In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10
Notice of administrator's progress report

Companies House

TUESDAY

A6FSON7U
A17 26/09/2017 #2
COMPANIES HOUSE

1 Company details

Company number	0 0 5 0 1 1 5 4
Company name in full	Kay's(Ramsbottom) Limited

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

2 Administrator's name

Full forename(s)	Russell Stewart
Surname	Cash

3 Administrator's address

Building name/number	7th Floor
Street	Ship Canal House
Post town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	

4 Administrator's name ❶

Full forename(s)	Benny
Surname	Woolrych

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

5 Administrator's address ❷

Building name/number	7th Floor
Street	Ship Canal House
Post town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	

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

AM10
Notice of administrator's progress report

6 Period of progress report

	d	d	m	m	y	y	y	y
From date	2	2	0	3	2	0	1	7
To date	2	1	0	9	2	0	1	7

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature

Signature

X

X

	d	d	m	m	y	y	y	y
Signature date	2	2	0	9	2	0	1	7

FRP Advisory

Kay's(Ramsbottom) Limited (In Administration) ("the Company")

High Court of Justice, Chancery Division, Manchester District Registry

2830 of 2016

The Joint Administrator's Progress Report for the Reporting Period 22 March 2017 to 21 September 2017 pursuant to Rule 18.3 of the Insolvency (England and Wales) Rules 2016

22 September 2017

Contents and Abbreviations

The following abbreviations may be used in this report:

The Company	Kay's(Ramsbottom) Limited (In Administration)
CVL	Creditors' Voluntary Liquidation
Eversheds	Eversheds Sutherland LLP
FRP	FRP Advisory LLP
HMRC	HM Revenue & Customs
The Joint Administrators	Russell Stewart Cash and Ben Woolrych of FRP Advisory LLP
LSH	Lambert Smith Hampton
The Property	Britannia Works, Kenyon Street, Ramsbottom, BL0 0AE
QFCH	Qualifying Floating Charge Holder
The Reporting Period	The period 22 March 2017 to 21 September 2017
SIP	Statement of Insolvency Practice

1. Progress of the Administration

Work Undertaken During the Reporting Period

Attached at **Appendix C** is a schedule of work undertaken during the Reporting Period together with a summary of work still to be completed.

Attached at **Appendix E** is a receipts and payments account detailing both transactions for the Reporting Period of this report and also cumulatively since the Joint Administrators' appointment.

Former Trading Premises

The Company was the owner/occupier of its trading premises in Ramsbottom, Bury.

As previously outlined, the Property comprises of a number of separate titles, held on both freehold and long leasehold bases. Eversheds, acting on the Joint Administrators' instructions have also formalised the titles to a number of unregistered areas of the Property.

LSH were previously engaged by the Joint Administrators to market the property for sale and assist in negotiations.

Environmental Permit

As outlined in the Joint Administrators' previous progress report, an Environment Agency permit was attached to the Company's property which required the completion of a formal surrender process prior to the completion of the sale.

Following the submission of the relevant documents and a successful inspection of the site by the Environment Agency, the permit was formally surrendered with effect from 22 August 2017.

Sale of Property

The Property was marketed for sale throughout the initial trading period and a sale had been agreed, subject to contract.
The Joint Administrators do not intend to disclose details of the proposed sale agreement at this stage in order not to prejudice their position should the Property require remarketing.

Trading Debts

As advised in the Joint Administrators' prior report, a key customer in the trading period had agreed a payment plan for the monies outstanding.

A final settlement for this figure has been received in the trading period, bringing total trading period sales income to £1.661m.

A security deposit of £21.3k was paid to a utility provider at the outset of the Administration, which is repayable to the Company on the completion of the sale of the Property.

Upon receipt, a final trading profit of £635,507 will have been achieved.

Reassigned Book Debts

In the Joint Administrators' previous progress report, it was advised that a payment plan had been agreed in respect of an outstanding balance from a pre-Administration debtor.

Further payments of £30,000 have been received in the Reporting Period, in full and final settlement of the amounts outstanding.

1. Progress of the Administration

Plant & Machinery

An additional £9,650 has been received in the Reporting Period from the final sales of the Company's plant and machinery.

Insurance Claim

A fork lift truck was stolen from the Company's premises following a break in at the Property.

The Joint Administrators liaised with their insurers and secured a payment in the sum of £3,430 in respect of the misappropriated vehicle and the costs incurred in re-securing the site.

Business Rates Refund

As previously outlined to creditors, a non-domestic rates refund of £2,035 was identified by agents acting for the Joint Administrators.

This has since been received in full during the Reporting Period.

Investigations

Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. I have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have regarding the way in which the Company's business has been conducted.

Further details of the conduct of my investigations are set out in the schedule of work attached. I can confirm that no further investigations or actions were required.

Extension to the Initial Period of Appointment

In view of the ongoing position with regards to the sale of the Property, the Joint Administrators secured a six month extension of the Administration with the consent of the Company's creditors.

The revised automatic end date for the Administration is therefore 22 March 2017.

Anticipated Exit Strategy

Following the disposal of the Company's freehold property, it is anticipated that there will be sufficient funds to enable a distribution in full to the Company's unsecured creditors, including statutory interest.

Following this distribution, it is intended that the Company and any residual funds be returned to the control of the directors.

2. Estimated Outcome for the Creditors

The estimated outcome for creditors was set out in the Joint Administrators' proposals.

Outcome for the Secured Creditors

In consideration for an invoice finance facility, the Company provided Barclays Bank Plc with a fixed and floating charge over the Company's assets.

On appointment, Barclays had been repaid in full from debtor receipts and surplus funds were held in their trust account.

There are no further secured creditors in this matter.

Outcome for the Preferential Creditors

The Company's employees were paid all accrued holiday and wages due in the course of the trading period.

There are therefore not believed to be any remaining preferential creditors in this matter.

Outcome for the Unsecured Creditors

To date, unsecured claims of £509,396 have been received.

As previously outlined, it is anticipated that creditors will receive payment in full, plus statutory interest, following the disposal of the Company's former trading premises.

Whilst this distribution would typically be undertaken by a subsequently appointed Liquidator, the Joint Administrators applied to Court for authority to make this distribution to unsecured creditors from the Administration.

The intention of this application was to reduce administrative costs and to allow the Company to later be returned to the control of its directors.

The order requested was granted by the High Court of Justice on 4 September 2017; the timing of the distribution to creditors will be determined by the successful sale of the Company's property.

Prescribed Part

The Prescribed Part is a carve out of funds available to the holder of a floating charge, which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986.

The Prescribed Part applies only where a company is subject to a floating charge created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

A reservation of funds under the Prescribed Part would not apply in this instance, as the floating charge held by Barclays was created in February 1994. In addition, it is anticipated that creditors will receive payment in full.

3. Joint Administrators' Remuneration, Disbursements, Expenses and Pre-Appointment Costs

Joint Administrators' Remuneration

Following the circulation of the Joint Administrators' proposals, the Company's unsecured creditors passed a resolution that the Joint Administrators' remuneration should be charged on the following bases:

- A fixed fee of £50,000 in respect of the work required by statute;
- A percentage of asset realisations, calculated at the following rates:
  - 30% of any trading profit generated;
  - 10% of pre-appointment book debts collected; and
  - 2.5% for the Property and chattel assets.

Based on recoveries to date, the Joint Administrators' costs have been incurred and billed as follows:

Fee Basis	Fee Cut %	Realised £	Limit £	Drawn £
Fixed Fee			50,000.00	50,000.00
% of Realisations				
Chattel	2.5%	133,145.70	3,238.64	3,287.39
Trading Surplus	30.0%	614,207.48	184,262.24	125,000.00
Book Debts	10.0%	503,005.27	50,300.53	50,300.53
TOTAL		**1,248,858.45**	**287,853.91**	**228,587.92**

Joint Administrators' Disbursements

The Joint Administrators' disbursements are a recharge of actual costs incurred by the Joint Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the Reporting Period of this report are set out in **Appendix D**.

Joint Administrators' Expenses

An estimate of the Joint Administrators' expenses was set out in the Joint Administrators' proposals. I attach at **Appendix F** a statement of expenses that have been incurred during the Reporting Period covered by this report. It is currently expected that the expenses incurred or anticipated to be incurred are not likely to exceed the details previously provided

Creditors have a right to request further information from the Joint Administrators and further have a right to challenge the Joint Administrators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules. For ease of reference these are the expenses incurred in the reporting period as set out in **Appendix F** only.

Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link http://creditors.frpadvisory.com/feesguide.htm and select the "Administrations" option. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Joint Administrators' Pre-Appointment Costs

Following the circulation of the Proposals, the Joint Administrators sought approval for the payment of certain pre-appointment costs and disbursements.

These consisted of £5,832 in fees and disbursements due to Eversheds Sutherland LLP. Approval for the payment of these costs was granted on 30 November 2016, however these have yet to be discharged.

Appendix A

Statutory Information

KAY'S(RAMSBOTTOM) LIMITED (IN ADMINISTRATION)

COMPANY INFORMATION:

Other trading names:	Kay's Soap
Company number:	00501154
Registered office:	7th Floor, Ship Canal House, 98 King Street, Manchester, M2 4WU
Previous registered office:	Britannia Works, Ramsbottom, Lancashire, BL0 0AE
Business address:	Britannia Works, Ramsbottom, Lancashire, BL0 0AE

ADMINISTRATION DETAILS:

Administrator(s):	Russell Stewart Cash & Ben Woolrych
Address of Administrator(s):	FRP Advisory LLP 7th Floor, Ship Canal House, 98 King Street, Manchester, M2 4WU
Date of appointment of Administrator(s):	22 September 2016
Court in which administration proceedings were brought:	High Court of Justice, Chancery Division, Manchester District Registry
Court reference number:	2830 of 2016
Appointor details:	The Directors of the Company, Britannia Works, Ramsbottom, Lancashire, BL0 0AE
Previous office holders, if any:	None
Extensions to the initial period of appointment:	6 months to 22 March 2017
Date of approval of Joint Administrators' proposals:	31 October 2017

Appendix B

CH Form AM10 Formal Notice of the Progress Report

Kay's(Ramsbottom) Limited – In Administration

Schedule of Work

The table below sets out a detailed summary of the work undertaken by the office holders to date together with an outline of work still to complete.

Note	Category			Fee Basis Agreed
1	**ADMINISTRATION AND PLANNING** **Work undertaken to date**		**ADMINISTRATION AND PLANNING** **Future work to be undertaken**	**Fixed Fee**
	General Matters		**General Matters**	
	Regularly review the conduct of the case and case strategy, updating as required to ensure that all statutory matter are attended to and to ensure that the case is progressing. Cancelling insurance cover over assets as they are realised to mitigate insurance costs.			
	Regulatory Requirements		**Regulatory Requirements**	
	Completion of money laundering risk assessment procedures and Know Your Client checks in accordance with the Money Laundering Regulations Completion of take on procedures which include consideration of professional and ethical matters and other legislation such as the Bribery Act & Data Protection Act Consider if there are any case specific matters to be aware of including health & safety, and environmental concerns.			

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Kay's(Ramsbottom) Limited – In Administration

Schedule of Work

	Case Management Requirements		**Case Management Requirements**	
	Determine an appropriate case strategy and document this. Obtain legal advice on the validity of appointment to ensure all required documentation. Set up and administer insolvent estate bank accounts throughout the duration of the case. Assist the directors where required in the preparation of the statement of affairs. Compile a forecast of the work that has been or is anticipated to be undertaken thorough out the duration of the case, circulate this to creditors together with other such documentation as required to enable the relevant approving creditors		Regular review of the case file to ensure all matters are attended to in a timely manner Continue to liaise with the Company's insurers to update on the progress of the Administration and mitigate insurance costs to the estate.	
2	**ASSET REALISATION** **Work undertaken to date**		**ASSET REALISATION** **Future work to be undertaken**	**Percentage of realisations**
	Debtors Monitor and assist with the collection of the Company's debtor ledger. Plant & Machinery Oversee the disposal of the Company's plant, machinery and motor vehicles and monitor payment accordingly. Property		Property Liaise with the proposed purchaser with regards to their requirements Examine and, if appropriate, challenge the rateable value of the Company's property.	

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	Liaise with the Environment Agency in respect of the prerequisite conditions for the surrender of the permit. Ensure compliance with health and safety regulations, in addition to any conditions attached to the Environment Agency permit. Other Arrange for the transfer of the business rates refund due to the Company. Collect any monies due in respect of the rent arising from the phone masts at the Property.			
3	**CREDITORS** **Work undertaken to date**		**CREDITORS** **Future work to be undertaken**	**Fixed Fee**
	Liaise with the Company's secured chargeholder to arrange for the reassignment of the Company's residual book debts and transfer surplus fund to the Administration estate, Responses to ad hoc creditor queries as required		Distribution Advertise and serve notice on non-proving creditors of a final date for proving debts. Review and formally adjudicate creditor claims within statutory timescales. Raise necessary queries with creditors in respect of their claims where required. Responses to ad hoc creditor queries as required.	
4	**INVESTIGATIONS** **Work undertaken to date**		**INVESTIGATIONS** **Future work to be undertaken**	**Fixed Fee**

	Request all directors of the Company within the previous three years complete a questionnaire in respect of their conduct. Obtain and review the Company's books, records and bank statements. Prepare and submit a report on the conduct of the Company's directors to the Department of Business, Energy and Industrial Strategy.			
5	**STATUTORY COMPLIANCE AND REPORTING** **Work undertaken to date**		**STATUTORY COMPLIANCE AND REPORTING** **Future work to be undertaken**	**Fixed Fee**
	Advertise notice of the Joint Administrators' appointment as required by statute. Serve formal notice on the Company, creditors and other stakeholders of the Joint Administrators' appointment. Prepare and issue the Joint Administrators' Proposals within the statutory timeframes. Circulate notice for and convene a meeting of creditors for the approval of the Joint Administrators' proposals. Calculate and protect the value of assets that are not subject to a charge by obtaining a bond to the correct level. Establish the existence of any pension schemes and staging dates for auto-enrolment and take appropriate		Prepare and issue further reports to the Company's creditors as required by statute. Deal with all statutory requirements to being the case to a close; to include preparing final reports for stakeholders, statutory advertising and filing the relevant documentation with Court and the Registrar of Companies.	

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	action to notify all relevant parties and appoint independent trustees if required. Obtain consent of the Company's creditors for the extension of the Administration period. Deregister the Company for VAT and ensure all future VAT is accounted for with HMRC.			
6	**TRADING** **Work undertaken to date**		**TRADING** **Future work to be undertaken**	**Fixed Fee**
	Negotiate bespoke funding, pricing and payment terms with the Company's customers in order to guarantee ongoing supply. Oversee the trading period to 23 December 2017. Arrange supplier payments within credit terms. Preparing cashflow statements/profit and loss accounts to monitor the trading position. Prepare and submit all relevant VAT returns to HM Revenue and Customs throughout the process. Ensure all applicable PAYE and NI liabilities which have accrued in the trading period are discharged. Liaise with customers and suppliers as appropriate. Ensure the Company's online presence is appropriately controlled.			

	Liaise with the Company's former accountants to finalise the corporation tax position and arrange for the payment of any liability arising.			
7	**LEGAL AND LITIGATION** **Work undertaken to date**		**LEGAL AND LITIGATION** **Future work to be undertaken**	**Fixed Fee**
	Liaise with solicitors in respect of outstanding debts and appropriate courses of action for recovery.		Liaise with solicitors in respect of the sale and purchase agreement for the Property	

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Appendix D

Receipts and Payments Account for the Reporting Period and Cumulatively

Kay's(Ramsbottom) Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £		From 22/03/2017 To 21/09/2017 £	From 22/09/2016 To 21/09/2017 £
	POST APPOINTMENT SALES		
	Sales	175,609.39	1,661,019.87
	Contribution for Costs	(100,000.00)	NIL
		75,609.39	1,661,019.87
	PURCHASES		
	RoT Conversion Purchases	NIL	20.00
	Purchases	NIL	634,195.23
	Credits and Refunds	28,370.00	34,189.86
	Purchases	NIL	3,359.90
		(28,370.00)	(671,764.99)
	OTHER DIRECT COSTS		
	Sub Contractors	NIL	11,550.00
	Employee Wages	NIL	122,721.86
	Direct Expenses	NIL	4,072.80
		NIL	(138,344.66)
	TRADING EXPENDITURE		
	Consultancy Fees	NIL	25,200.00
	Rates	NIL	4,210.54
	Heat & Light	6,158.87	76,973.11
	Security Deposit - Electricity	NIL	21,300.00
	Telephone	2,409.08	3,722.15
	Carriage	NIL	25,961.67
	Insurance	NIL	11,584.89
	Professional Fees	NIL	9,272.50
	Hire of Equipment	NIL	4,954.72
	Repairs & Maintenance	NIL	11,931.08
	Sundry Expenses	NIL	6,321.44
	Trading Period PAYE/NIC	NIL	35,270.64
		(8,567.95)	(236,702.74)
	TRADING SURPLUS/(DEFICIT)	**38,671.44**	**614,207.48**

Kay's(Ramsbottom) Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 22/03/2017 To 21/09/2017 £	From 22/09/2016 To 21/09/2017 £
	COSTS OF REALISATION		
	Rent Payable	932.25	NIL
		932.25	NIL
	HIRE PURCHASE		
481,434.00	Assigned Book Debts	NIL	NIL
(7,178.00)	Barclays Bank Plc	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
800,000.00	Freehold Land & Property	NIL	NIL
100,000.00	Plant & Machinery	9,650.00	101,725.00
	Motor Vehicles	NIL	15,900.00
200,000.00	Stock	NIL	15,520.70
	Assigned Book Debt Surplus	NIL	227,242.62
	Reassigned Book Debts	30,000.00	275,762.65
	Business Rates Refund	2,035.46	2,035.46
75,760.00	Cash at Bank	NIL	NIL
	Petty Cash on Appointment	NIL	401.50
	Phone Mast Rental	NIL	11,227.19
	Bank Interest Gross	524.73	664.17
	Intellectual Property	5,500.00	5,500.00
	Trading Surplus/(Deficit)	38,671.44	614,207.48
	Miscellaneous Refunds	NIL	19.16
	Insurance Claim Proceeds	3,430.00	3,430.00
		89,811.63	1,273,635.93
	COST OF REALISATIONS		
	Joint Administrators' Remuneration	58,587.92	228,587.92
	Joint Administrators' Disbursements	208.50	1,468.35
	Property Holding Costs - Security	10,137.50	12,424.45
	Property Holding Costs - Utilities	29,961.36	42,943.81
	Agents/Valuers Fees (1)	38,284.60	53,284.60
	Legal Fees (1)	20,000.00	20,000.00
	Legal Disbursements	655.02	655.02
	Corporation Tax	7.40	7.40
	Tax Advice Fees	7,500.00	7,500.00
	Carriage	NIL	110.00
	Statutory Advertising	NIL	169.20
	Other Property Expenses	43,827.52	53,366.12
	Insurance of Assets	5,486.64	15,563.94
	Wages & Salaries	61,646.47	100,883.62
	Bank Charges - Floating	30.00	1,119.90
	Employee Redundancy	NIL	180,319.14
		(276,332.93)	(718,403.47)
	PREFERENTIAL CREDITORS		
(3,456.00)	Preferential Creditors	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(559,598.00)	Unsecured Creditors	NIL	NIL

Kay's(Ramsbottom) Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 22/03/2017 To 21/09/2017 £	From 22/09/2016 To 21/09/2017 £
		NIL	NIL
	DISTRIBUTIONS		
(26,825.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
1,060,137.00		**(185,589.05)**	**555,232.46**
	REPRESENTED BY		
	Vat Recoverable - Floating		5,369.33
	IB Current Floating		576,665.53
	Trade Creditors		(25,402.40)
	Vat Payable - Floating		(1,100.00)
	Vat Control Account		(300.00)
			555,232.46

Appendix E

Statement of Expenses Incurred in the Reporting Period

Kay's(Ramsbottom) Limited - In Administration
Statement of expenses for the period ended
21/09/2017

Expenses	Period to 21 September 2017 £
Office Holders' Remuneration (Fixed Fee)	-
Office Holders' remuneration (Percentage)	14,843
Office Holders' disbursements	191
Legal Fees	TBC
Agents' Fees	38,285
Property Holding Costs - Security	10,138
Property Holding Costs - Utilities	29,961
Other Property Expenses	44,144
Wages & Salaries	61,646
Bank Charges	30
Total	**199,237**

Appendix C

A Schedule of Work

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	Thomas Coates
Company name	FRP Advisory LLP
Address	7th Floor
	Ship Canal House
Post town	98 King Street
County/Region	Manchester
Postcode	M 2 4 W U
Country	
DX	
Telephone	0161 833 3344

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