

AM03

Notice of administrator's proposals



Companies House

THURSDAY



A23 *A7L60XFM* 20/12/2018 #241
COMPANIES HOUSE

1 Company details

Company number 0 9 4 3 4 6 2 9

Company name in full Bosu Body Bar Limited

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

2 Administrator's name

Full forename(s) Steven

Surname Muncaster

3 Administrator's address

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester M2 1EW

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) Sarah Helen

Surname Bell

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

5 Administrator's address ②

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester M2 1EW

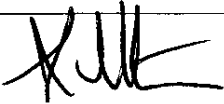
County/Region

Postcode

Country

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

AM03
Notice of Administrator's Proposals

6		Statement of proposals									
		<input checked="checked" type="checkbox"/> I attach a copy of the statement of proposals									
7		Sign and date									
Administrator's Signature	Signature  x										
Signature date	<table border="1"><tr><td>^d 1</td><td>^d 8</td></tr></table>	^d 1	^d 8	<table border="1"><tr><td>^m 1</td><td>^m 2</td><td>^y 2</td><td>^y 0</td><td>^y 1</td><td>^y 8</td></tr></table>	^m 1	^m 2	^y 2	^y 0	^y 1	^y 8	
^d 1	^d 8										
^m 1	^m 2	^y 2	^y 0	^y 1	^y 8						

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	Chloe Hazley								
Company name	Duff & Phelps Ltd.								
Address	The Chancery								
	58 Spring Gardens								
Post town	Manchester, M2 1EW								
County/Region									
Postcode	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>								
Country									
DX									
Telephone	+44 (0) 161 827 9000								



Checklist

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- ☐ 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

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Where to send

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



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Report to Creditors and Statement of Proposals

18 December 2018

Bosu Body Bar Limited (In Administration)

Joint Administrators Report to Creditors and Statement of Proposals
For the period from 25 October 2018 to 18 December 2018
Pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986

Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents / LSH	Lambert Smith Hampton Group Limited, independent agents who were instructed by the Joint Administrators to value and sell the unencumbered tangible assets of the Company
the Appointment Date	25 October 2018, being the date of appointment of the Joint Administrators
the Bank / Santander	Santander UK Plc. with whom the Company banked with credit only banking facilities
BLM	Business Lite Memo
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	Bosu Body Bar Limited (In Administration) (Company Number 09434629)
Cross Street Premises	Leasehold premises located at 46 Cross Street, Manchester, M2 7AR
CVL	Creditors' Voluntary Liquidation
DBEIS	Department for Business, Energy & Industrial Strategy
Didsbury Premises	Leasehold premises located at 741 Wilmslow Rd, Didsbury, Manchester, M20 6RN
the Directors	Sarah Beck, Oliver Drummond and Josef Faddoul, the Directors of the Company as at the Appointment Date
Duff & Phelps	Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Hill Dickinson	Hill Dickinson LLP, the Joint Administrators' solicitors
HMRC	HM Revenue and Customs
the Joint Administrators	Steven Muncaster and Sarah Bell of Duff & Phelps
Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential creditors
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals, dated 18 December 2018

the Purchaser	Bosu Holdings Ltd, the purchaser of the business and certain assets of the Company (Company Number: 11659190)
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Shareholders	Oliver Drummond, Sarah Beck, Patrick McMorrow and Josef Faddoul, the Shareholders of the Company
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SIP 13	Statement of Insolvency Practice 13 – Industry best practice for Insolvency Practitioners in relation to the acquisition of assets of insolvent companies by Directors
SOA	Statement of Affairs, documentation supplied by the Director outlining the Company's financial position as at the Appointment Date
SPA	Sale and Purchase Agreement dated 12 November 2018
Trading Period	The Administration trading period from 25 October 2018 to 12 November 2018
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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1. Introduction

- 1.1 The Joint Administrators were appointed on 25 October 2018 by the Directors of the Company in accordance with Paragraph 22 of the Act.
- 1.2 In accordance with Paragraph 100 (2) of Schedule B1 to the Act, the functions of the Joint Administrators may be exercised by either or both of the Joint Administrators
- 1.3 This report is the statutory statement of proposals of the Joint Administrators. It sets out the circumstances leading up to their appointment and their strategy for achieving the purpose of the Administration.
- 1.4 In accordance with the Rules, these proposals are deemed delivered to creditors within two business days of the date of this report.

2. Background

- 2.1 Statutory information on the Company and a summary of its financial history is included at Appendix 1
- 2.2 Upon incorporation on 11 February 2015, Oliver Drummond and Josef Faddoul were appointed as Company Directors. On 16 February 2016, both Sarah Beck and Patrick McMorrow were also appointed as Company Directors, however Patrick McMorrow subsequently resigned on 31 January 2017
- 2.3 The Company specialised in the preparation and selling of healthy fast food/takeaway alternative meals and operated from two leasehold premises in the Manchester area
- 2.4 In addition, the Company provided a meal preparation service in which they offered 'bulk buy' options. These orders were taken largely via the Company's website, where the option to have a monthly subscription to the meal preparation service was available
- 2.5 The Company also offered a delivery service via third party food courier services such as Just Eat and Deliveroo.
- 2.6 At the Appointment Date there were five employees, all of which were transferred to the Purchaser under TUPE regulations on 12 November 2018 in accordance with the SPA.

3. Events Leading up to the Administration

- 3.1 Upon incorporation, the Company initially operated from leasehold premises in Chorlton, Manchester. Despite initial cash flow difficulties, the Company traded successfully over the following months.
- 3.2 Due to the initial success of the Chorlton site, the Directors took the decision to expand the business and opened a second outlet in Didsbury, Manchester in September 2015
- 3.3 As with the Chorlton outlet, the Company experienced initial cash flow difficulties but remained popular with local customers
- 3.4 It soon became apparent that the Company's stock expenditure was disproportionate to the size of the business. This further affected cash flow difficulties and the Directors attempted to source alternative but cheaper suppliers.

- 3.5 Staffing issues subsequently arose across both sites and the Directors felt that they were unable to effectively manage both the Chorlton and Didsbury stores simultaneously. Consequently, the decision was taken to close the Chorlton outlet and focus efforts solely on the Didsbury store.
- 3.6 The Directors subsequently opened the Cross Street Premises in Manchester City Centre in June 2017. It was believed that, despite the significant initial expenditure required to open a store in the city centre, the increased footfall would be sufficient to allow the store to trade successfully.
- 3.7 During this period, the Company accrued arrears of c£40,000 in respect of VAT and, following further investigation, the Directors believed they had received poor tax advice from the Company's former accountants.
- 3.8 In order to rectify the position and begin repaying arrears, the Company entered into a Time To Pay arrangement with HMRC in January 2018 and the sum of £1,000 was repaid on a weekly basis. The Directors also appointed new accountants who were able to reduce the annual VAT liability for the following year by circa 90%.
- 3.9 Unfortunately, the Directors experienced similar management difficulties operating the two stores in Didsbury and Manchester, as had been the case when they previously operated the Didsbury and Chorlton sites together.
- 3.10 The Didsbury site began to suffer and cash flow constraints on the new outlet in Manchester City Centre further affected the Company's financial position.
- 3.11 The Company's costs significantly increased with the opening of the second outlet and its arrears with HMRC and suppliers became unmanageable.
- 3.12 Increasing financial difficulties and mounting creditor pressure culminated in a number of the Company's suppliers placing the Company on stop and therefore the Company was having to pay for stock on proforma terms.
- 3.13 Furthermore, both the respective rent and rates had fallen into arrears and both the landlord and local authorities were threatening to take enforcement action against the Company in respect of these arrears.
- 3.14 As a result, the Directors sought professional advice from the Company's accountant and Duff & Phelps. Following a review of the Company's financial position, the various options available to the Company were discussed and it was decided that an Administration route would represent the most appropriate strategy. It was also decided that the Company would continue trading whilst a purchaser for the business was sought.
- 3.15 The Joint Administrators considered the position prior to accepting the appointment and, having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.
- 3.16 Steven Muncaster and Sarah Bell were subsequently appointed Joint Administrators on the Appointment Date by the Directors.

4. Purpose of the Administration

- 4.1 The purpose of an Administration is to achieve one of the following hierarchical objectives:
- Rescuing the Company as a going concern; or
 - Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or

- Realising property in order to make a distribution to one or more secured or preferential creditors.

4.2 In accordance with Paragraph 49(2) of Schedule B1 to the Act, the Joint Administrators believe that the first objective cannot be met given that the Company's liabilities exceeded its assets, and substantial working capital would be required to facilitate on-going trade to return the Company to a position of solvency.

4.3 The second objective has been achieved as the Joint Administrators have been successful in achieving a sale of the Company's business and assets on a going concern basis. It is believed that this has resulted in a higher realisable value being received for the Company's assets. Furthermore, all employees of the Company transferred to the Purchaser under TUPE regulations upon completion of the sale. This has avoided any preferential claims and reduced the overall creditor position.

4.4 The third objective is not applicable in this instance as there are no secured or preferential creditors.

4.5 The Joint Administrators' proposals for achieving the purpose of the Administration are set out in the remainder of this report.

5. Statement of Affairs

5.1 The Joint Administrators requested a Statement of Affairs from the Directors upon appointment.

5.2 Statements of Affairs have been provided by Oliver Drummond and Josef Faddoul on 29 November 2018. Copies of these are attached at Appendix 3.

5.3 A Statement of Concurrence has been requested from Sarah Beck but is yet to be received.

5.4 Some creditor amounts shown may differ from the actual amount owed. This does not affect their claim.

6. Progress of the Administration to Date

6.1 The manner in which the affairs and business of the Company have been managed since the Appointment Date and will continue to be managed and financed are set out below.

Administration Trading Period

6.2 Upon their appointment, the Joint Administrators attended the Company's trading premises to undertake an immediate review of the Company's financial and operational position.

6.3 The decision was immediately taken to continue to trade the business whilst the Joint Administrators pursued a sale of the business and assets as a going concern. It was considered that should a sale as a going concern can be achieved, asset realisations would be maximised and creditor claims would be minimised.

6.4 It was agreed that the Directors would continue with the management of the business under the close supervision of the Joint Administrators due to their operational knowledge and the experience they had of the business.

6.5 The Directors were instructed to only use monies held in the Company's pre-appointment bank account to purchase food stock and make payments deemed critical to the continued trade that were bona fide business expenses.

- 6.6 The Joint Administrators secured access to the Company's online banking and till facilities to monitor expenditure during the Trading Period.
- 6.7 The Joint Administrators ceased trading activities on 12 November 2018, following the sale of the business and certain assets to the Purchaser. Further details of the sale are provided below
- 6.8 A full reconciliation of the Company's sales and trading expenditure during the Trading Period is currently being undertaken. Unfortunately, this exercise had been delayed as Santander revoked access to internet banking facilities, therefore the Joint Administrators had to request copy bank statements for the Trading Period.
- 6.9 These statements have only been received recently and having completed an initial reconciliation, there are several transactions that need to be verified to supporting documentation and/or as bona fide business expenditure. Enquiries have been made of the Directors in this regard and the Joint Administrators are awaiting a response in order to complete this reconciliation exercise
- 6.10 Based upon current estimates, it is not expected that there will be any significant trading surplus generated in the Trading Period.
- 6.11 For the sake of completeness, the business at the Didsbury Premises was closed down prior to the Appointment Date by the Directors and there was no trading activity undertaken by the Joint Administrators from this site.
- 6.12 Further details on the outcome of the Trading Period will be provided in the next report to creditors

Sale of Business and Assets

- 6.13 The Joint Administrators took the decision to begin marketing the business and assets of the Company shortly after the Appointment Date
- 6.14 The Joint Administrators worked closely with the Directors to collate information and produce a BLM. The BLM provides interested parties with a brief overview of the Company, its financial position and asset details
- 6.15 The BLM, together with a non-disclosure agreement, was circulated to a total of 1,026 potential interested parties on 29 October 2018 as well as being circulated within Duff & Phelps' internal database
- 6.16 The Duff & Phelps database includes corporate financiers, entrepreneurs, solicitors, business advisors and financiers
- 6.17 The Joint Administrators requested that all interested parties sign and return the non-disclosure agreement in order to be provided with more specific details of the Company and that all expressions of interest were to be received by 1 November 2018, together with proof of funding.
- 6.18 A total of three interested parties returned signed non-disclosure agreements which enabled those parties to receive further specific information regarding the Company and its affairs, in order to carry out due diligence
- 6.19 Following the passing of the deadline for offers, only one offer was received in the sum of £30,000

- 6.20 The Joint Administrators discussed the offer with the Agents who confirmed that this would represent the best price achievable for the business and certain assets of the Company. It was also considered that as all employees would transfer to the Purchaser under TUPE regulations upon completion, this would negate preferential claims and provide a better outcome for creditors as a whole
- 6.21 In view of the above, and based on the advice of the Agents, the Joint Administrators accepted the offer of £30,000 and the sale to the Purchaser completed on 12 November 2018.
- 6.22 The breakdown of the sale consideration is summarised below:

Asset	Consideration	
Rights to Company Name	£	5,000
Company Records	£	1
Goodwill	£	1,500
Equipment	£	19,998
Work in Progress	£	1,000
Stock	£	2,500
Intellectual Property	£	1
Total	£	30,000

- 6.23 In accordance with SIP 13, a summary of the transaction with the Purchaser is detailed below:

The Purchaser	Bosu Holdings Limited (Company Number: 11659190)
Date of Transaction	12 November 2018
Associated Parties	<i>Bosu Holdings Limited is connected to the Company by way of common directorship as detailed below. -</i>
Common Directors.	Sarah Beck, Oliver Drummond and Josef Faddoul

- 6.24 The sale consideration was received in full upon completion of the sale.

Licence to Occupy

- 6.25 The Joint Administrators granted the Purchaser a licence to occupy the Cross Street Premises as part of the SPA.
- 6.26 The licence to occupy has been granted to the Purchaser for the period of six months from 12 November 2018 to 11 May 2019.
- 6.27 Under the terms of the licence to occupy, the Purchaser will pay a monthly licence fee equivalent to any rent and/or service charges that fall due during the period of the licence to occupy.
- 6.28 To date, the sums of £9,333 and £89 have been received in respect of rent and service charges respectively.

- 6.29 These monies will be paid across to the landlord of the Cross Street Premises under the terms of the lease.

Cash at Bank

- 6.30 The Company operated a number of bank accounts with Santander prior to the appointment of the Joint Administrators.
- 6.31 As at the Appointment Date, the Company's current account held a credit balance of £1,147
- 6.32 As detailed earlier in this report, the Joint Administrators utilised the funds held in the Company's pre-appointment bank account to fund any trading critical expenses, such as stock and courier costs. The Directors were instructed to retain copies of receipts for all expenditure incurred during the Trading Period and provide these to the Joint Administrators
- 6.33 Following the completion of the Trading Period, the Joint Administrators wrote to Santander requesting that the Company's accounts be frozen and any credit balances be transferred to the Administration estate account
- 6.34 The Joint Administrators are in the process of reconciling the monies received from Santander and the income and expenditure incurred during the Trading Period
- 6.35 An update will be provided to creditors in the Joint Administrators' next report once a full reconciliation has been carried out

Leasehold Property

- 6.36 As creditors will be aware, the Company operated from two leasehold premises in the Manchester area, being the Didsbury Premises and Cross Street Premises.
- 6.37 As detailed earlier in this report, the Joint Administrators granted the Purchaser a licence to occupy the Cross Street Premises for the period of six months, to allow the Purchaser a period of time with which to negotiate a new lease with the landlord
- 6.38 The landlord of the Didsbury Premises has been advised that because the Company had ceased trading and there was no intention of the Joint Administrators to recommence any trading activity from the Didsbury Premises, there would be no benefit of occupation derived to the Administration estate, and rent would not be paid as an expense of the Administration
- 6.39 As a result, the Joint Administrators have been able to maximise realisations for the benefit of the estate by negating the costs of uplift, removal and storage of the tangible assets by selling them in-situ.
- 6.40 The Joint Administrators also instructed the Agents to appraise the leases to see whether there was any realisable value for the benefit of the estate to be secured by way of any reverse premiums.
- 6.41 The Agents subsequently confirmed that there was no value in the Joint Administrators' interest in the leasehold premises at either the Didsbury Premises or Cross Street Premises.
- 6.42 Considering this, the Joint Administrators are currently taking steps to return the keys to the landlord of the Didsbury Premises and seeking a surrender of the lease.
- 6.43 The Joint Administrators will also be reviewing the position as far as rent deposits are concerned as these may be realisable for the benefit of the Administration estate. The Joint Administrators understand that there were rent deposits in place with both the Didsbury Premises and the Cross Street Premises

- 6.44 This particular matter is subject to ongoing enquiries and investigations by the Joint Administrators and the Agents. The Joint Administrators are unable to disclose any further information at this stage so as not to prejudice the outcome of discussions with the respective landlords.

Bank Interest

- 6.45 Bank interest accrued during the Administration period totals £5.

Other Assets

- 6.46 The Joint Administrators are currently liaising with the Company's accountants to determine whether a claim for overpaid VAT can be made. An update will be provided to creditors in the next report.
- 6.47 There are no other known tangible assets to be realised for the benefit of the estate.

7. Investigations

- 7.1 The Joint Administrators have a statutory obligation to file a report with DBEIS regarding the conduct of all directors that held office in the three years prior to the Administration. This report must be filed within three months from the Appointment Date and the content of this report is confidential.
- 7.2 The Joint Administrators have a statutory duty to investigate any antecedent transactions which includes but is not limited to:
- Transactions at an undervalue, Section 238 of the Act;
 - Preferences, Section 239 of the Act; and
 - Transactions to defraud creditors, Section 423 of the Act
- 7.3 The Joint Administrators' investigations in this regard have commenced and remain ongoing. If creditors have any information which they think will assist the Joint Administrators with their investigations, please forward details to Duff & Phelps, The Chancery, 58 Spring Gardens, Manchester, M2 1EW or by email to Jamie.Maddox@DuffandPhelps.com

8. Liabilities and Dividends

Secured Creditors

- 8.1 The Company has no outstanding charges according to the information available at Companies House.
- 8.2 Therefore, the Company has no secured creditors.

Preferential Creditors

- 8.3 As detailed earlier in this report, all employees of the Company transferred to the Purchaser pursuant to TUPE following completion of the sale of business and certain assets to the Purchaser.
- 8.4 In view of the above, no preferential claims are expected to be received in the Administration.

Prescribed Part

8.5 The Prescribed Part is calculated as a percentage of net property, as follows. -

Net property less than £10,000:	50% unless the Joint Administrator considers that the costs of making a distribution to the non-preferential creditors would be disproportionate to the benefits
Net property greater than £10,000:	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

8.6 As detailed above, the Company has not granted a floating charge, therefore the provisions of the Prescribed Part do not apply.

Non-Preferential Creditors

8.7 According to the Company's records, non-preferential creditors total £323,526. The non-preferential creditors can be summarised as follows:

Creditor	Claim	
Trade & Expense Creditors	£	78,526
HM Revenue & Customs	£	5,000
Business Rates	£	60,000
Dr Ramzi Faddoul	£	180,000
Total	£	323,526

8.8 Based on current information, it is anticipated that there will be insufficient asset realisations to enable a distribution to non-preferential creditors.

8.9 This will be dependent upon the following:

- ❖ The level of future asset realisations,
- ❖ The level of preferential creditor claims,
- ❖ The level of non-preferential creditor claims, and
- ❖ The costs of the Administration.

8.10 If not already done so, creditors of the Company should complete the Proof of Debt Form at Appendix 9 and return same to the Joint Administrators.

9. Statement of Pre-Administration Costs

9.1 Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an Insolvency Practitioner, before the Company entered Administration but with a view to its doing so.

9.2 The Pre-Administration costs are summarised below

	£
Duff & Phelps: Fees	1,811
Hill Dickinson LLP Fees	<u>662</u>
TOTAL Pre-Administration Costs	2,473

*The above costs are exclusive of VAT

9.3 The Joint Administrators confirm that payment of the unpaid Pre-Administration costs, as an expense of the Administration, is subject to approval under r 3.52 of the Rules, and not part of the Proposals subject to approval under Paragraph 53 of Schedule B1 to the Act.

10. Costs & Expenses

Estimated Fees and Expenses

- 10.1 It is proposed that the Joint Administrators' fee basis is based on time costs
- 10.2 The time costs already charged since the Appointment Date are analysed at Appendix 4. Time is charged in six-minute units.
- 10.3 The Joint Administrators will be seeking the approval of the general body of creditors for their remuneration.
- 10.4 The amount proposed to be drawn in fees over the life of the case by the Joint Administrators is shown at Appendix 5 - Fee Estimate. The total amount indicated effectively acts as a cap on the level of fees to be drawn by the Joint Administrators.
- 10.5 Given the level of realisations anticipated in the Administration, it is unlikely that the Joint Administrators' fees will be recovered in full.
- 10.6 The Joint Administrators estimate the expenses of the Administration to total circa £10,288 (as shown at Appendix 7 - Estimated Expenses Schedule). This schedule illustrates the estimated expenses for the whole of the Administration and is for information purposes only. No approval is required by creditors. This estimate may change over the course of the Administration, but creditors will be informed of any variations with associated reasons in the annual Progress Reports.
- 10.7 The total time costs incurred by the Joint Administrators since the Appointment Date total £40,406 representing 140 hours at an average charge out rate of £288 per hour.
- 10.8 In accordance with SIP 9, the Joint Administrators have provided creditors with additional information regarding major areas of time recorded:
- The sum of £13,808 has been incurred under the heading Trading. This relates to time incurred during the Trading Period, including liaising with the Directors regarding day to day operations to ensure a successful Trading Period, as well as monitoring and reviewing the Company's online till portal and banking facilities. Time was also spent liaising with suppliers and negotiating new courier/service contracts for the Trading Period.
 - The sum of £8,807 has been incurred in respect of Sale of Business. Such time was spent producing information to distribute to potential interested parties, holding discussions with potential interested parties and liaising with the Agents in respect of these interested parties to attempt to secure maximum realisations.

- The sum of £6,041 has been incurred under the heading Statutory Matters. This time was incurred drafting, filing and issuing the statutory notice documents to creditors, Court and Companies House, as well as all other relevant stakeholders. A substantial element of this time has also been spent drafting the Proposals.
- The sum of £3,664 has been incurred in respect of Freehold and Leasehold Property. This relates to time spent liaising with the Landlords of both the Didsbury Premises and Cross Street Premises regarding the leases and dealing with the licence to occupy the Cross Street Premises granted to the Purchaser as part of the SPA.

10.9 Also attached at Appendix 6 is the Fees Narrative, a summary of key issues, to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors. Further details of assets and liabilities and the estimated return to creditors, if any, are in the body of this report.

10.10 Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators are attached at Appendix 8.

11. Joint Administrators' Receipts and Payments Account

11.1 A Receipts and Payments account is provided at Appendix 2 and is self-explanatory.

12. EC Regulation

12.1 It is the Joint Administrators' opinion that the EC Regulation applies and these proceedings are main proceedings as defined in Article 3 of the EC Regulation.

13. Deemed Approval

13.1 A creditors' decision on the approval of the Proposals will not be sought as the Joint Administrators believe that the Company will have insufficient property to enable a distribution to be made to non-preferential creditors.

13.2 The Joint Administrators' Proposals will be deemed approved by the creditors of the Company unless creditors whose debts amount to at least 10% of the total debts of the Company request the Joint Administrators to seek a specific decision from the Company's creditors by 8 January 2019.

13.3 Further information is provided at Appendix 8 – Statement of Creditors' Rights.

14. End of the Administration

14.1 The options available to the Joint Administrators for the exit from the Administration are as follows:

- Creditors' Voluntary Liquidation
- Company Voluntary Arrangement
- Return of control to the Directors
- Dissolution of Company

14.2 From 26 May 2015, under the Small Business Enterprise and Employment Act 2015, the Joint Administrators have the power to distribute a Prescribed Part to creditors, without Court agreement. In addition, there is no exit to CVL available just for the purposes of distributing a Prescribed Part (if applicable).

- 14.3 Based on current information, the Joint Administrators recommend that at the appropriate time the Company should be dissolved for the reasons set out below.
- 14.4 The Joint Administrators have formed the view that once all the outstanding Administration matters have been finalised, and all liabilities incurred during the Administration have been discharged, there will be insufficient funds available to allow a distribution to non-preferential creditors, other than from the Prescribed Part (if any).
- 14.5 Once all outstanding matters have been satisfactorily completed by the Joint Administrators, then in accordance with Paragraph 84 of Schedule B1 to the Act, the Joint Administrators will give notice to the Registrar of Companies to the effect that the Company has no remaining property, at which stage the Administration will cease and the Joint Administrators will cease to act.
- 14.6 The Company will be dissolved three months following the registration of this notice at the Registrar of Companies.
- 14.7 You will note from the proposals section below that the Joint Administrators have left the choice of exit route from the Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time

15. Joint Administrators' Proposals

- 15.1 The Joint Administrators proposals shall be deemed approved by the creditors on the expiry of the period in which a decision can be requisitioned by creditors as detailed at Appendix 8
- 15.2 The Joint Administrators propose the following
- 15.2.1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect
- 15.2.2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration
- 15.2.3 That the Joint Administrators once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease and the Joint Administrators will cease to act.
- 15.2.4 That the Joint Administrators, where they consider that there are funds available to be distributed to the non-preferential creditors (other than under the prescribed part) take the necessary steps to put the Company into either CVL or into Compulsory Liquidation as they deem appropriate. It is proposed that the Joint Administrators, currently Steven Muncaster and Sarah Bell of Duff & Phelps would act as Joint Liquidators should the Company be placed into CVL. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.

- 15.2.5 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing
- 15.2.6 That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 15.2.7 That the Joint Administrators' Fee Estimate in the total sum of £99,497 is approved.
- 15.2.8 That the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements").

In addition, the following resolution which is not part of the Proposals.

- 15.2.9 That the unpaid Pre-Administration Costs totalling £2,473 plus VAT as detailed in the Joint Administrators' statement of Pre-Administration costs is approved for payment as an expense of the Administration.

16. Other Matters

- 16.1 If any creditor has any information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, then they would be pleased to hear from them
- 16.2 If you require further information or assistance, please do not hesitate to contact Jamie Maddox.



Steven Muncaster
Joint Administrator

Enc

The affairs, business and property of the Company are being managed by the Joint Administrators, Steven Muncaster and Sarah Bell, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association and are bound by the Insolvency Code of Ethics.

Appendix 1

Statutory Information

Statutory Information

Date of Incorporation	11 February 2015
Registered Number	09434629
Company Directors	Oliver Drummond Josef Faddoul Sarah Beck
Company Secretary	None appointed
Shareholders	Oliver Drummond – 45% Josef Faddoul – 45% Sarah Beck – 5% Patrick McMorrow – 5%
Former Trading Address	46 Cross Street Manchester M2 7AR
Registered Office	Current. c/o Duff & Phelps Ltd The Chancery 58 Spring Gardens Manchester M2 1EW Former. 741 Wilmslow Road Manchester, England M20 6RN

Financial Information

Balance Sheet

	Management Accounts to Sept 18 (£)	As at 28 Feb 2017 (£)
<u>Fixed Assets</u>		
Tangible Assets	75,205	41,567
	<u>75,205</u>	<u>41,567</u>
<u>Current Assets</u>		
Prepayments	40,350	-
Stock	2,456	2,456
Debtors	-	12,135
Cash at bank and in hand	4,467	11,745
	<u>47,273</u>	<u>26,336</u>
 Creditors: amounts falling due within one year	 <u>(162,395)</u>	 <u>(133,187)</u>
 Net current (liabilities)/assets	 <u>(115,122)</u>	 <u>(106,851)</u>
 Total assets less current liabilities	 (39,917)	 (65,284)
 Creditors: amounts falling due after more than one year	 <u>(180,000)</u>	 <u>-</u>
 Net Assets	 <u><u>(219,918)</u></u>	 <u><u>(65,284)</u></u>
 <u>Capital and Reserves</u>		
Current year earnings	(22,829)	-
Called up share capital	(197,189)	100
Profit and loss reserves	<u>100</u>	<u>(65,384)</u>
 Total Equity	 <u><u>(219,918)</u></u>	 <u><u>(65,284)</u></u>

Profit and Loss

	Period Ended Sept 2018 (£)	Year Ended 28 Feb 2017 (£)
Turnover	274,930	634,982
Cost of sales	<u>(96,048)</u>	<u>(325,671)</u>
Gross Profit	178,882	309,311
Administrative expenses	<u>(201,647)</u>	<u>(343,460)</u>
Operating Loss	(22,765)	(34,149)
Interest payable and similar expenses	<u>-</u>	<u>-</u>
Loss before taxation	(22,765)	(34,149)
Taxation	<u>-</u>	<u>-</u>
Loss for the financial year	<u>(22,765)</u>	<u>(34,149)</u>

Appendix 2

Joint Administrators' Receipts and Payments Account

Bosu Body Bar Limited
(In Administration)
Joint Administratorss' Summary of Receipts & Payments
To 18/12/2018

S of A £	£	£
ASSET REALISATIONS		
Rights to Company Name	5,000.00	
Company Records	1.00	
Goodwill	1,500.00	
Equipment	19,998.00	
Work In Progress	1,000.00	
Stock	2,500.00	
Intellectual Property	1.00	
Licence to Occupy - Rent	9,333.34	
Licence to Occupy - Service Charges	88.50	
Bank Interest Gross	4.70	
		39,426.54
COST OF REALISATIONS		
Agents/Valuers Fees	1,500.00	
Agents/Valuers Disbursements	150.00	
Legal Fees	5,000.00	
Legal Disbursements	60.65	
Statutory Advertising	84.60	
		(6,795.25)
		32,631.29
REPRESENTED BY		
VAT Receivable		1,349.05
Floating/main current account		33,166.60
VAT payable		(1,884.36)
		32,631.29

Appendix 3

Statement of Affairs

STATEMENT OF AFFAIRS

Company Name: Bosu Body Bar Limited (in Administration) ("the Company")
Company Number: 09434629 In the Manchester County Court no. 3036 of 2018

Statement as to the affairs of (a) Bosu Body Bar Limited of 741 Wilmslow Road Manchester M20 6RN
on 25 October 2018, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 25 October 2018, the date that the company entered administration.

Full name OLIVER DRUMMOND

Signed 

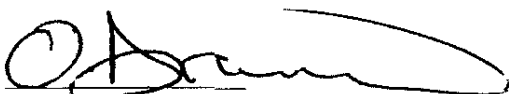
Dated 29/11/18

INSOLVENCY ACT 1986

DRAFT STATEMENT OF AFFAIRS

A - Summary of Assets

Assets	Notes	Book Value	Estimated
		£	to realise
Charged Assets:			
Uncharged Assets:			
Equipment			19,998
Stock			2,500
Work in Progress			1,000
Intellectual Property			1,500
Goodwill			5,000
Rights to Company name			1
Company Records			0
Cash at Bank			
Estimated total assets available for preferential creditors		£	

Signature  Date 29/11/18

INSOLVENCY ACT 1986

DRAFT STATEMENT OF AFFAIRS

A1 - Summary of liabilities

		realise
Estimated total assets available for preferential creditors (carried from page A)	£	0.00
Liabilities	£	
Preferential creditors :		
Employee wages	0.00	0.00
Holiday pay	0.00	0.00
Estimated deficiency/surplus as regards preferential creditors:	£	0.00
Total assets available to unsecured creditors	£	0.00
Unsecured non-preferential claims :	£	
HMRC - CT	0.00	0.00
HMRC - VAT	0.00	0.00
HMRC - PAYE / NIC	0.00	0.00
Directors Loan Account	0.00	0.00
Employee claims - Redundancy	0.00	0.00
Employee claims - Payment in lieu of notice	0.00	0.00
Trade Creditors	0.00	0.00
	0.00	0.00
Estimated deficiency/surplus as regards non-preferential creditors	£	0.00
Estimated deficiency/surplus as regards creditors		0.00
Issued and called up capital		0.00
Estimated total deficiency/surplus as regards members	£	0.00

Signature



Date

29/11/18

COMPANY SHAREHOLDERS

[illegible]

Signature

Date _____

29/1/8

BOSU BODY BAR LTD
AGED CREDITORS

Bosu Body Bar Limited
September 2018

	Current	August	July	June	Older	Total
Payables						
3 Little Pigs Butcher	(355.94)	(1,457.46)	(450.00)	(161.04)	4,681.42	2,256.98
Aldi	(591.49)	444.28	150.21	-	(3.00)	-
Ambient Engineering	-	-	-	-	192.50	192.50
CEB Electrics	-	-	-	-	84.00	84.00
Cheaperwaste Ltd	-	-	-	-	1,000.90	1,000.90
City Munch Ltd	-	-	-	-	26.40	26.40
Clear Two IT	-	-	-	-	1,985.00	1,985.00
D&G Drinks (Coco Pro)	-	-	-	-	470.40	470.40
Daisy Communications Ltd	(300.00)	(450.00)	-	(32.94)	994.78	211.84
DTZ	-	-	-	17,097.90	7,629.02	24,726.92
EON Energy	-	(394.62)	-	2,336.98	7,482.62	9,424.98
High Level Maintenance	-	-	-	583.00	98.50	681.50
Holland and Barrett	13.99	-	-	-	-	13.99
Hopewall Farm Foods	-	-	-	-	599.04	599.04
J & B Wilde	(100.00)	(225.00)	-	-	682.00	357.00
Labels UK Ltd	-	-	-	-	797.81	797.81
Manchester City Council	-	-	-	-	13,140.24	13,140.24
Manchester Rent A Home	-	2,250.00	2,250.00	2,250.00	10,042.85	16,792.85
Muscle Fitness	-	-	-	-	267.84	267.84
No Name	-	-	-	-	(30.00)	(30.00)
Nobly POS	-	-	2,246.40	-	-	2,246.40
NXGEN Europe Ltd	-	-	-	-	129.56	129.56
Plas Farm Foods	(144.00)	-	100.80	-	100.80	57.60
PRESS Juice	(300.00)	(600.00)	-	-	2,026.24	1,126.24
printing.com	-	-	-	-	148.74	148.74
PRS	-	-	358.94	-	-	358.94
Rijo42 Machines Ltd	(140.00)	(315.00)	-	-	1,350.00	895.00
Sainsbury's	110.42	-	-	-	-	110.42
Tesco	48.42	-	-	-	-	48.42
The Dealer	-	-	-	-	1.50	1.50
Total Produce	(450.00)	(350.00)	-	-	1,172.60	372.60
Total Payables	(2,208.60)	(1,097.80)	4,656.35	22,073.90	55,071.76	78,495.61



OLIVER DRIMMOND

29/11/18



JOSEF RAZI FADDOL

29/11/18

STATEMENT OF AFFAIRS

Company Name: Bosu Body Bar Limited (In Administration) ("the Company")
Company Number: 09434629 In the Manchester County Court no. 3036 of 2018

Statement as to the affairs of (a) Bosu Body Bar Limited of 741 Wilmslow Road Manchester M20 6RN
on 25 October 2018, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 25 October 2018, the date that the company entered administration.

Full name JOSEF RAMZI FADDOUL

Signed 

Dated 29/11/18

INSOLVENCY ACT 1986

DRAFT STATEMENT OF AFFAIRS

A - Summary of Assets

Assets	Notes	Book Value	Estimated to realise
		£	£
Charged Assets:			
<hr/>			
Uncharged Assets:			
Equipment			19,998
Stock			2,500
Work in Progress			1000
Intellectual Property			1.0
Goodwill			1500
Rights to Company name			5000
Company Records			1.0
Cash at Bank			
Estimated total assets available for preferential creditors	£		30,000

Signature



Date

29/11/18


INSOLVENCY ACT 1986

DRAFT STATEMENT OF AFFAIRS

A1 -Summary of liabilities

		realise
Estimated total assets available for preferential creditors (carried from page A)	£	0.00
Liabilities	£	
Preferential creditors :		
Employee wages	0.00	0.00
Holiday pay	0.00	0.00
Estimated deficiency/surplus as regards preferential creditors:	£	0.00
Total assets available to unsecured creditors	£	0.00
Unsecured non-preferential claims :	£	
HMRC - CT	0.00	50,000 0.00
HMRC - VAT	0.00	0.00
HMRC - PAYE / NIC	0.00	0.00
Directors Loan Account	0.00	0.00
Employee claims - Redundancy	0.00	0.00
Employee claims - Payment in lieu of notice	0.00	0.00
Trade Creditors	0.00	78,000 0.00
	0.00	0.00
Estimated deficiency/surplus as regards non-preferential creditors	£	0.00
Estimated deficiency/surplus as regards creditors		0.00
Issued and called up capital		0.00
Estimated total deficiency/surplus as regards members	£	0.00

Signature



Date

29/11/18

COMPANY SHAREHOLDERS

[illegible]

Signature _____ Date 27/11/16

BOSU BODY BAR LTD
AGED CREDITORS

Bosu Body Bar Limited
September 2018

	Current	August	July	June	Older	Total
Payables						
3 Little Pigs Butcher	(355.94)	(1,457.46)	(450.00)	(161.04)	4,681.42	2,256.98
Aldi	(591.49)	444.28	150.21	-	(3.00)	-
Ambient Engineering	-	-	-	-	192.50	192.50
CEB Electrics	-	-	-	-	84.00	84.00
Cheaperwaste Ltd	-	-	-	-	1,000.90	1,000.90
City Munch Ltd	-	-	-	-	26.40	26.40
Clear Two IT	-	-	-	-	1,985.00	1,985.00
D&G Drinks (Coco Pro)	-	-	-	-	470.40	470.40
Daisy Communications Ltd	(300.00)	(450.00)	-	(32.94)	994.78	211.84
DTZ	-	-	-	17,097.90	7,629.02	24,726.92
EON Energy	-	(394.62)	-	2,336.98	7,482.62	9,424.98
High Level Maintenance	-	-	-	583.00	98.50	681.50
Holland and Barrett	13.99	-	-	-	-	13.99
Hopewall Farm Foods	-	-	-	-	599.04	599.04
J & B Wilde	(100.00)	(225.00)	-	-	682.00	357.00
Labels UK Ltd	-	-	-	-	797.81	797.81
Manchester City Council	-	-	-	-	13,140.24	13,140.24
Manchester Rent A Home	-	2,250.00	2,250.00	2,250.00	10,042.85	16,792.85
Muscle Fitness	-	-	-	-	267.84	267.84
No Name	-	-	-	-	(30.00)	(30.00)
Nobly POS	-	-	2,246.40	-	-	2,246.40
NXGEN Europe Ltd	-	-	-	-	129.56	129.56
Plas Farm Foods	(144.00)	-	100.80	-	100.80	57.60
PRESS Juice	(300.00)	(600.00)	-	-	2,026.24	1,126.24
printing.com	-	-	-	-	148.74	148.74
PRS	-	-	358.94	-	-	358.94
Rijo42 Machines Ltd	(140.00)	(315.00)	-	-	1,350.00	895.00
Sainsbury's	110.42	-	-	-	-	110.42
Tesco	48.42	-	-	-	-	48.42
The Dealer	-	-	-	-	1.50	1.50
Total Produce	(450.00)	(350.00)	-	-	1,172.60	372.60
Total Payables	(2,208.60)	(1,097.80)	4,656.35	22,073.90	55,071.76	78,495.61



OLIVER DROMMOND

29/11/18



JOSEF RAZZI FADDOL

29/11/18

Appendix 4

Analysis of Time Charged and Expenses Incurred

91855 BOSU BODY BAR LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 22/10/2018 to 25/10/2018

ADP-Admin. - Pre Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
IPS set up & maintenance	0.00	0.00	0.00	0.60	0.00	0.60	69.00	115.00
Strategy planning & control	0.00	3.60	0.00	2.00	0.00	5.60	1,742.00	311.07
Total Hours:	0.00	3.60	0.00	2.60	0.00	6.20		292.10
Total Fees Claimed: £	0.00	1,512.00	0.00	299.00	0.00		1,811.00	

91855 BOSU BODY BAR LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 25/10/2018 to 18/12/2018

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	0.00	0.00	0.00	0.60	0.00	0.60	69.00	115.00
Cashiering & accounting	0.00	0.60	0.00	1.70	0.00	2.30	597.50	259.78
Dealings with Directors and Management	0.00	2.10	1.90	2.10	0.00	6.10	1,665.00	272.95
IPS set up & maintenance	0.00	0.00	0.00	2.15	0.00	2.15	260.25	121.05
Statement of affairs	0.00	1.00	0.50	1.90	0.00	3.40	781.00	229.71
Statutory matters (Meetings & Reports & Notices)	0.00	1.50	13.30	11.10	0.00	25.90	6,041.00	233.24
Strategy planning & control	0.00	2.50	1.40	2.00	0.00	5.90	1,679.00	284.58
Creditors								
Communications with Creditors / Employees	0.00	2.50	0.00	4.15	0.00	6.65	1,527.25	229.66
Non Pref Creditors / Employee claims handling	0.00	0.00	0.60	0.30	0.00	0.90	205.50	228.33
Realisation of Assets								
Freehold and Leasehold Property	0.00	5.90	4.00	0.40	0.00	10.30	3,664.00	355.73
Hire Purchase and Lease Assets	0.00	0.20	0.00	0.00	0.00	0.20	84.00	420.00
Other Tangible Assets	0.00	2.90	0.00	0.00	0.00	2.90	1,218.00	420.00
Sale of business	0.00	18.30	1.70	5.50	0.00	25.50	8,807.00	345.37
Trading								
Trading - Accounting	0.00	0.00	6.70	0.00	0.00	6.70	1,909.50	285.00
Trading - Insurance	0.00	0.00	0.00	0.20	0.00	0.20	23.00	115.00
Trading - Operations	0.00	21.10	4.60	14.80	0.00	40.50	11,875.00	293.21
Total Hours:	0.00	58.60	34.70	46.90	0.00	140.20		288.20
Total Fees Claimed: £	0.00	24,618.00	9,893.50	5,894.50	0.00		40,406.00	

Appendix 5

Fee Estimate

Bosu Body Bar Limited (in Administration)

Joint Administrators' Fee Estimate for the Period of the Administration

Administration - Post Appointment										
Classification of Work Function	Hours						Total Hours	Time Cost	Avg. Hourly Rate	
	Partner	Manager	Senior	Assistant	Support					
Admin & Planning										
Case review and Case Diary management	0.00	0.50	0.50	1.50	0.00		2.50	637.50		255.00
Cashiering & accounting	0.00	1.00	0.00	3.00	0.00		4.00	990.00		247.50
Dealings with Directors and Management	0.00	3.00	3.00	2.50	0.00		8.50	2,590.00		304.71
IPS set up & maintenance	0.00	0.00	0.00	2.15	0.00		2.15	408.50		190.00
Statement of affairs	0.00	1.50	0.50	2.50	0.00		4.50	1,247.50		277.22
Statutory matters (Meetings, Reports and Notices)	0.00	6.00	22.50	20.00	0.00		48.50	12,732.50		262.53
Strategy planning & control	0.00	5.00	3.00	2.00	0.00		10.00	3,335.00		333.50
Tax Compliance/Planning	0.50	3.00	5.00	0.00	0.00		8.50	2,950.00		347.06
Creditors										
Communications with Creditors/Employees	0.00	5.00	7.50	10.00	0.00		22.50	6,137.50		272.78
Non Pref Creditors/Employee claims handling	0.00	0.00	0.60	0.30	0.00		0.90	228.00		253.33
Investigations										
CDDA, reports & Communication	0.50	7.50	10.00	12.50	0.00		30.50	8,640.00		283.28
Financial review and investigations (\$238/239 etc)	0.50	5.00	5.00	0.00	0.00		10.50	3,790.00		360.95
Realisation of assets										
Freehold & Leasehold Property	0.00	15.00	7.50	0.40	0.00		22.90	8,513.50		371.77
Hire Purchase and Lease Assets	0.00	0.20	0.00	0.00	0.00		0.20	84.00		420.00
Other Tangible Assets	0.00	3.50	0.00	0.00	0.00		3.50	1,470.00		420.00
Sale of Business	0.00	32.50	7.50	10.00	0.00		50.00	17,687.50		353.75
Trading										
Trading - Accounting	0.00	5.00	10.00	0.00	0.00		15.00	4,950.00		330.00
Trading - Insurance	0.00	0.00	0.00	0.20	0.00		0.20	38.00		190.00
Trading - Operations	1.00	35.00	12.50	22.50	0.00		71.00	23,067.50		324.89
Total Hours	2.50	128.70	95.10	89.55	0.00		315.85			315.01
Total Estimated Fees	£ 1,325.00	£ 54,054.00	£ 27,103.50	£ 17,014.50	£ -			£ 99,497.00		

Appendix 6

Fees Narrative

Bosu Body Bar Limited (in Administration)
Fee Estimate for the whole period of the Administration

Steven Muncaster and Sarah Bell were appointed as Joint Administrators of the Company on 25 October 2018.

Introduction

The following information is provided to creditors to enable them to consider and approve the Joint Administrators' remuneration. It is a summary of key issues, to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors

This document should be read in conjunction with the Joint Administrators' Proposals which provides further details of the assets, liabilities and estimated return to creditors, if any. Particular reference is made to the Appendices entitled 'Analysis of Time Charged and Expenses Incurred', Fee Estimate and 'Estimated Expenses of the Administration'

Estimated Fees and Expenses

The Joint Administrators propose that their fees will be based on time costs.

The amounts expected to be incurred in respect of time costs over the life of the Administration are shown in Appendix 5 - Fee Estimate.

The Joint Administrators estimate the expenses of the Administration to total £10,288 (as shown in Appendix 7 - Estimated Expenses of the Administration). This Appendix illustrates the estimated expenses of the Administration and is for information purposes (not for approval by any class of creditor). These estimates may change over the course of the Administration but creditors will be informed of any variations with associated reasons in subsequent reports to creditors.

As detailed in the Proposals, the non-preferential creditors will be asked to approve the fee basis (time costs) and also the Fee Estimate.

Estimated Return to Creditors

As detailed in the Proposals, the Company has no secured or preferential creditors.

Based on current information, it is not anticipated that there will be sufficient funds to allow a distribution to be made to the non-preferential creditors of the Company.

Strategy

Sale of Business

The Joint Administrators began marketing the business and assets of the Company on 26 October 2018.

As detailed in the Proposals, the Joint Administrators undertook a marketing exercise following their appointment which included but has not been limited to 1) Preparing a 'Business Lite Memo' and circulating to all Duff & Phelps corporate finance contacts 2) Email circulars were sent to those parties listed within the Duff & Phelps Interested Parties Database that may have been interested in acquiring this type of business 3) Contacting a number of potential purchasers directly.

A sale of business and assets was concluded on 12 November 2018 for total consideration of £30,000.

More details regarding the Purchaser and sale consideration are detailed in section 6 of the Proposals.

Time costs of £8,807 have been incurred to date in relation to the marketing process, dialogue with potential interested parties, liaising with the Purchaser and completing the transaction. A further £8,881 is expected to be incurred relating for matters such as dealing with the Company name change, dealing with the licence to occupy the Cross Street Premises and any other post sale matters.

Tangible Assets

Time costs of £1,218 have been incurred to date in dealing with the Company's tangible assets. This time has been incurred in liaising with the Agents, to ensure that maximum realisable value is achieved.

As detailed in the Proposals, the tangible assets located at the Cross Street premises were included within the sale to the Purchaser. Sale consideration of £19,998 was allocated to the tangible assets within the SPA and related to a variety of kitchen equipment used previously across the two trading sites.

It is expected that additional time costs of £252 will be incurred in dealing with tangible assets

Trading Period

As detailed in the Proposals, it was decided that the Joint Administrators would continue to trade the Company whilst the business was marketed in order to achieve a sale on a going concern basis. The Trading Period relates to the period from 25 October 2018 to 12 November 2018, being the date of the Joint Administrators' appointment up to the date of sale.

By doing so, the Joint Administrators were able to preserve the Company's sale value and in turn increased realisations and improved the overall position with regards to creditors

Time incurred by the Joint Administrators to date totals £13,808 which includes, but was not limited to, the following tasks

- Updating accounts, to ensure efficient trading of the business in Administration;
- Creating a full audit trail of payments and receipts during the Trading Period,
- Overseeing daily sales figures and monitoring online revenue portals;
- Liaising with couriers to negotiate new contracts, and
- Overseeing the day to day business operations, including discussions with management and supervision of trading

The Joint Administrators estimate further time costs of £14,248 will be incurred in relation to trading activities to the end of the Administration. This will include completing a full reconciliation of receipts and payments made during the Trading Period to ensure that all payments made during the Trading Period were for the benefit of trade

Investigations

It is a statutory requirement that the Joint Administrators provide a report to the Secretary of State on the conduct of the Directors in their management of the Company to determine their unfitness to act in such a role. This will entail a broad level of investigation to ensure that best practice standards are met and the Fee Estimate reflects this standard. If the Secretary of State then instigates Directors Disqualification proceedings, further time may be expended in providing supporting documents, witness statements etc. Such investigation may or may not lead to further asset recovery so creditors should not assume that this activity will provide a monetary benefit to the Administration estate

The Fee Estimate assumes a diligent but basic investigation into the Company's affairs: financial accounts and reasons for failure. Should circumstances prove more difficult it is likely that the Fee Estimate may need to increase and solicitors instructed. Creditors will be consulted as appropriate. Initial fact gathering will be undertaken by lower level staff but the nature of the investigation requires more experienced (and hence high cost) staff to review the information.

No time has been incurred to date in dealing with investigative matters, however future costs are anticipated to be £12,430 which includes the following tasks

- Reviewing historic bank statements,
- Reviewing the questionnaires received from the Directors,
- Investigation of any potential claims in respect of antecedent transactions;
- Land Registry and Companies House searches;
- Logging and reviewing creditor complaints and concerns regarding the Directors' conduct; and
- *Statutory investigations and reporting requirements to the Secretary of State in respect of director s conduct and any resulting correspondence with DBEIS.*

Creditors

The Joint Administrators have incurred, and will continue to incur, time costs in dealing with correspondence and other contact with creditors. Work undertaken has included explaining the background to the Joint Administrators' appointment and the Company's financial difficulties, as well as any other ad hoc queries regarding the Administration progress and creditor claims.

This work is necessary as the creditors are stakeholders in the Administration and such work will help creditors to minimise their losses and maximise their dividend prospects. Much of this work has been, and will continue to be dealt with, by more junior members of staff with senior members of the team becoming involved in more problematic situations.

Time incurred to date totals £1,733 and the total time including future costs are anticipated to be £6,366

This will include dealing with the following tasks.

- Creditor correspondence, emails and telephone conversations regarding claims in the Administration,
- Writing to employees of the Company at key intervals;
- Dealing with and concluding any potential claims brought in respect of retention of title.
- Maintaining up to date creditors information and claims status on the case management system.
- Making the relevant arrangements with the Company's pension scheme provider and submitting the relevant forms; and
- Corresponding with creditors subject to hire purchase and/or lease agreements.

Statutory Compliance, Planning, Formal Reporting and Case Administration

An Administrator is highly regulated, being required to conform to Insolvency Legislation, industry Best Practice policies (Statements of Insolvency Practice) and relevant case law. Consequently, Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors. Such matters will include, but are not restricted to Anti Money Laundering, Bribery Act and Ethical considerations and checks, statutory advertising, regular reporting to creditors including fee agreement procedures, obtaining and securing company books and records, pension review and liaison with the Pension Protection Fund, Companies House filing, completion and release of insolvency bond and various Treasury functions.

Time incurred to date totals £11,093 which has included dealing with the following tasks

- Complying with anti-money laundering checks, bribery act and ethical checks;
- Advertising the Administration appointment and notifying all relevant stakeholders,
- Setting up the Administration on our internal systems,
- Companies House and Court filings,
- Calculating and obtaining the Insolvency Practitioners Bond.
- *Undertaking treasury functions in respect of receipts and payments of the Administration to date;*
- Arranging insurance of the Company's assets as appropriate;

- Internal strategic discussions and meetings and completing an initial case review,
- Meeting with the Company management team and key staff from a strategic perspective.
- General case oversight by senior team members over key issues, to include winding-down the business; and
- Preparing the Joint Administrators' Statement of Proposals to Creditors and ancillary documentation

Total time, including future costs, are anticipated to be £24,891 including the costs incurred to date. Future time costs are estimated to include the following future tasks:

- Performing periodic and strategic case reviews at the intervals discussed above;
- Handling the process following despatch of the Proposals;
- Filing notices with Companies House at relevant intervals;
- Dealing with tax compliance and returns;
- *Preparing progress reports to all creditors of the Company every six months,*
- Preparing a final report to all creditors of the Company on completion of the Administration.
- Internal strategic discussions and meetings; and
- Corresponding with the Company's pre-appointment accountants in respect of tax compliance

Appendix 7

Estimated Expenses of the Administration

Bosu Body Bar Limited (In Administration)
Joint Administrators' estimated expenses for the period of Administration

Company	Activity	Date of Instruction	Fee Basis	Anticipated Total Cost
Professional Advisors				£
Lambert Smith Hampton Group Limited	Assistance with the valuation and sale of the Company's business and assets, as well as valuation of the leases	25-Oct-18	Fixed Fee	3,000.00
Hill Dickinson LLP	Preparation of the sale and purchase agreement as well as ad hoc legal advice	25-Oct-18	Time Costs	5,061.00
TBC	Assistance with the preparation of Corporation Tax Returns and other Taxation matters	Not yet appointed	Fixed Fee	1,000.00
Total professional advisor costs				9,061.00
Disbursements				
Category 1				
Statutory advertising				101.52
Bond premium				225.00
Storage				500.00
Insurance				400.00
Total Category 1 disbursements				1,226.52
Category 2				
<i>No Category 2 disbursements</i>				-
Total Estimated Expenses				<u><u>£10,287.52</u></u>

Appendix 8

Statement of Creditors' Rights

STATEMENT OF CREDITORS' RIGHTS

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section or paragraph numbers refer to Insolvency Act 1986

If you require a copy of any relevant rule or section, please contact Jamie Maddox at Jamie.maddox@duffandphelps.com.

This notice is accompanied by the Joint Administrators' Statement of Proposals.

Information for creditors on remuneration and disbursements of administrators

Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/services/restructuring/corporate-restructuring-and-debt-advisory/creditor-guides-and-employee-fact-sheets>

(click on the document 'Administration (appointment from 1 October 2015)'. Should you require a copy, please contact this office

Creditors may requisition a decision to be made by all of the creditors for approval of the Joint Administrator' Proposals under para 52(2) Schedule B1 Insolvency Act 1986

The Joint Administrators shall seek a decision from the Company's creditors as to whether they approve the proposals if requested by creditors of the Company, whose debts amount to at least 10% of the total debts of the Company. Such a request must be received by the Joint Administrators within 8 business days of the date on which the Joint Administrators' Statement of Proposals is delivered.

The request for a requisitioned decision must include a statement of the purpose of the proposed decision and either—

(a) a statement of the requesting creditor's claim together with—

- a list of the creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each creditor; or

(b) a statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the creditors so resolve

A requisitioned decision must be made within 28 days of receiving the deposit or the expiry of 14 days without the Administrator informing the requesting creditor of the deposit sum

Appendix 9

Proof of Debt Form

PROOF OF DEBT - GENERAL FORM

Bosu Body Bar Limited - in Administration Company No. 09434629		
Date of Administration: 25 October 2018		
1.	Name of Creditor (If a company please also give company registration number and if non-UK, country of registration)	
2.	Address of Creditor for correspondence	REF
	Contact telephone number of creditor	
	Email address of creditor	
3.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	
4.	Details of any documents by reference to which the debt can be substantiated (please attach)	
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
9.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	DATE
	Are you the sole member of the creditor?	YES / NO
	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