

# AM03

## Notice of administrator's proposals



Companies House

FRIDAY



\*A8ZRLZJC\*

A21

28/02/2020

#134

COMPANIES HOUSE

### 1 Company details

Company number 1 0 0 4 1 8 5 2

Company name in full Hawkin's Bazaar Ltd

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Tom

Surname Straw

### 3 Administrator's address

Building name/number 88

Street Wood Street

Post town

County/Region London

Postcode E C 2 V 7 Q F

Country United Kingdom

### 4 Administrator's name

Full forename(s) Simon

Surname Thomas

① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address

Building name/number 88

Street Wood Street

Post town

County/Region London

Postcode E C 2 V 7 Q F


Country United Kingdom

② Other administrator

Use this section to tell us about  
another administrator.

AM03  
Notice of Administrator's Proposals

6	Statement of proposals
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals

7	Sign and date
Administrator's Signature	<div>Signature</div> <div>X </div> <div>X</div>
Signature date	<div><div><div>d</div><div>2</div></div><div><div>d</div><div>7</div></div></div> <div><div>m</div><div>0</div></div> <div><div>m</div><div>2</div></div> <div><div>y</div><div>2</div></div> <div><div>y</div><div>0</div></div> <div><div>y</div><div>2</div></div> <div><div>y</div><div>0</div></div>



**Administrators' Proposals relating to  
Hawkin's Bazaar Ltd – In Administration (“the Company”)**

**Issued on: 27 February 2020**

## Contents

1. Introduction and Background
2. Statutory Information
3. Circumstances Leading to the Appointment of Administrators
4. Objectives of the Administration and Administrators' Strategy for Achieving them
5. Actions of the Administration Following Appointment
6. Financial Position of the Company
7. Administrators' Receipts and Payments
8. Proposed Future Actions of the Administrators to Achieve the Objective of the Administration
9. Administrators' Remuneration and Disbursements
10. Pre-appointment Fees and Expenses
11. Administrators' Investigations
12. EC Regulation on Insolvency Proceedings
13. Administrators' Proposals
14. Further Information

## Appendices

- |  |            |
|--|------------|
| 1. Statutory Information   | Appendix 1 |
| 2. Director's Statement of Affairs   | Appendix 2 |
| 3. Receipts and Payments Account and Trading Account                         | Appendix 3 |
| 4. Moorfields Statement of Policy on Charging Remuneration and Disbursements | Appendix 4 |
| 5. Joint Administrators Fee Estimate   | Appendix 5 |
| 6. Administrators' Time Costs - Pre-Appointment                              | Appendix 6 |
| 7. Administrators' Time Costs - Post Appointment                             | Appendix 7 |
| 8. Proof of Debt Form  | Appendix 8 |

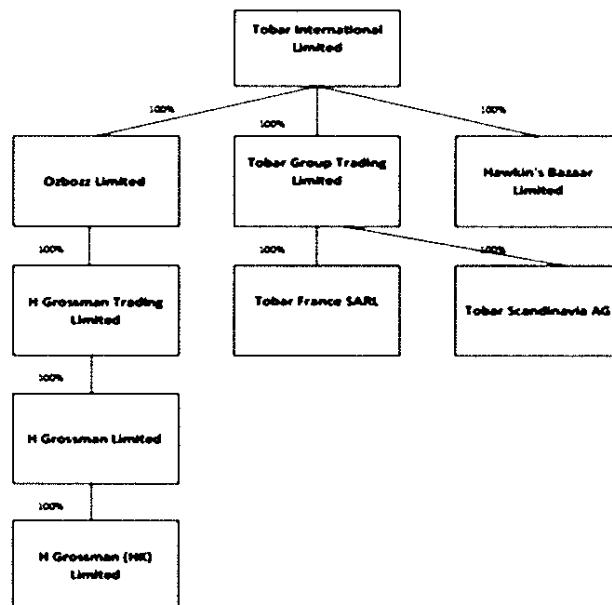
Simon Thomas and I, of Moorfields Advisory Limited ("Moorfields") were appointed Joint Administrators of Hawkins Bazaar Limited ("the Company") on 23 January 2020, and these are our statutory proposals relating to the Company.

## 1. STATUTORY INFORMATION

Statutory information relating to the Company is attached at **Appendix 1**.

## 2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATORS

The Company was incorporated on 3 March 2016 and its registered office was Yare House, 62-64 Thorpe Road, Norwich, Norfolk, NR1 1RY. The Company traded from a number of premises across the United Kingdom and its principal business was the retail sale of games and toys in specialised stores. At the date of appointment, the Company traded from 19 stores and employed 129 people within these stores. The Company is part of a wider group ("the Group") owned by Tobar International Ltd. A summary of the Group structure is provided below.



Tobar Group Trading Limited ("TGT") provided stock to the Company on a consignment basis at cost, meaning invoices were raised by TGT once the stock was sold by the Company. At the date of appointment, TGT was owed c. £2.8 million by the Company.

The Company had granted security to RBS Invoice Finance Limited, RBS Invoice Finance UK Limited, National Westminster Bank PLC, all referred to as ("RBS"), and Merino Industries Ltd ("Merino") (together "the Secured Creditors"), relating to corporate guarantees and overdraft facilities. A summary of outstanding registered charges as at the date of the appointment is provided below.

Date Charge Created	Date Charge Registered	Details of Charge	Name
17 November 16	17 November 16	Fixed & Floating Charges	Merino Industries Ltd
29 November 16	01 December 16	Fixed & Floating Charges	National Westminster Bank PLC
06 January 17	06 January 17	Fixed & Floating Charges	RBS Invoice Finance UK Limited
30 April 19	01 May 19	Fixed & Floating Charges	RBS Invoice Finance Limited

A summary of the Company's recent trading performance is shown below.

	Filed Accounts		Management Accounts
	Y/E 31 Dec 2017	Y/E 31 Dec 2018	Y/E 31 Dec 2019
Turnover	15,764,630.00	15,276,899.00	10,440,437.00
Cost of Sales	(7,817,707.00)	(7,992,285.00)	(5,949,280.00)
Gross Profit	7,946,923.00	7,284,614.00	4,491,158.00
Distribution & Administrative Costs	(7,856,430.00)	(8,267,277.00)	(6,649,416.00)
Other Operating Income	6,036.00	93.00	-
Interest Payable and Expenses	(2,230.00)	(3,491.00)	(3,324.00)
Tax on Loss/Profit	(27,083.00)	7,717.00	-
Profit/Loss for Financial Year	67,216.00	(978,344.00)	(2,161,582.00)

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

The Company's trading performance has followed a downward trajectory over recent years culminating in a worse than forecast year end 31 December 2019 period. The Company traded particularly poorly in December 2019, which is traditionally its strongest month, with a £1.6m negative variance to expected contribution which has led to the loss shown in the above accounts.

The Group undertook a marketing process of the Company's brand and business during 2019, but were unable to attain any suitable offers. The Group subsequently attempted to implement a solvent wind down process of the Company over the course of the remainder of 2019 and into 2020. This included renegotiating the Company's retail leases with landlords, and in some instances, TGT had assumed the position of tenant or provided a guarantee of the Company's lease liability.

Ultimately, the Company was insolvent, and the Board considered that the only viable option was to place the Company into Administration to relieve working capital pressures the Company was imposing on the wider group. The Board and Moorfields consulted with the Secured Creditors prior to the Appointment of Administrators to establish whether any rescue was achievable, however it was determined by all parties that further funding of the Company was not viable.

Prior to the commencement of the Administration, Moorfields acted as advisors to the Board as a whole acting on behalf of the Company. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, Moorfields was still required to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.

As required by the Insolvency Code of Ethics, Simon Thomas and I considered the various threats to our objectivity arising from this prior involvement. We concluded that those threats

were at an acceptable level such that we could still act objectively and hence could be appointed Administrators of the Company.

On 23 January, 2020, Simon Thomas and I were appointed by the directors as Joint Administrators of the Company and took over responsibility from the Board for the management of the affairs, business and property of the Company. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs.

### **3. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM**

As Administrator of the Company I am an officer of the Court, and I must perform my duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:

- (a) rescue the Company as a going concern; or
- (b) achieve 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
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement was not appropriate.

As a result, I am seeking to achieve objective (b) for the Company and will do this by trading the Company's business in administration, whilst marketing the Intellectual Property ("IP") of the Company for sale. The trading of the Company enables this objective to be achieved through delivering a better outcome to creditors than would be achieved through a liquidation and returning the stock.

The insolvency legislation has set a 12-month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to the Court, or hold a decision of creditors, in order to seek approval to extending the duration of the Administration.

### **4. ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENT**

Prior to, and immediately on appointment, the Administrators undertook an analysis of whether the best outcome for creditors would be achieved by closing all stores and returning the stock to TGT, or continuing to trade the business for a short period. It was determined that net asset realisations would be higher if the Administrators continued to trade, providing it entered into a new consignment agreement with TGT.

The Administrators appointed retail consultants, Retail Realisations LLP, to assist them in the trading of the stores and take over the managing of these stores. Their involvement in the trading period extended up to the removal and vacation of the stores. Retail Realisations also provided guidance and information to employees during this process. Since their appointment, the Administrators have managed the orderly trading and wind down of the stores, processed payments of wages, and liaised with creditors and employees.

The Administrators also agreed and formalised a new consignment agreement with TGT, which allowed the Administrators to implement their strategy to continue to trade the Company profitably and preside over a phased closure of the stores over a period of two weeks. This enabled the Administrators to realise a better value for creditors in the sale of stock and reduce logistics costs in moving residual stock from stores upon closure.

The Administrators also appointed agents to market and sell the Intellectual Property ("IP"), assist with employees claims, and sell the fixtures and fittings.

In addition, I have undertaken routine statutory and compliance work, such as notification of my appointment to all stakeholders, filing notice of my appointment at the Courts and Companies House and preparing statutory reports. These are tasks that are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

#### Role of the Insolvency Practitioner

I was introduced to the Board of the Company on 6 January 2020. Prior to the commencement of the Administration I advised the Board as a whole, acting on behalf of the Company, about the Company's financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, I was still required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics.

Ultimately the Company was placed into Administration and I was appointed Administrator. As Administrator I am an officer of the Court and I have taken over the management of the Company from the Board. As indicated above, the purpose of this Administration is to achieve objective B.

In order to help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole other than where objective (c) is being pursued I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

#### Pre-appointment considerations

The Administrators assessed the merits of various strategies before their appointment. It was judged that these strategies would not provide a better prospect for creditors than the strategy ultimately pursued.

The Company was loss making, and therefore would have been unable to comply with the terms of a Company Voluntary Arrangement, and Creditors Voluntary Liquidation was not appropriate given it was considered there would be more value to creditors if a short trading period and orderly wind down of the business was adopted. A sale of the business was not viable, given this had been explored previously without success.

The Secured Creditors were consulted and approved the strategy, and TGT, being the majority unsecured creditor and the provider of the consignment stock, was consulted, to ensure the trading strategy was feasible.

### **5. FINANCIAL POSITION OF THE COMPANY**

I have asked the Directors to prepare a summary of the Company's estimated financial position as at 23 January 2020, which is known as a Statement of Affairs. The Statement of Affairs was returned on 25 February 2020 after an extension was granted, which is attached at **appendix 2**.

## Comments on the Statement of Affairs

### **5.1. Fixtures and Fittings ("F&F")**

The Company had fixtures and fittings with a book value of £563,408.74. The F&F has been attributed an estimated to realise value of £5,000, given these fixtures generally have a low ex-situ resale value. In addition to this, a vast amount of the F&F is in situ at the stores, and it would not be cost effective for the Administrators to remain in situ whilst selling these fixtures.

During the trading period, the Administrators instructed their agents to sell the F&F through the retail sales. To date, £4,702.50 has been realised in respect of these fixtures and fittings.

### **5.2. Intellectual Property ("IP")**

The Company did not have any capitalised intangible assets, however further to the recent marketing of the business, it was understood there may be some value in the trading name, branding and website, therefore this has been given an estimated to realise value of £50,000.

On appointment, the Administrators instructed Christie & Co, being the agents who previously marketed the business for the Company in 2019, to re-fresh the marketing of the IP. The IP was sold to the highest bidder for £100,000, being H Grossman Limited. Further details of this sale are discussed in section 5.11.

### **5.3. Stock**

The Company did not own any stock, given all stock was provided by TGT on a consignment basis.

### **5.4. Debtors**

The Company had debtors with a book value of £63,191.25. These predominately relate to payments due from Amazon and Pay-pal. These debtors have been given an estimated to realise value of nil given this is predominantly a timing difference, and the funds would have already been included in the cash at bank figure, discussed further below.

### **5.5. Various Refunds**

The Company had prepayments with a book value of £7,342.44, relating to rent, service charge, business rates etc. Certain refunds may be received by the Administrators, however this has been given a nil estimated to realise value, given the stores were traded and therefore there is likely to be a reduction in the refunds due.

### **5.6. Cash at Bank**

The Company held cash at bank of £597,178.17 as at the date of appointment, being both the book value and the estimated to realise value.

The majority of these funds are yet to be transferred by RBS, however, to date £91,997.37 has been received in relation to these funds held.

### **5.7. Preferential creditors**

The only known preferential creditors are former employees of the Company for unpaid wages and holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation.

Whilst a number of employees were made redundant upon or during the Administration, there were a number of employees who were made redundant by the Company prior to Administration, who were due to be paid at the end of January.

The current estimate of preferential creditors is £147,576.46.

#### **5.8. Prescribed Part**

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "Prescribed Part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;
- up to a maximum of £600,000.

The Company granted a floating charge to each of the Secured Creditors after 15 September 2003, and therefore, the Prescribed Part provisions will apply. The estimate of the financial position of the Company per the statement of affairs shows that the net property of the Company is £454,601.71, and I estimate that the Prescribed Part of the net property for unsecured creditors is £93,920.34. These estimates, however, do not take into account the costs of the Administration which will reduce the amount of the Company's net property. Even after taking into account the costs of the Administration I still envisage being able to make a distribution of the Prescribed Part of the net property to the unsecured creditors, but I am unable to estimate the amount of that distribution at present.

#### **5.9. Secured Creditors**

In accordance with the Directors' estimated Statement of Affairs, the Secured Creditors were owed the following amounts as at the date of administration:

RBS	£8,027,568
Merino	£Nil

#### **5.10. Unsecured Creditors**

The Directors' Statement of Affairs indicates that there are unsecured creditor claims of £4,246,063.67. On the basis of present information there will not be a return to unsecured creditors other than via the Prescribed Part.

#### **5.11. Connected Party Transactions**

In accordance with SIP13, I can advise that on 14 February 2020, I sold the IP to H Grossman Limited for £100,000, which is an associated company. Whilst these assets were not formally valued, Christie & Co refreshed the marketing exercise previously undertaken by the company in 2019, following which an offer of £50,000 was received. The cost of a valuation was not justified given IP in an insolvency scenario is difficult to value, and testing the market was deemed the most appropriate way to recover best value.

### **6. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

I attach a summary of the receipts and payments relating to the Company for the period from the date of Administration, 23 January 2020, to the date of these proposals, at **Appendix 3**. Assets realised to date should be self-explanatory and are reflected in the comments made in section 5.

Also attached at Appendix 3, is a summary of the estimated trading account. In accordance with SIP 7, I am required to advise of the value of any assets in existence, e.g. stock, that has been utilised whilst trading. As mentioned previously, all stock was provided on a consignment basis, and would ordinarily have been paid for at the point of sale. The existing terms of the consignment agreement would have meant it was not possible to trade for any

period. The Company and TGT agreed that instead, they would enter into a profit-sharing agreement, whereby 70% of the trading profit would be paid to TGT, with 30% retained by the Company.

## **7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION**

In order to achieve the objective of the Administration of the Company I propose to:

- Trade the business for a short period of time, to allow for retail stock to be sold and any remaining consignment stock to be sent back to TGT and a trading profit to be generated;
- To market and sell the IP of the Company;
- To market and sell the F&F of the Company;
- Realise value from the Company's leases (if applicable) and rent deposits;
- Pursue tax, business rates and other refunds owed to the Company;
- Investigate the affairs of the Company to identify any further realisations; and
- To distribute funds to the Secured Creditors, Preferential Creditors, and Unsecured Creditors, by way of the Prescribed Part.

The Company's financial position means there are insufficient assets to enable me to pay a dividend to non-preferential unsecured creditors, although it is likely that I will be able to make a distribution of the prescribed part of the net property.

## **8. ADMINISTRATORS' REMUNERATION AND EXPENSES**

I attach at **Appendix 4** a copy of my practice fee recovery policy. In this case I am seeking to fix the basis of my remuneration on a time cost basis as detailed below:

### Time costs:

Some work cannot be identified with enough certainty for me to seek remuneration on a fixed or percentage basis. For these tasks, I propose to seek approval on a time cost basis. i.e. by reference to time properly spent by me and members of staff of the practice at our standard charge out rates. When I seek approval for my fees on a time cost basis, I have to provide a fees estimate. That estimate acts as a cap on my time costs so that I cannot draw fees of more than the total estimated time costs without further approval from those who approved the fees. I attach a "Fees estimate summary" at **Appendix 5** that sets out the work that I intend to undertake, the hourly rates I intend to charge for each part of the work, and the time that I think each part of the work will take. It includes a summary of that information in an average or "blended" rate for all of the work being carried out within the estimate.

As indicated in the fees estimate the following areas of work will be charged on a time cost basis: **administration and planning, realisation of assets, creditors investigations, trading and case specific matters**. Full information about the work that I will undertake on a time cost basis is contained in **Appendix 5**.

I estimate that the total time costs that I will incur in undertaking these tasks in this case will be £229,887.50 at a "blended" rate of £340.67 per hour.

This estimate has been provided to creditors at a relatively early stage in the administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holder's current knowledge of the case and their knowledge and experience of acting as office holder in respect of cases of a similar size and apparent complexity. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case. If the time costs incurred on the case by the office holder exceed the estimate, or is likely to exceed the estimate, the office holder will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holder cannot draw remuneration in excess of this estimate without first obtaining

approval to do so, then where the office holder considers it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.

I anticipate needing to seek approval to exceed the estimate if this work leads to further areas of investigation, potential further asset recoveries and any associated action, such as arbitration or legal proceedings.

To date a total of 188.5 hours have been spent working on the above tasks in the Administration, and total time costs to date are £66,105.00 charged at an average charge out rate of £350.68. Details of the time units used and current charge-out rates are provided in our practice fee recovery sheet, a copy of which is enclosed at **Appendix 4**. I attach, in respect of the areas of work where I am seeking to charge fees on a time cost basis, an analysis of time costs incurred to date by reference to grade of staff and work done at **Appendix 7**.

#### Disbursements

Category 1 disbursements are directly attributable expenses, and do not require approval, however it is our policy to disclose these costs.

The following category 1 disbursements have been incurred to date, which I have not drawn:

Type of category 1 disbursement	Amount incurred/accrued since appointment	Amount still to be paid	Future Estimate
Conference Calls	£45.16	£45.16	£50.00
Postage	£228.46	£228.46	£150.00
Travel	£107.49	£107.49	£100.00
Staff Subsistence	£9.00	£9.00	£10.00
Bordereau	£370.00	£370.00	£0.00

I also propose I am permitted to charge and recover what are known as category 2 disbursements. Information about category 2 disbursement is set out in our practice fee recovery policy at **Appendix 4**.

The following category 2 disbursements have been incurred to date, which I have not drawn:

Type of category 2 disbursement	Amount incurred/accrued since appointment	Amount still to be paid	Future Estimate
Printing	£158.40	£158.40	£200.00
Portal Costs	£50.00	£50.00	£0.00
Fame Searches	£100.00	£120.00	£0.00
Experian Searches	£20.00	£20.00	£0.00

As there will be insufficient funds to make a distribution to unsecured creditors other than by virtue of the Prescribed Part, it will be for the Secured Creditors and preferential creditors to approve the basis of my fees and drawing of category 2 disbursements.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.icaew.com/technical/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>. There are different versions of these Guidance Notes, and in this

case please refer to the April 2017 version. Please note that we have also provided further details in the practice fee recovery sheet.

I have incurred the following expenses since my appointment as Administrator, which I have not drawn:

Type of expense	Amount incurred/accrued since appointment	Amount still to be paid	Future Estimate
Advertising	£94.50	£94.50	£200.00
Insurance	£500.00	£500.00	£3,500.00*

\*estimated at an annual cost of £4,000.

I have used the following agents or professional advisors since my appointment as Administrator:

Professional Advisor	Nature of Work	Basis of Fees	Incurred to Date	Amount Outstanding	Future Estimate
ERA Solutions	Employee Claims Services	Fixed Fee	£9,500.00	£9,500.00	£20,000.00
Mayer Brown	Solicitors-Consignment agreement, sale of IP & Landlord letters	Time Costs	£22,815.00	£22,815.00	£5,000.00
Mayer Brown	Validity Review, General legal advice	Time Costs	£0.00	£0.00	£20,000.00
Retail Realisation	Retails Consultancy	Fixed Fee	£72,100.00	£72,100.00	£20,000.00
Retail Realisations	Sale of F&F Whilst trading	% of Sales	£2,351.25	£1,351.25	£0.00
Christie & Co	Sale of IP	Fixed Fee	£2,500.00	£2,500.00	£0.00
Tbc	Sale of F&F	Tbc, % of Sales			Dependant on sales value, £10,000.00
Tbc	Payroll Provider	Tbc			£5,000.00
Tbc	Accountant	Tbc			£5,000.00

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

- Retail Realisations assisted the Administrators is trading the stores by having specific consultants attached to each store. This was more cost effective than the Administrators staff attending each site, and this is their area of expertise.

- Mayer Brown advised the Administrators on a number of matters, including, but not limited to, the new consignment agreement with TGT, letters to landlords regarding rent free periods and the sale of the IP.
- I have sub-contracted some of the work I am required to undertake as Administrator, namely submitting the employees claims to the Insolvency Service and liaising directly with the employees. This work was sub-contracted to ERA Solutions, an unconnected third-party organisation who have charged £9,500 for undertaking that work, which is still outstanding. Further work remains to be done and I estimate that it will cost an additional £20,000 to complete it.
- Christie & Co marketed the business and the IP, which represented good value for money given their prior knowledge and marketing material previously prepared.

As set out above I expect my future expenses to total £85,000. Expenses do not have to be approved, but when reporting to the committee and creditors during the course of the Administration the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (e.g. where legal costs rise due to escalated recovery action).

## 9. PRE-APPOINTMENT FEES AND EXPENSES

The Board of Directors instructed me to assist them in placing the Company in Administration. They agreed that I should be paid my pre-appointment fees and expenses on a time cost basis estimated at £15,000-£30,000. I attach at **Appendix 6** a detailed time cost table showing the pre-appointment time costs incurred by category and staff grade at my firm.

A total of 72.1 hours had been spent working pre appointment, being total time costs of £32,665.00 charged at an average charge out rate of £453.05.

The following work was undertaken:

- Preparing forecasts and estimated outcomes based on a number of strategies, to decide which strategy would result in the best outcome for all creditors;
- Review the previous marketing material and the offers received, to decide if marketing should be relaunched;
- Prepare a trading budget to ensure trading would result in a sufficient profit;
- Discuss the strategy with the Secured Creditors and TGT, the consignment stock provider, to ensure the strategy was achievable;
- Assist the Board to take the appropriate steps to place the Company into Administration. This task, together with some of the other tasks mentioned above are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

The following statement sets out my pre-appointment fees and expenses incurred. The statement also shows those fees and expenses that were paid prior to the Administration and those where approval is being sought to pay them from Administration funds.

Professional Advisor	Nature of Work	Basis of Fees	Incurred to Date	Amount Outstanding
Moorfields	Pre-Administration advice	Time Costs	£32,665.00	£32,665.00
Mayer Brown	Solicitors-Appointment documents, Consignment agreement, Landlord letters	Time Costs	£27,578.00	£27,578.00

As I have already indicated, approval for these proposals is not being obtained from creditors, as a result, it will be for the Secured Creditors and preferential creditors to approve pre-appointment fees and expenses, and category 2 expenses.

#### **10. ADMINISTRATORS' INVESTIGATIONS**

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

#### **11. EC REGULATION ON INSOLVENCY PROCEEDINGS**

I consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. I also consider that they are "main" proceedings since the Company's registered office and its trading address are in the United Kingdom.

#### **12. ADMINISTRATORS' PROPOSALS**

In order to achieve the objective set out at section 3 above, Simon Thomas and I formally propose to creditors that:

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:
  - (i) Realise value from the Company's lease and rent deposits, purse tax, business rates and general refunds and investigate the affairs of the Company to identify further refunds;
  - (ii) sell the Company's assets at such time(s) on such terms as we consider appropriate;
  - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or Company which supplies or has supplied goods or services to the Company; and
  - (iv) do all such things and generally exercise all their powers as Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) the Administration of the Company will end by one of the following routes:

- (i) the Administration of the Company will end by filing notice of dissolution with the Registrar of companies. The Company will then automatically be dissolved by the registrar of companies three months after the notice is registered; or
- (ii) if sufficient funds enable a dividend to unsecured creditors, the Administration will end by placing the Company into Creditors' Voluntary Liquidation and propose that Tom Straw and Simon Thomas are appointed Joint Liquidators of the Company and that we be authorised to act either jointly or separately in undertaking our duties as Liquidator. Creditors may nominate a different person(s) as the proposed liquidator(s), but you must make the nomination(s) at any time after you receive these proposals, but before they are approved. Information about the approval of the proposals is set out at section 12.

### **13. APPROVAL OF PROPOSALS**

The financial position of the Company means that it has insufficient assets to enable a dividend to be paid to non-preferential unsecured creditors other than by way of the prescribed part. As a result, I am prohibited by the insolvency legislation from seeking a decision from creditors to consider these proposals.)

However, creditors whose debts amount to at least 10% of the total debts of the Company can require me to convene a decision procedure to consider and approve the proposals. Such a request must be made within 8 business days from the date of the delivery of these proposals. If creditors do not require me to convene a decision procedure within that time period, then these proposals will be deemed to have been approved

### **14. FURTHER INFORMATION**

To comply with the Provision of Services Regulations, some general information about Moorfields, including about our complaints policy and Professional Indemnity Insurance, can be found at <http://www.moorfieldscr.com/terms-and-conditions>.

In accordance with the provisions of the General Data Protection Regulations the lawful basis for processing your personal data is in order to comply with my legal obligations set out in the Insolvency Legislation, the purpose of processing the data is to administer the insolvent estate. Your data will be retained by me for 6 years and 3 months following my vacation of office. Further details regarding how we process your personal data can be found in our Privacy policy located here: <https://www.moorfieldscr.com/privacy-policy>

If creditors or members have any queries regarding the proposals or the conduct of the Administration in general, they should Emma Wilkinson contact on 0207 186 1162.

Yours faithfully  
For and on behalf of  
Hawkin's Bazaar Ltd



**Tom Straw**  
**Joint Administrator**

*Tom Straw and Simon Thomas of Moorfields Advisory Limited, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 23 January 2020. The Administrators now manage the affairs, business and property of the Company. The Administrators act as agents only and without personal liability.*

## Statutory information

## Company Information

Company name: Hawkin's Bazaar Ltd  
 Company number: 10041852  
 Date of incorporation: 03/03/2016  
 Current registered office: Yare House, 62-64 Thorpe Road, Norwich, NR1 1RY  
 Principal trading activity: Retail sale of games and toys in specialised stores

## Appointment Details

Administrators Tom Straw and Simon Thomas  
 Administrators' address Moorfields, 88 Wood Street, London, EC2V 7QF  
 Date of appointment 23 January 2020  
 Court name and reference 0302 of 2020  
 Appointment made by: Directors (David Jonathan Mordecai)  
 Actions of Administrators Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

## Company Directors

Name	Shareholding
Mark Edward Colley (Resigned 23/12/2019)	-
Glyn Loveday	-
David Jonathan Mordecai	-
Terence John Norris (Resigned 4 January 2018)	-

## Share capital

Authorised Allotted, called up and fully paid

2 ordinary shares £1 each

## Charges

Date Charge Created	Date Charge Registered	Details of Charge	Name
17 November 2016	17 November 2016	Fixed & Floating Charges	Merino Industries Ltd
29 November 2016	01 December 2016	Fixed & Floating Charges	National Westminster Bank PLC
06 January 2017	06 January 2017	Fixed & Floating Charges	Rbs Invoice Finance UK Limited
30 April 2019	01 May 2019	Fixed & Floating Charges	Rbs Invoice Finance Limited

# Directors Statement of Affairs

Appendix 2

Hawkin's Bazaar Ltd  
Statement Of Affairs as at 23 January 2020

## A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
<b>Assets subject to fixed charge:</b>		
Goodwill & IP	NIL	50,000.00
Chargeholder- RBS		(8,027,568.00)
Deficiency c/d		<u>(7,977,568.00)</u>
<b>Assets subject to floating charge:</b>		
Fixtures & Fittings	563,408.74	5,000.00
Book Debts	63,191.25	
Various Refunds	7,342.44	
Cash at Bank	597,178.17	597,178.17
<b>Uncharged assets:</b>		
Estimated total assets available for preferential creditors		<u>602,178.17</u>

Signature  Date 25/2/2020

Hawkin's Bazaar Ltd  
Statement Of Affairs as at 23 January 2020

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	602,178.17
<b>Liabilities</b>	
Preferential Creditors:-	
Employee Arrears/Hol Pay	147,576.46
	<u>147,576.46</u>
Estimated deficiency/surplus as regards preferential creditors	454,601.71
Debts secured by floating charges pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	<u>NIL</u>
	454,601.71
Estimated prescribed part of net property where applicable (to carry forward)	<u>93,920.34</u>
Estimated total assets available for floating charge holders	360,681.37
Debts secured by floating charges post 14 September 2003	
Deficiency b/d	7,977,568.00
	<u>7,977,568.00</u>
Estimated deficiency/surplus of assets after floating charges	<u>(7,616,886.63)</u>
Estimated prescribed part of net property where applicable (brought down)	<u>93,920.34</u>
Total assets available to unsecured creditors	93,920.34
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade & Expense Creditors	4,014,072.62
Employees	231,991.05
	<u>4,246,063.67</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)	(4,152,143.33)
Shortfall in respect of F.C's post 14 September 2003 (brought down)	7,616,886.63
Estimated deficiency/surplus as regards creditors	<u>(11,769,029.96)</u>
Issued and called up capital	
Ordinary Shareholders	2.00
	<u>2.00</u>
Estimated total deficiency/surplus as regards members	<u>(11,769,031.96)</u>

Signature



Date

25/2/2020

**Hawkin's Bazaar Ltd**  
**B1 - Company Creditors**

**Note:** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of unsecured debt (£)	Amount of secured debt (£)	Amount of preferential debt (£)	Details of any security held by creditor	Date security given	Value of Security £
Abstract Signs	Unit D, 1 School Lane, Chandlers Ford, Southampton, Hampshire, SO53 4DG	8,347.20			None		
Apex Radio Systems Ltd	102 Tantobie Road, Denton Burn, Newcastle Upon Tyne, NE15 7DQ	201.95			None		
Basildon Council	Revenues Services, The Basildon Centre, St. Martin's Square, Basildon, Essex, SS14 1DL	4,486.00			None		
Basingstoke & Dean BC	Civic Offices, London Road, Basingstoke, Hampshire, RG21 4HA	2,873.00			None		
Bath & North East Somerset Council	Lewis House, Manvers Street, Bath, BA1 1JG	7,132.00			None		
Biffa Waste	Unit 13, Marston Moor Business Park, York, YO26 7QF	957.00			None		
Birketts	Kingfisher House, 1 Gilders Way, Norwich, Norfolk, NR3 1UB	5,215.05			None		
Borough Of Poole	PO Box 722, Civic Centre, Poole, BH15 2YE	1,072.00			None		
Bristol City Council	Local Taxation (100TS), Bristol City Council, PO Box 3176, Bristol, BS3 9FS	3,924.00			None		
British Gas	Payment Area 60, Camberley, Surrey, GU95 1AW	1,076.41			None		
Broadgate Estates	2nd Floor, 2 Kingdom Street, Paddington Central, W2 6BD	14,652.63			None		
Cambridge City Council	Cambridge BID Ltd, Dashwood House, 185 East Road, Cambridge, CB1 1BG	1,604.81			None		

Name of creditor or Claimant	Address (with postcode)	Amount of unsecured debt (£)	Amount of secured debt (£)	Amount of preferential debt (£)	Details of any security held by creditor	Date security given	Value of Security £
Cardiff Council	PO Box 9000, Cardiff, CF10 3WD	5,631.00			None		
Carter Jonas	43 Priestgate, Peterborough, Cambs. PE1 1AR	2,688.00			None		
CBRE Limited	Asset Services, Pacific House, 70 Wellington Street, Glasgow, G2 6UA	26,545.51			None		
CHELMSFORD CITY COUNCIL	CIVIC CENTRE, DUKE STREET, CHELMSFORD, Essex, CM1 1JE	1,831.00			None		
City Of York Council	West Offices, Station Rise, York, , YO1 6GA	3,578.00			None		
Clear Business	Longley House, Longley Lane, Manchester, , M22 4SY	7.10			None		
Commerz Real Investment	Centre Management Suite, Westfield London, Unit 4006 Ariel Way, London, W12 7GF	16,668.58			None		
Cornwall Council	PO Box 676, Truro, TR1 9EQ	1,460.00			None		
Cygnia Maintenance Limited	Units 3&4 Anson Close, Pysons Road, Basingstoke, Kent, CT10 2YB	3,006.00			None		
Dartford Borough Council	Civic Centre, Home Gardens, Dartford, Kent, DA1 1DR	9,657.00			None		
DHL International (UK) Limited	PO Box 4833, Slough, SL3 3JE	5,915.42			None		
DPD	15th Floor, Castlemead, Lower Castle, Bristol, BS1 3AG	114,859.42			None		
Draycott Investments Limited	3 Court Road, 48 Sloane Square, LONDON, , SW1W 8AT	13,600.00			None		
Dundee City Council	Po Box 6787, Dundee, DD1 3YN	2,518.00			None		
EIAT UK	Faraday House, Unit 5, Threxton Road Ind Estate, Walton, Norfolk, IP25 6NG	360.00			None		

Name of creditor or Claimant	Address (with postcode)	Amount of unsecured debt (£)	Amount of secured debt (£)	Amount of preferential debt (£)	Details of any security held by creditor	Date security given	Value of Security £
Imagesound Limited	Venture Way, Dunston Technology Park, Chesterfield, S41 8NE	350.46			None		
Intu (ELD)	40 Broadway, London, SW1 0BU	8,344.82			None		
JLL (Bristol)	PO Box 62442, London, E14 1HA	1,439.19			None		
JLL (Exeter)	PO Box 55791, 40 Bank Street, London, E14 5WQ	5,640.00			None		
Jones Lang LaSalle (Dundee)	Amas Ltd, Po Box 55791, London, E14 5WQ	13,686.00			None		
Land & Property Services	Lanyon Plaza, 7 Lanyon Plaza, Town Parks, Belfast, BT1 3LP	11,177.24			None		
Land Securities (BLU) Rent	100 Victoria Street, London, SW1E 5JL	44,610.00			None		
Land Securities (BLU) Service	100 Victoria Street, London, SW1E 5JL	8,869.42			None		
Land Securities (Leeds)	100 Victoria Street, London, SW1E 5JL	5,365.48			None		
Land Securities (CAR)	1 Victoria Street, London, SW1E 5JL	12,094.86			None		
LB Of Hammersmith & Fulham	PO Box 1453, London, W6 9UU	79,974.43			None		
Lee Baron Ltd	7 Swallow Place, London, W1B 2AG	14,602.64			None		
Milton Keynes Council	Revenues Service, PO Box 5327, Civic Offices, 1 Saxon Gate East, Milton Keynes, MK9 3WB	20,727.00			None		
Montagu Evans	4th Floor Exchange Tower, 19 Canning Street, Edinburgh, EH3 8EG	12,242.68			None		
Munroe K Asset Management Ltd	14 Floral Street, London, WC2E 9DH	18,186.99			None		
N Power	Payment Processing Centre, Po BOX 203, LEEDS, LS14 3WE	8,410.31			None		

Name of creditor or Claimant	Address (with postcode)	Amount of unsecured debt (£)	Amount of secured debt (£)	Amount of preferential debt (£)	Details of any security held by creditor	Date security given	Value of Security £
Encompass Print Solutions Ltd	Encompass House, Manners Industrial Estate, 17 Birkdale Close, Ilkeston, Derbyshire, DE7 8YA	20,068.68			None		
Eon	PO Box 123, Nottingham, NG1 6HD	3,482.19			None		
Exeter City Council	PO Box 143, Civic Centre, Paris Street, Exeter, EX1 1JD	19,354.00			None		
Freshworks Inc	1250 Bayhill Drive, Suite 315, San Bruno, CA 94066	180.00			None		
G4S	Sutton Park House, 15 Carshallon Road, Sutton, Surrey, SM1 4LD	2,861.37			None		
Gateshead Council	Civic Centre, Regent Street, Gateshead, NE8 1HH	32,088.00			None		
Glasgow Council	PO Box 36, Glasgow, G1 1JE	16,040.00			None		
Global Payments	51 De Montfort Street, Leicester, E17BB	257.36			None		
Google Ireland Limited	Gordon House, Barrow Street, Dublin 4, Ireland, NR1 1RY	1,567.74			None		
Great Ormond Street Int Promo	40 Bernard Street, London, WC1N 1LE	230.48			None		
Greenworks Solutions Ltd	Unit 1, War sop Trading Estate, Hever Road, Edenridge, TN8 5LD	100.80			None		
Harlow Council	Civic Centre, The Water Gardens, Harlow, CM20 1WG	2,024.00			None		
Help And Safety At Work Ltd	7 Midland Road, Thrapston, Northants, NN14 4JR	4,731.30			None		
Herefordshire Council	Business Rates Section, Herefordshire Council, Plough Lane, Hereford, HR4 0LE	1,448.00			None		
HMRC	Debt Management, Enforcement & Insolvency Service, Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	399,837.42			None		
Hornby Hobbies Ltd	3rd Floor The Gateway, Innovation Way, Discovery Park, SANDWICH, Kent, CT13 9FF	32,622.59			None		

Name of creditor or Claimant	Address (with postcode)	Amount of unsecured debt (£)	Amount of secured debt (£)	Amount of preferential debt (£)	Details of any security held by creditor	Date security given	Value of Security £
Nabco Direct Limited	Unit 5A, Brick Knoll Park, Ashley Road, St Albans, Herts, AL1 5UG	35.18			None		
Norwich City Council	City Hall, Norwich, NR2 1NH	1,868.00			None		
Odicci	Suite 510, Hyde Park Haynes 3, 11 Millington Road, Hayes, Middlesex, UB3 4AZ	1,104.00			None		
Phs Group	Block B, Western Industrial Estate, Caerphilly, CF83 1XH	38.34			None		
Rade New Media Ltd	The Granary, Hinton Lodge, Hinton, Saxmington, Suffolk, IP17 3RG	230.69			None		
RB Of Kingston	Guildhall 2, Kingston Upon Thames, KT1 1EU	41,261.21			None		
Red Rose Fire Protection Ltd	Unit 2, Atlas Foundry Estate, Brieryfield Road, Preston, PR1 8SR	96.00			None		
Sapphire Signs Limited	Bontoft Avenue, Hull, HU5 4HF	2,022.00			None		
Savills (Aberdeen)	Belvedere, 12 Booth Street, Manchester, M2 4AW	4,153.20			None		
Savills (Harlow)	Belvedere, 12 Booth Street, Manchester, M2 4AW	5,599.60			None		
Savills (Poole)	33 Margaret Street, London, W1G 0JD	5,012.34			None		
Savills (TEL)	12 Booth Street, Manchester, M2 4AW	5,398.02			None		
Savills (Worcester)	Belvedere, 12 Booth Street, Manchester, M2 4AW	5,079.16			None		
Savills(Kingston)	PO Box 4833, Slough, SL3 3JE	439.45			None		
South West Water(Truro)	Sandbrook Park, Sandbrook Way, Rochdale, OL11 1RY	81.14			None		
SPACE RPC London Limited	PO Box 55791, 40 Bank Street, London, E14 5WQ	3,600.00			None		
STAFF Sabrina Dee		119.00			None		
Stevenage Borough Council	Revenues Service, Wallfields, Pegs Lane, Hemford, SG13 8EQ	1,604.00			None		

Name of creditor or Claimant	Address (with postcode)	Amount of unsecured debt (£)	Amount of secured debt (£)	Amount of preferential debt (£)	Details of any security held by creditor	Date security given	Value of Security £
Taunton Deane Borough Council	The Deane House, Belvedere Road, Taunton, TA1 1HE	4,578.00			None		
The SEO Works Ltd	Metis 1, 1 Scotland Street, Sheffield, South Yorkshire, S3 7AT	9,414.00			None		
Tobar Group Trading	C/O Moorfields Advisory, 88 Wood Street, London EC2V 7QF	2,833,404.76			None		
Thoughtmix Online Services	71-75 Shelton Street, London, WC2 9JQ	1,560.00			None		
Uberall GmbH	Oranienburger, Str 66, Berlin, Germany,	537.00			None		
Worcester City Council	Revenues & Benefits, PO Box 11, Pershore, Worcester, WR10 1PU	1,121.00			None		
Workman (BIR)	Minton Place, 4th Floor, Station Road, Swindon, Wiltshire, SN1 1DA	885.26			None		
Workman (SOL)		10,800.00			None		
Workman LLP	Rivergate House, 70 Redcliff Street, Bristol, BS1 6AL	1,690.75			None		
Worthing Borough Council	PO Box 5000, Worthing, West Sussex, BN11 1JN	1,530.00			None		
Zen Internet Limited	Sandbrook Park, Sandbrook Way, Rochdale, OL11 1RY	314.84			None		
Employee Claims		231,991.05			None		
Consumer Claims		8,013.15			None		
RBS	10th Floor, 250 Bishopsgate, London, EC2M 4AA		8,027,568.00				
Merino Industries Ltd	Golden Cross House, 8 Duncannon Street, London, WC2N 4JF		0				
<b>TOTAL</b>		<b>4,246,063.67</b>	<b>8,027,568.00</b>	<b>147,576.46</b>			



Signature

Date

25/2/2020

Hawkin's Bazaar Ltd  
C - Company Shareholders

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value (£)	Details of Shares held
Tobar International Ltd	Yare House, 64 Thorpe Rd, Norwich NR1 1RY	2	2	Ordinary shares with full rights in the company with respect to voting, dividends and distributions
TOTALS		2	2	

Signature Gary Barker

Date 25/2/2020

Appendix 3a

Hawkin's Bazaar Limited - In Administration			
Joint Administrators' Estimated Trading Account			
	Current Position	Future	Total
Notes	£	£	£
<b>RECEIPTS</b>			
Sales (Net)	416,554	-	416,554
	<b>416,554</b>	<b>-</b>	<b>416,554</b>
<b>PAYMENTS</b>			
Bank Charges	(426)		(426)
Trading Agents Fees	(74,451)	(20,000)	(94,451)
Trading Agents Disbursements	(6,356)	(5,000)	(11,356)
Marketing Costs	(14,000)		(14,000)
Employee Expenses	(912)	(1,000)	(1,912)
Haulage	(23,115)		(23,115)
Payroll	(93,308)	(9,033)	(102,341)
Rent		(35,000)	(35,000)
Business Rates		(20,000)	(20,000)
Service Charge		(13,000)	(13,000)
Utilities		(7,500)	(7,500)
Accountancy Costs		(5,000)	(5,000)
Ransom Creditors		(1,000)	(1,000)
Tax provision		(3,400)	(3,400)
	(212,568)	(119,933)	(332,500)
Net Profit			84,053
Consignment Stock Payment			(58,837)
Trading Profit			<b>25,216</b>

*Note: The trading account does not include any proportion of the Administrators fees*

Appendix 3b

Hawkin's Bazaar Limited - In Administration  
Joint Administrators' Receipts and Payments Account

	SoA	Trading £	Fixed Charge £	Floating Charge £	Total £
<b>RECEIPTS</b>					
Sales (Net)		416,554			416,554
Goodwill & IP	50,000		100,000		100,000
Cash at Bank	597,178			91,977	91,977
Fixtures & Fittings	5,000			4,703	4,703
Bank Interest				0	0
	652,178	416,554	100,000	96,680	613,234
<b>PAYMENTS</b>					
Bank Charges		(426)			(426)
Trading Agents Fees		(74,451)			(74,451)
Trading Agents Disbursements		(6,356)			(6,356)
Marketing Costs		(14,000)			(14,000)
Direct Labour		(93,308)			(93,308)
Employee Expenses		(912)			(912)
Haulage		(23,115)			(23,115)
Ransom Creditors				(405)	(405)
		(212,568)	-	(405)	(212,973)
<b>DIVIDENDS</b>					
Charge holder- RBS			(88,000)		(88,000)
		203,986	12,000	96,275	312,261
<b>MADE UP AS FOLLOWS</b>					
VAT Receivable					23,852
VAT Payable					(84,221)
Bank Account *: Fixed					12,000
Bank Account*: Floating					359,569
Funds held by Global Pay					1,061
					312,261

\*Funds are held in interest bearing accounts

**Moorfields**

**Statement of Policy on Charging Remuneration and Disbursements January 2020**

In accordance with best practice we provide below details of policies of Moorfields, in respect of fees and disbursements for work in relation to insolvency estates.

The Partners will engage managers and other staff to work on the insolvent estate and statutory compliance diaries. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the estate's bank accounts. Work carried out by all staff is subject to the overall supervision of the Partners.

All time spent by staff working directly on case related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time.

The current charge out rates per hour of staff within the firm who may be involved in working on the insolvency follows: this in no way implies that staff at all such grades will work on the case.

<b>GRADE</b>	<b>£</b>
Partner	600
Director	550
Senior Manager	530
Manager	500
Assistant Manager	450
Senior Associate	375
Associate	250
Cashier/ Support	195

The rates charged by Moorfields are reviewed periodically in January & July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time in units of 6 minutes.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time cost basis the time invoiced will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors, the report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by the fee request.

Approved remuneration will be drawn at such times that sufficient funds are available.

**OTHER COSTS**

In accordance with Statement of Insolvency Practice No. 9, where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

### Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying (if external provider), statutory advertising and other expenses made on behalf of the assignment.

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

### Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

The following Category 2 disbursements are currently charged by this firm

- Photocopying charge for sending out circulars – 5 pence per sheet.
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.
- A charge of £10 for identification searches per director to comply with Money Laundering Regulations.
- A charge of £100 for FAME investigation searches

It should be noted that disbursements costs might increase from time to time, however, increases would only be in line with inflation or increases from our supplier.

**Joint Administrators' Fee Estimate**

**Work for which the Administrator is seeking to be remunerated on a fixed fee basis:**

Administration:

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.  
Setting up electronic case files.  
Setting up the case on the practice's electronic case management system and entering data.  
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.  
Obtaining a specific penalty bond.  
Preparing, reviewing and issuing proposals to the creditors and members.  
Filing the proposals at Companies House.  
Convening and holding a decision of creditors to consider the proposals.  
Reporting on the outcome of the decision of creditors to the creditors, Companies House and the Court.  
Dealing with all routine correspondence and emails relating to the case.  
Opening, maintaining and managing the office holder's estate bank account.  
Creating, maintaining and managing the office holder's cashbook.  
Undertaking regular reconciliations of the bank account containing estate funds.  
Reviewing the adequacy of the specific penalty bond on a quarterly basis.  
Undertaking periodic reviews of the progress of the case.  
Overseeing and controlling the work done on the case by case administrators.  
Preparing, reviewing and issuing 6 month progress reports to creditors and members.  
Filing progress reports at Companies House.  
Preparing and filing VAT returns.  
Preparing and filing Corporation Tax returns.  
Seeking closure clearance from HMRC and other relevant parties.  
Preparing, reviewing and issuing final reports to creditors and members.  
Filing final reports at Companies House.

Creditors:

Obtaining information from the case records about employee claims.  
Completing documentation for submission to the Redundancy Payments Office.  
Corresponding with employees regarding their claims.  
Liaising with the Redundancy Payments Office regarding employee claims.  
Dealing with creditor correspondence, emails and telephone conversations regarding their claims.  
Maintaining up to date creditor information on the case management system.  
Payment of employee wages

Trading:

Obtaining appropriate information about the business and preparing a business plan and cash flow forecasts.  
Arranging suitable insurance for the business  
Setting up suitable systems and controls in respect of purchases and sales for the business  
Liaising with staff and trade unions  
Setting up a new RTI registration for the business with HMRC and submitting relevant information in respect of wages and salaries paid  
Monitoring and controlling the day to day trading of the business  
Monitoring compliance with Health and Safety obligations in respect of the business

Case Specific Matters:

Liaising with landlords regarding occupation and vacation of the stores.

## Hawkin's Bazaar Limited - In Administration Joint Administrators' Fee Estimate

Classification of Work Function	Partner	Manager	Other Senior Professionals	Associates	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
The hourly charge out rates that will be used on this case are:	600	530	450	250	195			
10 : Case Planning	6.00	-	2.00	4.00	-	12.00	5,500.00	458.33
11 : Administrative Set Up	-	-	12.00	2.00	2.00	16.00	6,290.00	393.13
12 : Appointment Notification	1.00	-	-	5.00	2.00	8.00	2,240.00	280.00
13 : Maintenance of Records	1.00	-	10.00	15.00	-	26.00	8,850.00	340.38
14 : Statutory Reporting	0.50	-	8.00	18.00	-	26.50	8,400.00	316.98
15 : Case Monitoring	1.00	-	20.00	35.00	-	56.00	18,350.00	327.68
17 : General Administration	3.00	-	5.00	12.00	5.00	25.00	8,025.00	321.00
18 : Cashiering	2.00	-	4.00	15.00	-	21.00	6,750.00	321.43
19 : Partner Review	3.00	-	-	-	-	3.00	1,800.00	600.00
54 : Final report	0.80	-	1.00	8.00	-	9.80	2,930.00	298.98
70 : Post appoint VAT and CT returns	0.80	-	3.50	8.00	0.50	12.80	4,152.50	324.41
80 : Case closure	0.50	-	0.50	2.00	-	3.00	1,025.00	341.67
<b>Admin &amp; Planning</b>	<b>19.60</b>	<b>-</b>	<b>66.00</b>	<b>124.00</b>	<b>9.50</b>	<b>219.10</b>	<b>74,312.50</b>	<b>339.17</b>
30 : Freehold / Leasehold Property	1.50	-	8.00	28.00	-	37.50	11,500.00	306.67
33 : Assets on Finance	-	-	0.50	2.00	-	2.50	725.00	290.00
34 : Debtors	1.00	-	1.00	1.00	-	3.00	1,300.00	433.33
35 : Sale of Business	3.00	-	4.00	8.00	-	15.00	5,600.00	373.33
36 : Identifying, Securing, Insuring	-	-	5.00	10.00	-	15.00	4,750.00	316.67
37 : Retention of Title	-	-	1.00	3.00	-	4.00	1,200.00	300.00
38 : Asset related legal matters	1.00	-	4.00	6.00	-	11.00	3,900.00	354.55
39 : Stock	1.00	-	4.00	10.00	-	15.00	4,900.00	326.67
47 : Intangible Assets - Intellectual Property, etc	1.00	-	2.00	3.00	-	6.00	2,250.00	375.00
71 : Other Assets	1.00	-	1.00	2.00	-	4.00	1,550.00	387.50
77 : Managing Agent	1.00	-	2.00	3.00	-	6.00	2,250.00	375.00
<b>Asset Realisation</b>	<b>10.50</b>	<b>-</b>	<b>32.50</b>	<b>76.00</b>	<b>-</b>	<b>119.00</b>	<b>39,925.00</b>	<b>335.50</b>
60 : Case Specific	1.00	-	8.00	15.00	-	24.00	7,950.00	331.25
72 : Legal Matters	1.00	-	4.00	6.00	-	11.00	3,900.00	354.55
<b>Case Specific Matters</b>	<b>2.00</b>	<b>-</b>	<b>12.00</b>	<b>21.00</b>	<b>-</b>	<b>35.00</b>	<b>11,850.00</b>	<b>338.57</b>
50 : Creditor Correspondence	-	-	4.00	28.00	-	32.00	8,800.00	275.00
51 : Unsecured creditor claims	1.00	-	-	20.00	-	21.00	5,600.00	266.67
52 : Secured creditor claims/Reporting	4.00	-	8.00	4.00	-	16.00	7,000.00	437.50
55 : Payment of dividends	0.50	-	-	6.00	10.00	16.50	3,750.00	227.27
56 : Retention of Title	0.50	-	1.00	2.00	-	3.50	1,250.00	357.14
57 : Employee creditor claims	1.00	1.00	4.00	8.00	-	14.00	4,930.00	352.14
63 : Secured creditor reports	1.00	-	5.00	2.00	-	8.00	3,350.00	418.75
64 : Prescribed Part Matters	1.00	-	5.00	10.00	-	16.00	5,350.00	334.38
73 : Preferential creditor claims	1.00	-	5.00	10.00	-	16.00	5,350.00	334.38
75 : S120 Pension Reporting	0.20	-	1.00	-	-	1.20	570.00	475.00
<b>Creditors</b>	<b>10.20</b>	<b>1.00</b>	<b>33.00</b>	<b>90.00</b>	<b>10.00</b>	<b>144.20</b>	<b>45,950.00</b>	<b>318.65</b>
20 : SIP2 Review	0.50	1.00	2.00	8.00	-	11.50	3,730.00	324.35
21 : CDDA Reports	0.50	0.50	0.50	2.50	-	4.00	1,415.00	353.75
22 : Antecedent Transactions	0.50	1.50	2.00	8.00	-	12.00	3,995.00	332.92
65 : Director's Correspondence	2.00	-	4.00	6.00	-	12.00	4,500.00	375.00
<b>Investigations</b>	<b>3.50</b>	<b>3.00</b>	<b>8.50</b>	<b>24.50</b>	<b>-</b>	<b>39.50</b>	<b>13,640.00</b>	<b>345.32</b>
40 : Management of Operations	3.00	5.00	10.00	4.00	-	22.00	9,950.00	452.27
41 : Accounting for Trading	1.00	-	5.00	8.00	-	14.00	4,850.00	346.43
42 : On going employee issues	2.00	-	12.00	35.00	-	49.00	15,350.00	313.27
43 : Planning Trading	3.00	-	15.00	-	-	18.00	8,550.00	475.00
44 : Negotiating with Customers	-	-	-	5.00	-	5.00	1,250.00	250.00
45 : Negotiating with Suppliers	-	-	0.50	4.00	-	4.50	1,225.00	272.22
46 : Retention of Title	1.00	-	0.50	1.00	-	2.50	1,075.00	430.00
49 : Tax on post appointment trading	0.50	-	2.00	3.00	-	5.50	1,950.00	354.55
<b>Trading</b>	<b>10.50</b>	<b>5.00</b>	<b>45.00</b>	<b>60.00</b>	<b>-</b>	<b>120.50</b>	<b>44,200.00</b>	<b>366.80</b>
<b>TOTALS</b>	<b>56.30</b>	<b>9.00</b>	<b>197.00</b>	<b>395.50</b>	<b>19.50</b>	<b>677.30</b>	<b>229,877.50</b>	<b>340.67</b>

**Explanatory Note:** This estimate has been provided to creditors at an early stage in the administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible, it is based on the office holder's current knowledge of the case and their knowledge and experience of acting as office holder in respect of cases of a similar size and apparent complexity. As a result, the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case. If the time costs incurred on the case by the office holder exceed the estimate, or is likely to exceed the estimate, the office holder will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holder cannot draw remuneration in excess of this estimate without first obtaining approval to do so, then where the office holder considers it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.

**Administration:** This represents the work that is involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

**Realisation of Assets:** This is the work that needs to be undertaken to protect and then realise the known assets in the case. If this work is undertaken, the office holder anticipates that the assets will realise the estimated to realise amounts provided to creditors.

**Case specific matters:** This represents tasks undertaken by the Administrator particular to the Company. These include correspondence with landlords in relation to the occupation and vacation of stores and liaising with TGT regarding stock and contracts.

**Creditors:** Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Office (RPO). That work will include dealing with queries received from both the ex-employees and the RPO to facilitate the processing of the claims. The office holder is required to undertake this work as part of his statutory functions.

Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

Dividends - the office holder has to undertake certain statutory formalities in order to enable him to pay a dividend to creditors. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors.

**Investigations:** The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holder will need to incur additional time costs to investigate them in detail and to bring recovery actions where necessary, and further information will be provided to creditors and approval for an increase in fees will be made as necessary. Such recovery actions will be for the benefit of the creditors and the office holder will provide an estimate of that benefit if an increase in fees is necessary. The estimated time required to be spent to do so and the time costs of doing so are included in the estimate. The office holder is unable to quantify the benefit to creditors of these investigations at present but will include such information in their statutory report to creditors once the position is clear.

The office holder is also required by legislation to report to the Department for Business Energy & Industrial Strategy on the conduct of the directors and the work to enable them to comply with this statutory obligation is of no direct benefit to the creditors, although it may identify potential recovery actions.

**Trading:** The office holder has decided to trade the business of the Company in order to maximise the recoveries on behalf of creditors. The particular tasks scheduled in this category of work are required to be undertaken in order to enable the office holder to monitor and control the trading of the business and include statutory functions that are required to be undertaken when running any business.

## Appendix 6

### Joint Administrators' pre appointment time costs

#### Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

HAWK004 - Hawkin's Bazaar Ltd

Pre-appointment

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
10 : Case Planning	7.50	-	-	-	7.50	4,500.00	600.00
11 : Administrative Set Up	-	-	4.90	-	4.90	1,262.50	257.65
12 : Appointment Notification	-	-	0.50	-	0.50	125.00	250.00
15 : Case Monitoring	-	-	4.50	-	4.50	2,025.00	450.00
17 : General Administration	-	-	0.50	-	0.50	125.00	250.00
18 : Cashiering	-	-	0.30	-	0.30	75.00	250.00
2 : Pre Appointment Work	1.20	4.10	32.30	-	37.60	17,117.50	455.25
<b>Admin &amp; Planning</b>	<b>8.70</b>	<b>4.10</b>	<b>43.00</b>	-	<b>55.80</b>	<b>25,230.00</b>	<b>452.15</b>
63 : Secured creditor reports	2.60	-	-	-	2.60	1,560.00	600.00
75 : s120 pension reporting	1.00	-	-	-	1.00	600.00	600.00
<b>Trading</b>	<b>2.60</b>	-	-	-	<b>2.60</b>	<b>1,560.00</b>	<b>600.00</b>
42 : On going employee issues	-	-	6.70	-	6.70	1,675.00	250.00
43 : Planning Trading	6.00	-	-	-	6.00	3,600.00	600.00
<b>Trading</b>	<b>6.00</b>	-	<b>6.70</b>	-	<b>12.70</b>	<b>5,275.00</b>	<b>415.35</b>
<b>Total Hours</b>	<b>18.30</b>	<b>4.10</b>	<b>49.70</b>	-	<b>72.10</b>	<b>32,665.00</b>	<b>453.05</b>

## Appendix 7

### Joint Administrators' post appointment time costs

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary							
HAWK004 - Hawkin's Bazaar Ltd							
23 January 2020 to 24 February 2020							
Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
10 : Case Planning	-	-	0.50	-	0.50	225.00	450.00
11 : Administrative Set Up	-	-	1.20	-	1.20	540.00	450.00
12 : Appointment Notification	1.00	-	9.00	-	10.00	3,495.00	349.50
14 : Statutory Reporting	-	-	11.00	-	11.00	2,950.00	268.18
15 : Case Monitoring	-	-	23.90	-	23.90	6,715.00	280.96
17 : General Administration	-	-	0.60	-	0.60	270.00	450.00
18 : Cashiering	-	-	1.70	-	5.80	1,861.50	320.95
70: Post appoint VAT and CT returns	-	-	1.40	-	1.40	350.00	250.00
<b>Admin &amp; Planning</b>	<b>1.00</b>	<b>-</b>	<b>49.30</b>	<b>-</b>	<b>54.40</b>	<b>16,406.50</b>	<b>301.59</b>
30 : Freehold / Leasehold Property	-	0.60	22.70	-	23.30	7,535.00	323.39
33 : Assets on Finance	-	-	1.30	-	1.30	525.00	403.85
35 : Sale of Business	-	-	7.40	-	7.40	3,070.00	414.86
36 : Identifying, Securing, Insuring	-	-	2.20	-	2.20	770.00	350.00
39 : Stock	-	-	1.00	-	1.00	450.00	450.00
47 : Intangible Assets - Intellectual Property, etc	-	-	2.50	-	2.50	1,125.00	450.00
71 : Other Assets	-	-	1.40	-	1.40	630.00	450.00
77 : Managing Agent	-	0.30	-	-	0.30	150.00	500.00
<b>Asset Realisation</b>	<b>-</b>	<b>0.90</b>	<b>38.50</b>	<b>-</b>	<b>39.40</b>	<b>14,255.00</b>	<b>361.80</b>
50 : Creditor Correspondence	-	-	19.70	-	19.70	5,025.00	255.08
51 : Unsecured creditor claims	-	-	0.50	-	0.50	187.50	375.00
52 : Secured creditor claims/Reporting	-	-	1.90	-	1.90	855.00	450.00
57 : Employee creditor claims	-	0.30	2.80	-	3.10	1,410.00	454.84
<b>Creditors</b>	<b>-</b>	<b>0.30</b>	<b>24.90</b>	<b>-</b>	<b>25.20</b>	<b>7,477.50</b>	<b>296.73</b>
22: Antecedent Transactions	-	0.20	-	-	0.20	106.00	530.00
65: Director's Correspondence	-	-	1.60	-	1.60	400.00	250.00
<b>Creditors</b>	<b>-</b>	<b>0.20</b>	<b>1.60</b>	<b>-</b>	<b>1.80</b>	<b>506.00</b>	<b>281.11</b>
40: Management of Operations	1.00	3.80	6.10	-	10.90	5,245.00	481.19
41 : Accounting for Trading	-	-	14.30	-	14.30	6,435.00	450.00
42 : On going employee issues	-	-	28.30	-	28.30	9,415.00	332.69
43 : Planning Trading	0.50	-	11.70	-	12.20	5,565.00	456.15
45 : Negotiating with Suppliers	-	-	1.60	-	1.60	620.00	387.50
46 : Retention of Title	-	-	0.40	-	0.40	180.00	450.00
<b>Trading</b>	<b>1.50</b>	<b>3.80</b>	<b>62.40</b>	<b>-</b>	<b>67.70</b>	<b>27,460.00</b>	<b>405.61</b>
<b>Total Hours</b>	<b>2.50</b>	<b>5.20</b>	<b>176.70</b>	<b>-</b>	<b>188.50</b>	<b>66,105.00</b>	<b>350.69</b>

## PROOF OF DEBT - GENERAL FORM

<b>Hawkin's Bazaar Ltd</b> <b>10041852</b>	
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 23 January, 2020	
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  <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> Address of person signing (if different from 2 above)  Are you the Sole Member of the body corporate <span style="float: right;">Yes/No</span>
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Administrator	Administrator