



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number	0	5	6	2	1	4	8	8
Company name in full	JD Realisations 2018 Limited							

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s)	Craig James
Surname	Povey

### 3 Administrator's address

Building name/number	8th Floor
Street	One Temple Row
Post town	Birmingham
County/Region	
Postcode	B 2 5 L G
Country	

### 4 Administrator's name ①

Full forename(s)	Richard
Surname	Toone

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number	31st Floor
Street	40 Bank Street
Post town	London
County/Region	
Postcode	E 1 4 5 N R
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	0	d	8	m	0	m	7	y	2	y	0	y	2	y	1
To date	d	2	d	3	m	1	m	2	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	2	d	3	m	1	m	2	y	2	y	0	y	2	y	1
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**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 **Robert May**

Company name **Begbies Traynor (Central) LLP**

Address **5 Prospect House, Meridians Cross  
Ocean Way**

Post town **Southampton**

County/Region

Postcode **S O 1 4 3 T J**

Country

DX

Telephone **023 8021 9820**

**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)**

**JD Realisations 2018 Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 08/07/2021 To 23/12/2021 £	From 08/01/2018 To 23/12/2021 £
	<b>SECURED ASSETS</b>		
50,000.00	Goodwill	6,250.00	43,562.50
314,000.00	Book Debts	NIL	NIL
		6,250.00	43,562.50
	<b>COSTS OF REALISATION</b>		
	Office Holders Fees	125.00	871.25
		(125.00)	(871.25)
	<b>SECURED CREDITORS</b>		
(228,000.00)	RBS Invoice Finance Limited	NIL	NIL
(550,000.00)	Royal Bank of Scotland plc	6,125.00	42,691.25
		(6,125.00)	(42,691.25)
	<b>ASSET REALISATIONS</b>		
	Bank Interest Gross	6.80	244.73
	Book Debts	NIL	136,760.16
	Business Rates Refund	NIL	4,611.77
	Business Rates Refund	NIL	9,386.01
NIL	Capitalised R&D	NIL	NIL
	Cash at Bank	NIL	9,132.28
5,000.00	Kiosks	625.00	4,356.25
125,000.00	Plant & Machinery	15,625.00	107,906.25
20,000.00	Stock	2,500.00	17,425.00
	Suspense Account	NIL	194.47
		18,756.80	290,016.92
	<b>COST OF REALISATIONS</b>		
	Accountants' Fees	NIL	3,500.00
	Agents/Valuers Fees (1)	NIL	9,330.16
	Corporation Tax	2.85	4,576.78
	Debt Collection Fees	NIL	13,676.02
	Factoring Fees	NIL	11,348.92
	Insurance of Assets	7,840.00	12,096.00
	Legal Fees (1)	NIL	7,555.00
	Legal fees (2)	18,000.00	25,395.00
	Office Holders Fees	NIL	60,000.00
	Online Filing and Meeting Fees	NIL	119.00
	Pre-Administration Fee	NIL	14,750.50
	Specific Bond	NIL	200.00
	Stationery & Postage	NIL	77.60
	Statutory Advertising	NIL	78.45
		(25,842.85)	(162,703.43)
	<b>PREFERENTIAL CREDITORS</b>		
(12,123.00)	Employee Arrears/Hol Pay	6,289.29	6,289.29
		(6,289.29)	(6,289.29)
	<b>FLOATING CHARGE CREDITORS</b>		
	Floating Charge Creditor	93,819.36	93,819.36
		(93,819.36)	(93,819.36)
	<b>UNSECURED CREDITORS</b>		
	DE	102.49	102.49
(12,312.00)	Employees	NIL	NIL
(30,000.00)	HM Revenue & Customs - PAYE/CT	NIL	NIL
	HM Revenue & Customs - PAYE/NIC	9,497.49	9,497.49
(470,000.00)	HM Revenue & Customs - VAT	NIL	NIL
(333,500.00)	Holding Company guaranteed creditor	NIL	NIL

**JD Realisations 2018 Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

<b>Statement of Affairs £</b>		<b>From 08/07/2021 To 23/12/2021 £</b>	<b>From 08/01/2018 To 23/12/2021 £</b>
(905,000.00)	Landlords	NIL	NIL
(776,429.06)	Trade & Expense Creditors	17,604.86	17,604.86
		(27,204.84)	(27,204.84)
	DISTRIBUTIONS		
(500.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(2,803,864.06)</b>		<b>(134,399.54)</b>	<b>(0.00)</b>
	REPRESENTED BY		
			<b>NIL</b>

Craig Povey and Richard Toone were appointed joint administrators on 8 January 2018

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

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## JD Realisations 2018 Limited (In Administration)

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### Final Progress Report of the joint administrators

Period: 8 July 2021 to 24 December 2021

## Important Notice

This final progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. 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 this report to them, or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	JD Realisations 2018 Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 8 January 2018
"the administrators", "we", "our", "us"	Craig Povey of Begbies Traynor (Central) LLP, 5 Prospect House, Meridians Cross, Ocean Way, Southampton, SO14 3TJ and Richard Toone of Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London, E14 5NR
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act.

# 2. STATUTORY INFORMATION

Name of Company	JD Realisations 2018 Limited
Trading name(s):	Joe Deluccis Limited
Date of Incorporation:	14 November 2005
Company registered number:	05621488
Company registered office:	Gelato Manor, Banbury Road, Lighthorne, Warwick, Warwickshire, CV35 0AJ

# 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators:	Craig Povey, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 5 Prospect House, Meridians Cross, Ocean Way, Southampton, SO14 3TJ and Richard Toone, a Licensed Insolvency Practitioner of Begbies Traynor (London) LLP, 31st Floor, 40 Bank Street, London, E14 5NR
Date of appointment:	8 January 2018
Date of resignation:	n/a
Court:	Birmingham District Registry
Court Case Number:	8371 of 2017
Person(s) making appointment / application:	Director - Richard Pierce
Acts of the administrators:	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EU Regulation on Insolvency Proceedings:	Regulation (EU) No 2015/848 of the European Parliament and of the Council applies to these proceedings which are main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration period was extended by order of the court for a period of 12 months until 7 January 2021 and for a further period of 12 months by order of the court until 7 January 2022.

## 4. PROGRESS DURING THE PERIOD

### Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 8 July 2021 to 24 December 2021.

A summary of the asset realisations to date is detailed below:

Asset	Estimated to realise per Proposals	Realisations to date	Anticipated future realisations	Total anticipated realisations
<u>Sale of Business and Assets:</u>				
Goodwill (Fixed Charge)	50,000.00	43,562.50	NIL	43,562.50
Plant & Machinery	125,000.00	107,906.25	NIL	107,906.25
Stock	20,000.00	17,425.00	NIL	17,425.00
Kiosks	5,000.00	4,356.25	NIL	4,356.25

<u>TOTAL RE SALE OF BUSINESS</u>	200,000.00	173,150.00	NIL	173,150.00
<u>Other Assets:</u>				
Book Debts	86,000.00*	136,760.16	NIL	136,760.16
Cash at Bank	n/a	9,132.28	NIL	9,132.28
Rates Refunds	n/a	13,997.78	NIL	13,997.78
Suspense Account	n/a	194.47	NIL	194.47
Bank Interest Gross	n/a	244.73	NIL	244.73
<u>TOTAL RE OTHER ASSETS</u>	86,000.00	160,329.42	NIL	160,329.42
<u>TOTAL ASSET REALISATIONS</u>	<u>286,000.00</u>	<u>333,479.42</u>	<u>NIL</u>	<u>333,479.42</u>

#### Sale of the Business & Assets

Creditors may recall from the Joint Administrators' proposals that a sale of the company's business and assets was completed to Joe Deluccis Limited ('JDL') (formerly AMB1 Limited) on January 10 2018.

The sale consideration was agreed at £200,000. The sum of £50,000 was payable on completion followed by 12 monthly payments of £12,500. I can confirm that consideration of £173,150.00 has been recovered.

The purchaser claimed that part of the business was no longer existent when the purchase was completed and disputed that the full sale proceeds were payable. The administrators requested evidence to support this in the form of a revised valuation and various accounting information was provided showing a decrease in the company's turnover. The purchaser made a revised offer which, after considering the additional costs that would be incurred by extending the administration for a further year and of potential enforcement procedures that would be necessary to enforce the full purchase price. In addition, the increase in the likely distribution to unsecured creditors from the prescribed part would amount to an additional £5,370.00 or 0.2pence in the £. Under the circumstances the Administrators agreed to the revised offer and the final payment was received on 1 December 2021.

#### Book Debts

As previously reported, total book debt recoveries of £136,760.16 have been secured into the estate after the settlement of liabilities to RBSIF. Post appointment factoring charges of £11,348.92 plus VAT were incurred to RBSIF.

#### Cash at Bank

A balance of £9,132.28 was received into the estate in respect of a credit balance held in one of the Company's bank accounts.

#### Business Rates Refunds

Business rates refunds of £13,997.78 have been received in respect of trading premises that were vacated upon the Administrators' appointment.

#### Bank Interest Gross

Bank interest in the sum of £244.73 has been received to date, of which £6.80 has been received during the review period.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we

have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 3. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment.

The details below relate to the work undertaken in the period of the report only. Our previous reports contain details of the work undertaken since our appointment.

#### General case administration and planning

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.

During the Review Period, primarily these tasks have included:

- Consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration and any decisions made by the Joint Administrators that materially affect the administration;
- Monitoring and maintaining an adequate statutory bond;
- Conducting periodic case reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and

#### Compliance with the Insolvency Act, Rules and best practice

Matters that fall under this category include:

- Drafting and issuing the progress report to creditors;
- Considering whether an extension to the Administration is necessary and, if so, seeking approval for this via creditors or the court and issuing notice of the outcome;
- Considering which exit route from Administration is appropriate and taking the necessary steps;

#### Investigations

As part of our duties as Joint Administrators, we reviewed shortly after appointment all the information available to us and conducted an initial assessment of whether there were any matters which may have led to any recoveries for the benefit of creditors. The Joint Administrators continue to liaise with the relevant parties to establish further details on the transactions identified, and whether these will give rise to a recovery action.

I have received a number of anonymous letters raising concerns as to the conduct of the director and management of the Company and as previously advised to creditors, where they hold details or evidence of any alleged misconduct by an individual in connection to the company they should provide us with copies of the evidence in support of any allegations and to enable us to look at the matters raised more deeply.

I would also stress that the scope of the Administrators' investigations is limited to the activities of JD Realisations 2018 Limited and director's actions in respect of that company. Any concerns surrounding previous insolvencies or live businesses or the personal finances of the directors will need to be directed to the Insolvency Service at <https://www.gov.uk/complain-company>.

#### Realisation of assets

During the period of the review the Administrators have been liaising with the purchaser with a view to finalising the payment of the outstanding sale proceeds.

The period of the review has coincided with continuing difficulties caused by the current Covid pandemic. This has caused severe trading difficulties to the purchaser who supplies the hospitality industry as well as suffering from a sharp decline in footfall with its own outlets. Discussions are currently being held with the purchaser in order that the contributions are bought up to date without the need for enforcement being taken.

In addition, the purchaser has brought to our attention that a number of the assets and part of the business was removed by a third party before the sale was completed. They have been requested to provide evidence for this and I am currently waiting for this evidence. To date the purchaser has provided part of the information requested but not all and I have been unable to bring the matter to a conclusion at this time.

I am currently negotiating with the purchasers to reach a mutually acceptable result. It is currently considered that given the sums received to date, this will allow for a commercial and orderly resolution to be found without the need for legal recovery costs being incurred.

#### Dealing with all creditors' claims (including employees), correspondence and distributions

During the period of the review the Administrators have dealt with a number of creditors queries regarding the timing and likely level of distribution. Details of the estimated outcome for creditors is detailed in Section 5 below.

#### Other matters which includes seeking decision of creditors via deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

Matters that fall into this category include the following:-

- Completing periodic tax returns.
- VAT reclamations
- Potential litigation regarding the sale proceeds.

## 5. OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our progress report for the period 8 January 2020 to 7 July 2020.

#### Secured creditors

The Company granted a fixed and floating charge to RBSIF on 3 August 2016, which was secured specifically against the Company's book debts. As noted, earlier in this report, liabilities to RBSIF have been settled in full from the Company's factored book debts.

In addition, the Company granted a fixed and floating charge to Royal Bank of Scotland plc ('RBS') dated 24 August 2016. A claim of £555,614 has been received from RBS in respect of sums claimed under their security.

A first distribution of £36,566.25, being 6.5p in the pound was made under the RBS's fixed charge on 10 March 2021. A second distribution of £6,125.00 being 1.1p in the £ was made on 20 December 2021 giving a total fixed charge distribution of 7.6p in the £.

A first and final distribution of £93,819.36 was made on 22 December 2021 being 16.9p in the £ under their floating charge, giving a total distribution of 24.6p in the £.

#### Preferential creditors

A first and final preferential dividend of 100 pence in the £ being £6,289.29 was paid to the preferential creditors on 20 December 2021.

#### Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part is calculated have previously been provided in our statement of proposals and in previous progress reports.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in section 176A(6) of the Act, to be £121,024.20 and the prescribed part of the Company's net property to be £27,204.84.

A dividend of 1.37 pence in the £ was paid on 22 December 2021 to unsecured creditors from the prescribed part only.

#### Unsecured creditors

There have been insufficient realisations to pay a dividend to unsecured creditors other than from the prescribed part.

Once the Notice of move from administration to dissolution (Form AM23) has been registered (which we anticipate shortly), our appointment as administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed to be dissolved at the end of the period of three months from the date of registration of the notice.

## 6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as deemed approved under Rule 3.38(4) of the Rules via deemed consent procedure.

## 7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

#### Sale of Business and Assets

Creditors will recall from the Joint Administrators' proposals that a sale of the Company's business and assets was completed to Joe Deluccis Limited ('JDL') (Formerly AMB1 Limited) on 10 January 2018.

The sale consideration was agreed at £200,000 with this payable as £50,000 upon completion, followed by 12 monthly payments of £12,500. In October 2021, following extensive negotiation with the purchaser and having reviewed the potential positions of the various classes of

creditors and the costs involved, agreed a reduced sale price of £173,150.00. This has been paid in full with, of which £25,000 has been recovered during the review period.

#### Book Debts

As previously reported, total book debt recoveries of £136,760.16 have been secured into the estate after the settlement of liabilities to RBSIF. Post appointment factoring charges of £11,348.92 plus VAT were incurred to RBSIF.

#### Cash at Bank

A balance of £9,132.28 was received into the estate in respect of a credit balance held in one of the Company's bank accounts.

#### Business Rates Refunds

The Administrators have pursued business rates refunds of £13,997.78 which have been received in respect of trading premises that were vacated upon the Administrators' appointment.

#### Bank Interest Gross

Bank interest in the sum of £244.73 has been received to date.

#### Costs incurred

In order to make various applications to court, review the sale agreement and assist in various legal matter involved in the administration as well as the sale of the business, the Administrators instructed Cameron Law to assist and they have provided ongoing assistance

Details of these costs are set out in section 5 below.

#### CREDITORS: CLAIMS AND DISTRIBUTIONS

##### Secured creditors

The Company granted a fixed and floating charge to RBSIF on 3 August 2016, which was secured specifically against the Company's book debts. As noted, earlier in this report, liabilities to RBSIF have been settled in full from the Company's factored book debts.

In addition, the Company granted a fixed and floating charge to Royal Bank of Scotland plc ('RBS') dated 24 August 2016. A claim of £555,614 has been received from RBS in respect of sums claimed under their security.

The Administrators have made distributions totalling £42,691.25 under the bank's fixed charge and £93,819.36 under the floating charge.

##### Preferential creditors

The Joint Administrators and their staff have incurred time costs in assisting employees to obtain payment from the Redundancy Payments Office.

Preferential claims relating to unpaid holiday pay and wage arrears were estimated at £12,123 in the Statement of Assets and Liabilities provided in the Joint Administrators' proposals however claims were received totalling £6,289.29. A first and final distribution of £100p in the £ has been made.

##### Unsecured creditors

Unsecured claims were estimated at £2,725,241 in the Director's Estimated Statement of Affairs. To date we have received and agreed unsecured claims of £1,966,762. A first and final dividend to unsecured creditors from the prescribed part has been made of 1.37pence in the £.

## Investigations

As detailed in previous reports, the Joint Administrators are required to undertake an investigation into the affairs of the Company prior to the commencement of the insolvency process. An office holder is required to submit a report on the conduct of the Directors who were in office in the period of three years prior to the commencement of the insolvency process, to the Insolvency Service, in accordance with legislation. Occasionally such investigations identify further potential asset recoveries and these have been detailed in previous reports.

However, as well as undertaking the standard investigations relating to the Company Director's Disqualification Act and of the position regarding potential assets, I have also received a number of anonymous letters. The latest of these was received on 23 December 2021 but was dated some time before. Throughout the letters a number of points were raised in relation to the directors of JD Realisations 2018 Limited (In Administration) personally. While I have considered these matters and reconciled these with my investigations undertaken to date, the matters raised remain largely outside of the affairs of the Company. As such, I understand that no additional realisations or benefit to creditors can be obtained as a result of investigating these matters further.

Despite the above, I have provided copies of the letter to the Insolvency Service and will liaise with them going forward should they consider that further action is appropriate.

## 8. PRE-ADMINISTRATION COSTS

On 3 September 2018 the following amounts in respect of unpaid pre-administration costs were approved by the secured and preferential creditors and have been settled in full.

Party instructed	Amount (£)
CVR Global LLP	£14,740.50
Hilco Global	£9,330.16
Cameron Legal Limited	£2,500.00
TOTAL APPROVED	£26,580.66

## 9. REMUNERATION & EXPENSES

The basis of our remuneration was fixed on 3 September 2018 by the secured and preferential creditors as follows:

- In respect of completing statutory obligations, investigations, floating charge asset realisations, and general day to day administration of the case, it is proposed that a fixed fee of £40,000 plus VAT be charged.
- In respect of the sale of the Company's fixed charge goodwill, a fixed contribution of 2% plus VAT of the gross value of the sale proceeds achieved

We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9), in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

On 25 February 2021, following a vote by correspondence by the secured and preferential creditors, our remuneration was amended as follows:

- That In respect of completing statutory obligations, investigations, floating charge asset realisations, and general day to day administration of the case, it is proposed that a fixed fee of £60,000 plus VAT be charged.

The following further information in relation to our time costs and expenses is set out at Appendix 3:

- ❑ Time Costs Analysis for the period 8 July 2021 to 24 December 2021
- ❑ Begbies Traynor (Central) LLP's charging policy

#### Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the administration.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

We have realised the following assets in relation to which approval has been obtained that a percentage of the sums realised be taken as remuneration:

Description of asset	Value of assets realised in period of this progress report	Total value of assets realised since appointment	% remuneration agreed	Total fees drawn to date	Fees not drawn to date
Goodwill	£6,250.00	£43,562.50	2.00	871.25	0.00

To 24 December 2021, we have drawn the total sum of £60,000 on account of our approved fixed fee of £60,000.

The information provided in section 4 above relates to the work undertaken during the period of this report. We have set out below details of the work undertaken prior to the period covered by this report so as to avoid any repetition:

#### General case administration and planning

Work involved in this category relates mainly to routine and statutory functions. It does not necessarily provide financial benefit to creditors, but ensures that the case is managed and administered in accordance with legislation and in a professional manner. Specific work is detailed below:

- Filing of documents
- Periodic file reviews
- 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
- 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
- Discussions regarding strategies to be pursued

- Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case

#### Compliance with the Insolvency Act, Rules and best practice

Filing of documents to meet statutory requirements  
Advertising in accordance with statutory requirements

#### Investigations

The office holders are required to undertake an investigation in to the affairs of the company or individual prior to the commencement of the insolvency process. An office holder is required to submit a report on the conduct of the Directors who were in office in the period three years prior to the commencement of the insolvency process, to the Insolvency Service, in accordance with legislation. Occasionally such investigations identify further potential asset recoveries. Specific work is detailed below:

- Collection, and making an inventory, of company books and records
- Correspondence to request information on the company's dealings, making further enquiries of third parties
- Reviewing questionnaires submitted by creditors and directors
- Reviewing company's books and records
- Review of specific transactions and liaising with directors regarding certain transactions
- Preparing statutory investigation reports
- Liaising with Insolvency Service
- Submission of report with the Insolvency Service
- Assisting the Insolvency Service with its investigations
- Strategy meeting regarding litigation
- Liaising with solicitors regarding recovery actions
- Dealing with ATE insurers

#### Realisation of assets

This involves work in realising assets of the company or individual, which are known and stated in the statement of affairs. It may also include work involved in asset recoveries identified post appointment, which were either unknown or identified during the office holders' investigations. Specific work is detailed below:

- Liaising with agents
- Agreeing licences to trade/occupy
- Liaising with secured creditors and seeking releases
- Exchanges with solicitors to agree sale and purchase agreement
- Surrender/Assignment of leases
- Pursuing deferred sale consideration
- Liaising with secured creditors and landlords
- Agreeing assignment, surrender or disclaiming property
- Reviewing and assessing debtors' ledgers
- Receiving updates from factoring companies and liaising reassignment of ledger
- Liaising with debt collectors
- Agreeing debt collection agency agreements
- Dealing with disputes, including communicating with directors/former staff
- Reviewing leasing documents
- Liaising with owners/lessors
- Recovery of sundry refunds
- Liaising with bank re cred balances held and recovery of same

- Identification of potential issues requiring attention of insurance specialists
- Correspondence with insurer regarding initial and ongoing insurance requirements
- Reviewing insurance policies
- Correspondence with previous brokers

Dealing with all creditors' claims (including employees), correspondence and distributions

This involves work in dealing with creditor queries and correspondence, including reports and where funds permit agreeing creditor claims and provision of dividends to creditors. This may also involve assisting employees. Specific work is detailed below:

- 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
- Preparing progress report, investigation, meeting and general reports to creditors
- Disclosure of sales to connected parties
- Receipting and filing POD when not related to a dividend
- Corresponding with RPO regarding POD when not related to a dividend
- Preparation of decision notices, proxies/voting forms
- Collate and examine proofs and proxies/votes to establish decisions
- Consider objections received and requests for physical meeting or other decision procedure
- Responding to queries and questions following decisions
- Issuing notice of result of decision process

Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, tax, litigation, pensions and travel

Matter included in this category include non investigative legal matters and taxation

As can be seen from the information above, we have exceeded the limit of our increased, approved remuneration. . For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the approved level of remuneration has been exceeded are as follows:

- The extended period of negotiating and liaising with the purchasers;
- The Covid pandemic causing problems with the purchasers ability to meet its obligations under the sale agreement.;

## 10. EXPENSES

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

To 24 December 2021, we have also drawn expenses in the sum of £71,961.73. Details of these are given below:

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include but are not limited to such items as advertising our appointment, meetings and requesting claims from creditors, storage in relation to the books and records of the company or individuals and the assignment records, online reporting facilities in relation to the

uploading of documents and reports for creditors, bonding and other insurance premiums to protect the estate and its assets, and properly reimbursed expenses incurred by personnel in connection with the case. Such expenses are as follows:

Expenses Category 1	Basis	Total £
Legal costs Cameron Legal Solicitors have been instructed to provide advice in respect of validity of security and appointment, sale of the business, potential rights of action, property and lease related matters.	Time-costs	32,950.00
Agents and Valuers Hilco Global have been instructed to provide a valuation and to assist with a sale of the company's business and assets	Time-costs	9,330.16
Debt Collection Agency Joe Deluccis Limited have been instructed to assist with collection of the factored and unfactored book debts	10% of recoveries	13,676.02
Accountants Fees BJM Recovery Ltd instructed to assist with the preparation of a Statement of Affairs, and reconciliation of creditor position to assist with any future distribution	Fixed fee	3,500.00
Specific Bond	At cost	200.00
Insurance	At cost	12,096.00
Statutory Advertising	At cost	78.45
Online Filing	At cost	12.00
Meeting Expenses	At cost	119.00
Total		71,961.63

## Category 2 Expenses

No Category 2 expenses have been drawn during the period of this report in accordance with the approval obtained.

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides) Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

Creditors will recall that we estimated that the expenses of the administration would total £39,211.63. That additional estimate has been exceeded due to additional work needed by the solicitors. Initially a dispute arose as to the validity of the initial valuation that had been used for the initial purchase agreement. The payments were made in accordance with the agreement until July 2020, however the effects of the Covid pandemic and the dispute regarding potential loss of business claimed by the purchaser caused them to reduce and then cease making payments in September 2021 with a balance of £50,000 outstanding.

Since the Administration was initially only in place 12 months, creditors will understand that it has been necessary to make several court applications to extend the Administration to enable the Administrators to continue to pursue the outstanding purchase price.

Following extensive negotiations with the purchasers, including reviewing potential legal action against the purchase guarantor, it was agreed to accept a final settlement over three months, of £25,000.00. This was agreed after reviewing the likely costs of extending the Administration and the potential unrecoverable costs should any legal action legal action to enforce the full purchase price be successful as well as the increase in dividend to the unsecured creditors.

## 11. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

## 12. ASSETS THAT REMAIN TO BE REALISED

There are no assets of the Company that remain to be realised

## 13. OTHER RELEVANT INFORMATION

Extension of administration

The administration was extended by order of the court, in January 2021 for a period of 12 months ending on 8 January 2022

Use of personal information

Please note that although the administration is being concluded, in discharging our remaining duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice> If you require a hard copy of the information, please do not hesitate to contact us.

## 14. CONCLUSION

Finally, we intend to make an application to Court to seek the consent to our discharge as administrators pursuant to Paragraph 98 of Schedule B1 to the Act. We seek the date of our discharge to coincide with the date on which our appointment as administrators ceases to have effect.



C J POVEY  
Joint Administrator

Date: 24 December 2021

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 8 July 2021 to 24 December 2021

Statement of Affairs £		From 08/07/2021 To 23/12/2021 £	From 08/01/2018 To 23/12/2021 £
	SECURED ASSETS		
50,000.00	Goodwill	6,250.00	43,562.50
314,000.00	Book Debts	NIL	NIL
		<u>6,250.00</u>	<u>43,562.50</u>
	COSTS OF REALISATION		
	Office Holders Fees	125.00	871.25
		<u>(125.00)</u>	<u>(871.25)</u>
	SECURED CREDITORS		
(228,000.00)	RBS Invoice Finance Limited	NIL	NIL
(550,000.00)	Royal Bank of Scotland plc	6,125.00	42,691.25
		<u>(6,125.00)</u>	<u>(42,691.25)</u>
	ASSET REALISATIONS		
	Bank Interest Gross	6.80	244.73
	Book Debts	NIL	136,760.16
	Business Rates Refund	NIL	4,611.77
	Business Rates Refund	NIL	9,386.01
NIL	Capitalised R&D	NIL	NIL
	Cash at Bank	NIL	9,132.28
5,000.00	Kiosks	625.00	4,356.25
125,000.00	Plant & Machinery	15,625.00	107,906.25
20,000.00	Stock	2,500.00	17,425.00
	Suspense Account	NIL	194.47
		<u>18,756.80</u>	<u>290,016.92</u>
	COST OF REALISATIONS		
	Accountants' Fees	NIL	3,500.00
	Agents/Valuers Fees (1)	NIL	9,330.16
	Corporation Tax	2.85	4,576.78
	Debt Collection Fees	NIL	13,676.02
	Factoring Fees	NIL	11,348.92
	Insurance of Assets	7,840.00	12,096.00
	Legal Fees (1)	NIL	7,555.00
	Legal fees (2)	18,000.00	25,395.00
	Office Holders Fees	NIL	60,000.00
	Online Filing and Meeting Fees	NIL	119.00
	Pre-Administration Fee	NIL	14,750.50
	Specific Bond	NIL	200.00
	Stationery & Postage	NIL	77.60
	Statutory Advertising	NIL	78.45
		<u>(25,842.85)</u>	<u>(162,703.43)</u>
	PREFERENTIAL CREDITORS		
(12,123.00)	Employee Arrears/Hol Pay	6,289.29	6,289.29
		<u>(6,289.29)</u>	<u>(6,289.29)</u>
	FLOATING CHARGE CREDITORS		
	Floating Charge Creditor	93,819.36	93,819.36
		<u>(93,819.36)</u>	<u>(93,819.36)</u>
	UNSECURED CREDITORS		
	DE	102.49	102.49
(12,312.00)	Employees	NIL	NIL
(30,000.00)	HM Revenue & Customs - PAYE/CT	NIL	NIL
	HM Revenue & Customs - PAYE/NIC	9,497.49	9,497.49
(470,000.00)	HM Revenue & Customs - VAT	NIL	NIL
(333,500.00)	Holding Company guaranteed creditor	NIL	NIL

Statement of Affairs £		From 08/07/2021 To 23/12/2021 £	From 08/01/2018 To 23/12/2021 £
(905,000.00)	Landlords	NIL	NIL
(776,429.06)	Trade & Expense Creditors	17,604.86	17,604.86
		<u>(27,204.84)</u>	<u>(27,204.84)</u>
	DISTRIBUTIONS		
(500.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<u>(2,803,864.06)</u>		<u>(134,399.54)</u>	<u>(0.00)</u>
	REPRESENTED BY		
			<u>NIL</u>

# SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals deemed approved under Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 (as amended)

## Summary of the Joint Administrators' Proposals

### 9.1 The Joint Administrators' proposals are:

- the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
  - (i) they collect the deferred sale consideration in relation to the sale of the Company's business and assets;
  - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
  - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
  - (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors outside of the Prescribed Part, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or

- (ii) in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Craig Povey and Richard Toone will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 8;
  
- (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Craig Povey and Richard Toone may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

## COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;

### INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance<sup>2</sup> indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 disbursements (approval not required) - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 disbursements (approval required) - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> Ibid 1

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 per meeting;
- Car mileage is charged at the rate of 45 pence per mile;
- Storage of books and records (when not chargeable as a Category 1 disbursement) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates

#### BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally but vary to suit local market conditions. The rates applying to the Southampton office from which the appointment will primarily be administered, as at the date of this report, are as follows:

Grade of staff	Charge-out rate (£ per hour)
	18 March 2019 – until further notice
Partner	495
Director	445
Senior Manager	395
Manager	345
Assistant Manager	250
Senior Administrator	225
Administrator	175
Junior Administrator	140
Support	140

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

#### b. CVR Global LLP's charging policy

Current Charge-out Rates for the firm

Time charging policy

Charge-out rates are normally reviewed annually when rates are adjusted to reflect such matters as inflation; increases in direct wage costs; and changes to indirect costs such as Professional Indemnity Insurance. It is the firm's policy for the cashier's time spent on an assignment to be charged to the case. However, secretarial and office admin support time is charged only in respect of identifiable blocks of time devoted to the case where we consider it to be viable to do so. All time is recorded in 6-minute units.

Staff	Charge out rates
	£
Insolvency Practitioner/Partners	390-495

Staff	Charge out rates £
Consultants	390-495
Directors	360-390
Associate Directors	330-360
Managers	300-330
Assistant Manager	290-310
Senior Executive	240-275
Executive	155-190
Cashier	135-185
Secretarial/Admin/Analyst	90-125

#### **Direct expenses ("Category 1 Disbursements")**

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include but are not limited to such items as advertising our appointment, meetings and requesting claims from creditors, storage in relation to the books and records of the company or individuals and the assignment records, online reporting facilities in relation to the uploading of documents and reports for creditors, bonding and other insurance premiums to protect the estate and its assets, and properly reimbursed expenses incurred by personnel in connection with the case.

#### **Indirect expenses ("Category 2 Disbursements")**

It is our normal practice to also charge the following indirect disbursements ("Category 2 Disbursements as defined by SIP 9) to the case, where appropriate:

Circulars to creditors:

Plain/headed paper including photocopying	12p per side
Envelopes	12p each
Postage	Actual cost

Room Hire

For the convenience of creditors and to save the cost of booking an outside hotel room, meetings of creditors are occasionally held internally at our offices. Where meetings of creditors are held in one of our internal meeting rooms, a charge of £100 plus VAT may be levied to cover the cost of booking the room.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the H M Revenue & Customs approved rate, currently 45p per mile.

All of the above costs are subject to amendment by the firm at any time and if amended will be notified to creditors with the next circular sent to all creditors.

Company Searches & Electronic Verification of Identity

Included in expense and/or disbursements, Company Searches and electronic Verification of Identity include an element of shared costs. Such expenses are of an incidental nature but are generally incurred on each case. In line with the cost of the external provision of such services, a charge of £15 plus VAT is levied to cover the cost of these searches.

a. Time Costs Analysis for the period from 8 July 2021 to 24 December 2021

SIP9 JOE DELUCCI'S LTD - Administration - LJOED65590.ADM : Time Costs Analysis From 08/07/2021 To 23/12/2021

[illegible]

b. Cumulative Time Costs Analysis for the period from 8 January 2018 to 24 December 2021.

SIP9 JOE DELUCCI'S LTD - Administration - LJOED65590.ADM : Time Costs Analysis From 01/01/2000 To 23/12/2021

[illegible]

## STATEMENT OF EXPENSES FOR THE PERIOD

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Insurance	JLT Insurance	0.00	7,840.00	0.00
Legal Fees	Cameron Law	7,530.00	18,000.00	0.00
Total		7,530.00	25,840.00	0.00

## Legal CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Legal Fees	Cameron Legal	32,950.00
Agent's and Valuers Costs	Hilco Global	9,330.16
Debt Collection Agency	Joe Deluccis Limited	13,676.02
Accountancy	BJM Recovery	3,500.00
Insurance	JLT/Marsh	12,096.00
Bonding	JLT/Marsh	200.00
Advertising	Courts Advertising	78.45
Online Filing	Insolvency Point	12.00
Meeting Expenses	CVR Global	119.00
Postage & Stationary	CVR Global	77.60
Total		72,039.23