

### Notice of move from administration to dissolution

Name of Company  7T's Limited
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Company number  04332705
--------------------------------

In the High Court of Justice Chancery Division Companies Court <small>[full name of court]</small>
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Court case number  5757 of 2008
---------------------------------------

We David John Crawshaw  
KPMG LLP  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

Jonathan Scott Pope  
KPMG LLP  
Arlington Business Park  
Theale  
Reading  
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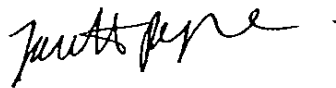
having been appointed Administrators of 7T's Limited KPMG LLP Arlington Business Park Theale Reading RG7 4SD

on 15 July 2008 by High Court of Justice Chancery Division Companies Court

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed



Joint Administrator

Dated

4 January 2011

#### Contact Details

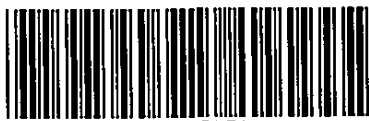
You do not have to give any contact information in the box opposite but if you do it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to researchers of the public record.

Magdalena Glanowska KPMG LLP Arlington Business Park Theale Reading RG7 4SD	
DX Number DX 146800 (Theale) 2	Tel +44 118 9642026 DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at -  
Companies House, Crown Way, Cardiff CF14 3U7

DX 33050 Cardiff

FRIDAY



A18 07/01/2011 462

COMPANIES HOUSE



**7T's Limited (trading as Lava Lounge & Iota)  
(in Administration)**

Final Progress Report  
Pursuant to Rule 2.110 of the Insolvency Rules 1986

KPMG LLP  
4 January 2011  
DMC/MAG/ S815120

See Notice About this Report



*7T's Limited (in administration)*  
*Pursuant to Rule 2.110 of the Insolvency Rules 1986*

*KPMG LLP*  
*4 January 2011*

## **Notice: About this Report**

This Report has been prepared by Jonathan Scott Pope and David John Crawshaw, the Joint Administrators of 7T's Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose or in any other context.

This Report has not been prepared in contemplation of it being used and is not suitable to be used to inform any investment decision in relation to the debt of or any financial interest in 7T's Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors. Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Jonathan Scott Pope is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association. David John Crawshaw is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The Joint Administrators act as agents 7T's Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.

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- Appendix 2 Administrators' receipts & payments account
- Appendix 3 Administrators' time costs
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## 1 Glossary

Administrators	Jonathan Scott Pope and David John Crawshaw of KPMG LLP
Administration Order	The Administration Order was granted in the High Court of Justice Chancery Division Companies Court on 15 July 2008 Case court number 5757 of 2008
The Secured Creditor	Bank of Scotland Plc ( "The Bank")
The Company	7T's Limited (trading as Lava Lounge & Iota) Company Registered Number 04332705
Directors	Craig Lance Davis Simon Mark Little
Company Secretary	Craig Lance Davis
The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986

The references in this report to sections, paragraphs or rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively



## **2 Introduction**

Further to my report dated 11 August 2010, I write to provide a final report on the administration in accordance with Rule 2.110 of the Rules.

Statutory information required by Rule 2.47 of the Rules is attached as Appendix 1.

An abstract receipts and payments account showing the final position as at 22 December 2010 and covering the period from 15 July 2010 to 22 December 2010 is attached as Appendix 2. The figures shown are net of VAT.

### **2.1 Administrators' proposals**

The Administrators' proposals were circulated to all known members and creditors on 8 September 2008 and were deemed to have been approved without modification in accordance with Rule 2.33(5) of the Rules on 20 September 2008.

### **2.2 Purpose of the administration**

An Administrator of a company must perform his functions with one of the following main objectives:

- a) rescuing the company as a going concern, or
- b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration) or
- c) realising property in order to make a distribution to one or more secured or preferential creditors.

Rescuing the Company as a going concern was not achievable in this case and, therefore the primary objective of this administration was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

## **3 Outcome of the administration**

### **3.1 Realisations**

#### **3.1.1 Sale of Business and assets**

As previously reported, the business and assets of the Company were sold to Magma Entertainment Limited, an unconnected party, on 20 August 2008.

#### **3.1.2 Leasehold Properties**

A licence to occupy the three leasehold properties was granted to Magma Entertainment Limited on 20 August 2008. The Administrators have assigned all three leases.



### **3.1.3 Freehold Property**

The Company owns a 46% share in freehold premises at Lava House 37 Regent Circus Swindon SN1 1RQ. The Bank appointed Stephen Adshead and Gregory Palfrey of Smith & Williamson as Fixed Charge Receivers over the property on 20 October 2008.

The property is being marketed by the Receivers' agents and we have been advised that they have had several viewings. However, no offers have been received to date. Based on current information and valuation, it is not anticipated that surplus funds will become available from any sale after payment of sums due to the Bank and costs of the Receivership.

### **3.1.4 Book Debts**

As previously reported an associated company Blues Leisure Solutions Limited, owed the Company £17,801.51. However, Blues Leisure Solutions Limited was struck off the register at Companies House and dissolved on 8 September 2009. There is, therefore, no prospect of any recovery of this debt.

The Directors' loan accounts were also overdrawn. Craig Davies was declared bankrupt on 12 March 2009. Mr MD Pickard and Ms A Nilsson of Mazars LLP were appointed Joint Trustees of the bankruptcy. There is no prospect of any distribution being made to creditors from his trustee in bankruptcy.

Mr Simon Little was declared bankrupt on 21 July 2009. There is no prospect of any distribution being made to creditors from his Trustee in bankruptcy.

### **3.1.5 Investigations**

The Administrators' investigations have been concluded and the Administrators do not believe that any causes of action exist against third parties which would provide additional recoveries for unsecured creditors.

## **4 Costs of realisation**

### **4.1 Administrators' fees**

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication *A Creditors' Guide to Administrators' Fees*, a copy of which can be obtained by logging onto the R3 website at [http://www.r3.org.uk/uploads/sip/SIP9\\_v5\\_April\\_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf). However, if you are unable to access this guide and would like a copy please contact Magdalena Glanowska on 0118 964 2026.

In accordance with R2.106 (5A) of the Rules, since the Company has insufficient property to enable a distribution to be made to unsecured creditors, then it is for the Secured and the preferential creditors to fix the remuneration of the Administrators.



The Association of Business Recovery Professionals' Statement of Insolvency Practice No. 9 (SIP 9) requires the Administrators to provide a detailed analysis of time spent, and charge out rates for each grade of staff for the various areas of work carried out.

The analysis and charge out rates are attached as Appendix 3 and shows that the Administrators' time costs from 15 July 2010 to 22 December 2010 are £12,875 representing 49.30 hours at an average hourly rate of £261. This includes tax, VAT, employee and pension advice from KPMG LLP in-house specialists. This brings the total time costs incurred for this administration to £347,758.

With the approval of the Secured Creditor, the Administrators have drawn fees of £133,039.53 plus VAT.

## **4.2 Other Costs**

These are listed in the attached receipts and payments account.

## **5 Outcome to creditors**

### **5.1 Secured Creditor**

As previously advised, the Secured Creditor holds a general mortgage debenture created on 3 September 2004, containing fixed and floating charges over the Company's assets. It also held legal charges over the leases of the trading venues and over the freehold property referred to above.

The Company's total borrowing was £980,045 excluding interest and potential asset finance exposure. Following the sale of the business and assets, a distribution of £500,000 was made on 24 September 2008. A further distribution of £129,000 was made on 8 December 2010. This brings a total distribution of £629,000 to the Secured Creditor.

### **5.2 Preferential Creditors**

As previously advised, there were no preferential claims in this administration.

### **5.3 Unsecured Creditors**

There were insufficient floating charge realisations to facilitate the payment of a dividend to unsecured creditors.

### **5.4 Prescribed Part**

The Prescribed Part provisions of Section 176A of the Act entitle unsecured creditors to a percentage share of realisations from net floating charge assets after the costs of realisation have been paid. The percentage is calculated on a sliding scale up to a maximum amount of £600,000 subject to costs.

There were no funds available for unsecured creditors under the Prescribed Part.





## **6 Other matters**

### **6.1 Directors' return**

The Administrators have a duty to investigate the conduct of the Directors and to submit a return to the Department for Business, Innovation and Skills, (formerly the Department of Business, Enterprise and Regulatory Reform) on the conduct of those directors or shadow directors who were in office in the three years prior to the Administration. The Administrators have complied with their obligations described above.

## **7 Final matters**

### **7.1 Exit from administration**

Since there are no distributable funds available to the unsecured creditors and as all outstanding matters have been dealt with, the administration can now be concluded.

The Administrators have obtained their discharge from liability in respect of any action of theirs as Administrators as required by paragraph 98 of the Act from the Secured Creditor.

The Company will, therefore, be dissolved three months from the filing of this final report and registration of form 2.35B with the Registrar of Companies.

**Jonathan Scott Pope**  
*Joint Administrator*



## Appendix 1

### Statutory information

Company name	71's Limited
Administration Order	The Administration Order granted in the High Court of Justice, Companies Court Chancery Division on 15 July 2008 Court case number 5757 of 2008
Date of appointment	15 July 2008
Administrators details	Jonathan Scott Pope is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association  David John Crawshaw is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations
Date of incorporation	3 December 2001
Company registration number	04332705
Previous registered office	18 Park Place, Cardiff, CF10 3PD
Present registered office	c/o KPMG LLP Arlington Business Park Theale Reading RG7 4SD
Trading names	'71's' 'Lava Lounge' 'Iota'
Trading addresses	Salubrious Place, Little Wind Street, Swansea SA1 1DZ  Brewery Quarter St Mary's Street, Cardiff CF10 1FG  24-25-26 Fleet Street, Swindon SN1 1RQ  7 Mill Lane Cardiff CF10 1FL



*7T's Limited (in administration)*  
*Pursuant to Rule 2.110 of the Insolvency Rules 1986*

*KPMG LLP*  
*4 January 2011*

	37 Regent Circus Swindon SN1 1PX		
Authorised share capital	100 ordinary £1 shares		
Issued share capital	100 ordinary £1 shares		
Shareholder	Craig Lance Davies – 50 ordinary £1 shares Simon Mark Little – 50 ordinary £1 shares		
Company secretary	Craig Lance Davies		
Company Directors	Craig Lance Davies Simon Mark Little	<b>From:</b> 03/12/2001 03/12/2001	<b>To:</b> Date Date
Employees	106		



*71's Limited (in administration)  
Pursuant to Rule 2.110 of the Insolvency Rules 1986*

*KPMG LLP  
4 January 2011*

## **Appendix 2**

### **Administrators' receipts and payments accounts**

The Administrators' receipts and payments account for the Company for the period from 15 July 2010 to 22 December 2010 are attached

**7T's Limited**  
**(In Administration)**  
**Administrators' Trading Account**

Statement of Affairs	From 15/07/2010 To 22/12/2010	From 15/07/2008 To 22/12/2010
<b>POSITIVE APPOINTMENT SALES</b>		
Cardiff sales	NIL	164,689.66
Swansea sales	NIL	125,183.30
Swindon sales	NIL	112,390.12
	NIL	402,263.08
<b>PURCHASES</b>		
Cardiff purchases	895.38	66,337.69
Swansea purchases	NIL	47,184.42
Swindon purchases	NIL	80,853.09
General Purchases	NIL	1,534.82
Trading Agents fees	NIL	14,226.80
Change of locks	NIL	300.00
Irrecoverable VAT	NIL	18.38
	(895.38)	(210,755.20)
<b>OTHER DIRECT COSTS</b>		
Wages and salaries	NIL	106,646.48
Security Systems	NIL	25.00
	NIL	(106,671.48)
<b>TRADING EXPENSES</b>		
Rent	NIL	15,474.09
Rates	NIL	12,159.52
Water rates	NIL	546.58
Cash Services	NIL	1,736.00
Cardiff City Council	NIL	50.00
Insurance	NIL	3,673.46
Professional fees	NIL	8,575.52
Bank payment charges	NIL	3,086.52
HP/Leasing payments	NIL	1,906.50
Repairs and maintenance	NIL	94.00
Sundry expenses	NIL	235.00
Environment Agency	NIL	60.00
	NIL	(47,097.19)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(895.38)</b>	<b>37,739.21</b>

**7T's Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 15/07/2010 To 22/12/2010	From 15/07/2008 to 22/12/2010
	<b>FIXED CHARGE ASSETS</b>	
	NIL	3 00
2 172 198 00	NIL	NIL
	NIL	674 997 00
	10 902 48	11 217 58
	10 902 48	686 217 58
	<b>FIXED CHARGE COSTS</b>	
	20,000 00	20 000 00
	NIL	6,650 00
	NIL	30 000 00
	(20 000 00)	(56 650 00)
	<b>FIXED CHARGE CREDITORS</b>	
(951 540 00)	129,000 00	629 000 00
	(129 000 00)	(629,000 00)
	<b>ASSET REALISATIONS</b>	
	NIL	50,000 00
130 350 00	NIL	47 520 00
348,756 00	NIL	NIL
	NIL	3 000 00
	NIL	2 118 23
117,120 00	NIL	NIL
	NIL	102 638 23
	<b>OTHER REALISATIONS</b>	
	(10,249 73)	1,974 50
	92 77	3 722 44
	(895 38)	37,739 21
	NIL	487 95
	(11 052 34)	43 924 10
	<b>COST OF REALISATIONS</b>	
	113 039 53	113 039 53
	NIL	37,516 33
	NIL	1 569 55
	NIL	(5,285 82)
	NIL	265 32
	NIL	25 00
	(113 039 53)	(147 129 91)
	<b>UNSECURED CREDITORS</b>	
(991 049 00)	NIL	NIL
(70 767 00)	NIL	NIL
	NIL	NIL
	<b>DISTRIBUTIONS</b>	
(100 00)	NIL	NIL

**7T's Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 15/07/2010 To 22/12/2010	From 15/07/2008 To 22/12/2010
	NIL	NIL
752 268 00	(262,189 39)	0 00
REPRESENTED BY		NIL



*71's Limited (in administration)*  
*Pursuant to Rule 2.110 of the Insolvency Rules 1986*

*KPMG LLP*  
*4 January 2011*

## **Appendix 3**

### **Administrators' time costs**



## 7T's Limited (in administration)

Administrators' time costs from 15 July 2010 to 22 December 2010

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
<b>Administration &amp; planning</b>							
Cashiering							
Fund management		0 60			0 60	£207 00	£345 00
General (Cashiering)			1 50	1 00	2 50	£423 00	£169 20
Reconciliations (3 IPS accounting reviews)			0 10	2 00	2 10	£241 00	£114 76
<b>General</b>							
Books and records			1 25		1 25	£206 25	£165 00
Fees and VAT			0 60		0 60	£114 00	£240 00
<b>Statutory and compliance</b>							
Checklist & reviews	4 00		5 40		9 40	£2 891 50	£307 61
Closure and related formalities		0 80	0 35		1 15	£337 25	£293 26
Reports to debenture holders		3 45			3 45	£1 190 25	£345 00
Strategy documents		0 40			0 40	£136 00	£345 00
<b>Tax</b>							
Post appointment corporation tax		3 00			3 00	£1 035 00	£345 00
Post appointment VAT		1 55	3 15		4 70	£1 080 50	£229 89
<b>Creditors</b>							
General correspondence		0 10	1 80		1 90	£340 00	£178 95
Statutory reports		6 30	9 00		15 30	£3 956 50	£258 59
<b>Employees</b>							
Correspondence			0 20		0 20	£45 00	£225 00
DTI redundancy payments service		0 10			0 10	£34 50	£345 00
<b>Realisation of assets</b>							
<b>Asset Realisation</b>							
Freehold property		0 60			0 60	£207 00	£345 00
Open cover insurance			1 05		1 05	£173 25	£165 00
Other assets			1 00		1 00	£225 00	£225 00
<b>Total in period</b>					<b>40 30</b>	<b>£12 875 00</b>	<b>£261 16</b>
Brought forward time (appointment date to SIP9 period start date)					1 465 70	£334 883 20	
Total time costs for the period					49 30	£12 875 00	
Total time costs for the administration					1 515 00	£347 758 20	

All staff who have worked on this assignment including cashiers and secretarial staff have charged time directly to the assignment and are included in the above analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.



*71's Limited (in administration)*  
*Pursuant to Rule 2.110 of the Insolvency Rules 1986*

*KPMG LLP*  
*4 January 2011*

### Appendix 3 (continued)

The current hourly charge-out rates for staff engaged on the Administration are as follows

	until 30 September 2010	from 1 October 2010
Partner/director	£440 - £515	£460 - £535
Management	£320 - £405	£345 - £425
Administrators	£165 - £225	£175 - £240
Support	£105	£110



## Appendix 4

### Administrators' proposals

The Joint Administrators propose the following

- The Joint Administrators will continue to deal with the marketing and disposal of the Company's assets
- As it is likely that funds will only be available for a distribution to one or more secured creditors that the Joint Administrators be permitted to pay any realisations to the secured creditors and then take the appropriate steps to dissolve the Company
- Should funds become available to unsecured creditors either under the Prescribed Part provisions set out above or generally due to a surplus arising after settlement of secured and preferential claims that the Joint Administrators be permitted to place the Company into Creditors Voluntary Liquidation ( CVL ) with the appointment of David John Crawshaw and Jonathan Scott Pope as joint liquidators of the Company without further recourse to the creditors Please note that, in accordance with Paragraph 83(7) and Rule 2.117(3) creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved.
- That any act required or authorised under any enactment by the joint liquidators, if appointed may be done by one of them
- In accordance with Rule 2.106(9) of the Insolvency Rules 1986 a resolution on the Joint Administrators' remuneration will be put to the secured creditors
- If required a resolution seeking the extension of the Administration Order will be put to the secured and preferential creditors
- A resolution regarding the discharge from liability in respect of any action of the Joint Administrators pursuant to paragraph 98(1) of Schedule B1 of the Insolvency Act 1986 upon registration of the notice given pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986 will be put to the secured creditors