

# AM10

## Notice of administrator's progress report



Companies House

THURSDAY



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A26

20/08/2020

#246

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 Wood Street

Street London

Post town EC2V 7QF

County/Region

Postcode

Country

### 4 Administrator's name ①

Full forename(s) Simon

Surname Thomas

① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 88 Wood Street

Street London

Post town EC2V 7QF

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d	2	d	3	m	0	m	1	y	2	y	0	y	2	y	0
To date	d	2	d	2	m	0	m	7	y	2	y	0	y	2	y	0

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

d	d	m	m	y	y	y	y
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AM10

Notice of administrator's progress report



**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Micah Wright**

Company name **Moorfields**

Address **88 Wood Street**

**London**

Post town **EC2V 7QF**

County/Region

Postcode

Country

DX

Telephone

**0207 186 1144**



**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



**Important information**

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



**Where to send**

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

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



**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

**Hawkin's Bazaar Ltd**  
**(In Administration)**  
**Joint Administrators' Trading Account**

Statement of Affairs £	From 23/01/2020 To 22/07/2020 £	From 23/01/2020 To 22/07/2020 £
POST APPOINTMENT SALES		
Sales	416,553.85	416,553.85
	<u>416,553.85</u>	<u>416,553.85</u>
OTHER DIRECT COSTS		
Direct Labour	102,440.96	102,440.96
	<u>(102,440.96)</u>	<u>(102,440.96)</u>
TRADING EXPENDITURE		
Bank Charges	1,245.58	1,245.58
Employee Expenses	911.92	911.92
Haulage	23,115.00	23,115.00
Heat & Light	554.69	554.69
Insurance	19.08	19.08
Marketing Costs	14,000.00	14,000.00
Rates	5,387.61	5,387.61
Rents	5,556.42	5,556.42
Service Charge	621.68	621.68
Trading Agents Disbursements	10,038.44	10,038.44
Trading Agents Fees	74,451.25	74,451.25
	<u>(135,901.67)</u>	<u>(135,901.67)</u>
	<u>178,211.22</u>	<u>178,211.22</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b><u>178,211.22</u></b>	<b><u>178,211.22</u></b>

**Hawkin's Bazaar Ltd**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 23/01/2020 To 22/07/2020 £	From 23/01/2020 To 22/07/2020 £
	<b>SECURED ASSETS</b>	
	Bank Interest	3.84
50,000.00	Goodwill & IP	100,000.00
		<u>100,003.84</u>
	<b>COSTS OF REALISATION</b>	
	Agents Fees	2,500.00
	Legal Fees	9,500.00
		<u>(12,000.00)</u>
	<b>SECURED CREDITORS</b>	
(8,027,568.00)	Chargeholder- RBS	88,000.00
		<u>(88,000.00)</u>
	<b>ASSET REALISATIONS</b>	
	Bank Interest Gross	436.28
597,178.17	Cash at Bank	638,475.87
5,000.00	Fixtures & Fittings	9,702.50
	Sundry Refunds	20,325.72
	Trading Surplus/(Deficit)	178,211.22
		<u>847,151.59</u>
	<b>COST OF REALISATIONS</b>	
	Agents/Valuers Disbursements	617.36
	ERA Solutions	8,810.00
	Insurance of Assets	1,064.57
	Legal fees	10,500.00
	Ransom Creditors	405.00
	Stationery & Postage	450.84
	Statutory Advertising	94.50
		<u>(21,942.27)</u>
	<b>PREFERENTIAL CREDITORS</b>	
(147,576.46)	Employee Arrears/Hol Pay	NIL
		<u>NIL</u>
	<b>FLOATING CHARGE CREDITORS</b>	
	Floating Charge Creditor	190,000.00
		<u>(190,000.00)</u>
	<b>UNSECURED CREDITORS</b>	
(231,991.05)	Employees	NIL
(4,014,072.62)	Trade & Expense Creditors	NIL
		<u>NIL</u>
	<b>DISTRIBUTIONS</b>	
(2.00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<b>(11,769,031.96)</b>		<b>635,213.16</b>
	<b>REPRESENTED BY</b>	
	Bank 1 IB Current	3.84
	Bank 2 IB Current	674,261.87
	Bank 2 IB Current	14,035.54
	Vat Payable	(85,220.96)
	Vat Receivable	32,132.87
		<u>635,213.16</u>

Note:  
IB- Interest Bearing

NIB-Non Interest Bearing



**Hawkin's Bazaar Ltd (In Administration)**

**Joint Administrators' First Progress Report**

**in accordance with**

**Rule 18.6 of the Insolvency (England & Wales) Rules 2016**

**20 August 2020**

**Delivered to Creditors on 20 August 2020**

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- IV Moorfields' Charging and Disbursement Recovery Policy

#### **Disclaimer:**

*This report has been prepared for the sole purpose of updating creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.*



## **Hawkin's Bazaar Ltd – In Administration ("the Company")**

### **1. Background and Statutory Information**

This is the Joint Administrators' first progress report on the conduct of the Administration from 23 January 2020 to 22 July 2020 in accordance with the requirements of Rule 18.6 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

This report should be read in conjunction with the Joint Administrators' Statement of Proposals ("the Proposals") circulated to all known creditors on 16 March 2020. The Proposals were approved as circulated in accordance with Rule 3.38 of the rules.

The Company entered Administration on 23 January, 2020 and Tom Straw and Simon Thomas, both Licensed Insolvency Practitioners of Moorfields Advisory Limited ("Moorfields"), 88 Wood Street, London EC2V 7QF, were appointed to act as Joint Administrators ("the Administrators").

To date no fees have been drawn in respect of the Administration. Further information regarding fees is given in Section 4.

Based on current information, there will be no distribution to the unsecured creditors other than by virtue of the Prescribed Part, details of which are further provided in Section 6.

Statutory information relating to the Company and the Joint Administrators' appointment is attached at Appendix I.

The affairs, business and property of the Company are managed by the Administrators who act as agents of the Company and contract without personal liability.

### **2. Progress of the Administration**

As previously reported, the Joint Administrators sought to achieve objective (b) of Schedule B1 of the Insolvency Act 1986, by trading the Company's business in administration, whilst marketing the Intellectual Property ("IP") of the Company for sale.

The Administrators' receipts and payments account for the period 23 January 2020 to 22 July 2020 is attached at Appendix II. Receipts and payments are shown net of VAT throughout this report and appendices, unless otherwise stated.

The Administrators' would comment specifically as follows:

#### **2.1 Trading Receipts and Payments**

All stock held on the Company's premises was subject to a consignment agreement with Tobar Trading Group Limited ("TGT"). 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.

A trading receipts and payments account is attached at Appendix II. The Administrators would comment specifically as follows:

### Sales

Total sales of £416,554 exclusive of VAT, were generated during the trading period. No further sales are expected.

### Trading Expenditure

The main costs during the trading period relates to staff costs which totalled £102,441. Other costs are as follows:

- Bank charges totalled £1,246.
- Haulage costs totalled £23,115.
- Marketing costs totalled £14,000
- Agent fees paid in respect of the trading period totalled £74,451, however these costs are yet to be finalised.

Please note, the trading costs have not been finalised and a provision is being held.

In addition to the trading costs, pursuant to the revised consignment agreement with TGT, 70% of the net profit will be paid to TGT in respect of the stock sold.

## **2.2 Realisation of Assets**

### Goodwill & IP

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.

### Cash at Bank

Cash at bank totalling £638,475 was realised during the period.

### Fixtures and Fittings ("F&F")

As reported in the Proposals, the Company had fixtures and fittings with a book value of £563,408.74. The F&F was provided with 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 was in situ at the stores and the cost to uplift and store it would have exceeded its realisable value.

During the trading period, the Administrators instructed their agents to sell the F&F through the retail stores whilst they traded. To date, £9,703 has been realised in respect of these fixtures and fittings.

### Sundry Refunds

The Company had prepayments with a book value of £7,342.44, relating to rent, service charge, business rates. Total refunds received during the period amount to £20,326.

### **2.3 Assets Still to be Realised**

The only assets still to be realised are further business rates and other refunds, which the Administrators are continuing to pursue.

### **2.4 Sale of Assets to a Connected Party**

In accordance with Statement of Insolvency Practice ("SIP") 13, England & Wales, the Administrators can advise of the following connected party transactions:

- On 14 February 2020, the Administrators sold the IP to H Grossman Limited for £100,000, which is an associated company with the same ultimate shareholder. 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.

### **2.5 Joint Administrators' Expenses**

The expenses paid by the Joint Administrators in the period of this report are reflected in the receipts and payments account at Appendix II.

The statement excludes any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend upon the position at the end of the tax accounting period.

### **2.6 Professional Advisers**

#### Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrator is obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below

The Administrators have used the professional advisers listed below, during the period:

Name of Adviser	Brief description of services provided	Basis of fee arrangement	Initial Estimate (£)	Costs incurred in the period (£)	Costs paid in the period (£)	Amount unpaid (£)
Retail Realisation	Retail consultants	Fixed fee and % of sales	82,100	94,451	74,451	20,000
		Disbursements		10,038	10,038	
Mayer Brown	Legal advice	Time costs	47,815	22,995	20,000	2,995
Squire Patton Boggs	Legal advice	Time costs	Included in above estimate	1,500	0	1,500
Christie & Co	Sale of IP	Fixed fee	2,500	2,500	2,500	-
ERA Solutions	Employee claims specialist	Fixed fee	20,000	8,810	8,810	-
Paul Kingswood	Sale of F&F	% of realisations	10,000	2,200	0	2,200
		Disbursements		617	617	
First Point Print	Stationery and Postage	Fixed Fee	-	451	451	-
Courts Advertising	Statutory Advertising	Fixed Fee	-	95	95	-
Marsh	Insurance of Assets	Fixed Fee	-	1,065	1,065	-

The only cost that has exceeded the Administrators initial estimate are that of Retail Realisation's, given they exceeded the sales target for the trading period, which their fees were directly related to. This increase in sales has a direct benefit to creditors.

The Administrators legal costs have not exceeded the initial estimate, however the professional advisor has changed from Mayor Brown to Squire Patton Boggs.

The Joint Administrators sub-contracted some of the work they are required to undertake as Joint Administrators, namely dealing with employee related matters and submitting RP14 forms. This work was sub-contracted to an unconnected third-party organisation, ERA Solutions.

The Administrators' choice was based upon their perception of the advisers' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Administrators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

### 3. Pre-administration Costs

The Pre-appointment costs were reported in the Proposals and are summarised below:

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

The pre-appointment costs have been approved by the Secured and Preferential creditors.

#### 4 Joint Administrators' Remuneration

The statutory provisions relating to remuneration are set out in Rule 18.16 of the Rules. 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 SIP 9, and they can be accessed at <http://www.icaew.com/en/technical/insolvency/creditors-guides>. Please refer to the April 2017 version. Please note that we have also provided further details in the practice fee recovery sheet.

In accordance with the Proposals, and pursuant to Rule 18.18 of the Rules, approval for remuneration was sought and agreed by the secured and preferential creditors, on the basis that the Joint Administrators' remuneration be fixed by reference to time properly given by them and their staff in attending to matters arising in the Administration.

When the Administrators seek approval for their fees on a time cost basis, they have to provide a fee estimate. A fee estimate summary was provided in the Proposals which estimated that the total time costs will be £229,877, representing 677 hours at a "blended" rate of £341 per hour.

No fees have been drawn to date.

Attached at Appendix III is a SIP 9 time and cost analysis which provides details of the time properly spent by the Joint Administrators in managing the Administration during this period. Time costs for the period from 23 January 2020 to 22 July 2020 are £182,451. This represents 539 hours at an average hourly rate of £338 per hour.

It is the Administrators' policy to delegate the routine administrative tasks to less senior staff in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff and the Administrators. Any matter of complexity or significance is dealt with by the senior staff on the team and the Administrators.

There is certain work that the Administrators are required by the insolvency legislation to undertake in connection with the administration that provides no financial benefit for the creditors. Attached at Appendix IV is a schedule detailing activities undertaken together with supporting information in accordance with SIP 9. This also contains

additional information in relation to this firm's policy on staffing, disbursements and details of our current charge-out rates by staff grade.

## 5. Joint Administrators' Disbursements

All expenses and disbursements paid by the Administrators are reflected in the receipts and payments account at Appendix II.

In accordance with SIP 9, where expenses are incurred by Moorfields in respect of the insolvent estate they may be recharged. Such expenses can be divided into two categories, details of which are provided at Appendix IV.

### Category 1 Disbursements

In line with SIP 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.

The Joint Administrators' have incurred Category 1 disbursements of £578 during the period which remain unpaid and details of which are below:

<b>Category 1 Disbursements</b>	<b>Incurred during the period (£)</b>	<b>Paid during the period (£)</b>	<b>Amount unpaid (£)</b>
Postage Cost	362	-	362
Bordereau	370	-	370
Conference calls	45	-	45
Software cost	1,407	-	1,407
Transport	107	-	107
Staff Welfare	18	-	18
<b>Total</b>	<b>2,309</b>	<b>-</b>	<b>2,309</b>

### 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. SIP 9 provides that such disbursements are subject to approval as if they were remuneration.

The Category 2 disbursements have been approved by the secured and preferential creditors.

The Joint Administrators' have incurred Category 2 disbursements of £398 during the period which remain unpaid and details of which are below:

<b>Category 2 Disbursements</b>	<b>Incurred during the period (£)</b>	<b>Paid during the period (£)</b>	<b>Amount unpaid (£)</b>
Portal Costs	50	-	50
Printing Costs	228	-	228

Fame	100	-	100
Experian Search	20	-	20
<b>Total</b>	<b>398</b>	<b>-</b>	<b>398</b>

## 6. Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986 the Administrators must state the amount of funds available to unsecured creditors in respect of the Prescribed Part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003.

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs and preferential claims (the 'net property'), to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000
- Plus, 20% of net property in excess of £10,000
- Up to a maximum of £600,000.

The Company's net property is the amount of its property subject to any floating charges created by the Company after allowing for costs and claims of preferential creditors.

The Company 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

The Company granted a floating charge to each of the Secured Creditors after 15 September 2003, and therefore, the Prescribed Part provisions will apply.

Based on present information the Joint Administrators estimate that after allowing for costs the value of the Company's net property will be £61,782. The Prescribed Part is therefore calculated as follows:

	£
50% of £10,000	5,000
20% of balance (enter net property – 10,000)	<u>56,782</u>
	61,782

Please note that the net property and prescribed part calculation can only be estimated at this stage. The value of any prescribed part may be subject to change once creditor claims and the Administrators' costs and expenses have been finalised.

## **7. Estimated Outcome for Creditors**

### **Secured Creditors**

RBS and Merino hold fixed and floating charges over the Company assets. 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

Funds totalling £88,000 were distributed to RBS during the period in respect of their fixed charge and £190,000 in respect their floating charge.

### **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. These were shown in the Statement of Affairs at £147,576.

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.

We have received the redundancy payments service's preferential claim of £139,334.22, and ERA are in the process of calculating employees' residual claims.

### **Unsecured Creditors**

The Directors' Statement of Affairs indicates that there are unsecured creditor claims of £4,246,063.67.

The Joint Administrators have received 75 claims totalling £1,743,291.80 Amount from unsecured creditors.

No defined clarification of creditors' claims has been undertaken. Based on current information, and in accordance with information available at the time of the Joint Administrators' proposals, the Joint Administrators do not anticipate there being sufficient funds to enable a distribution to be paid to the unsecured creditors of the Company, other than by virtue of the Prescribed Part.

## **8. Investigations**

In accordance with the Company Directors Disqualification Act 1986 the Administrators would confirm that they have submitted a report on the conduct of the Directors of the Company to the Department for Business Energy & Industrial Strategy. As this is a confidential report, the contents cannot be disclosed

To complete this report a review of the Company's financial accounts, bank statements and directors' questionnaires was undertaken regarding the period leading up to the



Administration to ascertain whether or not there had been any misconduct by the director in the form of any preference payments, transactions at an undervalue or wrongful trading.

The Administrators' investigations remain ongoing.

If creditors wish to bring any matters, they believe to be relevant to the attention of the Joint Administrators, they are invited to do so in writing to Tom Straw and Simon Thomas at Moorfields, 88 Wood Street, London EC2V 7QF.

#### **9. Exit from Administration**

As outlined in the Proposals, it is the Joint Administrators' intention to exit the Administration by filing notice of dissolution with the Registrar of Companies as there are expected to be insufficient funds to enable a distribution to unsecured creditors other than by virtue of the Prescribed Part. The Company will then automatically be dissolved by the Registrar of Companies, three months after the notice is registered.

The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

#### **10. Creditors' Rights**

Within 21 Days of the delivery of this report, a secured creditor, or an unsecured creditor (with concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrators as set out in the progress report are excessive (Rule 18.34).

#### **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>.

## **Ethics**

Finally, as an Insolvency Practitioner, when carrying out all professional work relating to my appointment as Joint Administrator I would confirm that I am bound by the Insolvency Code of Ethics.

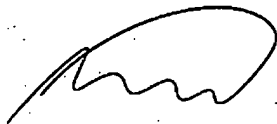
### **General Ethical Considerations**

Prior to the Joint Administrator's appointment, a review of ethical issues was undertaken, and no ethical threats were identified. A further review has been carried out and no threats have been identified in respect of the management of the insolvency appointment over the Review Period.

If you have any queries regarding this report, please contact Emma Wilkinson of this office in the first instance.

I will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

For and on behalf of  
Hawkin's Bazaar Ltd



**T Straw**  
**Joint Administrator**

DDI 0207 186 1162  
Fax 0207 186 1177  
Email ewilkinson@moorfieldscr.com

Tom Straw and Simon Thomas of Moorfields, 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 Joint Administrators act as agents only and without personal liability.

**Hawkin's Bazaar Ltd  
Statutory Information****Company Information**

Company Name: Hawkin's Bazaar Ltd

Company Number: 10041852

Registered Office: Yare House, 62-64 Thorpe Road, Norwich,

Trading Address: Multiple locations

Principal Activity: Retail sale of games and toys in specialised stores

**Appointment details**

Joint Administrators: Tom Straw and Simon Thomas (IP numbers 23850 & 8920)

Joint Administrators' address: Moorfields, 88 Wood Street London EC2V 7QF

Date of appointment: 23 January 2020

Court: High Court of Justice

Court Reference: CR-2020-000302

Appointed by: Directors

Functions: Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Joint Administrators acting jointly or alone.

EU Regulations: The Company's registered office is from where the Company carries on its business. Therefore, in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EU regulation.

Extensions: The Joint Administrators have not sought an extension to the period defined by Paragraph 76(1) of Schedule B1 of the Act that provides for the automatic end of the Administration after 12 months from the date of appointment.

**Hawkin's Bazaar Ltd**  
**(In Administration)**  
**Joint Administrators' Trading Account**

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POST APPOINTMENT SALES		
Sales	416,553.85	416,553.85
	<u>416,553.85</u>	<u>416,553.85</u>
OTHER DIRECT COSTS		
Direct Labour	102,440.96	102,440.96
	<u>(102,440.96)</u>	<u>(102,440.96)</u>
TRADING EXPENDITURE		
Bank Charges	1,245.58	1,245.58
Employee Expenses	911.92	911.92
Haulage	23,115.00	23,115.00
Heat & Light	554.69	554.69
Insurance	19.08	19.08
Marketing Costs	14,000.00	14,000.00
Rates	5,387.61	5,387.61
Rents	5,556.42	5,556.42
Service Charge	621.68	621.68
Trading Agents Disbursements	10,038.44	10,038.44
Trading Agents Fees	74,451.25	74,451.25
	<u>(135,901.67)</u>	<u>(135,901.67)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b><u>178,211.22</u></b>	<b><u>178,211.22</u></b>

**Hawkin's Bazaar Ltd**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 23/01/2020 To 22/07/2020 £	From 23/01/2020 To 22/07/2020 £
	<b>SECURED ASSETS</b>	
	Bank Interest	3.84
50,000.00	Goodwill & IP	100,000.00
		<u>100,003.84</u>
	<b>COSTS OF REALISATION</b>	
	Agents Fees	2,500.00
	Legal Fees	9,500.00
		<u>(12,000.00)</u>
	<b>SECURED CREDITORS</b>	
(8,027,568.00)	Chargeholder- RBS	88,000.00
		<u>(88,000.00)</u>
	<b>ASSET REALISATIONS</b>	
	Bank Interest Gross	436.28
597,178.17	Cash at Bank	638,475.87
5,000.00	Fixtures & Fittings	9,702.50
	Sundry Refunds	20,325.72
	Trading Surplus/(Deficit)	178,211.22
		<u>847,151.59</u>
	<b>COST OF REALISATIONS</b>	
	Agents/Valuers Disbursements	617.36
	ERA Solutions	8,810.00
	Insurance of Assets	1,064.57
	Legal fees	10,500.00
	Ransom Creditors	405.00
	Stationery & Postage	450.84
	Statutory Advertising	94.50
		<u>(21,942.27)</u>
	<b>PREFERENTIAL CREDITORS</b>	
(147,576.46)	Employee Arrears/Hol Pay	NIL
		<u>NIL</u>
	<b>FLOATING CHARGE CREDITORS</b>	
	Floating Charge Creditor	190,000.00
		<u>(190,000.00)</u>
	<b>UNSECURED CREDITORS</b>	
(231,991.05)	Employees	NIL
(4,014,072.62)	Trade & Expense Creditors	NIL
		<u>NIL</u>
	<b>DISTRIBUTIONS</b>	
(2.00)	Ordinary Shareholders	NIL
		<u>NIL</u>
<b>(11,769,031.96)</b>		<b>635,213.16</b>
	<b>REPRESENTED BY</b>	
	Bank 1 IB Current	3.84
	Bank 2 IB Current	674,261.87
	Bank 2 IB Current	14,035.54
	Vat Payable	(85,220.96)
	Vat Receivable	32,132.87
		<u><b>635,213.16</b></u>

**Note:**

**IB- Interest Bearing**

**NIB-Non Interest Bearing**

## Appendix III

## Time Entry - Detailed SIP9 Time &amp; Cost Summary

HAWK004 - Hawkin's Bazaar Ltd  
 From: 23/01/2020 To: 22/07/2020  
 Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
10 : Case Planning	0.00	0.00	0.50	0.00	0.50	225.00	450.00
11 : Administrative Set Up	0.00	0.00	1.20	0.00	1.20	540.00	450.00
12 : Appointment Notification	1.00	0.00	13.50	0.00	14.50	4,820.00	318.82
14 : Statutory Reporting	0.00	0.80	38.80	0.00	39.20	13,950.00	355.87
15 : Case Monitoring	1.80	0.00	98.50	0.00	100.10	32,385.00	323.53
17 : General Administration	0.50	0.00	2.25	0.00	2.75	1,082.50	388.38
18 : Cashiering	0.20	0.00	19.00	15.40	34.60	9,518.00	275.09
19 : Partner Review	0.70	0.00	0.00	0.00	0.70	420.00	600.00
70 : Post appoint VAT and CT returns	0.00	0.00	2.40	0.00	2.40	800.00	333.33
<b>Admin &amp; Planning</b>	<b>4.00</b>	<b>0.80</b>	<b>175.85</b>	<b>15.40</b>	<b>195.85</b>	<b>83,520.50</b>	<b>324.17</b>
71 : Other Assets	0.00	0.00	14.40	0.00	14.40	6,480.00	450.00
47 : Intangible Assets - Intellectual Property, etc	0.30	0.00	3.90	0.00	4.20	1,935.00	460.71
77 : Managing Agent	0.00	0.30	0.00	0.00	0.30	150.00	500.00
30 : Freehold / Leasehold Property	0.00	0.90	81.80	0.00	82.50	23,310.00	282.55
33 : Assets on Finance	0.00	0.00	1.30	0.00	1.30	525.00	403.85
35 : Sale of Business	0.00	0.00	7.40	0.00	7.40	3,070.00	414.86
36 : Identifying, Securing, Insuring	0.00	0.00	2.20	0.00	2.20	770.00	350.00
38 : Asset related legal matters	0.30	0.00	0.40	0.00	0.70	280.00	400.00
39 : Stock	0.00	0.00	1.00	0.00	1.00	450.00	450.00
<b>Asset Realization</b>	<b>0.80</b>	<b>1.20</b>	<b>112.20</b>	<b>0.00</b>	<b>114.00</b>	<b>38,970.00</b>	<b>324.30</b>
60 : Case Specific	0.00	0.00	1.10	0.00	1.10	275.00	250.00
<b>Case Specific Matters</b>	<b>0.00</b>	<b>0.00</b>	<b>1.10</b>	<b>0.00</b>	<b>1.10</b>	<b>275.00</b>	<b>250.00</b>
63 : Secured creditor reports	0.80	0.00	3.70	0.00	4.50	2,130.00	473.33
50 : Creditor Correspondence	0.00	0.00	49.20	0.00	49.20	12,900.00	262.20
51 : Unsecured creditor claims	0.00	0.00	3.10	0.00	3.10	1,137.50	366.94
52 : Secured creditor claims/Reporting	0.00	0.00	5.80	0.00	5.80	2,510.00	450.00
57 : Employee creditor claims	0.00	0.30	8.70	0.00	9.00	4,065.00	451.87
73 : Preferential creditor claims	0.00	0.00	18.10	0.00	18.10	4,425.00	274.84
75 : s120 pension reporting	0.00	0.00	7.30	0.00	7.30	3,285.00	450.00
<b>Creditors</b>	<b>0.80</b>	<b>0.30</b>	<b>93.90</b>	<b>0.00</b>	<b>95.00</b>	<b>30,552.50</b>	<b>321.61</b>
65 : Director's Correspondence	0.00	0.00	2.50	0.00	2.50	745.00	298.00
20 : SIP2 Review	0.00	3.30	7.10	0.00	10.40	4,430.00	425.96
21 : CDDA Reports	0.80	0.00	8.80	0.00	9.40	3,370.00	358.51
22 : Antecedent Transactions	0.00	1.40	0.00	0.00	1.40	748.00	534.29
<b>Investigations</b>	<b>0.80</b>	<b>4.70</b>	<b>18.20</b>	<b>0.00</b>	<b>23.70</b>	<b>9,293.00</b>	<b>392.11</b>
40 : Management of Operations	3.00	3.80	8.10	0.00	14.90	7,345.00	492.95
41 : Accounting for Trading	1.40	0.00	18.50	0.00	19.90	9,165.00	460.55

## Time Entry - Detailed SIP9 Time & Cost Summary

Appendix III

HAWK004 - Hawkin's Bazaar Ltd  
From: 23/01/2020 To: 22/07/2020  
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
42 : On going employee issues	0.00	0.00	49.20	0.00	49.20	15,280.00	310.57
43 : Planning Trading	3.10	0.00	11.70	0.00	14.80	7,125.00	481.42
45 : Negotiating with Suppliers	0.00	0.00	9.50	0.00	9.50	2,595.00	273.16
46 : Retention of Title	0.00	0.00	1.00	0.00	1.00	330.00	330.00
<b>Trading</b>	<b>7.50</b>	<b>3.80</b>	<b>68.00</b>	<b>0.00</b>	<b>109.30</b>	<b>41,840.00</b>	<b>382.80</b>
<b>Total Hours</b>	<b>13.70</b>	<b>10.80</b>	<b>499.35</b>	<b>15.40</b>	<b>639.25</b>	<b>192,451.00</b>	<b>338.47</b>
<b>Total Fees Claimed</b>						<b>0.00</b>	



## **Hawkin's Bazaar Ltd – In Administration**

### **Explanation of office-holders charging and disbursement recovery policies**

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.

This summary outlines the activities undertaken during this matter during the period with details of charge out rates for time costs incurred and the basis of disbursements incurred and recharged.

The activities are summarised as follows:

#### **Administration and planning**

The following activities have been undertaken:

- 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 (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate).
- Preparing, reviewing and issuing proposals to the creditors and members.
- Filing the proposals at Companies House.
- 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.

Staff of different levels were involved in the above activities depending upon the experience required.

### Realisation of assets

Appendix II shows the realisations made for the benefit of the creditors. The time spent includes the following matters:

- Arranging suitable insurance over assets.
- Regularly monitoring the suitability and appropriateness of the insurance cover in place.
- Liaising with the bank regarding the closure of the account.
- Instructing agents to value known assets.
- Liaising with agents to realise known assets.
- Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge.

### Creditors

The time spent includes the following matters:

- Recording and maintaining the list of creditors;
- Dealing with employee related matters;
- Employee communications and liaising with Government agencies to facilitate employee claims for unpaid entitlements;
- Recording creditor claims;
- Dealing with specific creditor calls and correspondence;
- Reporting to creditors;
- Dealing with creditor queries;
- Reviewing and evaluating creditor claims to date.
- Reporting and distributing sums due to the Secured Creditor

### Investigations and Communications

The time spent includes the following matters:

- Corresponding with Company directors for purposes of conduct report;
- Issuing questionnaires and requests for Statement of Affairs;
- Reviewing Company records and questionnaires and preparing the statutory return in accordance with the requirements of the for Department for Business Energy & Industrial Strategy.

### Trading

The time spent includes the following matters:

- Management of operations
- Accounting for trading

- Dealing with employees
- Negotiating with Customers

### **Time recording**

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.

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

For your information, A Creditor's Guide to Administrators' Fees can be obtained at <https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

## **Disbursement Recovery**

### **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 SIP 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. SIP 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 may be charged by this firm

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost.
- 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 search's 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.