

The Insolvency Act 1986

**Administrator's progress report**

Name of company  
Parry Group Limited

Company number  
00395292

In the High Court, Chancery Division, Birmingham  
District Registry  
(full name of court)

Court case number  
8420 of 2016

(a) Insert full name(s) and address(es) of administrator(s)  
I/We (a)  
Lisa Jane Hogg  
Wilson Field Limited  
The Manor House  
260 Ecclesall Road South  
Sheffield  
S11 9PS

Kelly Burton  
Wilson Field Limited  
The Manor House  
260 Ecclesall Road South  
Sheffield  
S11 9PS

administrator(s) of the above company attach a progress report for the period

(b) Insert date From To  
(b) 5 December 2016 (b) 23 January 2017

Signed

Joint / Administrator(s)

Dated

9 February 2017

**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

Lisa Jane Hogg  
Wilson Field Limited  
The Manor House  
260 Ecclesall Road South  
Sheffield  
S11 9PS

DX Number

01142356780  
DX Exchange



When you have completed and signed this form, please send it to the Registrar of Companies at -  
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

# **Joint Administrators' final progress report**

**Parry Group Limited – in Administration  
("the Company")**

**23 January 2017**

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## **APPENDICES**

- A** Receipts and payments account for the period from 5 December 2016 to 23 January 2017 ("the Period")
- B** Time analysis for the Period
- C** Additional information in relation to the Joint Administrators' fees, expenses & disbursements

## **1 Introduction**

- 1 1 I, together with my partner Kelly Burton, was appointed Joint Administrator of the Company on 5 December 2016. The appointment was made by the director of the Company.
- 1 2 This Administration has been handled by Wilson Field Limited ("Wilson Field") at The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS. The Administration is registered in the High Court of Justice, Chancery Division, Birmingham District Registry, under reference number 8420 of 2016.
- 1 3 The trading address of the Company was The New Factory, Town End Road, Draycott, DE72 3PT ("the Property").
- 1 4 The registered office of the Company is c/o Wilson Field, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS and its registered number is 00395292.
- 1 5 As the Administration has now completed, I am required to provide a progress report. This is my first and final progress report in the Administration and covers Period. This report should be read in conjunction with my earlier proposals for achieving the purpose of Administration ("the Proposals").

## **2 Progress of the Administration**

- 2 1 As noted previously, the statutory objective pursued in the Administration was the second objective, of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up. In addition to the pursuance of this statutory objective, the Joint Administrators had duties imposed by insolvency and other legislation, some of which may not have provided any financial benefit to creditors.
- 2 2 This section of the report provides creditors with an overview of the progress made in the Period, both in terms of the statutory objective, but also work which is required of the Administrators under other related legislation.
- 2 3 At Appendix A is my R&P covering the Period.

### **Administration (including statutory compliance & reporting)**

- 2 1 As noted in my previous reports, the Joint Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work undertaken in this regard has been outlined previously.
- 2 2 Where the costs of statutory compliance work or reporting to creditors exceeded the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Joint Administrators.
- 2 3 As noted in my initial fees estimate/information, this work has not necessarily brought any financial benefit to creditors, but is work required on every case by statute.

## **Realisation of assets**

- 2 4 As creditors may recall, a sale of the Company's business and certain assets to Parry Catering Equipment (Midlands) Ltd ("Catering") completed on the date of my appointment, 5 December 2016 ("the Sale") The Sale comprised goodwill, intellectual property ("IP"), stock, plant & machinery and equipment and contracts & work in progress ("WIP"), with the individual sale values being £50,000, £5,000, £250,000, £85,000 and £15,000, respectively
- 2 5 As detailed in the Proposals and in accordance with Statement of Insolvency Practice ("SIP") 13, I would advise that Catering is connected to the Company by way of a common director in Mark Banton
- 2 6 During the Period, £67,500 was received in respect of the Sale consideration, with the individual apportionments being as follows
- |                                   |         |
|-----------------------------------|---------|
| • Goodwill                        | £8,333  |
| • IP                              | £833    |
| • Stock                           | £41,667 |
| • Plant & machinery and equipment | £14,167 |
| • Contracts & WIP                 | £2,500  |
- 2 7 Rental monies of £12,365 were received on account during the Period
- 2 8 In addition, during the Period cash at bank totalling £33,145 was received Creditors may recall from the Proposals that the Company banked with Lloyds Bank plc ("Lloyds") Contact was made with Lloyds immediately upon my appointment, requesting that they keep the account open for all incoming payments, however, that they freeze all outgoing payments in order to secure the position Lloyds advised that the balance on the current account was circa £34,000 on appointment, although they made the Joint Administrators aware of their intention to debit a number of payments in respect of 'internal pre-admin debts' I contested this, however, the full balance was not received, merely the net funds and the appointed Liquidators will now deal with this
- 2 9 Although not anticipated, a refund of £99 was received from SSE No further realisations are anticipated from this source

## **Creditors (claims and distributions)**

- 2 10 Further information on the outcome for creditors in this case can be found at section 4 of this report The Joint Administrators are not only required to deal with correspondence and claims from unsecured creditors, but also those of any secured and preferential creditors of the Company This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture as well as dealing with the general handling of communications with stakeholders, such as customers and suppliers
- 2 11 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal I would confirm that in this case, under the terms of the Sale, the Company's employees transferred to Catering via Transfer of Undertakings (Protection of Employment) 2006 ("TUPE") regulations As such, no preferential claims are expected

- 2 12 The above work will not necessarily bring any financial benefit to creditors generally and the more creditors there are on an assignment, the higher the resultant cost will usually be, however the Joint Administrators are required by statute to undertake this work

### **Investigations**

- 2 13 You may recall that some of the work the Joint Administrators were required to undertake was to comply with legislation such as the Company Directors' Disqualification Act 1986 ("CDDA 1986") and Statement of Insolvency Practice ("SIP") 2 – Investigations by Office Holders in Administration and insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless those investigations revealed potential asset recoveries that could have been pursued for the benefit of creditors
- 2 14 My report on the conduct of the directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted and is confidential
- 2 15 Give that I am no longer in office, my investigations have ceased

## **3 Unrealised assets**

- 3 1 The R&P at Appendix A reflects the final position on both realisations achieved and payments made during the course of the Administration and Period This includes details of all expenses and disbursements incurred and paid by the Joint Administrators
- 3 2 The following assets have yet to be realised and will now be dealt with by the Liquidator once appointed
- |                                   |          |
|-----------------------------------|----------|
| • Goodwill                        | £41,667  |
| • IP                              | £4,167   |
| • Stock                           | £208,333 |
| • Plant & machinery and equipment | £70,833  |
| • Contracts & WIP                 | £12,500  |

- 3 3 The duly appointed Liquidator will also have the rental monies to pursue and the Property to realise

## **4 Outcome for creditors**

### **Secured creditors**

- 4 2 Pulse Cashflow Finance Limited ("Pulse") hold a fixed and floating charge over the Company's assets At the date of the Administration the indebtedness to Pulse was estimated at £666,627 I understand that Pulse have now been repaid under the fixed element of their charge via collections of the factored debtor ledger

### **Preferential creditors**

- 4 3 As touched upon previously, the Company's employees transferred to Catering via TUPE regulations upon the Sale Therefore, no preferential claims have been received to date

- 4 4 However, it is understood that pension contributions were deducted from the employees' salaries in November 2016 and were not subsequently paid into the pension scheme operated by the Company. Preferential claims may be received during the Liquidation in this respect.

#### **Unsecured creditors**

- 4 5 At the date of this report I have received claims totalling £4,949,902 from 49 creditors.
- 4 6 The Company granted a floating charge to Pulse on 4 November 2016. Accordingly, there was no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part), which only applies to charges created after 15 September 2003.
- 4 7 However, as touched upon above, as Pulse have been repaid under the fixed element of their charge, there are no assets subject to the floating charge, meaning the Prescribed Part provisions shall not apply.

### **5 Joint Administrators' remuneration**

- 5 1 The basis of the Joint Administrators' fees was fixed in the Administration by reference to the time properly spent by them and their staff in managing the Administration, subject to the Joint Administrators' remuneration not exceeding £30,000.
- 5 2 My time costs for the Period are £67,433. This represents 225 hours at an average rate of £300 per hour. Attached as Appendix B is a time analysis which provides details of the activity costs incurred by staff grade during this final period in respect of the costs fixed by reference to time properly spent by me in managing the Administration. A narrative explanation of the work undertaken by the Administrator during the Period can be found at section 2 of this report.
- 5 3 You will recall that I provided creditors with my fees estimate prior to the agreement of the basis of my remuneration. The approved fees estimate in force at the end of the Administration imposed an overall cap on my fees of £30,000 in respect of pre-Administration costs and £30,000 for post-Administration remuneration. I would confirm that £30,000 has been drawn in respect of a pre-Administration fee and a further £30,000 plus disbursements of £1,204 has been drawn against my accrued time costs, which is below the level of the fees estimate.
- 5 4 I can confirm no further amounts will be drawn, however, a statement of claim form has been submitted in the Liquidation for the unrecovered pre-Administration time costs.
- 5 5 Attached at Appendix F is additional information in relation to the Administrators' fees and the expenses and disbursements incurred in the Administration.
- 5 6 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <https://www.r3.org.uk/what-we-do/publications/professional/fees>.

### **6 Creditors' rights**

- 6 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint

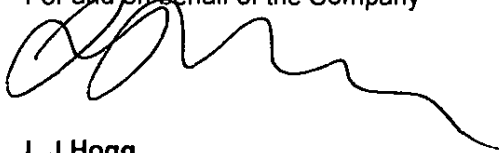
Administrators provide further information about their remuneration or expenses (other than pre-Administration costs) which have been itemised in this progress report

- 6 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to Court on the grounds that, in all the circumstances, the basis fixed for the Joint Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrators, as set out in this progress report, are excessive

## **7 Ending the Administration**

- 7 1 I would confirm that a notice bringing the Administration to an end and moving the Company into Creditors' Voluntary Liquidation was registered by the Registrar of Companies on 23 January 2017. As a consequence, the Company is now in Liquidation and I would confirm that Robert Adamson and Scott Bevan of Mazars LLP are the appointed Liquidators
- 7 2 Further information on the progress of the Liquidation will be issued to creditors within two months of the anniversary of the above date. If a dividend is to be declared sooner, the Liquidators will write to creditors to provide appropriate details in the intervening period
- 7 3 If any creditors have not yet submitted their statement of claim, please ensure this is forwarded to the Liquidators at Mazars House, Gelderd Road, Morley, Leeds, West Yorkshire, LS27 7JN as soon as possible in order that your claim can be admitted for dividend purposes
- 7 4 Creditors did not approve the resolution relating to the Administrators being discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect

For and on behalf of the Company



**L J Hogg**

Former Administrator



**Parry Group Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 05/12/2016 To 23/01/2017 £	From 05/12/2016 To 23/01/2017 £
	<b>SECURED ASSETS</b>		
50,000 00	Goodwill	8,333 34	8,333 34
	Rental income	12,365 35	12,365 35
5,000 00	Intellectual property	833 34	833 34
940,000 00	Freehold property at the New Factory	NIL	NIL
716,564 00	Financed debtor ledger	NIL	NIL
		<u>21,532 03</u>	<u>21,532 03</u>
	<b>SECURED CREDITORS</b>		
(666,627 00)	Pulse Cashflow Finance Limited	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>ASSET REALISATIONS</b>		
250,000 00	Stock	41,666 66	41,666 66
85,000 00	Plant & machinery and equipment	14,166 66	14,166 66
15,000 00	Contracts and work in progress	2,500 00	2,500 00
	Unanticipated refund	99 46	99 46
	Cash at Bank	34,963 84	34,963 84
		<u>93,396 62</u>	<u>93,396 62</u>
	<b>COST OF REALISATIONS</b>		
	EPC costs	466 30	466 30
	Charges taken by bank	1,819 23	1,819 23
	Agent's fees	800 00	800 00
	Valuers Fees - Pre-Appointment	25,377 17	25,377 17
	Valuers Fees - Post Appointment	183 33	183 33
	Legal Fees - Pre-Appointment	18,414 70	18,414 70
	Legal Fees - Post Appointment	3,302 32	3,302 32
	Travel Expenses	30 78	30 78
	Statutory Advertising	142 00	142 00
	Subsistence	30 78	30 78
		<u>(50,566 61)</u>	<u>(50,566 61)</u>
	<b>UNSECURED CREDITORS</b>		
(1,070,821 87)	Trade and expense creditors	NIL	NIL
(2,500,000 00)	Pension scheme	NIL	NIL
(117,266 00)	HM Revenue and Customs - VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>DISTRIBUTIONS</b>		
(493,982 00)	Ordinary shares	NIL	NIL
(2,480 00)	A ordinary shares	NIL	NIL
(6,018 00)	B ordinary shares	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
<b>(2,795,630 87)</b>		<b><u>64,362.04</u></b>	<b><u>64,362 04</u></b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		9,627 62
	Bank 1 Current		85,407 02
	Trade Creditors		(30,672 60)

64,362.04



Lisa Jane Hogg  
Joint Administrator

# Time Entry - Detailed SIP9 Time & Cost Summary

PARR01A - Parry Group Limited  
From 05/12/2016 To 23/01/2017  
Project Code POST

Classification of Work Function	Directors & IP's	Manager & Senior Administrator	Administrators	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ADAP Appointment	0.00	0.00	2.90	0.00	2.90	783.00	270.00
ADCA Cashiering	0.20	3.60	0.70	4.80	9.30	2,099.00	225.70
ADDI Directors/Client	0.00	0.20	0.00	0.30	0.50	118.00	236.00
ADGA File Maintenance	8.80	0.00	0.50	4.00	13.00	4,903.50	377.19
ADSC Statutory and Compliance	8.80	20.60	28.70	1.60	57.70	19,146.50	331.83
ADSO Strategic Overview	0.00	3.90	0.30	0.00	4.20	1,612.50	383.93
<b>Admin and Planning</b>	<b>17.50</b>	<b>28.30</b>	<b>31.10</b>	<b>10.70</b>	<b>87.60</b>	<b>28,682.50</b>	<b>327.20</b>
ADSV Site Visit	0.00	10.30	4.90	7.50	22.70	6,452.00	284.23
CRSH Shareholders	0.00	0.00	7.30	0.00	7.30	1,932.00	264.66
<b>Case Specific Matters</b>	<b>0.00</b>	<b>10.30</b>	<b>12.20</b>	<b>7.50</b>	<b>30.00</b>	<b>9,384.00</b>	<b>279.47</b>
CRTV Tax and VAT	0.10	0.00	0.00	0.50	0.60	167.50	279.17
CRCL Creditors Claims	0.20	0.60	4.40	7.40	12.60	2,385.00	189.29
CRCO Communications with Creditors	7.00	10.60	3.20	8.30	29.10	9,534.00	327.63
CREM Employees	0.20	0.30	2.90	0.00	3.40	914.50	268.97
<b>Creditors</b>	<b>7.50</b>	<b>11.50</b>	<b>10.50</b>	<b>16.20</b>	<b>45.70</b>	<b>13,001.00</b>	<b>284.49</b>
INDR CDDA Report	0.20	3.00	0.00	0.00	3.20	1,285.00	401.56
INRE Investigation and Review	0.50	1.40	21.60	1.00	24.50	6,607.50	269.69
<b>Investigations</b>	<b>0.70</b>	<b>4.40</b>	<b>21.60</b>	<b>1.00</b>	<b>27.70</b>	<b>7,892.50</b>	<b>284.93</b>
REDC Debt Collection	0.10	0.30	0.70	0.30	1.40	375.50	268.21
REIS Identifying, Securing and Insuring	0.10	0.30	3.90	0.00	4.30	1,104.50	256.86
REPB Property Business and Asset Sales	0.60	2.00	5.20	0.00	7.80	2,338.00	299.74
RERO ROT	3.00	3.40	9.20	4.80	20.40	5,675.00	278.19
<b>Realisation of Assets</b>	<b>3.80</b>	<b>6.00</b>	<b>19.00</b>	<b>5.10</b>	<b>33.90</b>	<b>9,493.00</b>	<b>280.03</b>
<b>Total Hours</b>	<b>28.50</b>	<b>60.50</b>	<b>94.40</b>	<b>40.50</b>	<b>224.90</b>	<b>67,433.00</b>	<b>299.84</b>

## Appendix C

### Additional information in relation to the Administrators' fees, expenses & disbursements

#### 8 Staff allocation and the use of sub-contractors

- 8 1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case
- 8 2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment
- 8 3 We are not proposing to utilise the services of any sub-contractors in this case

#### 9 Professional advisors

- 9 1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of professional advisor	Basis of fee arrangement
Squire Patton Boggs (UK) LLP (legal advice)	Hourly rate and disbursements
Marsh (UK) Limited (insurance)	Hourly rate and disbursements
Kumary & Company (valuation and disposal advice)	Hourly rate and disbursements
Penrose EPC (EPC services)	Fixed fee of £466.30
Beneco EPC (agents costs)	Fixed fee of £275.00
Cumber Consultancy (pension advisors)	Hourly rate and disbursements

- 9 2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

#### 10 Joint Administrators' expenses & disbursements

- 10 1 The estimate of expenses (including disbursements) which were anticipated at the outset of the Administration was provided to creditors when the basis of my fees were approved, a copy of which is set out below

Expense	Estimated cost £
Company search fees	40
Post-Administration advertisements	142
Bond	1,000
Postage, stationery, photocopying etc	2,300
Document upload centre charge	150

Insolvency software fee	150
Insurance	2,723
Travel expenses	326
Agent's fees	2,400
Legal fees	40,000
Land registry fees	540
Lease release fee per registered property	40
Wilson Field's pre-Administration time costs	67,370
Pre-Administration legal fees	18,415
Pre-Administration valuer's fees	25,377
Wilson Field's pre-Administration expenses	674
<b>TOTAL</b>	<b>161,647</b>

### **Summary of Administrators' expenses**

- 10 2 Details of the expenses paid by the Administrators during the Period can be found in the R&P account at Appendix A
- 10 3 Below are details of any expenses or disbursements which remain unpaid at the date of this report and will be discharged in the subsequent Liquidation in due course

	Paid in the Period £	Incurred but not paid to date £	Total anticipated cost £
EPC costs	466 30	0 00	466 30
Specific penalty bond	1,000 00	0 00	1,000 00
Agent's fees (pension advisor)	800 00	0 00	800 00
Valuers fees – pre-Administration	0 00	25,377 17	25,377 17
Valuers fees – post-Administration	0 00	183 33	183 33
Legal fees – pre-Administration	18,414 70	0 00	18,414 70
Legal fees – post-Administration	3,302 32	0 00	3,302 32
Insurance	0 00	1,925 61	1,925 61
Statutory advertising	142 00	0 00	142 00
Subsistence	0 00	177 93	177 93*
<b>Category 2 disbursements</b>			
Insolvency software fee	0 00	150 00	150 00*
Document upload fee	0 00	150 00	150 00*
Travel expenses	0 00	583 59	583 59*

\*creditors should note that these sums have been paid, albeit not during the Period

- 10 4 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of 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 personnel in connection with the case.

- 10.5 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided at the time the Administrators' fees were approved by creditors.

## **11 Charge-out rates**

- 11.1 Wilson Field Limited's current charge-out rates effective from 1 August 2016 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

## WILSON FIELD'S CHARGE OUT RATES AND DISBURSEMENT POLICY

In accordance with Statement of Insolvency Practice 9 ("SIP 9") covering fees and disbursements, we are required to disclose to you our policy for recovering non-specific disbursements, and the charge out rates for the various grades of staff who may be involved in this case

### Remuneration

The office holder(s) will seek approval from creditors to draw remuneration on a time cost basis, in accordance with the rates detailed below

Grade	Hourly charge out rate (£)	
	1 February 2014 to 31 October 2014	1 November 2014 onwards
Director/Insolvency Practitioner	350-500	500
Manager	260-400	400
Assistant Manager	N/A	395
Team Leader	N/A	390
Senior Administrator	240	330
Administrator (1-5 years experience)	120-240	230-300
Secretarial & Support	100-130	130

All time is recorded in 6 minute units

### Category 1 disbursements

In accordance with SIP 9, these do not require the approval of creditors and are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include advertising, room hire, insurance, travel expenses etc

### Category 2 disbursements

In accordance with SIP 9, these require the prior approval of creditors

Category 2 disbursements are charged in accordance with the Joint Liquidators' prevailing recovery policy at the time the disbursement is incurred. The rates applicable from 1 August 2016 are detailed below

Disbursement	Charge	
Search fees	£10 per document	On appointment
Document Upload Centre charge	£150	On appointment
Room hire where held at a Wilson Field office	£100 per meeting	On appointment (where appropriate)
Mileage	45p per mile	On appointment (where appropriate)
Postage, stationery, photocopying etc	£10 per member and creditor per year	On appointment and annually
Insolvency software fee	£150 per year	On appointment and annually
Storage of books and records	£80 per box per year	Once records are logged and then annually
Document management fee	£150 per year	Annually on 1 <sup>st</sup> August

In common with all professional firms, our charge out and disbursements rates increase from time to time. We reserve the right to change the rates without prior notice to you. Any change will be reported in the next statutory report to creditors.