

AM10

Notice of administrator's progress report



Companies House

SATURDAY



A8FWF2QA

A20

12/10/2019

#35

COMPANIES HOUSE

1 Company details

Company number 0 8 9 6 3 6 0 1

Company name in full Patisserie Holdings Plc

- in Administration

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) David

Surname Costley-Wood

3 Administrator's address

Building name/number 1 St Peters Square

Street St Peters Square

Post town Manchester

County/Region

Postcode M 2 3 A E

Country

4 Administrator's name ①

Full forename(s) Blair Carnegie

Surname Nimmo

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 20

Street Castle Terrace

Post town Edinburgh

County/Region

Postcode E H 1 2 E G

Country United Kingdom

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	<input type="text" value="2"/>	<input type="text" value="2"/>	<input type="text" value="0"/>	<input type="text" value="7"/>	<input type="text" value="2"/>	<input type="text" value="0"/>	<input type="text" value="1"/>	<input type="text" value="9"/>
To date	<input type="text" value="2"/>	<input type="text" value="7"/>	<input type="text" value="0"/>	<input type="text" value="9"/>	<input type="text" value="2"/>	<input type="text" value="0"/>	<input type="text" value="1"/>	<input type="text" value="9"/>

7 Progress report

I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

|

|

| | |

AM10

Notice of administrator's progress report



Presenter information

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

Contact name Ted Kinsella

Company name KPMG LLP

Address 1 St Peters Square

Post town Manchester

County/Region

Postcode M 2 3 A E

Country United Kingdom

DX

Telephone 0161 246 4797



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

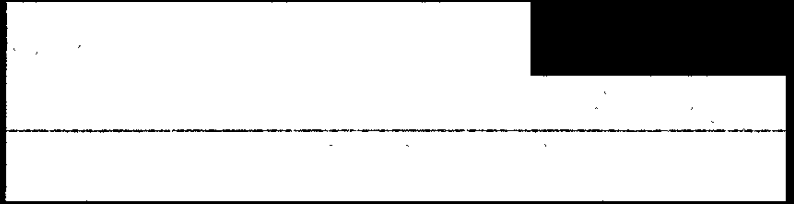
This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Joint
Administrators'
final progress
report for the
Period 22 July
2019 to 27
September
2019

Patisserie Holdings Plc - in
Administration

10 October 2019



Notice to creditors

This progress report provides a final update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since our previous progress report.

We have also explained the exit route from the administration and the outcome for each class of creditors.

You will find other important information in the document such as the costs we have incurred:

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+PJ12394136.html>. We hope this is helpful to you.

Please also note that an important legal notice about this report is attached (Appendix 7).

Contents

1	Executive summary	1
2	Progress to date	2
3	Outcome for creditors	5
4	Other matters	6
5	Joint Administrators' remuneration and disbursements	7
6	Conclusion of the administration	8
Appendix 1	Statutory information	9
Appendix 2	Joint Administrators' receipts and payments account	10
Appendix 3	Schedule of expenses	12
Appendix 4	Joint Administrators' charging and disbursements policy	13
Appendix 5	Summary of Joint Administrators' proposals	17
Appendix 6	Glossary	19
Appendix 7	Notice: About this report	21

1 Executive summary

- This final progress report covers the Period from 22 July 2019 to 27 September 2019.
- This is our final progress report ahead of the Company entering Liquidation. As previously disclosed, the creditors' committee voted to modify our Proposals so that Paul Allen and Geoffrey Rowley of FRP Advisory LLP be appointed as liquidators of the Company.
- As detailed in our previous reports, one of the duties of the Joint Liquidators will be to consider whether there may be sufficient grounds to establish potential legal claims against a number of parties.
- We are not aware of any security granted to any creditors of the Company (Section 3 – Dividend prospects).
- We estimate the amount of preferential claims to be £835,000. Based on current estimates, it is uncertain whether there will be sufficient asset realisations to enable a distribution to be made to preferential or unsecured creditors.
- We have filed a copy of this final progress report with the Registrar of Companies, together with the requisite notices to place the Company into Liquidation. We will cease to act as Joint Administrators on the date these documents are registered by the Registrar of Companies.
- Please note: you should read this progress report in conjunction with our previous progress report(s) and proposals issued to the Company's creditors. <http://www.insolvency-kpmg.co.uk/case+KPMG+PJ12394136.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



David Costley-Wood
Joint Administrator

2 Progress to date

This section provides a final update on the strategy for the administration and on the progress made. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Appointment of liquidator

As detailed in our previous reports, the creditors' committee voted to modify our Proposals such that Paul Allen and Geoffrey Rowley of FRP Advisory LLP be appointed as Joint Liquidators of the Company.

One of the duties of the Joint Liquidators will be to consider whether there may be sufficient grounds to establish potential legal claims against a number of parties.

Freehold property

As previously reported, the Company acquired a freehold property, in Tamworth, prior to the administration. The property was acquired as part of a wider transaction, however the property was not transferred at the Land Registry. We have ensured that the property is now registered in the name of the Company and this asset will be realised by the Joint Liquidators.

2.2 Asset realisations

Realisations during the Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the Period are provided below.

Third party funds received

In the Period, £5,873 was received in respect of funds which relate to the PV Purchaser's and B&S Purchaser's trading. The majority of these funds have been returned to the respective purchasers and this realisation has a neutral impact on returns to creditors.

2.3 Costs

Payments made in this Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the Period are provided below.

Sales

As previously reported, the Company's bank account was used to bank certain sales made from Patisserie Valerie sites. The sales were subsequently transferred to Stonebeach Limited. The sum of £905 was kept in the Company's bank account to cover any future chargebacks.

There have been no chargebacks and therefore these remaining funds of £905 have been transferred to Stonebeach Limited.

Third party funds returned

In the Period, £52,338 was returned between the PV Purchaser and B&S Purchaser. As set out above, this has a neutral impact on returns to creditors.

Bank charges & interest

As set out above, the Company's bank account was used to bank certain sales made from Patisserie Valerie sites. As part of this banking arrangement, reserves held by merchant acquirers were released to the Company in the prior Period in the sum of £28,353.

As Stonebeach Limited is the main trading entity within the Patisserie Valerie group, these funds form part of the administration estate of that entity.

Accordingly, these funds were transferred to Stonebeach Limited in the Period.

Transfer to CVL

The sum of £55,419 will be paid to the Joint Liquidators. This amount was the amount remaining in the floating charge current bank account.

ERA Outsourcing

The sum of £16,400 was paid to Insol Group (HR) Limited in respect of calculating and submitting the pension arrears claim to the Insolvency Service.

Administrators' fees

In line with approval received from the Creditors' Committee, we have drawn £75,000 plus VAT in respect of fees in the Period.

Irrecoverable VAT

As the Company is not VAT registered, we have incurred £18,280 in the Period in respect of VAT on payment which will not be recoverable.

2.4 Schedule of expenses

We have detailed the costs incurred during the Period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the Period but have not yet been paid are provided below. These will be paid during the Liquidation.

Legal fees

Legal fees of £20,000 in relation to the work Gateley have undertaken during the administration are due to be paid in the Liquidation.

This work is in relation to moving the Company to Liquidation, providing ad hoc legal advice and advising the Joint Administrators on securing the freehold property in Tamworth, as referenced above.

3 Outcome for creditors

As previously reported, the Joint Administrators entered into a funding agreement with the Company's majority shareholder, Mr Luke Johnson, and Barclays, to fund the payment of wage arrears for retained staff as well as to cover professional fees. The funding provided to the Company was £2.65 million, split £2.454 million (Mr Luke Johnson) and £196,000 (Barclays) respectively.

Had the loans not been made and paid to staff, an equivalent amount of wage arrears would have ranked as preferential claims, ahead of any dividend payments to unsecured creditors. Therefore, it was a condition of the loan that any repayments will be treated as an expense of the administration and therefore will be repaid before any distributions are made to creditors.

No repayments have been made to date due to a lack of realisations.

3.1 Secured creditors

We are not aware of any secured claims against the Company.

3.2 Preferential creditors

We estimate the amount of preferential claims to be £835,000.

Based on current estimates, it is uncertain whether there will be sufficient asset realisations to make a distribution to preferential creditors.

3.3 Unsecured creditors

Based on current estimates, it is uncertain whether there will be sufficient assets realisations to make a distribution to unsecured creditors.

Any distributions to preferential and unsecured creditors, where applicable, will take place in the subsequent Liquidation.

4 Other matters

4.1 Creditors' Committee

As previously disclosed, a Creditors' Committee was formed on 16 April 2019. The members are:

- Mr Mark Cousins, representing HMRC
- Mr Gareth Edwards, representing Mr Luke Johnson
- Mr Jeremy Dorling, representing Maitland/AMO

Committee meetings

There were no committee meetings held in the Period.

The Creditors' Committee will continue in its current form during the Liquidation provided it continues to meet all statutory requirements with regards to its constitution.

5 Joint Administrators' remuneration and disbursements

5.1 Joint Administrators' remuneration and disbursements

From 22 July 2019 to 27 September 2019, we have incurred time costs of £64,477. These represent 151 hours at an average rate of £427 per hour.

Remuneration

During the Period, we have drawn floating charge remuneration of £75,000.

Disbursements

During the Period we have not incurred any disbursements.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the Period from 22 July 2019 to 27 September 2019. We have also attached our charging and disbursements policy.

6 Conclusion of the administration

We have filed a copy of this final progress report with the Registrar of Companies, together with the requisite notices to place the Company into Liquidation.

We will cease to act as Joint Administrators when these documents are registered by the Registrar of Companies and on the same date will be discharged of liability in respect of any action of ours as Joint Administrators. Discharge will be effective immediately upon our appointment as Joint Administrators ceasing to have effect.

The outstanding matters to be dealt with in the Liquidation will include, but not be limited to:

- Assessing whether there may be sufficient grounds to establish potential legal claims against a number of parties, and, if appropriate, pursuing these claims;
- Realising the remaining assets of the Company, including realising intercompany debtor claims and sale of the freehold property;
- Settling outstanding costs;
- Repayment of funding provided by Mr Luke Johnson and Barclays, to the extent sufficient realisations allow this;
- Dealing with ongoing statutory and tax matters.

Total funds of £55,419.46 will be paid over to the Liquidation estate, once the Joint liquidators' appointment takes effect.

Appendix 1 Statutory information

Company information

Company name	Patisserie Holdings Plc
Date of incorporation	27 March 2014
Company registration number	08963601
Present registered office	1 St Peter's Square, Manchester, M2 3AE

Administration information

Administration appointment	The administration appointment granted in High Court of Justice, Business and Property Court in Manchester, 2079 of 2019
Appointor	Directors
Date of appointment	22 January 2019
Joint Administrators' details	David Costley-Wood and Blair Nimmo
Functions	The functions of the Joint Administrators have been exercised by them <i>individually or together in accordance with Paragraph 100(2)</i> .
Current administration expiry date	21 January 2020

Appendix 2 Joint Administrators' receipts and payments account

Patisserie Holdings Plc - in Administration		
Trading accounts		
Statement of Affairs (£)	From 22/07/2019 To 27/09/2019 (£)	From 22/01/2019 To 27/09/2019 (£)

POST-APPOINTMENT SALES

Sales	(904.74)	NIL
Third party funds received	5,872.56	3,621,637.55
	<u>4,967.82</u>	<u>3,621,637.55</u>

OTHER DIRECT COSTS

Third party funds returned	(52,337.81)	(3,620,305.84)
	<u>(52,337.81)</u>	<u>(3,620,305.84)</u>

TRADING EXPENSES

Bank charges & interest	(28,353.36)	NIL
	<u>(28,353.36)</u>	<u>NIL</u>

Trading surplus/(deficit) (75,723.35) 1,331.71

Patisserie Holdings Plc - in Administration		
Abstract of receipts & payments		
Statement of affairs (£)	From 22/07/2019 To 27/09/2019 (£)	From 22/01/2019 To 27/09/2019 (£)

ASSET REALISATIONS

1.00 Included records	NIL	1.00
	<u>NIL</u>	<u>1.00</u>

OTHER REALISATIONS

Bank interest, gross	NIL	2,138.13
Third party funding	NIL	2,650,000.00
Sundry refunds	NIL	3,239.89
Trading surplus/(deficit)	(75,723.35)	1,331.71
	<u>(75,723.35)</u>	<u>2,656,709.73</u>

COST OF REALISATIONS

Transfer to CVL	(55,419.46)	(55,419.46)
Pension Payments	NIL	(9,249.08)
ERA Outsourcing costs	(16,400.00)	(44,230.00)
Administrators' fees	(75,000.00)	(75,000.00)
Irrecoverable VAT	(18,280.00)	(26,150.63)
Legal fees	NIL	(6,245.00)
Statutory advertising	NIL	(73.00)

Patisserie Holdings Plc - in Administration		
Abstract of receipts & payments		
Statement of affairs (£)	From 22/07/2019 To 27/09/2019 (£)	From 22/01/2019 To 27/09/2019 (£)
Wages & salaries	NIL	(2,423,917.55)
PAYE & NIC	NIL	(7,878.87)
Bank charges	NIL	(2,755.64)
Paycheck Fees	NIL	(5,791.50)
	(165,099.46)	(2,656,710.73)
1.00	(240,822.81)	NIL
REPRESENTED BY		
Floating charge current		NIL
		NIL

Please note, the above receipts and payments account shows an overall trading surplus of £1,331.71.

The Company did not trade during the administration. This surplus balance represents an excess of third party funds being received than have been returned.

We receive, on a daily basis, funds relating to the PV Purchaser's trading. These are returned periodically. However, the above account shows funds of £1,331.71 that will be transferred to the PV Purchaser in the Liquidation. This has a neutral impact on returns to creditors.

Appendix 3 Schedule of expenses

Schedule of expenses (22/07/2019 to 27/09/2019)						
Expenses (£)	Paid in the Period but incurred in a previous period (£)	Incurred and paid in the Period (£)	Incurred in the Period and to be paid by Liquidator (£)	Incurred in the prior period and to be paid by Liquidator (£)		Total (£)
Trading expenses						
Third party funds returned	50,880.71	1,457.10	1,331.71	0.00		53,669.52
Cost of realisations						
Legal fees	0.00	0.00	0.00	20,000.00		20,000.00
ERA Outsourcing	16,400.00	0.00	0.00	0.00		16,400.00
Irrecoverable VAT	18,280.00	0.00	0.00	4,000.00		22,280.00
Administrators fees	75,000.00	0.00	0.00	0.00		75,000.00
Bank charges	0.00	28,353.36	0.00	0.00		28,353.36
Transfer to CVL	55,419.46	0.00	0.00	0.00		55,419.46
Total	215,980.17	29,810.46	1,331.71	24,000.00		271,122.34

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the Period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Edward Kinsella on 1 St Peter's Square, Manchester, M2 3AE.

Appendix 4 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Edward Kinsella on 0161 2464797.

Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

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

Charge-out rates (£) for: Restructuring

Grade	From 01 Jan 2019 £/hr
Partner	875
Director	775
Senior Manager	675
Manager	540
Senior Administrator	395
Administrator	300
Support	150

Policy for the recovery of disbursements

We have recovered both Category 1 and Category 2 disbursements from the estate.

For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party.

These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any disbursements during the Period.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements have been approved in the same manner as our remuneration.

Narrative of work carried out for the Period 22 July 2019 to 27 September 2019

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ Issuing regular press releases and posting information on a dedicated web page, ■ preparing statutory receipts and payments accounts; ■ dealing with all closure related formalities; ■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ monitoring and reviewing the administration strategy, including meetings with internal and external parties to agree the same; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ reviewing and authorising junior staff correspondence and other work, ■ dealing with queries arising during the appointment, ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none"> ■ reviewing the Company's pre-appointment corporation tax, ■ reviewing the Company's duty position to ensure compliance with duty requirements, ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ responding to enquires from shareholders regarding the administration, ■ providing copies of statutory reports to the shareholders.

General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9, ■ drawing remuneration in accordance with the basis which has been approved by Creditors' Committee, ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Open cover insurance	<ul style="list-style-type: none"> ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Creditors and claims	<ul style="list-style-type: none"> ■ updating the list of unsecured creditors, ■ responding to enquiries from creditors regarding the administration and submission of their claims, ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records, ■ drafting our progress report.
Committees	<ul style="list-style-type: none"> ■ corresponding with the Creditors' Committee

Time costs

SIP 9 –Time costs analysis (22/07/2019 to 27/09/2019)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	4.80	1,460.00	304.17
Reconciliations (& IPS accounting reviews)	0.50	150.00	300.00
General			
Books and records	0.50	197.50	395.00
Fees and WIP	3.00	900.00	300.00
Statutory and compliance			
Budgets & Estimated outcome statements	1.50	1,012.50	675.00
Checklist & reviews	23.75	8,250.00	347.37
Closure and related formalities	0.70	472.50	675.00
Statutory receipts and payments accounts	5.05	2,896.25	573.51
Strategy documents	5.50	1,890.00	343.64
Tax			
Post appointment corporation tax	1.80	1,215.00	675.00
Creditors			
Creditors and claims			
General correspondence	14.90	4,809.50	322.79
Statutory reports	39.15	19,120.00	488.38
Employees			
Correspondence	18.15	7,077.00	389.92
Pensions reviews	0.10	54.00	540.00
Investigation			

SIP 9 –Time costs analysis (22/07/2019 to 27/09/2019)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Investigations			
Correspondence re investigations	19.30	8,715.00	451.55
Review of pre-appt transactions	8.50	4,590.00	540.00
Realisation of assets			
Asset Realisation			
Freehold property	2.75	1,371.25	498.64
Insurance	0.75	296.25	395.00
Total in Period	150.70	64,476.75	427.85

Brought forward time (appointment date to SIP 9 Period start date)	965.92	441,512.50
SIP 9 Period time (SIP 9 Period start date to SIP 9 Period end date)	150.70	64,476.75
Carry forward time (appointment date to SIP 9 Period end date)	1,116.62	505,989.25

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 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.

All time shown in the above analysis is charged in units of six minutes.

Appendix 5 Summary of Joint Administrators' proposals

Due to there being no interest from any party acquiring the shares, rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b). This is because a better result is likely to be achieved than would have been achieved if the Company had been wound up.

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors' voluntary Liquidation. In these circumstances we propose that we, David Costley-Wood and Blair Nimmo, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into compulsory Liquidation and to consider, if deemed appropriate, appointing us, David Costley-Wood and Blair Nimmo, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that Liquidation is not appropriate because (1) no dividend will become

available to creditors, and (2) there are no other outstanding matters that require to be dealt with in Liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration

We propose that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.
- unpaid pre-administration costs will be an expense of the administration.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Modification of Proposals

The Proposals were modified at a Creditor's Committee meeting on 15 July 2019, the modification is as follows:

An exit from Administration will be via the appointment of a new liquidator. Paul Allen and Geoffrey Rowley of FRP Advisory LLP are to be appointed Joint Liquidators of the Company.

Appendix 6 Glossary

Barclays	Barclays Plc
B&S Purchaser	Baker and Spice (London) Limited (formerly Dept. Cold Brew Ltd)
Company	Patisserie Holdings Plc – in Administration
Gateley	Gateley Plc
Group	The Company together with; Stonebeach Limited, PTS Realisations Limited (formerly Philpotts Limited), Flour Power City Limited, PV Acquisition Realisations Limited (formerly Patisserie Acquisition Limited), Spice Bakery Limited and PV Holdings Realisations Limited (formerly PV Holdings Limited) – all in administration.
Joint Administrators/we/our/us	David Costley-Wood and Blair Nimmo
KPMG	KPMG LLP
Liquidation / CVL	Creditors' Voluntary Liquidation
Joint Liquidators	Paul Allen and Geoffrey Rowley of FRP Advisory LLP
Period	22 July 2019 to 27 September 2019
Proposals	The Joint Administrators' Statement of Proposals, dated 18 March 2019 and modified on 15 July 2019
PV Purchaser	Pippen Production Limited

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 7 Notice: About this report

This report has been prepared by David Costley-Wood and Blair Nimmo the Joint Administrators of Patisserie Holdings Plc – in Administration (the 'Company') solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 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 the Company or any other company in the Group.

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 (England and Wales) 2016 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.

David James Costley-Wood is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.

Blair Carnegie Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html.

The Joint Administrators act as agents for the Company 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.

www.kpmg.com

© 2019 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

For full details of our professional regulation please refer to 'Regulatory Information' at www.kpmg.com/uk

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative.