

AM06

Notice of approval of administrator's proposals



Companies House

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27/09/2018
COMPANIES HOUSE

1 Company details

Company number 0 9 3 9 5 0 1 2

Company name in full Leisure & Development Limited

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

2 Court details

Court name High Court of Justice, Business and Property Courts in Birmingham, Companies and Insolvency List

Court case number 8 2 1 4 o f 2 0 1 8

3 Administrator's name

Full forename(s) Damian

Surname Webb

4 Administrator's address

Building name/number RSM Restructuring Advisory LLP

Street 9th Floor
25 Farringdon Street

Post town London


County/Region

Postcode E C 4 A 4 A B

Country

AM06

Notice of approval of administrator's proposals

5 Administrator's name		Other administrator Use this section to tell us about another administrator.
Full forename(s)	Diana	
Surname	Frangou	
6 Administrator's address		Other administrator Use this section to tell us about another administrator.
Building name/number	RSM Restructuring Advisory LLP	
Street	St Philips Point Temple Row	
Post town	Birmingham	
County/Region		
Postcode	B 2 5 A F	
Country		
7 Date administrator(s) appointed		
Date	<input type="text" value="02"/> <input type="text" value="08"/> <input type="text" value="20"/> <input type="text" value="18"/>	
8 Date statement of proposals delivered to creditors		
Date	<input type="text" value="10"/> <input type="text" value="09"/> <input type="text" value="20"/> <input type="text" value="18"/>	
9 Date proposals were deemed to be approved		
Date	<input type="text" value="20"/> <input type="text" value="09"/> <input type="text" value="20"/> <input type="text" value="18"/>	
10 Sign and date		
Administrator's signature	<input checked="" type="checkbox"/>  <input checked="" type="checkbox"/>	
Signature date	<input type="text" value="25"/> <input type="text" value="09"/> <input type="text" value="20"/> <input type="text" value="18"/>	

AM06

Notice of approval of administrator's proposals



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	Damian Webb
Company name	RSM Restructuring Advisory LLP
Address	St Philips Point Temple Row
Post town	Birmingham
County/Region	
Postcode	B 2 5 A F
Country	
DX	
Telephone	0121 214 3100



Checklist

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Please make sure you have remembered the following:

- The company name and number match the information held on the public Register.
- You have signed and dated the form.



Important information

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DX 33050 Cardiff.



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In the matter of

**Leisure & Development Limited In Administration
(‘the Company’)**

**In the High Court of Justice, Business and Property Courts in Birmingham, Companies and
Insolvency List No 8214 of 2018**

Joint Administrators’ proposals and report 10 September 2018

Date of delivery of Proposals: 10 September 2018

**Damian Webb and Diana Frangou
Joint Administrators
Appointed 2 August 2018**

**RSM Restructuring Advisory LLP
St Philips Point
Temple Row
Birmingham B2 5AF
Tel: 0121 214 3100
Email: restructuring.birmingham@rsmuk.com**

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1 Purpose of report

The Joint Administrators are pleased to present their Proposals and report pursuant to Paragraph 49, Schedule B1 to the Insolvency Act 1986 and other relevant legislation

This proposal has been prepared solely to comply with those statutory requirements. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change.

Neither the Administrators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this report

2 Events leading up to the administration

Brief background

The Company was incorporated in January 2015 and its main activity was that of a property holding company, owning six properties which were operated/traded by former directors or an operating company, or leased to various tenants. The Company itself had no employees.

The various properties were purchased between July 2015 and February 2016 for a total sum of £11,887,828 (as per documents registered at the Land Registry). These properties (which are specified in more detail in section 5) were traded as hotels, inns and pubs/bars.

The purchases were funded by National Westminster Bank plc ('NatWest'), who were granted first-ranking fixed charges over all of the Company's properties and general security by way of a debenture. At a later date, Together Commercial Finance Limited ('Together') were granted second-ranking fixed charges in support of separate lending made to the then director/owner, Paul Williams.

Despite significant expenditure being committed to the properties, the Company was loss-making. The three sites traded by the operating company were closed, reducing income further and leading to the Company being unable to service its borrowings. New directors were appointed, and proposals made to develop and reinvigorate the closed sites which included a change of ownership of the Company, however these did not come to fruition.

Damian Webb of RSM Restructuring Advisory LLP was introduced to the Company by one of its directors in June 2018 to assess its position and discuss possible restructuring options. Various strategies were explored, including an offer for the properties being made to NatWest, which was deemed not acceptable to the bank. The directors were not in agreement regarding the way forward, leading to Mr Williams resigning his position, and at a board meeting held on 20 July 2018, the remaining directors resolved to take steps to appoint Administrators to take control of the Company's affairs.

Following the relevant notices being served and notice periods passing, the Company was subsequently placed into administration on 2 August 2018, with Damian Webb and Diana Frangou of RSM Restructuring Advisory LLP being appointed as Joint Administrators.

Company's trading history

Relevant extracts from the Company's unaudited financial statements are shown below

Profit & Loss	Y/e 31 January 2018	Y/e 31 January 2017
	£	£
Turnover	528,800	403,800
Cost of sales	(129,809)	(62,320)
Gross profit	398,991	341,480
Overhead costs	(948,089)	(968,217)
Loss before tax	(549,098)	(626,737)
Balance Sheet		
Fixed assets	16,894,195	23,119,820
Current assets	197,997	159,995
Current liabilities	(18,268,026)	(23,906,551)
Net assets	(1,175,835)	(626,736)

3 Estimated Statement of Financial Position

The directors have not yet lodged a Statement of Affairs ('SoA') with the Joint Administrators because of delays in the former director, who in our view is best placed to complete the SoA, being able to do so. The Joint Administrators have provided him with an extended deadline to submit the SoA, and this is anticipated to be received shortly.

Accordingly, pursuant to the relevant legislation, we attach an Estimated Statement of the Financial Position of the Company as at 2 August 2018 at Appendix C. This records the assets and liabilities at their estimated book value at the date of our appointment together with details of the names, addresses and the estimated amounts due to the Company's creditors and any security held at the date of our appointment.

Statement of Concurrence ('SoC')

Given that an SoA has not yet been submitted, it is not yet possible for a SoC to be submitted. As advised above, an extended period of time has been given to the former director to submit a SoA, following which SoC's will be requested as appropriate.

4 Purpose of the administration

Paragraph 3 to Schedule B1 to the Insolvency Act 1986 sets out the purposes of an administration. The Joint Administrators' must perform their functions with the objective of either:

- (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.

It was not possible to achieve statutory purpose (a) because the Company had no on-going trade, and it was also not possible to achieve statutory purpose (b) due to the large shortfall in asset values against its secured liabilities in both a winding-up or administration. Therefore, statutory purpose (c) is being pursued.

Strategy

The Administrators took steps to secure the Company's vacant properties on their appointment. We

have liaised with the respective tenants of those sites that are occupied, with a view to securing their income. The strategy is to explore options to enhance the value of the sites, and then market the properties for sale.

The sale of the properties and any enhancement work, including whether it is viable to recommence trading at any of the closed sites, would be for the benefit of the creditors. Given the financial position, the financial interest sits with NatWest with whom we shall agree the way forward on a site-by-site basis.

5 Conduct of the administration

The costs incurred to date and those expected to be incurred in dealing with the matters below are set out in detail at Section 12.

Realisation of assets

The Joint Administrators are obliged to realise and get in the Company's property and maximise realisations. In some cases this does not result in sufficient realisations to result in a financial return to creditors, after taking into account the costs and expenses of realisation and dealing with the legislative requirements of administering the case. Details of the realisations made are set out below, with information relating to dividends, if any, contained within Appendix B.

Land and Property

Our solicitors, Harrison Clark Rickerby's ('HCR') have confirmed that the Company owns the land/properties detailed below (collectively 'the Properties'). The Properties are standalone and are spread across the UK. The Properties are subject to a first ranking legal charge in favour of NatWest and a second ranking charge in favour of Together Colliers International ('Colliers') have been engaged as agents and have inspected all the Properties to enable valuations and recommended strategy for each property to be provided to the Administrators. Valuations will not be disclosed prior to the sale of any sites, so as not to prejudice offers from the market.

The Joint Administrators have secured the vacant properties and had various discussions with lessees of the occupied properties to discuss the strategy of the administration. The Properties will be marketed for sale in due course, subject to the approval of the secured creditors, and some interest has already been received and is being explored.

Limited information has been made available by the directors and their advisors. The details below in respect of each property are therefore based on information available at this time and may be subject to revision.

The Knighton Hotel ('the Knighton')

The Company owns the Knighton situated at Broad Street, Knighton, LD7 1BL, with the exception of the ground floor entranceway which is owned by another party.

The Knighton is a Georgian Building located in a prime area of Knighton, and has various rooms including a ballroom, restaurant, multiple bars and hotel rooms. Rural Retreats Leisure UK Limited, an associated company, were granted a license to occupy the Knighton however following it ceasing to trade, the Knighton was vacant for a number of months prior to our appointment.

The Joint Administrators have considered re-opening the Knighton to enhance the return to creditors. However, following review by a specialist operator we expect to market the property for sale on a vacant possession basis.

The Radnorshire Arms Hotel ('the Radnorshire')

The Radnorshire, situated at High Street, Presteigne, LD8 2BE, is a Grade II timber framed listed building which opened in 1792. The Radnorshire, when trading, operated as a hotel with a restaurant and bar, however, since January 2018 it has been vacant.

The Joint Administrators have investigated the possibility of re-opening the Radnorshire as a restaurant and bar. Considerations are on-going, including discussions with an interested party.

The Castle Inn and Caravan Park ('the Castle')

The Company owns the Castle and the caravan park adjoining the inn, which is situated at Ford Street, Wigmore, Leominster, Herefordshire, HR6 9UN.

The Castle had undergone refurbishment in 2013 and before its closure comprised a public house which provided a bar, restaurant, function room and a number of letting rooms.

Considerations with regards to re-opening the bar and restaurant are also on-going

Adjoining the Castle is a caravan park which remains open to residents. The static caravans operate as both permanent homes and holiday homes, which the residents own, with a ground rent payable to the Company.

Waves Bar and Resort ('Waves')

The Company also owns and leases Waves, which is situated at The Pavilion, Seaton, Cornwall, PL11 3JD. Waves has a bar, restaurant, five apartments and shop.

We have been provided with a lease agreement dated 1 December 2017, expiring on 25 November 2023. The entire resort is leased to the lessee, and the apartments are sub-let to another party. Rent of £2,800 has been received to date.

The Salutation Inn ('the Salutation')

The Company owns the Salutation Inn and the land behind the Salutation, situated at Shoreswood, Berwick-Upon-Tweed, TD15 2NL. The Salutation continues to trade under the same lessee's who were in place prior to the administration.

The property itself is a two-story public house which is currently traded as a bar with two dining areas

The land behind the Salutation also has static caravans which are owned and occupied by c15 residents. The lessee has advised the Joint Administrators that they have been collecting the ground rent from the caravan residents, under agreement with the former director. We are reviewing the lease position including those rights to income from the caravan park.

The Bird in Hand Inn ('BIH')

The Company owns the BIH which is situated at Waterloo Street, Ironbridge, Telford, TF8 7HG. BIH continues to trade as bar, restaurant and inn comprising of four letting rooms. BIH is a three-story property which dates back to the 18th century

The lessee continues to trade whilst the Joint Administrators are in office. Rent of £2,250 has been received to date.

Fixtures & Fittings

The Properties contain various equipment/inventory which the ownership has not yet been established. We understand from the lease agreements which have been provided, that all the equipment in the occupied properties has been sold to the lessees. However, in respect of the vacant properties we are still establishing the ownership, and we will report on this in more detail in our next report.

Claim for compensation for mis-selling of Interest Rate Hedging Product ('IRHP')

The Joint Administrators enquires in relation to whether the Company was ever sold an IRHP are on-going.

Administration and planning

Certain aspects of the work that the Joint Administrators undertake are derived from the underlying legal and regulatory framework for cases of this nature. This work, which does not usually result in any direct financial return to creditors, is a necessary aspect of ensuring that the Joint Administrators are complying with both their legislative and best practice responsibilities, and ensuring that the case is managed efficiently and effectively. It includes matters such as:

- periodic case reviews, ongoing case planning and strategy;
- maintaining and updating computerised case management records;
- dealing with routine correspondence not attributable to other categories of work;
- ongoing consideration of ethical and anti-money laundering regulations;
- general taxation matters, including notifying HMRC of the Joint Administrators' appointment;

- preparation of receipts and payments accounts, maintenance of cashiering records.
- filing of appointment documentation at Companies House and other relevant parties, and
- liaising with the directors to gather statutory information of the Company.

6 Creditors' claims and dividend prospects

The value at which creditors' claims are stated in the Estimated Statement of Financial Position are, as is required by legislation, those which are provided by the directors of the Company or information that has been available to the Administrators. It is our view that some balances may not be wholly correct. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix B, including any amount under the prescribed part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.

The agreement of creditors' claims by the Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves. However, please be advised as there is anticipated to be a shortfall to the secured creditors under their fixed charge, no dividend to unsecured creditors is expected.

Prescribed part

The 'Prescribed Part' is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs.

Whilst there is a creditor secured by fixed and qualifying floating charges over the assets and undertaking of the Company, it is not anticipated that that creditor will receive any recovery under their floating charge. There is therefore no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Insolvency Act 1986.

7 Joint Administrators' receipts and payments

We attach at Appendix D a summary of our receipts and payments, as at today's date.

VAT basis

Receipts and payments are shown net of VAT. We have been informed that the Company was not VAT registered, and consequently VAT is not recoverable from HM Revenue and Customs, the irrecoverable VAT is shown in the receipts and payments account as a 'cost of realisation'.

8 Joint Administrators' statement (deemed approval)

The Joint Administrators are not seeking a decision from creditors because in their opinion, **the Company has insufficient property to enable a distribution to be made to unsecured creditors.**

Under the relevant legislation the Joint Administrators' Proposals shall be deemed to be approved unless sufficient creditors request that a decision be sought by a qualifying decision procedure within 8 business days of delivery of these Proposals.

The Joint Administrators may require any such creditor to lodge with them a deposit, at an amount to be determined by the Administrators, as security for expenses of seeking a decision.

You may wish to note that R3 have also produced general guidance on the different insolvency processes, which can again be located at their website, www.R3.org.uk

9 Joint Administrators' Proposals

The Joint Administrators' Proposals in relation to the Company are

- 1 The Joint Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner.

2. The Joint Administrators be authorised to make such application to court for directions as they consider appropriate with a view to achieving the purposes of the administration or their proposals.
3. Subject to paragraph 10 below, the Company exits the administration by way of dissolution. If any asset is identified (including redress from a mis-sold interest rate hedging product) as a result of which it is anticipated that a distribution will be made to unsecured creditors, which is not a prescribed part distribution, then the Company shall exit administration by Creditors Voluntary Liquidation.
4. That Damian Webb and Diana Frangou of RSM Restructuring Advisory LLP, St Philips Point, Temple Row, Birmingham, B2 5AF be appointed Joint Liquidators of the Company following the cessation of the administration and the Joint Liquidators will have the power to act jointly and severally.

10 Proposed exit from administration

It is proposed that the Company shall exit administration by way of dissolution.

If any asset is identified (including redress from a mis-sold IRHP) as a result of which it is anticipated that a distribution, which is not a prescribed part distribution, will be made to unsecured creditors, then the Company shall exit administration by Creditors Voluntary Liquidation.

If the Company exits administration by moving into Creditors' Voluntary liquidation, it is proposed that Damian Webb and Diana Frangou of RSM Restructuring Advisory LLP, St Philips Point, Temple Row, Birmingham B2 5AF be appointed Joint Liquidators of the Company following the cessation of the administration. The Joint Liquidators will have the power to act jointly and severally and any act required or authorised to be done by the Joint Liquidators may be done by all or any one or more of the persons holding the office in question.

Creditors should note that they may nominate a different person as the proposed Liquidator, provided that.

- (a) the nomination is made, through a decision procedure, before the Proposals (or any revised proposals) are approved; and
- (b) where the nomination relates to more than one person, or has the effect that the office is to be held by more than one person, a declaration is made as to whether any act required or authorised to be done by the liquidators is to be done by all or any one or more of the persons for the time being holding the office in question.

11 Discharge from liability

As there is unlikely to be any return to unsecured creditors we will, in accordance with legislation, be seeking a resolution from the secured creditors, as appropriate for discharge from liability in respect of any action of ours as Joint Administrators, to take effect immediately following our cessation to act as Administrators.

12 Costs and Joint Administrators' remuneration

Pre-administration costs

Details of the fees charged and expenses incurred prior to appointment are set out in Appendix L, together with details of the amounts paid to discharge these costs (if any), and the balance that remains unpaid (if any).

These fees were incurred in relation to:

- advising the directors of the Company in producing the necessary documents required to enable the Company to proceed into administration;
- advising the directors on the options available and on the financial control of the Company leading up to the administration; and
- liaising with the Company's secured creditor, NatWest, with regards to the Company entering administration.

This work was done in accordance with an engagement letter dated 11 June 2018 between the Company and RSM Restructuring Advisory LLP, enabling the Company to enter administration, for the

purpose of the Joint Administrators to realise property in order to make a distribution to one or more secured or preferential creditors

I would advise you that payment of unpaid pre-administration costs as an expense of the administration is,

- (i) Subject to approval under the relevant legislation, and
- (ii) Not part of the proposals subject to approval under paragraph 53 of Schedule B1 to the Insolvency Act 1986.

I can confirm that I have unpaid pre-administration time costs of £17,035.50, as detailed in Appendix K.

As there is unlikely to be any return to unsecured creditors we have, in accordance with legislation, sought approval for the outstanding pre-appointment costs, fees and disbursements from the secured creditors, as appropriate

The Joint Administrators have been authorised by NatWest to draw £10,000 plus VAT in respect of pre-appointment remuneration. This will be paid from realisations in due course and the balance of time costs will be written off.

Joint Administrators' post appointment remuneration and disbursements

As there is unlikely to be any return to unsecured creditors we will also, in accordance with legislation, agree our fees and disbursements with the secured creditors, as appropriate.

We shall propose to the secured creditors that:

- In accordance with the scope and assumptions provided to creditors at Appendix I to these proposals the Joint Administrators shall be authorised to draw their remuneration in respect of statutory costs at the fixed amount of £15,000 (plus VAT).
- In accordance with the scope and assumptions provided to creditors at Appendix I, the Joint Administrators are remunerated £3,000 (plus VAT) for initial attendance, information gathering and stabilisation of the occupied sites

If the resolution is approved, the Joint Administrators will not be allowed to draw more than the fixed fee of £18,000 (plus VAT) in respect of statutory costs and attending the occupied premises, unless they obtain further approval of the secured creditors

The Joint Administrators are also seeking their post-appointment fees (remuneration) in respect of work incurred on realising the assets to be approved on a percentage of realisations basis. We shall propose to the secured creditors that:

- In accordance with the scope and assumptions provided to creditors at Appendix I to these proposals the Joint Administrators shall be authorised to draw their remuneration in respect of the realisations of the Properties on a percentage basis of 1.5% of gross realisations

The level of our various proposed fees is based on the assumptions set out in Appendix I and reflects the work anticipated to be required.

Should the scope change or the assumptions prove to be inaccurate the Joint Administrators may request a review of remuneration in accordance with the relevant insolvency legislation and, inter alia, subject to the approval of the secured creditors

The Joint Administrators' fee and expenses estimate has been prepared to incorporate the work that they anticipate will be done during the life of the appointment. The Joint Administrators do not anticipate that it will be necessary to seek approval from creditors for an increase to their proposed fee, based on the information currently available

Joint Administrators' post appointment costs incurred in the period from 2 August 2018 to 10 September 2018

Details of the work that has been done to date and the benefit to creditors are explained in Section 5 above. The fixed fee in relation to the initial work on the occupied sites has been wholly incurred in the period, but not paid

We have also incurred work in relation to our statutory duties as Administrators, details of which are included in our administration and planning section of this report at section 5.

The Joint Administrators are required by statute to carry out much of that work, for example, issuing progress reports to creditors and reporting to the Department of Business, Energy and Industrial Strategy on the conduct of the Company's directors. Other work will be determined by the particular circumstances of the appointment.

Post appointment expenses and category 1 disbursements

The Joint Administrators consider that post-appointment expenses (including category 1 and category 2 disbursements) of £168,062.40 are likely to be incurred in the administration. A breakdown of these estimated expenses and disbursements is attached at Appendix J.

Due to the significant and interest uncertainties in relation to this case, expenses shown in Appendix J are estimated and are subject to significant change.

Post appointment category 2 disbursements

Category 2 disbursements include elements of shared or overhead costs. Insolvency guidelines require these to be identified separately and are subject to approval as if they were remuneration. The current rates are attached at Appendix G and details of category 2 disbursements already incurred are attached at Appendix H. No category 2 disbursements have been drawn and none can be drawn until creditor approval has been obtained.

We shall propose to the secured creditors that:

- The Joint Administrators shall be authorised to draw category 2 disbursements as an expense of the administration at the rates prevailing at the time the cost is incurred, current details of which are attached at Appendix G. In the event that the administration exits by way of liquidation and the Joint Administrators are appointed Joint Liquidators, such resolution shall be treated as being passed in the liquidation.

Guide to Joint Administrators' fees

A Guide to Administrators Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

13 EC regulations

It is considered that the EC regulations will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC regulations as the centre of main interest of the Company is in the UK.

Damian Webb
RSM Restructuring Advisory LLP

Appendix A

Statutory information

Company Information	
Company registered name:	Leisure & Development Limited
Date of incorporation:	19 January 2015
Previous company names:	N/A
Previous registered name(s) in the last 12 months:	09395012
Trading name:	Leisure & Development Limited
Trading address:	The Properties, including the Knighton Hotel, Broad Street, Knighton, Powys, LD7 1BL
Principal activity:	Property holding company
Registered office:	c/o RSM Restructuring Advisory LLP, St Philips Point, Temple Row, Birmingham, B2 5AF Previously Plas Glynllifon, Clynnog Road, Caernarfon, Wales, LL54 5DY
Share capital:	Authorised share capital
Nominal & issued share capital:	1.00 Ordinary shares Issued: 10,000 Ordinary Shares at a par value of £0.0001
Shareholders:	Keith Partridge – 10,000 shares (as per Companies House records) – we are aware that this share transfer is disputed by Mr Partridge
Directors:	Keith Partridge Sukhbinder Heer Paul Williams – resigned on 21 July 2018
Secretary:	None
Mortgages & charges:	Floating charge over the property and undertakings of the Company, created on 30 June 2015 and registered on 13 July 2015 in favour of NatWest Fixed charges created on 10 July 2015 and registered on 13 July 2015 in favour of NatWest in respect of the following properties. <ul style="list-style-type: none"> - The Knighton Hotel - The Radnorshire Arms - The Castle Inn - The Bird in Hand Inn - The Salutation Inn Fixed charge over the property situated at The Courtyard, Seaton, Torpoint PL11 3JD (Waves Bar and Resort), created on 15 February 2016 and registered on 16 February 2016 in favour of NatWest Fixed charges in respect of all the Company's Properties, created on 4 May 2018 and registered on 9 May 2018, in favour of Together
Appointor:	The Directors

Appendix B

Administration information and dividend prospects

Administration information		
Joint Administrators:	Damian Webb and Diana Frangou	
Date of appointment:	2 August 2018	
Functions of Administrator(s):	<p>The Joint Administrators' appointment specified that they would have power to act jointly and severally.</p> <p>The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.</p>	
Correspondence address & contact details of case manager	<p>Chris Lewis 0121 214 3100</p> <p>RSM Restructuring Advisory LLP, St Philips Point, Temple Row, Birmingham B2 5AF</p>	
Name, address & contact details of Joint Administrators	<p>Primary Office Holder Damian Webb RSM Restructuring Advisory LLP 9th Floor, 25 Farringdon Street London, EC4A 4AB 0121 214 3100 IP Number: 14970</p>	<p>Joint Office Holder: Diana Frangou RSM Restructuring Advisory LLP St Philips Point, Temple Row Birmingham B2 5AF 0121 214 3100 IP Number: 9559</p>

Dividend prospects	Owed	Paid to date	Estimated future prospects
NatWest Bank plc	£6,202,405	Nil	Shortfall
Together Commercial Finance Limited	Nil	N/A	N/A
Preferential creditors	Nil	N/A	N/A
Unsecured creditors	Not aware at this stage, although £136,382 has been claimed to date. We are also aware that £11,751,698 is shown as being owed to the former director and his partner in the last filed accounts	Nil	Nil
Estimated net property	N/A - there is no anticipated return to the secured creditor under their floating charge		
Estimated prescribed part available for unsecured creditors	N/A		

Appendix C

Estimated Statement of Financial Position

As at 2 August 2018

	Book value £	Estimated to realise £
Assets subject to fixed charge		
Freehold properties	13,908,979	-
Rent debtors	-	Unknown
Available under fixed charge	13,908,979	Unknown
Less: NatWest	(6,202,405)	(6,202,405)
Together	-	-
Shortfall to fixed charge holder	N/A	Unknown
Assets subject to floating charge		
Stock	32,119	-
Cash at bank	165,878	-
Available to unsecured creditors	7,904,571	-
Trade and expense creditors		(11,751,698)
Directors loan account		(136,382)
Total estimated deficiency to unsecured creditors		(11,880,080)

NB: The book value figures in respect of the freehold properties have been extracted from the Company's accounts for the year ended 31 January 2018.

Book values for the assets subject to floating charges are extracted from the Company's last annual accounts (year ended 31 January 2018)

We have not been provided with an estimated creditor position. The amount included is the total of claims received to date and the amount specified as being owed to the directors as per the 2018 accounts.

***Estimated realisation values for the Properties are not disclosed at this stage due to the commercially sensitive nature of this information prior to any sales being agreed.**

Appendix D

Summary of receipts and payments

Receipts and Payments Abstract: Leisure & Development Limited In Administration
Bank, Cash and Cash Investment Accounts: From 2 August 2018 To 10 September 2018

<u>SOA Value £</u>		<u>£</u>	<u>£</u>
0.00	SECURED ASSETS		
	Rent	<u>4,208.33</u>	
			4,208.33
	COST OF REALISATIONS		
0.00	Bank Charges	<u>(5.10)</u>	
			<u>(5.10)</u>
<u>0.00</u>			<u>4,203.23</u>
	REPRESENTED BY		
	Cash at bank	5,044.90	
	VAT Reserved	<u>(841.67)</u>	
			<u>4,203.23</u>
			<u>4,203.23</u>

Appendix E

Proof of debt

<p>In the High Court of Justice, Business and Property Courts in Birmingham, Companies and Insolvency List No 8214 of 2018 Leisure & Development Limited In Administration Company No: 09395012 Damian Webb and Diana Frangou appointed as Administrators to the above company on 2 August 2018</p>	
<p>Relevant date for creditors' claims 2 August 2018</p>	
1	<p>Name of creditor If a company please also give company registration number</p>
2	<p>Address of creditor for correspondence.</p>
3	<p>Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the relevant date Less any payments made after that date in relation to the claim, any deduction in respect of discounts and any adjustment by way of mutual dealings and set off in accordance with relevant legislation</p> <p>£</p>
4	<p>Details of any documents by reference to which the debt can be substantiated. There is no need to attach them now unless the Joint Administrator has requested it</p>
5	<p>If amount in 3 above includes outstanding uncapitalised interest please state amount</p> <p>£</p>
6	<p>Particulars of how and when debt incurred If you need more space append a continuation sheet to this form</p>
7	<p>Particulars of any security held, the value of the security, and the date it was given.</p> <p>£ Date</p>
8	<p>Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates</p>
<p>Signature of creditor or person authorised to act on his behalf</p>	
<p>Name in BLOCK LETTERS</p>	
<p>Date</p>	
<p>Position with or in relation to creditor</p>	
<p>Address of person signing (if different from 2 above)</p>	

Appendix F

RSM Restructuring Advisory LLP

Charging, expenses and disbursements policy statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP Birmingham are attached
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A decision regarding the approval of category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Birmingham will be sought from the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

Appendix G

RSM Restructuring Advisory LLP

Joint Administrators' current charge out and disbursement rates

Hourly charge out rates	Current rates £
Partner	500 - 595
Directors / Associate Directors	310 - 425
Manager	245
Assistant Managers	155 - 195
Administrators	140 - 160
Support staff	95

Category 2 disbursement rates	
Internal room hire	£25/80 per room
Subsistence	£25 per night
Travel (car)	42.5p per mile
'Tracker' searches	£10 per case

Appendix H

Category 2 disbursement table

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest			
Recipient, type and purpose	Incurred to date	£	
		Paid to date	Unpaid to date
	Nil	Nil	Nil
Total	Nil	Nil	Nil

Appendix I

Joint Administrators' fee estimate and scope and assumptions

Activity	Scope and assumptions for work proposed to be done other than on a time costs basis
Administration and planning	<p>Work that must be carried out in order to comply with statutory requirements imposed by the insolvency legislation</p> <p>This includes filing and advertising of appointment documents, filing of Statement of Affairs, handling of receipts and payments, submission of VAT and income tax issues, pension queries, undertaking file reviews, case planning and strategy, dealing with redirected mail, convening any non-statutory requisitioned meetings and decisions, liaising with the Company's directors, case closure formalities.</p> <p>The fixed fee assumes that there are no pension schemes, that the Company's records are up to date, that no creditors' committee is appointed, and that the case can be concluded in 12 months</p>
Realisation of assets	<p>All aspects of the realisation of assets including identifying, securing and insuring the Company's Properties. Other matters include dealing with tenants and arranging collection of leased assets</p> <p>The percentage fee assumes there will be no legal action required to realise the assets, the Office Holder receives full co-operation of directors and that no contentious matters will arise, that the property will be sold within 9 months on the open market with no order of possession required etc</p> <p>The percentage fee also assumes that there are no environmental and/or health and safety issues</p>
Creditors	<p>Includes dealing with creditor queries, and liaising/distributing the relevant funds to the secured creditors.</p> <p>The fixed fee assumes that the Company's records are complete and up to date</p>
Investigations	<p>Collection and review of the Company's records in order to identify any potential or actual asset recoveries, antecedent transactions, transactions at under value or voidable dispositions</p> <p>Reporting to the Department of Business Energy and Industrial Strategy on the conduct of the directors.</p> <p>The fixed fee assumes that the Office Holders' investigations uncover no material antecedent transactions which require legal advice or recovery action being undertaken</p>
Trading	No trading is expected
Case specific matters	N/A

Appendix J

Estimate of all expenses likely to be incurred by the Joint Administrators in the administration

	£		
	Incurred to date	Expected future	Expected total
Bond	85.00	-	85.00
Statutory advertising	84.60	-	84.60
Website fee	13.00	-	13.00
Storage agent (collection/storage of records)	-	150.00	150.00
Valuation/marketers costs – Colliers fees and expenses on a percentage of realisations basis – 1.5% (estimate; valuation of the properties is currently uncertain)	-	36,000.00	36,000.00
Legal fees – Harrison Clark Rickerby's fees and disbursements for work undertaken advising and assisting the Joint Administrators to include; advice in relation to retention of title, leases and occupancy, reviewing title to the properties, conveyancing work and all other general legal advice as required – time costs estimated	17,706.80	60,000.00	77,706.80
Agents costs – Visits to the Company's occupied properties and vacant properties to secure and board the properties and expenses in relation to complying with insurance (estimate)	13,000.00	6,000.00	19,000.00
Land registry searches in respect of the Company's properties	23.00	-	23.00
Utilities – in relation to holding the three unoccupied properties	Unaware	5,000.00	5,000.00
Insurance	3,000.00	27,000.00	30,000.00
Total	33,912.40	134,150.00	168,062.40

NB: As the Company is not VAT registered and subsequently VAT is irrecoverable, all costs and expenses stated above are disclosed inclusive of VAT

Appendix K

Joint Administrators' pre-appointment time cost analysis

Administration and Planning										
Background information	1.5	0.0	0.0	0.0	0.0	0.0	0.0	1.5	£ 750.00	
Case Management	1.7	11.5	0.0	0.0	1.8	0.8	0.8	15.8	£ 5,490.50	
Pre-appointment matters	5.2	14.8	0.0	0.0	0.5	0.0	0.0	20.5	£ 8,695.00	
Total	8.4	26.3	0.0	0.0	2.3	0.8	0.8	37.6	£ 14,935.50	395.12
Creditors										
Secured Creditors	2.7	2.0	0.0	0.0	0.0	0.0	0.0	4.7	£ 2,100.00	
Total	2.7	2.0	0.0	0.0	0.0	0.0	0.0	4.7	£ 2,100.00	446.81
Total Hours	11.1	28.3	0.0	0.0	2.3	0.8	0.8	42.5	£ 17,035.50	400.84
Total Time Cost	£ 6,025.00	£ 10,612.50	£ 0.00	£ 0.00	£ 322.00	£ 76.00	£ 76.00	£ 17,035.50	£ 17,035.50	4,008.64
Administrators	54.4	15,596	0.0	0.0	3,076	3,500	3,500	400.84		

Appendix L

Analysis of pre-administration costs

Pre-administration costs incurred	£		
	Incurred	Paid	Unpaid
RSM Restructuring Advisory LLP, Pre-appointment fees, based on time costs incurred	17,035.50	Nil	17,035.50 (proposed to the secured creditors limited to £10,000 plus VAT)
Harrison Clark Rickerby's; legal fees for preparing the necessary appointment documentation, filing at Court as required, general advising in relation to appointment matters and other documents, based on time costs incurred	14,320.50	Nil	14,320.50 (amount payable to be agreed with the secured creditors)
Total	31,356.00	Nil	31,356.00