as the purchaser is seeking assignments of the lease.</p> <p>As a result of the sale the claims in respect of failure to complete contracts should be significantly reduced.</p>
The identity of the purchaser	<p>Alllect 1 Limited, a company incorporated on 13<sup>th</sup> April 2018 with registered number 11307771 and with registered office at Bridgeway House Bridgeway, Stratford-Upon-Avon, Warwickshire, England, CV37 6YX.</p> <p>This is a wholly owned subsidiary of Alllect Limited and was incorporated for the purpose of this transaction.</p>
Details of the connection between the purchaser and the directors, shareholders or secured creditors of the company  The names of any directors, or former directors, of the company who are involved in the management or ownership of the purchaser, or of any other entity into which any of the assets are transferred	<p>The purchaser is a third party, not connected to the company. We are aware that one of the current directors, Charlotte Wolfe has an opportunity to become a director and non-majority shareholder of the purchasing company in the future and therefore it could be perceived to be a connected party transaction. As a result the pre-pack pool was recommended. The purchasers made an application to the pre-pack pool.</p>
Details of any directors who had given guarantees for amounts due from the company to a prior financier, and whether that financier is financing the new business	The directors have provided a personal guarantee to Barclays Bank, the bank is an unsecured creditor and therefore do not benefit from this transaction as no dividend is expected to the unsecured creditors.
Any options, buy-back arrangements or similar conditions attached to the contract of sale	None

## Notice to creditors of decision procedure

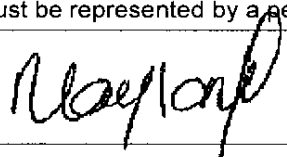
IF YOU AGREE WITH THE PROPOSED DECISIONS YOU DO NOT NEED TO  
TAKE ANY ACTION

Registered name	Lawson Robb London Limited
Registered number	08652119
Registered office	Portland Business & Financial Solutions, Eagle Point, Little Park Farm Road, Segensworth, Fareham, PO15 5TD
Trading address	533 Kings Road, London, W9 2HD
Any other trading addresses in the last six months	None
Type of proceedings	Administration
Administrators details	Nicola Elaine Layland and Michael Robert Fortune of Portland Business & Financial Solutions Limited, Eagle Point, Little Park Farm Road, Segensworth, Fareham, Hampshire, PO15 5TD. E-mail <a href="mailto:creditors@portbfs.co.uk">creditors@portbfs.co.uk</a>
Convenor	The administrators of the company
Decision to be made	Whether a creditors' committee should be established if sufficient creditors are willing to be members of the committee. The deemed position being that a committee will not be established.
Details of decision procedure including venue and date.	The decision is to be made by deemed consent, with a decision date of 11th June 2018 at 23:59.
Submitting a proof	A creditor must submit a proof of their claim by 23:59 on the decision date.  If a creditor objects to the deemed consent but has failed to submit a claim by this date this will result in the creditor's objection being disregarded.
Small debts	Pursuant to rule 14.31(1) Insolvency (England and Wales) Rules 2016 (from here on in referred by rule number only) a creditor whose estimated claim is less than £1,000 need not submit a claim in order to receive a dividend, however, if that creditor wishes to object to the deemed consent they must submit a claim for that purpose.
Opted out creditor	A creditor who has opted out of receiving correspondence may still object provided that they submit a proof of their claim, as set out above.
Objecting to the deemed consent	If 10% in value of the relevant creditors (ie those that would be able to vote at a meeting to consider the same decisions) object to the proposed decisions the decisions will not be passed and a physical meeting will be convened to consider the decisions.  If less than 10% in value of the relevant creditors object to the proposed decisions the creditors are to be treated as having made the proposed decision.
Submitting an objection	Any objection must be delivered by the decision date. This must be in writing and can be delivered by post to the registered office above, to <a href="mailto:creditors@portbfs.co.uk">creditors@portbfs.co.uk</a> or by fax to 01489 550499.

Rule x.xx

## Notice to creditors of decision procedure

IF YOU AGREE WITH THE PROPOSED DECISIONS YOU DO NOT NEED TO  
TAKE ANY ACTION

Aggregation of objections	<p>It is the convenor's responsibility to aggregate any objections to see if the threshold has been met for the decisions to be taken as not having been made and,</p> <p>if the threshold is met the deemed consent procedure will terminate and a decision by another decision making procedure will be necessary.</p>
Request for a physical meeting	<p>Creditors may request a physical meeting within five days from the date of the delivery of this notice f a request is made in writing by the minimum number of creditors, being –</p> <ol style="list-style-type: none"><li>1. 10% in value of the creditors or</li><li>2. 10% in number of the creditors or</li><li>3. 10 creditors</li></ol> <p>If there are sufficient requests for a physical meeting the decision procedure will be terminated and a physical meeting convened.</p>
Appeal	<p>A creditor may appeal a decision in accordance with rule 15.35 not later than 21 days after the decision date.</p>
Nominations for the membership of the committee	<p>If any creditors wishes to be nominated to be on the creditors' committee this nomination must be made before the decision date.</p> <p>A nomination can only be accepted if the creditor has proved for a debt, the debt is not fully secured and the proof has not been wholly disallowed for voting purposes or the proof has not been wholly rejected for the purposes of dividend.</p> <p>A body corporate may act as a member of the creditors' committee but must be represented by a person.</p>
Authenticated	
Date	21 <sup>st</sup> May 2018



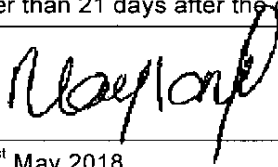
**Rule 18.18**

**Notice to creditors of decision procedure**  
**FOR THE SECURED AND PREFERENTIAL CREDITORS ONLY (delete**  
**as applicable)**

Registered name	LRL1 Limited (formerly Lawson Robb London Limited)
Registered number	08652119
Registered office	Portland Business & Financial Solutions, Eagle Point, Little Park Farm Road, Segensworth, Fareham, PO15 5TD
Trading address	533 Kings Road, London, W9 2HD
Any other trading addresses in the last six months	
Type of proceedings	Administration
Administrators details	Nicola Elaine Layland and Michael Robert Fortune of Portland Business & Financial Solutions Limited, Eagle Point, Little Park Farm Road, Segensworth, Fareham, Hampshire, PO15 5TD. E-mail <a href="mailto:creditors@portbfs.co.uk">creditors@portbfs.co.uk</a>
Convenor	The administrators of the company
Decision to be made	<p>In the absence of a creditors' committee:-</p> <ul style="list-style-type: none"> <li>• That the basis of the administrators' remuneration as set out in the proposals be approved.</li> <li>• That the basis of the administrators' pre-appointment costs as set out in the proposals be approved.</li> <li>• That the basis of the administrators' disbursements be approved.</li> <li>• That Portland Legal Debt Collection Limited be paid 15% of the debtors collected by them. Further details of the work to be undertaken is set out in the enclosed fee estimate.</li> </ul>
Remuneration: agreement of basis	<p>The proposed basis of the remuneration is set out in the attached document together with the estimate of the fees and expenses to be charged.</p> <p>If a committee has been established it is for the committee to approve the basis of the fees and any subsequent changes.</p> <p>Where there is no committee, approval for payment must be sought from the creditors or the court.</p> <p>There are specific processes in place to ensure that any fees incurred in excess of the estimates provided require additional approval.</p> <p>The proposed bases and estimates are set out in the attached document.</p>
Details of decision procedure including venue and date.	The decision is to be made by voting correspondence, with a decision date of 11th June 2018 at 23:59. The voting paper is enclosed with this notice. The completed correspondence may be returned by post to the registered office on this notice, by e-mail to <a href="mailto:creditors@portbfs.co.uk">creditors@portbfs.co.uk</a> or fax to 01489 550499.
Submitting a proof	<p>A creditor must submit a proof of their claim by 23:59 on the decision date.</p> <p>Failure to submit a claim by this date will result in any vote being disregarded.</p>

**Rule 18.18**

**Notice to creditors of decision procedure**  
**FOR THE SECURED AND PREFERENTIAL CREDITORS ONLY (delete**  
**as applicable)**

Small debts	Pursuant to rule 14.31(1) Insolvency (England and Wales) Rules 2016 (from here on in referred by rule number only) a creditor whose estimated claim is less than £1,000 need not submit a claim in order to receive a dividend, however, if that creditor wishes to vote they must submit a claim for that purpose.
Opted out creditor	A creditor who has opted out of receiving correspondence may still vote provided that they submit a proof of their claim, as set out above.
Request for a physical meeting	<p>Creditors may request a physical meeting within five days from the date of the delivery of this notice if a request is made in writing by the minimum number of relevant creditors, being –</p> <ol style="list-style-type: none"><li>1. 10% in value of the creditors or</li><li>2. 10% in number of the creditors or</li><li>3. 10 creditors</li></ol> <p>If there are sufficient requests for a physical meeting the decision procedure will be terminated and a physical meeting convened.</p>
Appeal	A creditor may appeal a decision in accordance with rule 15.35 not later than 21 days after the decision date.
Authenticated	
Date	21 <sup>st</sup> May 2018

**LRL1 Limited (formerly Lawson Robb London Limited) in administration**

Creditors' decision by correspondence

In the absence of a creditors' committee:-

- That the basis of the administrators' remuneration as set out in the proposals be approved.

**Approval OR Rejection**

(select one)

- That the basis of the administrators' pre-appointment costs as set out in the proposals be approved.

**Approval OR Rejection**

(select one)

- That the basis of the administrators' disbursements as set out in the proposals be approved.

**Approval OR Rejection**

(select one)

- Portland Legal Debt Collection Limited be paid 15% of the debtors collected by them.

**Approval OR Rejection**

(select one)

Creditor name \_\_\_\_\_

Authenticated/signed \_\_\_\_\_

Name and position of person signing if creditor has not signed in person

\_\_\_\_\_  
\_\_\_\_\_

Please ensure this box is completed as your vote will be invalid if not completed.

## PROOF OF DEBT - GENERAL FORM

**LRL1 Limited****formerly Lawson Robb London Limited****08652119**

This proof must be made out by, or under the direction of, the creditor and authorised by the creditor or a person with relevant authorisation as at the date of administration order.

Date of Administration Order 16th May 2018

1.	Name of Creditor (If a company please also give company name and registration number)	
2.	Address of Creditor for correspondence (principal place of business)	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration	£
4.	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
5.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
6.	Particulars of any security held, the value of the security, and the date it was given	
7.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
8.	Details of any documents by reference to which the debt can be substantiated. [Note there is no need to attach them now but the administrator may call for any document or evidence to substantiate the claim at his discretion as may the chair or convenor of any meeting]	
9.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator

## AM03 Notice 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	Nicola Elaine Layland
Company name	Portland Business & Financial Solutions
Address	Eagle Point Little Park Farm Road
Post town	Segensworth, Fareham
County/Region	Hampshire
Postcode	P O 1 5 5 T D
Country	
DX	
Telephone	01489 550 440



### 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 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)