



Final Progress Report

In the Matter of Camboriu Restaurants Limited - In
Administration

And in the Matter of the Insolvency Act 1986

30 January 2015

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1 Introduction

- 1.1 This report has been prepared in accordance with Rule 2.47 of the Insolvency Rules 1986 to provide creditors with an update on the progress of the Administration of the Company during the second six months of the Administration to its close.
- 1.2 Given the information provided to creditors in the Administrator's Report and Proposals issued to creditors on 19 March 2014 I have not included detailed background information in respect of the company and have focused on the progress of the administration subsequent to the date of that report.
- 1.3 The Proposals were approved at a meeting of creditors held on 9 April 2014. At a subsequent meeting on 9 April 2014, Proposals for a Company Voluntary Arrangement were approved with modifications.

2 Statutory Information

- 2.1 The Court at which the proceedings are registered is The High Court of Justice Chancery Division Manchester District Registry, Court reference number 2108 of 2014
- 2.1 Camboriu Restaurants Limited ("the Company"), registered number 07431082, currently trades from restaurant premises in Glasgow, Sheffield, Chester and Nottingham. Its head office address is Rooms 101 & 102, Pioneer House, Pioneer Business Park, North Road, Ellesmere Port, Cheshire, CH65 1AD. The business trades under the name Tropeiro.
- 2.2 The Company's registered office is Rooms 101 & 102, Pioneer House, Pioneer Business Park, North Road, Ellesmere Port, Cheshire, CH65 1AD.
- 2.3 Ian William Wright of WRI Associates, Turnberry House, 175 West George Street, Glasgow, G2 2LB was appointed Administrator of the Company on 31 January 2014.

Introduction

- 2.4 The Administrator must perform his function with the purpose of achieving one of the following objectives:
 - rescuing the Company as a going concern; or
 - 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
 - realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.5 It was proposed that the administrator would pursue the first objective of rescuing the company as a going concern by implementation of a Company Voluntary Arrangement (**CVA**)
- 2.6 I am pleased to report that the CVA was unanimously approved, with modifications, at a meeting of creditors held on 9 April 2014.

Administrator's trading period

- 2.7 The administrator traded the business from appointment until approval of the CVA on 9 April 2014, and a copy of the Administrator's trading account is attached at Appendix B.
- 2.8 The company traded at a small profit during the administration trading period.
- 2.9 The company has continued to trade under the control and responsibility of its new director and management team since 9 April 2014, with the knowledge and support of its trade suppliers.

Sale of business

- 2.10 As previously reported the best offer received was an offer to acquire the business and assets and the other involving a change of ownership and directorship with company exiting administration by way of a CVA.
- 2.11 Upon approval of the CVA, this offer was accepted resulting in the appointment of a new director in place of the prior director and shareholder, Mr Volnei Borgert, who resigned as a director and sold his shareholding to a third party, Rugeley Limited.
- 2.12 The company has met its contribution obligations since the commencement of the CVA.

Property

- 2.13 Subsequent to approval of the CVA and acquisition of the shareholding in the Company by Rugeley Limited, the administrator, in conjunction with his legal advisors, had been working to achieve a transfer of the leasehold interest in the company's trading sites
- 2.14 This has now been completed by way of either assignment of the existing lease, or negotiation of new leases as appropriate for all relevant sites.

Moveable assets

- 2.15 In excess of £20,000 has been recovered by way of rates refunds from that previously reported.

3 Administrator's receipts and payments

- 3.1 A summary of receipts and payments for the Administration period from the date of appointment to 30 January 2015 is attached at Appendix A.
- 3.2 Attached at Appendix B is a Trading Account for the period of the Administrator's trading, 31 January 2014 to 9 April 2014.
- 3.3 The remaining surplus after payment of final expenses upon closure will be transferred to the supervisor in the Company Voluntary Arrangement for the benefit of creditors.

4 Exit from Administration

- 4.1 It had been anticipated that the company would exit administration within four to six weeks after approval of the CVA. Due to significant complications and delays in arranging the transfer of the leases, exit in that timescale was not achievable. The company will now exit administration upon its automatic end on 30 January 2015.
- 4.2 Upon exit from administration the company will continue to operate under the CVA.

5 Administrator's remuneration

- 5.1 Resolutions passed at the meeting of creditors held on 9 April 2014 included the following:
- a) The Administrator's remuneration be fixed with reference to the time properly spent by him and his staff in attending to matters arising from the Administration.
 - b) The Administrator be authorised to draw from time to time further remuneration with reference to the time properly spent by him and his staff in attending to matters arising from the Administration.
- 5.2 The Administrator's total time costs for the period of the administration to 30 January 2015 are £106,687.75. This represents 611 hours at an average rate of £174.61 per hour. A copy of Statement of Insolvency Practice 9 (England & Wales) incorporating "A Creditors' Guide to Administrators' Remuneration" can be downloaded from the WRI Associates website in the document download section of the Corporate Services page. (If you would prefer this to be sent to you in hard copy please contact this office and a copy will be forwarded to you. Also attached at Appendix C is a Time Analysis which provides details of the activity costs incurred by staff grade to the above date.
- 5.3 In the period covered by this report, 1 August 2014 to 31 January 2015 remuneration of £11,923.25 and expenses of £446.33 was drawn on 5 August 2014 and a further £10,348.75 in respect of remuneration was drawn on 5 December 2015. The unbilled balance at the close of the administration amounts to £4,453.00 excluding VAT which will now be drawn, all in accordance with the resolutions passed.
- 5.4 The principal areas of activity to that previously reported are discussed in further detail below:
- **Administration and planning** - time has been incurred complying with statutory duties such as directors conduct reporting related matters and performing general administrative work. Case related treasury and support time is also recorded here.
 - **Case Specific Matters** – time has been incurred in dealing with the transfer of the various leasehold interests from him to the company to provide for successful implementation of the CVA.
 - **Trading** - time has been incurred in accounting for the administrator's trading of the business. Time relating to trading receipts and payments and post trading account reconciliations is also recorded here.
 - **Creditors** - time has been incurred preparing statutory reports. Time has also been spent dealing with creditor correspondence and reporting to the secured creditors.

- 5.5 Attached at Appendix D is additional information in relation to the Administrators' policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.
- 5.6 In accordance with Rule 2.48A all creditors may, within 21 days of receipt of this report or with permission of the Court upon an application made within that 21 day period, make a request in writing to the Administrator for further information in respect of the remuneration and outlays or expenses charged.
- 5.7 In accordance with Rule 2.109 of the Insolvency Rules 1986, should any creditor consider that the remuneration (or other expenses charged) is excessive, they may within 8 weeks of receiving this report and with either the concurrence of at least 10% in value of the unsecured creditors or the permission of the Court, apply to the Court for an order:
- a) to have the remuneration and expenses charged reduced, and/or
 - b) fixed at a lower rate or amount, and/or
 - c) to have the basis of the remuneration charged changed, and/or
 - d) order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration and/or
 - e) order repayment of that part of remuneration or expenses as the Court may specify.

6 Outcome

Secured Creditors

- 6.1 Secured creditors have now been paid in full.

Preferential Creditors

- 6.2 As the company has been rescued as a going concern there are no preferential claims.

Unsecured Creditors

- 6.3 The Administrator intends to transfer the surplus available for unsecured creditors upon exit to the Supervisor of the CVA for distribution to unsecured creditors via that process, as per the CVA proposals approved on 9 April 2014. All dividend payments will be made by the Supervisor.

For and on behalf of
Camboriu Restaurants Limited

Ian Wright
Administrator

**Receipts and Payments Account for the period
31 January 2014 to 30 January 2015**

Appendix A

INCOME	Total (£)
Sales	799,179.25
Cash at Bank	102,369.32
Funds in hands of 3rd parties	4,010.40
Rates refund	30,789.90
Bank Interest Gross	378.29
Misc income	<u>1,083.15</u>
	937,807.31
EXPENDITURE	
Purchases (1)	267,456.49
Purchases (2)	12,937.46
Rent (Subject to VAT)	28,391.46
Direct Labour	311,856.98
Rents	37,624.55
Rates	14,092.81
Heat & Light	24,307.14
Insurance	13,699.60
Bank Charges	179.64
Repairs & Maintenance	5,795.33
Licences	312.54
Legal Fees	5,597.30
Rent	5,416.67
Specific Bond	680.00
Office Holders Fees	102,234.75
Office Holders Expenses	1,712.03
Agents/Valuers Fees (1)	4,420.00
Agents/Valuers Fees (2)	2,545.73
Legal Fees (1)	41,391.60
Statutory Advertising	413.00
Floating Charge Creditor	<u>28,566.74</u>
	908,992.82
Balance	<u>28,814.49</u>
MADE UP AS FOLLOWS	
Current Account	<u><u>28,814.49</u></u>

Trading Account

Appendix B

POST APPOINTMENT SALES

Sales	799,179.25
	<u>799,179.25</u>

PURCHASES

Purchases (1)	267,456.49
Purchases (2)	12,397.46
	<u>(279,853.95)</u>

OTHER DIRECT COSTS

Direct Labour	311,856.98
	<u>(311,856.98)</u>

TRADING EXPENDITURE

Rents	76,145.11
Rates	14,092.81
Heat & Light	24,307.14
Insurance	10,258.45
Bank Charges	179.64
Repairs & Maintenance	5,795.33
Legal	5,597.30
Licences	312.54
Accrued expenses	3,029.35
	<u>(139,717.67)</u>

TRADING SURPLUS/(DEFICIT)

67,750.65

Note:

The above does not take account of the administrators supervision costs

**Time Analysis for the period
31 January 2014 to 30 July 2014**

**Appendix
C**

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

CAM014A - Camboritu Restaurants Limited
 To: 30/01/2015
 Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)Average Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
700 : Formalities	36.90	0.70	0.00	0.00	37.60	148.57	37.60	5,586.25
701 : Strategy (Incl Sales)	43.35	0.00	0.00	0.00	43.35	245.07	43.35	10,624.00
Administration & Planning	80.25	0.70	0.00	0.00	80.95	200.25	80.95	16,210.25
600 : Case Specific	108.90	0.10	0.00	8.20	117.20	204.01	117.20	23,910.25
601 : Cashiering	63.80	2.00	0.00	3.25	69.05	104.81	69.05	7,237.00
Case Specific Matters	172.70	2.10	0.00	11.45	186.25	167.23	186.25	31,147.25
500 : Preferential Creditors	0.20	0.00	0.00	0.00	0.20	110.00	0.20	22.00
501 : Unsecured Creditors	4.55	0.00	0.00	3.50	8.05	1,157.75	8.05	1,157.75
502 : Employee Matters	0.50	0.00	0.00	30.60	31.10	84.28	31.10	2,621.00
504 : Statutory Reporting to Creditors	44.05	0.00	0.00	4.50	48.55	181.60	48.55	8,816.50
Creditors	49.30	0.00	0.00	38.60	87.90	143.54	87.90	12,617.25
201 : CDDA Reports	2.70	0.00	0.00	0.00	2.70	201.48	2.70	544.00
Investigations	2.70	0.00	0.00	0.00	2.70	201.48	2.70	544.00
302 : Property	21.65	0.00	0.00	0.00	21.65	215.57	21.65	4,667.00
303 : Book Debts	0.10	0.00	0.00	0.00	0.10	220.00	0.10	22.00
304 : Plant & Machinery / Motor Vehicles	0.20	0.00	0.00	0.00	0.20	220.00	0.20	44.00
306 : Other Assets	5.70	0.00	0.00	0.00	5.70	204.21	5.70	1,164.00
Realisation of Assets	27.65	0.00	0.00	0.00	27.65	213.27	27.65	5,897.00
400 : Trading	94.60	0.00	0.00	0.20	94.80	195.27	94.80	18,512.00
401 : Management of Operations	80.50	0.00	0.00	0.00	80.50	200.00	80.50	16,100.00
402 : Cashiering for Trading	42.10	0.00	0.00	0.00	42.10	110.69	42.10	4,660.00
403 : Ongoing Employee Issues	8.00	0.00	0.00	0.00	8.00	125.00	8.00	1,000.00
Trading	225.20	0.00	0.00	0.20	225.40	178.67	225.40	40,272.00
Total Hours	557.80	2.80	0.00	50.25	610.85	174.65	610.85	106,687.75

Additional information in relation to the Administrator’s remuneration pursuant to Statement of Insolvency Practice 9

Appendix D

1 Policy

Detailed below is WRI Associates policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

1.1 Staff allocation and the use of sub-contractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet specific requirements of the case.

The constitution of the case team will depend on the anticipated size and complexity of the assignment and the various requirements of the assignment

With regards to support staff, we should advise that time spent by cashiers in relation to specific tasks on an assignment is charged.

As a “Boutique” insolvency practice, much of the work is carried out by our insolvency practitioners. In recognition of this, different rates are applied taking into account the complexity and risk attached to the work being undertaken.

1.2 Professional advisors

On this assignment the Joint Administrators have used the professional advisors listed below. The Joint Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

HBJ Gateley LLP (legal advice)	Hourly rate and disbursements
Insolvency Risk Services (insurance)	Risk based premium
Sweeney Kincaid Limited (valuation and disposal advice)	Percentage of realisations

The Administrator’s choice was based on his perception of the professional advisors’ experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document

storage. Also chargeable will be any properly reimbursed expenses incurred by the Administrator and his staff.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the Administrator's proposals. Category 2 disbursements that may be incurred are as follows:

- Photocopying – charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying;
- Printing – charged at the rate of ten pence per sheet for black and white and a rate of fifteen pence per sheet for colour.

2 Charge-out rates

A schedule of charge-out rates effective from 1 January 2014 is detailed below.

Director/Appointee	110.00/220.00/300.00
Director	175.00/200.00
Manager	110.00/137.50
Administrator	88.00
Support	