

AM10

Notice of administrator's progress report



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

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 20 Old Bailey

Street London

Post town EC4M 7AN

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 20 Old Bailey

Street London

Post town EC4M 7AN

County/Region

Postcode

Country

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

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Period of progress report


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

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 	

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 **Emma Wilkinson**

Company name **Moorfields**

Address **20 Old Bailey**

Post town **London**

County/Region

Postcode **E C 4 M 7 A N**

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 or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



In the High Court of Justice Reference No. CR-2020-000302

Hawkin's Bazaar Ltd
(In Administration)

The Joint **Administrators**' Third Progress Report to 22 July 2021

20 August 2021

Tom Straw
Simon Thomas

Moorfields
20 Old Bailey, London, EC4M 7AN

This report has been prepared for the sole purpose of updating the 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.

Tom Straw and Simon Thomas were appointed Joint Administrators of Hawkin's Bazaar Ltd on 23 January 2020. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

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1. EXECUTIVE SUMMARY

This is the Joint Administrators' third progress report for the period 23 January 2021 to 22 July 2021 ("Review Period").

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

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 and the previous reports dated 20 August 2020 and 17 February 2021. There has been no major deviation from the strategy as proposed.

To date, pre-appointment fees of £15,000 and post-appointment fees of £75,000 have been drawn in respect of the Administration. Further information regarding fees is given in Section 5.

Dividend prospects are as follows:

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend
Secured creditor	£298,000	£10,000
Preferential creditors	£202,333 being 100p/£	None
Unsecured creditors	£0.00	Prescribed part estimated at £20,033

An extension to the period of Administration of 12 months was granted by the relevant secured and preferential creditors and thus the Administration is now scheduled to end on 22 January 2022.

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

2. THE PROGRESS OF THE ADMINISTRATION

2.1 The Joint Administrators' Receipts and Payments Account

Attached at Appendix II is a receipts and payments account for the Review Period together with a summary of the transactions in the previous review periods.

Receipts and payments are shown net of VAT throughout this report and appendices, unless otherwise stated.

For a detailed list of work undertaken by the Joint Administrators in the Review Period, please refer to Appendix V.

2.2 Trading

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.

A trading receipts and payments account is attached at Appendix II. Please note, the trading costs have not been finalised and a provision is being held for corporation tax and payment for the consignment stock.

2.3 Realisation of Assets

No assets were realised during the Review Period, save for minimal bank interest.

2.4 Estimated Future Realisations

No further assets are expected to be realised.

2.5 Sale of Assets to a Connected Party

In accordance SIP 13, England & Wales, the Joint Administrators confirm that they are not aware of any sales to connected parties in the Review Period of the Administration.

Details of connected party transactions in previous periods were reported in earlier reports.

3. CREDITORS: CLAIMS AND DISTRIBUTIONS

3.1 Secured creditors

The Company granted security to, 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 Created	Charge	Date Registered	Charge	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

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

To date, funds totalling £88,000 have been distributed to RBS in respect of its fixed charge and £210,000 in respect its floating charge.

It is not anticipated that the secured creditor will be paid in full.

3.2 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 also a number of employees made redundant by the Company prior to Administration, who were due to be paid at the end of January 2020.

The Joint Administrators have received the redundancy payments service's preferential claim of £149,444.04, and the residual employee claims were calculated and agreed at £52,888.64.

On the 10 June 2021 a dividend of 100 pence in the pound was declared and paid to preferential creditors, being £202,332.68. Tax and national insurance of £13,214.43 was deducted and paid to HMRC.

3.3 Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986 the Joint 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 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 £281,915. The Prescribed Part is therefore calculated as follows:

	£
50% of £10,000	5,000
20% of balance (266,067 – 10,000)	<u>54,383</u>
	59,383
Less: ERA Costs	(14,350)
Less: Administration Costs:	(25,000)
Amount to be distributed	20,003

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 the Joint Administrators' costs and expenses have been finalised.

3.3 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 £1,964,420.63 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.

4. 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 Joint Administrators' investigations have been concluded.

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, 20 Old Bailey, London, EC4M 7AN.

5. THE JOINT ADMINISTRATORS' FEES AND EXPENSES

5.1 Pre-Administration Costs

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

Professional Advisor	Nature of Work	Basis of Fees	Pre-appointment costs	Paid in prior Period	Outstanding
Moorfields	Pre-Administration advice	Time Costs	£32,665.00	£15,000	£17,665
Mayer Brown	Solicitors-Appointment documents, Consignment agreement, Landlord letters	Time Costs	£27,578.00	£20,000 Disbursements £66	£7,512

The pre-appointment costs have been approved by the secured and preferential creditors.

5.2 The Joint Administrators' Fees

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

To date, post-appointment fees of £75,000 have been drawn, which were drawn in the prior reporting period.

A breakdown of the time costs incurred during the Review Period and for the Administration as a whole is provided at Appendix III and further information regarding the charge-out rates of the Administrators and their staff is provided at Appendix IV.

Time costs for the Review Period are £42,464. This represents 145 hours at an average hourly rate of £311 per hour. Time costs for the cumulative period are £224,403, representing 675 hours.

A comparison of the Joint Administrators' time costs and fee estimate is attached at Appendix VI

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>

Should you require a paper copy, please send your request in writing to the Joint Administrators and this will be provided to you at no cost.

5.3 Expenses

An amended SIP 9 was issued on 1 April 2021. The amended SIP 9 has changed some of the terminology and introduced additional disclosure requirements. The information below may therefore not reflect the information previously provided.

The expenses, which include disbursements, that have been incurred and not yet paid during the Review Period are detailed at Appendix VI. Also, at Appendix VI is a comparison of the expenses likely to be incurred in the Administration as a whole with the original expenses estimate, together with reasons where any expenses are likely to exceed that estimate.

The category 1 expenses paid for in the Review Period are detailed on the Receipts and Payments account at Appendix II and represent payments to parties not associated with the firm, who have provided services or goods for the administration of the assignment.

The category 2 expenses paid for in the period are detailed on the Receipts and Payments account at Appendix II. The basis of calculation of this category of expense was disclosed to creditors prior to their approval. Please note that some category 2 expenses that have previously been approved and their estimated costs or basis of their cost provided as part of the expenses estimate may not be discharged from the estate from 1 April 2021.

5.4 Other Professional Expenses

Other professional costs paid for in the Review Period are detailed on the Receipts and Payments account at Appendix II and further detailed at Appendix VI.

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.

6 EXIT FROM ADMINISTRATION

The period of the Administration has been extended to 22 January 2022. The reason for the extension is to provide additional time to finalise the costs of the Administration and facilitate distributions to the preferential creditors, secured creditors and unsecured creditors via the Prescribed Part

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.

7 ETHICS

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

General Ethical Considerations

During the Review Period, no new threats to compliance with the Code of Ethics have been identified

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 Administrators are 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.

8 CREDITORS RIGHTS

8.1 **Creditors' Right** to Request Information

Any secured creditor, or unsecured creditor with the support of at least 5% in value of the unsecured creditors or with permission of the Court, may request in writing to the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

8.2 Creditors' Right to Challenge Fees and/or Expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

9 FURTHER INFORMATION

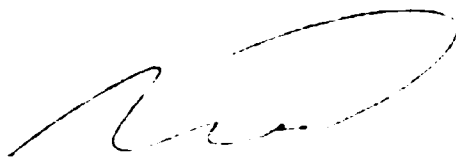
To comply with the Provision of Services Regulations, some general information about Moorfields, including about our complaints policy and Professional Indemnity Insurance, can be found at <http://www.moorfieldscr.com/terms-and-conditions>.

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 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

HAWKIN'S BAZAAR LTD (IN ADMINISTRATION)

STATUTORY INFORMATION

Company Name	Hawkin's Bazaar Ltd
Company Number	10041852
Trading Address	Various addresses
Proceedings	In Administration
Court	High Court of Justice
Court Reference	CR-2020-000302
Date of Appointment	23 January 2020
Joint Administrators	Tom Straw and Simon Thomas Moorfields 20 Old Bailey, London, EC4M 7AN
Registered office address	c/o Moorfields 20 Old Bailey, London, EC4M 7AN
Appointment by	The 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.
Extension	The secured and preferential creditors consented to the extension of the Administration by 12 months to 22 January 2022.
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

DEFINITIONS

The Act	Insolvency Act 1986
The Rules	Insolvency (England & Wales) Rules 2016
The Joint Administrators	Tom Straw and Simon Thomas of Moorfields
The Company	Hawkin's Bazaar Ltd (in Administration)
The Court	High Court of Justice
SIP	Statement of Insolvency Practice

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

Statement of Affairs £	From 23/01/2021 To 22/07/2021 £	From 23/01/2020 To 22/07/2021 £
POST APPOINTMENT SALES		
Sales	NIL	416,553.85
	NIL	416,553.85
OTHER DIRECT COSTS		
Direct Labour	NIL	93,308.23
HMRC (PAYE, NI, Student Loan)	NIL	4,853.41
Attachment of Earnings	NIL	248.57
Pension Contributions	NIL	4,030.75
	NIL	(102,440.96)
TRADING EXPENDITURE		
Rents	1,054.79	18,577.26
Rates	44.75	9,582.85
Heat & Light	130.34	1,599.04
Service Charge	526.55	2,976.93
Insurance	NIL	83.37
Bank Charges	NIL	1,245.58
Trading Agents Fees	10,000.00	94,451.25
Trading Agents Disbursements	NIL	10,038.44
Marketing Costs	NIL	14,000.00
Employee Expenses	NIL	911.92
Haulage	NIL	23,115.00
Water	1.68	1.68
	(11,758.11)	(176,583.32)
TRADING SURPLUS/(DEFICIT)	(11,758.11)	137,529.57

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

Statement of Affairs £		From 23/01/2021 To 22/07/2021 £	From 23/01/2020 To 22/07/2021 £
50,000.00	SECURED ASSETS		
	Goodwill & IP	NIL	100,000.00
	Bank Interest	NIL	3.84
		NIL	100,003.84
	COSTS OF REALISATION		
	Legal Fees	NIL	9,500.00
	Agents Fees	NIL	2,500.00
		NIL	(12,000.00)
(8,027,568.00)	SECURED CREDITORS		
	Chargeholder- RBS	NIL	88,000.00
		NIL	(88,000.00)
	ASSET REALISATIONS		
	Bank Interest Gross	0.36	631.99
597,178.17	Cash at Bank	NIL	638,475.87
	Contribution to Costs	NIL	3,600.00
5,000.00	Fixtures & Fittings	NIL	9,702.50
	Sundry Refunds	NIL	37,191.16
	Trading Surplus/(Deficit)	(11,758.11)	137,529.57
		(11,757.75)	827,131.09
	COST OF REALISATIONS		
	Agents/Valuers Disbursements	NIL	617.36
	Agents/Valuers fees	NIL	7,058.92
	ERA Solutions	4,010.00	12,820.00
	Insurance of Assets	248.64	1,593.21
	Legal fees	NIL	12,000.00
	Office Holders' Cat 1 disbursements	NIL	2,438.68
	Office Holders' Cat 2 disbursements	NIL	398.90
	Office Holders Fees	NIL	75,000.00
	Pre Appointment Legal Fees	NIL	20,066.00
	Pre Appointment Office Holders Fees	NIL	15,000.00
	Ransom Creditors	NIL	405.00
	Stationery & Postage	791.90	1,242.74
	Statutory Advertising	NIL	94.50
		(5,050.54)	(148,735.31)
(147,576.46)	PREFERENTIAL CREDITORS		
	Preferential Dividend	202,332.68	202,332.68
		(202,332.68)	(202,332.68)
	FLOATING CHARGE CREDITORS		
	Floating Charge Creditor	20,000.00	210,000.00
		(20,000.00)	(210,000.00)
	UNSECURED CREDITORS		
(231,991.05)	Employees	NIL	NIL
(4,014,072.62)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(11,769,031.96)		(239,140.97)	266,066.94
	REPRESENTED BY		
	Bank 1 IB Current		3.84
	Bank 2 IB Current		231,586.01

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

APPENDIX II

Statement of Affairs £	From 23/01/2021 To 22/07/2021 £	From 23/01/2020 To 22/07/2021 £
REPRESENTED BY CONTINUED		
Bank 2 IB Current		612.65
Vat Control Account		27,523.61
Vat Receivable		6,340.83
		<hr/>
		266,066.94
		<hr/>

Note:

IB- Interest Bearing

NIB-Non Interest Bearing

Time Entry - SIP9 Time & Cost Summary + Cumulative

APPENDIX III

HAWK004 - Hawkin's Bazaar Ltd
Project Code: POST
From: 23/01/2021 To: 22/07/2021

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Admin & Planning	1.80	7.10	8.00	33.30	50.20	14,921.50	297.24	314.15	99,058.50
Asset Realisation	0.30	0.00	0.60	0.00	0.90	457.50	508.33	132.50	42,107.50
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.10	275.00
Chargeable - expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	2.40	16.10	6.10	60.80	85.40	24,387.50	285.57	201.80	63,415.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.80	12,028.00
Non-chargeable - expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	1.50	1.20	0.40	4.90	8.00	2,697.50	337.19	141.40	49,982.50
Total Hours / Costs	6.00	24.40	15.10	99.00	144.50	42,464.00	293.87	819.75	266,866.50
Total Fees Claimed						90,000.00			
Total Disbursements Claimed						2,837.58			

Moorfields
Statement of Policy on Charging Remuneration and Expenses January 2021

In accordance with best practice we provide below details of Moorfields policies in respect of fees and expenses 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.

GRADE	£
Partner	625
Director	550
Senior Manager	530
Manager	500
Assistant Manager	450
Senior Associate	375
Associate	250
Junior Associate	200
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.

Our rates increased on 1 January 2021. The charge out rates per hour for the period from 1 January 2020 to 31 December 2020 were:

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

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.

EXPENSES

In accordance with SIP 9, expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Category 1 Expenses

Separate charges are made in respect of directly attributable expenses (Category 1 expenses) such as travelling, postage, photocopying (if external provider), statutory advertising and other expenses made on behalf of the assignment. These are payments made to persons providing the service to which the expense relates who are not an associate of the office holder.

Such expenses can be paid from the estate 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 expenses 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 expenses drawn.

Category 2 Expenses

Category 2 expenses do require approval from creditors.

These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

It is our policy, in line with the Statement, to seek approval for Category 2 expenses before they are drawn.

The following Category 2 expenses are currently charged by this firm

- 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.

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

HAWKIN'S BAZAAR LTD (IN ADMINISTRATION)

DETAILS OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS IN THE REVIEW PERIOD

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.

It is the Joint 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 Joint Administrators. Any matter of complexity or significance is dealt with by the senior staff on the team and the Joint Administrators.

General Description	Includes
Statutory and General Administration	
Statutory/advertising	Filing of documents to meet statutory requirements including annual receipts and payments accounts Annual corporation tax returns Quarterly VAT returns Advertising in accordance with statutory requirements Bonding the case for the value of the assets
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Reports	Preparing progress report, investigation and general reports to creditors Disclosure of sales to connected parties
Creditors and Distributions	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Assisting employees to pursue claims via the RPO Corresponding with the PPF and the Pensions Regulator
Dealing with proofs of debt ("POD")	Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication Seeking solicitors' advice on the validity of secured creditors' claims and other complex claims

General Description	Includes
Dividend procedures	<p>Agreeing allocation of realisations and costs between fixed and floating charges</p> <p>Paying distribution to secured creditors and seeking confirmation of discharged claims</p> <p>Preparation of correspondence to creditors advising of intention to declare a preferential distribution</p> <p>Preparation of distribution calculation</p> <p>Preparation of correspondence to creditors announcing declaration of distribution</p> <p>Preparation of cheques/BACS to pay distribution</p> <p>Preparation of correspondence to creditors enclosing payment of distribution</p> <p>Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC</p>

APPENDIX VI

HAWKIN'S BAZAAR LTD (IN ADMINISTRATION)

DETAILS OF THE JOINT ADMINISTRATORS FEES AND EXPENSES

Comparison of estimates

The Joint Administrators' time costs incurred in the Review Period and to date (whether or not they have been charged to the Administration estate) are compared with the original fees estimate as follows:

Work category	Original fees estimate			Time costs incurred during the Review Period			Actual time costs incurred to date		
	Number of hours	Total time costs £	Blended hourly rate £ per hour	Number of hours	Total time costs £	Average hourly rate £ per hour	Number of hours	Total time costs £	Average hourly rate £ per hour
Administration (including statutory reporting)	219	74,313	339	50	14,922	297	314	99,059	315
Realisation of assets	119	39,925	335	1	458	508	133	42,108	318
Creditors (claims and distribution)	144	45,950	319	85	24,388	286	202	63,415	314
Investigations	40	13,640	345	-	-	-	29	12,028	418
Trading	121	44,200	367	8	2,698	337	141	49,983	353
Case Specific	35	11,850	339	-	-	-	1	275	275
Total	677	229,878	241	145	42,464	294	820	266,867	326

APPENDIX VI

Expenses

The expenses incurred in the Review Period are compared with the original expenses estimate as follows:

Expenses	Original expenses estimate £	Expenses incurred in the Review Period £	Expenses paid in the Review Period	Expenses unpaid £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Insurance of Assets	4,000	249	249	-	
Stationery & Postage	-	792	792	-	No cost estimate provided
ERA Solutions	29,500	4,010	4,010	-	

Having regard for the costs that are likely to be incurred in bringing this Administration to a close, the Joint Administrators note that the original fee estimate has been exceeded.

However, given the limited realisations in this case to date, the Joint Administrators do not propose to draw fees in excess of the fees estimate at present. The Joint Administrators will review the position as regards fees when the prospects of realising the remaining assets become clearer.