

The Insolvency Act 1986  
**Administrator's progress report**

Name of Company  
Azendi Limited

Company number  
3613592

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

Court case number  
377 of 2012

(a) Insert full name(s) and address(es) of administrator(s)

I/We (a)  
Adrian Peter Berry  
Deloitte LLP  
1 City Square  
Leeds  
West Yorkshire  
LS1 2AL

Daniel Francis Butters  
Deloitte LLP  
1 City Square  
Leeds  
West Yorkshire  
LS1 2AL

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

(b) Insert date

From  
(b) 8 September 2012

To  
(b) 22 January 2013

Signed

  
Joint Administrator

Dated

28/1/13

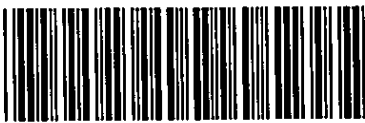
**Contact Details:**

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

Craig Florence  
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THURSDAY



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COMPANIES HOUSE

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**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

**AZENDI LIMITED  
(IN ADMINISTRATION)  
("the Company")**

**Court No. 377 of 2012**

**FINAL PROGRESS REPORT TO CREDITORS  
PURSUANT TO RULE 2.110 OF THE INSOLVENCY RULES 1986 AND THE  
INSOLVENCY (AMENDMENT) RULES 2010**

**22 January 2013**

**This report has been prepared for the sole purpose of updating the Creditors for information purposes  
The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from,  
in whole or in part, by Creditors for any purpose other than updating them for information purposes, or by  
any other person for any purpose whatsoever**

**Adrian Peter Berry and Daniel Francis Butters were appointed Joint Administrators of Azendi Limited on 8  
March 2012. The affairs, business and property of the Company are managed by the Joint Administrators  
The Joint Administrators act as agents of the Company and contract without personal liability**

**All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency  
Practitioners**

**Adrian Peter Berry & Daniel Francis Butters  
Deloitte LLP  
1 City Square, Leeds, LS1 2AL  
Tel: 0113 292 1574**

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Administrators' time costs for the period 8 September 2012 to 22 January 2013**
- 4. Proof of Debt Form**

## ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

|                                 |  |
|---------------------------------|--|
| "A to Z"                        | A to Z Investments Limited   |
| "the Act"                       | Insolvency Act 1986 (as amended)   |
| "the Administrators"            | Adrian Peter Berry and Daniel Francis Butters of Deloitte LLP  |
| "the Bank" / "Secured Creditor" | Barclays Bank PLC  |
| "the Company" or<br>"Azendi"    | Azendi Limited - In Administration   |
| "the Court"                     | High Court of Justice, Leeds District Registry, Chancery<br>Division   |
| "CVL"                           | Creditors Voluntary Liquidation  |
| "Deloitte"                      | Deloitte LLP   |
| "the Director"                  | Ian Jones  |
| "EOS"                           | Estimated Outcome Statement  |
| "the Group"                     | A to Z Investments Limited and the Company   |
| "PP"                            | The Prescribed Part of the Company's net property subject to<br>Section 176A of the Insolvency Act 1986 (as amended) |
| "ROT"                           | Retention of Title   |
| "RPO"                           | The Redundancy Payments Office   |
| "SIP2 (E&W)"                    | Statement of Insolvency Practice 2 (England & Wales)   |
| "SIP7 (E&W)"                    | Statement of Insolvency Practice 7 (England & Wales)   |
| "SIP9 (E&W)"                    | Statement of Insolvency Practice 9 (England & Wales)   |
| "SIP13 (E&W)"                   | Statement of Insolvency Practice 13 (England & Wales)  |

## **1. INTRODUCTION**

### **1.1 Introduction**

This report has been prepared in accordance with Rule 2.110 of the Rules to provide creditors with a summary of the Administration of the Company

Given the information previously provided to creditors in the Administrators' Proposals to creditors, we have not included detailed background information in respect of the Company and have focused on progress of the Administration subsequent to that report

A meeting of creditors was held on 8 May 2012 and approved the Administrators' Proposals discussed at section 2.1 below. The meeting also passed an appropriate resolution approving the basis of the Administrators' remuneration and expenses on a time cost basis

A schedule of statutory information in respect of the Company is attached at Appendix 1

### **1.2 Details of the appointment of the Administrators**

Adrian Peter Berry and Daniel Francis Butters of Deloitte were appointed Joint Administrators of the Company by the Director on 8 March 2012

The Court having conduct of the proceedings is High Court of Justice, Leeds District Registry, Chancery Division (case number 377 of 2012)

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they have been authorised to carry out all functions, duties and powers by either of them jointly and severally

### **1.3 Electronic communication with creditors**

In an effort to reduce the costs of the Administration, all communications with creditors, including updates and progress reports, have been posted onto a website, which has been set up specifically for this purpose. The web address is [www.deloitte.com/uk/azendilimited](http://www.deloitte.com/uk/azendilimited)

A letter was issued to all creditors each time the website was updated with a statutory notice or report. All creditors' statutory notices will be retained on the website for 3 months after being uploaded to the site

## **2. ADMINISTRATORS' PROPOSALS**

### **2.1 Introduction**

As previously reported to creditors, the Administrators concluded that the purpose of the Administration would be to achieve a better result for creditors as a whole as would be obtained through an immediate liquidation of the Company. The purpose of the Administration has been achieved through a sale of the business and assets of the Company.

Consequently, the Administrators have performed their functions in relation to the Company with the objective set out in Paragraph 3(b) of Schedule B1 of the Act. The Administrators' proposals in order to achieve this objective, which were approved at the meeting of creditors held on 8 May 2012, were as follows:

- 1 the Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all Administration expenses,
- 2 the Administrators continue with their enquiries into the conduct of the Director of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company,
- 3 the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Company unless the Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution,
- 4 the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of the Company so determine, at meeting of creditors, a Creditors Committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of that Company,
- 6 that in respect of the Company, the Creditors' Committee, if one is appointed, be asked to agree that the basis of the Administrators' remuneration to be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed plus VAT, and asked to agree the Administrators' expenses,
- 7 that, if a Creditors' Committee is not appointed at a meeting of creditors, the creditors be asked to agree that the basis of the Administrators' remuneration be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed plus VAT, and asked to agree the Administrators' expenses,
- 8 that, if a Creditors' Committee is not appointed at a meeting of creditors, the creditors shall fix the Administrators' disbursements for mileage to be fixed by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising during the Administrations, calculated at the prevailing standard mileage rate used by Deloitte at the time when mileage is incurred (presently up to 45p per mile), plus VAT where applicable,
- 9 that, following the realisation of assets and resolution of all matters in the Administration, and as quickly and efficiently as is reasonably practicable, the Administrators implement

the most cost effective steps to formally conclude the Administration. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Company or alternatively, seeking to put the Company into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,

- 10 that, if the Company was to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4 174A of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time given in attending to matters arising in the Liquidations. As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2 117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
- 11 in the absence of a Creditors' Committee, the creditors of the Company agree that the Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors and vacating office

## 2.2 Amendments to proposals

There were no amendments to the proposals requested by creditors

## 2.3 Achievement of the approved proposals

We have summarised below the outcome in respect of each of the approved proposals

| Proposal | Current status  |
|----------|---|
| 1        | The Administrators managed the affairs of the Company and have realised the Company's assets  |
| 2        | The investigation on the conduct of director has been completed and a report submitted to the Insolvency Service on 31 July 2012. The report is confidential and the contents will not be disclosed to creditors  |
| 3 & 4    | The secured creditor has been paid in full. Preferential and unsecured claims have not yet been finalised nor agreed. This will be completed by the liquidator once the Company is placed into CVL  |
| 5 & 6    | No Creditors' Committee was formed  |
| 7        | The Administrators' remuneration was approved by the Company's creditors following resolutions passed at the meeting of creditors on 8 May 2012   |
| 8        | The Administrators' disbursements were approved by the Company's creditors following resolutions passed at the meeting of creditors on 8 May 2012   |
| 9 & 10   | The Company was placed into CVL on 22 January 2013. Adrian Peter Berry and Daniel Francis Butters, of Deloitte were appointed Joint Liquidators   |
| 11       | The Administrators shall be discharged from their liability pursuant to Paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing this final report to creditors and vacating office. A resolution was passed to this effect at the meeting of creditors held on 8 May 2012 approving the Administrators discharge |

Further information in respect of the final outcome of the Administration is contained in the following sections of this report

### 3. STEPS TAKEN DURING THE ADMINISTRATION

#### 3.1 Asset Realisations

Total asset realisations since the Administrators appointment are detailed below

##### *Sale of Business*

Deferred monies totalling £116,117 have been paid by A to Z in relation to stock held at 29 March 2012, which is based upon 37.5% of cost. As agreed with A to Z, six monthly instalments of £19,353, plus an initial payment of £8,500 was paid to the Administrators

A to Z was granted a licence to occupy various leasehold properties of the Company on completion of the sale of business and assets whilst consent is obtained from the relevant landlords for the assignment of the leases. The Administrators have managed the assignment of leases (where applicable). The successful assignment of the 2 leases triggered further realisations from A to Z totalling £18,500

A to Z also acquired the Company's goodwill and intellectual property, plant and equipment and packaging as detailed below

|                                    |               |
|------------------------------------|---------------|
|                                    | £             |
| Goodwill and intellectual property | 1             |
| Plant and equipment                | 10,000        |
| Packaging                          | <u>1,500</u>  |
|                                    | <u>11,501</u> |

##### *Trading period sales and scrap stock*

Sales during the trading period (8 March 2012 to 29 March 2012) totalled £377,566. This was achieved on a phased store closure programme as stock unwound and which was linked with the date when rent in that particular store became payable. As stores closed, redundancies were made at those stores.

Following closure of the stores the surplus stock was then disposed of to a specialist jewellery scrap merchant. The sum of £15,603 has been received in respect of the scrap stock.

##### *Westfield Lease*

The Administrators negotiated an assignment of the lease at the Westfield Store to a third party. The landlord at Westfield exercised their pre-emption rights and agreed a lease premium of £25,000 and the return of the rent deposit of £47,000 less the outstanding minor store costs. The Administrators confirm that these monies have been received.



### *Rates Rebates*

CAPA have been engaged to secure rates rebates where possible. The sum of £96,040 has been received during the Administration period.

### *Tax Refund*

A tax refund of £97,494 has been received in respect of an overpayment made by the Company during the period 1 May 2009 to 30 April 2010.

### *Cash at Bank*

Cash at Bank on appointment totalled £225,838. These monies have been transferred to the Administrators accordingly.

### *Fixtures and Fittings*

The Administrators have received the sum of £5,221 in respect of fixtures and fittings received from a number of third parties upon the closure of the stores.

### *Insurance Refund and Miscellaneous Refunds*

The Administrators confirm that they have received the sum of £2,475 in respect of an insurance refund due from the Company's former insurance provider. A further £609 has been received from the in store music licence supplier, and £1,346 miscellaneous income.

### *Bank Interest*

Bank interest totalling £751 has been received during the Administration period.

## **3.2 Meeting of creditors**

The Administrators convened a meeting of the creditors of the Company for 8 May 2012 which was held at the offices of Deloitte LLP, 1 City Square, Leeds, LS1 2AL.

The proposals as outlined in Section 2 of this report were fixed at this meeting including the basis of the Administrators' remuneration in respect of the Company was fixed at this meeting, and was fixed as by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT.

## **3.3 Distributions to creditors**

The Company's Bank debt at the date of the appointment of the Administrators was approximately £15,000 being the liability under a duty deferment guarantee provided on the Company's behalf to HMRC of £5,125 and a further chargeback from customers on credit cards, which at the date of the Administrators appointment was contingent. The quantum of charge backs and Barclays Merchant Services fees has now been quantified at £10,474.

No other creditor claims have been adjudicated

### **3.4 Exit**

In accordance with the provisions of the Enterprise Act 2002, an Administration automatically comes to an end after one year, unless an extension is granted by the Court or with consent of the creditors

The Company exited Administration via CVL on 22 January 2013 in accordance with Paragraph 83 of Schedule B1 of the Act as there is likely to be a distribution to unsecured creditors

The Administrators shall be discharged from liability in respect of any action of theirs as Administrators pursuant to Paragraph 98(1) of Schedule B1 of the Act upon registration of the notice given pursuant to Paragraph 83 of Schedule B1 of the Act

### **3.5 Investigations**

As part of the Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed

In this regard, a confidential report was submitted to the Insolvency Service on 31 July 2012

### **3.6 EU regulations**

As stated in the Administration Order in respect of the Company, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation

## **4. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT AND ADMINISTRATION OUTCOME**

### **4.1 Introduction**

Attached at Appendix 2 is an abstract Receipts and Payments account covering the period from 8 September 2012 to 22 January 2013 together with cumulative details of the transactions from the date of appointment, in accordance with SIP7 (E&W)

In this section, we have summarised the main asset realisations during the period since our last progress report to creditors

### **4.2 Asset realisations**

Per the Receipts and Payments account attached at Appendix 2, the main asset realisation over the period of this report is £81,045 of deferred monies relating to the stock held at 29 March 2012. These monies have been received from A to Z and are based upon 37.5% of cost.

Lease assignment fees totalling £18,500 have been received in respect of the agreed assignments for both the Leeds and Harrogate stores as agreed with A to Z in the sale of business.

Rates rebates totalling £59,098 have been received from various local authorities and Bank interest totalling £231 has also been received.

### **4.3 Unrealised assets**

All assets have been realised during the administration period.

### **4.4 Outcome for creditors**

The Administrators performed and achieved their functions in relation to the Company with the objective set out in Paragraph 3(b) of Schedule B1 of the Act by selling the business and assets of the Company as previously reported. Secured creditors have been repaid in full as set out in Section 5.1.

Preferential and unsecured creditor claims are yet to be agreed as outlined in Sections 5.2 and 5.4. It is our intention for these to be finalised and distributions made from the CVL.

## **5. DISTRIBUTIONS TO CREDITORS**

### **5.1 Secured creditors**

The Company's Bank debt at the date of the appointment of the Administrators was approximately £15,000 being the liability under a duty deferment guarantee provided on the Company's behalf to HMRC of £5,125 and a further chargeback from customers on credit cards, which at the date of the Administrators appointment was contingent. The quantum of charge backs and Barclays Merchant Services fees has now been quantified at £10,474

### **5.2 Preferential creditors**

At this stage the level of preferential creditor claims has not been quantified. The Administrators have yet to receive a final claim from the RPO for their preferential claim.

The preferential claims shall be agreed by the Liquidators once the RPO have submitted their final claim.

### **5.3 Unsecured creditors**

The level of unsecured claims received as at 8 March 2012 totals £1,154,325

It is anticipated that a dividend to the unsecured creditors of the Company will be paid during the CVL by the Liquidators, although it is not possible to quantify the likely amount of any dividend at this stage.

No unsecured claims have yet been adjudicated or agreed. As the Company is now in CVL, the Liquidators staff shall begin to agree all proving unsecured creditor claims. Due to the probable distribution to this class of creditor, all creditors are requested to submit claims as soon as possible to the Leeds address on the front of this report, for the attention of Craig Florence. Creditors are required to complete the proof of debt form (attached at Appendix 4) for the Liquidation regardless of whether they have claimed during the Administration.

## 6. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

### 6.1 Extensions to original period of appointment

It was not necessary to extend the Administration beyond the initial period of 12 months

### 6.2 Administrators' discharge

The Administrators will be discharged from liability on filing of the Notice as detailed at Section 2 3 paragraph 11 above

A resolution was passed by the creditors of the Company at the meeting of creditors held on 8 May 2012 approving the Administrators discharge in this regard

### 6.3 SIP13 (E&W) – Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), details of the Company's transactions with connected parties during the period of this report and the two years prior to our appointment are provided below

| Date          | Details of transaction   | Sales / (Purchases) (£)                   | Name of counterparty | Connection                       |
|---------------|--|---|----------------------|----------------------------------|
| 29 March 2012 | Goodwill, Intellectual Property, Plant & Equipment and Packaging | £11,501 as detailed in section 3 1 above  | A to Z               | Common Director and Shareholders |
| 29 March 2012 | Sale of Stock  | £116,117 as detailed in section 3 1 above | A to Z               | Common Director and Shareholders |
| 29 March 2012 | Leasehold Assignments  | £18,500 as detailed in section 3 1 above  | A to Z               | Common Director and Shareholders |

In respect of the transaction relating to the sale of business, the purchaser sought independent legal advice from an independent firm of solicitors. The Administrators were advised by Irwin Mitchell as detailed in section 8 3 below

The Administrators have investigated pre-appointment transactions and have satisfied themselves that these were undertaken on an arms' length basis

## **7. PRE-ADMINISTRATION COSTS**

There are no Pre-Administration costs in this matter and therefore the Joint Administrators did not seek a resolution at the meeting of creditors to approve such costs

## 8. ADMINISTRATORS REMUNERATION AND EXPENSES

### 8.1 Administrators' Remuneration and Expenses

#### 8.1.1 Basis of Remuneration

The basis of the Administrators' remuneration was fixed at a creditors meeting held on 8 May 2012 as follows

By reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT

#### 8.1.2 Remuneration

During the final period of their administration commencing on 8 September 2012 the Administrators have time charges of £89,510 made up of 206 hours at an average charge out rate of £434 across all grades of staff (this time is charged at six minute increments) as detailed at Appendix 3 Remuneration of £140,000 has been drawn and paid during the final period of Administration as indicated in the Receipts and Payments account at Appendix 2 in relation to this and prior time during the period

Total time charges over the period of the Administrators' appointment were £425,164 made up of 979 hours at an average charge out rate of £434 across all grades of staff as detailed at Appendix 3 Of this sum, a total of £300,000 has been drawn and paid as indicated in the Receipts and Payments account at Appendix 2 over the course of the Administration The balance of time has been written off making a discounted average charge out rate of £306 which has been recovered

The work has been categorised into the following task headings and sub categories

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashing and accounting
- **Investigations** includes investigating the Company's affairs and in particular any antecedent transactions and also reporting on the conduct of its Directors
- **Realisation of Assets** includes identifying, securing and insuring assets, sale of business, transition of contracts, property issues, disposal of stocks, collection of debts, realisation of other fixed assets
- **Trading** includes planning, identifying strategy, preparation of trading forecasts, monitoring of performance against the forecasts, managing operations, dealing with supplier and landlord issues to ensure continuity of operations, accounting and employees (including pensions and other staff benefits)
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, secured and employee claims

- **Case specific matters** include employee pension related issues, VAT and corporation tax issues

"A Creditors' Guide to Remuneration" is available for download at [www.deloitte.com/uk/sip-9-england-and-wales](http://www.deloitte.com/uk/sip-9-england-and-wales)

Should you require a paper copy, please send your request in writing to the Administrators at the address on the front of this report and this will be provided to you at no cost

### 8.1.3 Expenses

During the period covered by this report the Administrators have incurred expenses of £104 60 and which are summarised in the table below

| Nature of disbursement (£) | 08/03/12 to<br>07/09/12 | 08/09/12 to<br>22/01/13 | Total           |
|----------------------------|-------------------------|-------------------------|-----------------|
| Accommodation              | 115 00                  | 0 00                    | 115 00          |
| Telephones                 | 228 20                  | 38 86                   | 267 06          |
| Travel / Mileage           | 1,320 95                | 21 08                   | 1,342 03        |
| Parking                    | 108 25                  | 6 25                    | 114 50          |
| Postage                    | 718 97                  | 5 25                    | 724 22          |
| Subsistence                | 1,075 71                | 33 16                   | 1,108 87        |
| Statutory Advertising      | 2,384 00                | 0 00                    | 2,384 00        |
| Insurance Costs            | 260 00                  | 0 00                    | 260 00          |
| <b>Total</b>               | <b>6,211.08</b>         | <b>104 60</b>           | <b>6,315 68</b> |

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

### 8.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2012 and 2013 charge out rates as summarised below. Manager rates include all grades of assistant manager

| Grade                      | Rates £ per hour |                  |
|----------------------------|------------------|------------------|
|                            | Jan 12- Aug 12   | Sept 12 - Aug 13 |
| Partners & Directors       | 585 to 920       | 605 to 950       |
| Managers                   | 295 to 700       | 305 to 720       |
| Assistants & Support Staff | 150 to 295       | 155 to 305       |

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Drivers Jonas Deloitte may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by



secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

With effect from 1 September 2012, charge out rates were increased by an average 3% and the charge out rate bandings have been amended, where applicable, to reflect this change.

### 8.3 Other professional costs

To advise on appropriate legal matters and to prepare required legal documentation including business sale agreements the Administrators instructed Irwin Mitchell, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations.

Deloitte Corporate Finance Real Estate, were engaged to advise on all leasehold property related matters, and were selected due to their experience and geographical coverage. In addition, Dresler Smith were engaged to assist with leasehold realisations with an agreed fee based upon 20% of leasehold recoveries.

The Administrators also instructed CAPA to manage utility liabilities based on a fixed fee of £2,500 plus VAT. Furthermore, CAPA were also instructed to secure rates rebates where applicable on a fee basis of 17.5% of the sum recovered subject to a no win no fee cap which totalled £5,174.

Professional fees for Irwin Mitchell are based upon their recorded time costs incurred and were reviewed by the Administrators' staff before being approved for payment. The professional costs paid during the Administration are summarised in the table below.

| Name of lawyer/agent           | NET (£)          | VAT (£)          | TOTAL (£)        |
|--------------------------------|------------------|------------------|------------------|
| Dresler Smith (fees)           | 14,380.99        | 2,876.20         | 17,257.19        |
| Dresler Smith (disbursements)  | 1,500.00         | 300.00           | 1,800.00         |
| Irwin Mitchell (fees)          | 49,707.50        | 9,941.50         | 59,649.00        |
| Irwin Mitchell (disbursements) | 102.00           | 0.48             | 102.48           |
| CAPA                           | 7,673.71         | 1,534.74         | 9,208.45         |
| <b>Total</b>                   | <b>73,364.20</b> | <b>14,652.92</b> | <b>88,017.12</b> |

### 8.4 Creditors' right to request information

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Administrators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2.47(1)(fa) and 2.48A of the Rules.

## **8.5 Creditors' right to challenge Remuneration and/or Expenses**

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), reducing the amount or the basis of remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports

**AZENDI LIMITED (IN ADMINISTRATION)**

**STATUTORY INFORMATION**

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|                                 |  |
|---------------------------------|--|
| Company Name                    | Azendi Limited   |
| Previous Names                  | N/A  |
| Proceedings                     | In Administration  |
| Court                           | High Court of Justice, Leeds District Registry, Chancery D   |
| Court Reference                 | Case number 377 of 2012  |
| Date of Appointment             | 8 March 2012   |
| Joint Administrators            | Adrian Peter Berry and Daniel Francis Butters<br>Deloitte LLP<br>1 City Square<br>Leeds<br>LS1 2AL |
| Registered office Address       | c/o Deloitte LLP<br>Deloitte LLP<br>1 City Square<br>Leeds<br>LS1 2AL                              |
| Company Number                  | 03613592   |
| Incorporation Date              | 6 August 1998  |
| Company Secretary               | Lynsey Cooke   |
| Bankers                         | Barclays Bank PLC  |
| Auditors                        | Sagars LLP   |
| Appointment by                  | Director   |
| Director at date of Appointment | Ian Jones  |
| Directors' Shareholdings        | 0% (fully owned by A to Z Investments Limited)   |

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*Note Ian Jones holds 95% of the shares of A to Z Investments Limited*

**ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FROM 8 SEPTEMBER 2012 TO 22 JANUARY 2013 AND ADMINISTRATORS' FINAL RECEIPTS AND PAYMENTS ACCOUNT AS AT 22 JANUARY 2013**

| Statement of Affairs             | From 08/09/2012 To 22/01/2013 | From 08/03/2012 To 22/01/2013 |
|----------------------------------|-------------------------------|-------------------------------|
| <b>POST APPOINTMENT SALES</b>    |                               |                               |
| NIL                              | NIL                           | 377 566 13                    |
| NIL                              | NIL                           | 377 566 13                    |
| <b>OTHER DIRECT COSTS</b>        |                               |                               |
| NIL                              | NIL                           | 156 35                        |
| NIL                              | NIL                           | (156 35)                      |
| <b>TRADING EXPENDITURE</b>       |                               |                               |
| NIL                              | NIL                           | 2,466 84                      |
| NIL                              | 5 68                          | 321 82                        |
| NIL                              | NIL                           | 6 960 41                      |
| NIL                              | 40 00                         | 40 00                         |
| NIL                              | NIL                           | 225 00                        |
| NIL                              | NIL                           | 3 685 00                      |
| NIL                              | 6 232 00                      | 6 232 00                      |
| NIL                              | NIL                           | 16,982 18                     |
| NIL                              | NIL                           | 200 00                        |
| NIL                              | (6,277 68)                    | (37 113 25)                   |
| <b>TRADING SURPLUS/(DEFICIT)</b> |                               |                               |
|                                  | (8 277 68)                    | 340,296 53                    |
| <b>GENERAL FIXED CHARGE</b>      |                               |                               |
| NIL                              | NIL                           | 5 125 00                      |
| NIL                              | NIL                           | (5 125 00)                    |
| <b>ASSET REALISATIONS</b>        |                               |                               |
| NIL                              | NIL                           | 15 602 80                     |
| NIL                              | NIL                           | 25 000 00                     |
| NIL                              | NIL                           | 47 000 00                     |
| NIL                              | NIL                           | 1 500 00                      |
| 500 00                           | NIL                           | 10 000 00                     |
| NIL                              | NIL                           | 1 00                          |
| 93 794 00                        | 81 045 16                     | 116 117 16                    |
| NIL                              | NIL                           | 1 345 69                      |
| 49 670 00                        | NIL                           | NIL                           |
| 10 000 00                        | NIL                           | 5 220 50                      |
| NIL                              | NIL                           | 97 494 39                     |
| NIL                              | NIL                           | 2 475 10                      |
| 215 626 00                       | NIL                           | 225 638 46                    |
| NIL                              | 59 097 96                     | 96 040 36                     |
| NIL                              | (14 127 06)                   | 34 287 78                     |
| NIL                              | 230 98                        | 751 41                        |
| NIL                              | (6 277 68)                    | 340 296 53                    |
| NIL                              | NIL                           | 608 92                        |
| NIL                              | 18 500 00                     | 18 500 00                     |
| 369 790 00                       | 138 469 36                    | 1 038 060 06                  |
| <b>COST OF REALISATIONS</b>      |                               |                               |
| NIL                              | NIL                           | 41,666 66                     |
| NIL                              | NIL                           | 390 00                        |
| NIL                              | 130 06                        | 7 673 71                      |
| NIL                              | 140 000 00                    | 300 000 00                    |
| NIL                              | 432 69                        | 6 315 68                      |
| NIL                              | NIL                           | 1 685 00                      |
| NIL                              | NIL                           | 1 640 71                      |
| NIL                              | NIL                           | 15 880 99                     |
| NIL                              | NIL                           | 49 707 50                     |
| NIL                              | NIL                           | 102 00                        |
| NIL                              | NIL                           | 32 752 94                     |
| NIL                              | NIL                           | 496 89                        |
| NIL                              | NIL                           | 354 82                        |
| NIL                              | 24 474 85                     | 117,168 67                    |
| NIL                              | 1 029 73                      | 4 376 61                      |
| NIL                              | NIL                           | 1 612 53                      |
| NIL                              | NIL                           | 3,175 75                      |
| NIL                              | NIL                           | 90 884 91                     |
| NIL                              | 50 00                         | 4 283 42                      |
| NIL                              | NIL                           | 8 974 41                      |
| NIL                              | (5 000 00)                    | 1 500 00                      |
| NIL                              | 10 000 00                     | 10 000 00                     |
| NIL                              | (171 117 53)                  | (700 643 20)                  |
| <b>369 790 00</b>                | <b>(32,648,17)</b>            | <b>332,291 88</b>             |
| <b>REPRESENTED BY</b>            |                               |                               |
| VAT Recoverable                  |                               | 103,160 65                    |
| Floating IB Current A/C          |                               | 334 781 79                    |
| VAT Payable                      |                               | (105 650 56)                  |
|                                  |                               | <b>332,291 88</b>             |

**AZENDI LIMITED  
(IN ADMINISTRATION)**

**JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD 8 MARCH 2012 TO 22 JANUARY 2013**

|   | Partners & Directors |                  | Managers      |                   | Assistants & Support |                 | TOTAL         |                   | Average Hourly Rate (Cost (£)) |
|---|----------------------|------------------|---------------|-------------------|----------------------|-----------------|---------------|-------------------|--------------------------------|
|   | Hours                | Cost (£)         | Hours         | Cost (£)          | Hours                | Cost (£)        | Hours         | Cost (£)          |                                |
| <b>Administration and Planning</b>                                  |                      |                  |               |                   |                      |                 |               |                   |                                |
| Cashiering and Statutory Filing                                     | 0 65                 | 541 25           | 39 60         | 17,984 00         | 10 00                | 2,813 50        | 50 25         | 21,338 75         | 424 65                         |
| Case Supervision, Management and Closure                            | -                    | -                | 91 50         | 38,212 50         | 2 80                 | 863 00          | 94 30         | 38,875 50         | 412 25                         |
| Initial Actions (e.g. Notification of Appointment, Securing Assets) | -                    | -                | 12 50         | 3,687 50          | -                    | -               | 12 50         | 3,687 50          | 295 00                         |
| General Reporting   | -                    | -                | 56 50         | 22,410 00         | 1 50                 | 285 00          | 58 00         | 22,695 00         | 391 29                         |
|   | <b>0 65</b>          | <b>541 25</b>    | <b>200 10</b> | <b>82,294 00</b>  | <b>14 30</b>         | <b>3,761 50</b> | <b>215 05</b> | <b>86,598 75</b>  | <b>402 68</b>                  |
| <b>Investigations</b>   |                      |                  |               |                   |                      |                 |               |                   |                                |
| Reports on Directors' Conduct                                       | 2 00                 | 1 290 00         | 10 00         | 4,050 00          | -                    | -               | 12 00         | 5,340 00          | 445 00                         |
|   | <b>2 00</b>          | <b>1,290 00</b>  | <b>10 00</b>  | <b>4,050 00</b>   | <b>-</b>             | <b>-</b>        | <b>12 00</b>  | <b>5,340 00</b>   | <b>445 00</b>                  |
| <b>Trading</b>  |                      |                  |               |                   |                      |                 |               |                   |                                |
| Day 1 Control of Trading  | -                    | -                | 47 50         | 18,945 00         | -                    | -               | 47 50         | 18,945 00         | 398 84                         |
| Ongoing Trading   | 38 00                | 23,910 00        | 107 50        | 43,425 00         | -                    | -               | 145 50        | 67,335 00         | 462 78                         |
| Closure of Trade  | -                    | -                | 82 00         | 37,042 50         | -                    | -               | 82 00         | 37,042 50         | 451 74                         |
|   | <b>38 00</b>         | <b>23,910 00</b> | <b>237 00</b> | <b>99,412 50</b>  | <b>-</b>             | <b>-</b>        | <b>275 00</b> | <b>123,322 50</b> | <b>448 45</b>                  |
| <b>Realisation of Assets</b>  |                      |                  |               |                   |                      |                 |               |                   |                                |
| Property - Freehold and Leasehold                                   | 49 00                | 30,825 00        | 147 50        | 68,207 50         | -                    | -               | 196 50        | 99,032 50         | 503 98                         |
| Sale of Business / Assets   | 18 00                | 10,990 00        | 60 50         | 23,595 00         | -                    | -               | 78 50         | 34,585 00         | 440 57                         |
|   | <b>67 00</b>         | <b>41,815 00</b> | <b>208 00</b> | <b>91,802 50</b>  | <b>-</b>             | <b>-</b>        | <b>275 00</b> | <b>133,617 50</b> | <b>485 88</b>                  |
| <b>Creditors</b>  |                      |                  |               |                   |                      |                 |               |                   |                                |
| Employees   | -                    | -                | 63 00         | 20,852 50         | -                    | -               | 63 00         | 20,852 50         | 330 99                         |
| Unsecured   | -                    | -                | 82 00         | 33,230 00         | -                    | -               | 82 00         | 33,230 00         | 405 24                         |
|   | <b>-</b>             | <b>-</b>         | <b>145 00</b> | <b>54,082 50</b>  | <b>-</b>             | <b>-</b>        | <b>145 00</b> | <b>54,082 50</b>  | <b>372 98</b>                  |
| <b>Other Matters Include*</b>                                       |                      |                  |               |                   |                      |                 |               |                   |                                |
| Tax and VAT   | 1 60                 | 1,408 00         | 34 30         | 16,372 50         | 20 75                | 4,423 75        | 56 65         | 22,204 25         | 391 95                         |
|   | <b>1 60</b>          | <b>1,408 00</b>  | <b>34 30</b>  | <b>16,372 50</b>  | <b>20 75</b>         | <b>4,423 75</b> | <b>56 65</b>  | <b>22,204 25</b>  | <b>391 95</b>                  |
| <b>TOTAL HOURS &amp; COST</b>                                       | <b>109 25</b>        | <b>68,964 25</b> | <b>834 40</b> | <b>348,014 00</b> | <b>35 05</b>         | <b>8,185 25</b> | <b>978 70</b> | <b>425,163 50</b> | <b>434 42</b>                  |
| <b>TOTAL FEES DRAWN TO DATE</b>                                     |                      |                  |               |                   |                      |                 |               |                   | <b>300,000 00</b>              |

**AZENDI LIMITED  
(IN ADMINISTRATION)**

**JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD 8 SEPTEMBER 2012 TO 22 JANUARY 2013**

Azendi Limited  
(In Administration)

Time costs for the period 09/09/12 to 22/01/13

|  | Partners & Directors |          | Managers |           | Assistants & Support |          | TOTAL  |           | Average                 |
|--|----------------------|----------|----------|-----------|----------------------|----------|--------|-----------|-------------------------|
|  | Hours                | Cost (£) | Hours    | Cost (£)  | Hours                | Cost (£) | Hours  | Cost (£)  | Hourly Rate<br>Cost (£) |
| <b>Administration and Planning</b>       |                      |          |          |           |                      |          |        |           |                         |
| Cashiering and Statutory Filing          | 0 20                 | 170 00   | 3 90     | 1,798 50  | 3 40                 | 1,003 00 | 7 50   | 2,961 50  | 394 87                  |
| Case Supervision, Management and Closure | -                    | -        | 50 50    | 20,786 00 | 1 20                 | 207 00   | 51 70  | 20,992 00 | 406 03                  |
| General Reporting                        | -                    | -        | 30 50    | 13,012 50 | 1 50                 | 285 00   | 32 00  | 13,297 50 | 415 56                  |
|  | 0 20                 | 170 00   | 84 90    | 35,586 00 | 6 10                 | 1,495 00 | 91 20  | 37,251 00 | 408 45                  |
| <b>Trading</b>                           |                      |          |          |           |                      |          |        |           |                         |
| Ongoing Trading                          | 5 00                 | 3,225 00 | 8 50     | 3,952 50  | -                    | -        | 5 00   | 3,225 00  | 645 00                  |
| Closure of Trade                         | 5 00                 | 3,225 00 | 8 50     | 3,952 50  | -                    | -        | 8 50   | 3,952 50  | 465 00                  |
|  |                      |          |          |           |                      |          | 13 50  | 7,177 50  | 531 67                  |
| <b>Realisation of Assets</b>             |                      |          |          |           |                      |          |        |           |                         |
| Property - Freehold and Leasehold        | 7 00                 | 4,515 00 | 52 50    | 23,885 00 | -                    | -        | 59 50  | 28,400 00 | 477 31                  |
| Sale of Business / Assets                | 1 00                 | 645 00   | -        | -         | -                    | -        | 1 00   | 645 00    | 645 00                  |
|  | 8 00                 | 5,160 00 | 52 50    | 23,885 00 | -                    | -        | 60 50  | 29,045 00 | 480 08                  |
| <b>Creditors</b>                         |                      |          |          |           |                      |          |        |           |                         |
| Employees                                | -                    | -        | 1 00     | 315 00    | -                    | -        | 1 00   | 315 00    | 315 00                  |
| Unsecured                                | -                    | -        | 6 50     | 2,600 00  | -                    | -        | 6 50   | 2,600 00  | 400 00                  |
|  | -                    | -        | 7 50     | 2,915 00  | -                    | -        | 7 50   | 2,915 00  | 388 67                  |
| <b>Other Matters Include</b>             |                      |          |          |           |                      |          |        |           |                         |
| Tax and VAT                              | -                    | -        | 17 00    | 9,353 50  | 16 65                | 3,767 75 | 33 65  | 13,121 25 | 389 93                  |
|  | -                    | -        | 17 00    | 9,353 50  | 16 65                | 3,767 75 | 33 65  | 13,121 25 | 389 93                  |
| <b>TOTAL HOURS &amp; COST</b>            | 13 20                | 8,555 00 | 170 40   | 75,892 00 | 22 75                | 5,262 75 | 206 35 | 89,509 75 | 433 78                  |
| <b>FEES DRAWN THIS PERIOD</b>            |                      |          |          |           |                      |          |        |           |                         |
|  |                      |          |          |           |                      |          |        |           | 140,000 00              |

## PROOF OF DEBT - GENERAL FORM

In the matter of  
**Azendi Limited**

Form 4.25

In Creditors' Voluntary Liquidation  
and in the matter of The Insolvency Act 1986

Date of Liquidation 22 January 2013

|    |  |   |
|----|--|---|
| 1  | Name of Creditor   |   |
| 2  | Address of Creditor  |   |
| 3  | Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)  | £   |
| 4  | Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]  |   |
| 5  | If the total amount shown above includes Value Added Tax, please show -<br><br>(a) amount of Value Added Tax<br>(b) amount of claim NET of Value Added Tax   | £<br>£  |
| 6  | If total amount above includes outstanding uncapitalised interest please state amount  | £   |
| 7  | If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)  |   |
| 8  | Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975) | Category<br><br>Amount(s) claimed as preferential £ |
| 9  | Particulars of how and when debt incurred  |   |
| 10 | Particulars of any security held, the value of the security, and the date it was given   | £   |
| 11 | Signature of creditor or person authorised to act on his behalf  |   |
|    | Name in BLOCK LETTERS  |   |
|    | Position with or relation to creditor  |   |