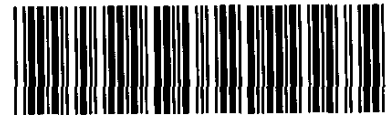




FRIDAY



A22 *A7LR7V00*
28/12/2018 #254
COMPANIES HOUSE

1 Company details

Company number 0 2 2 5 8 9 5 1

Company name in full Cash Generator Limited

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

2 Administrator's name

Full forename(s) Anthony

Surname Collier

3 Administrator's address

Building name/number 4th Floor

Street Abbey House

Post town Booth Street

County/Region Manchester

Postcode M 2 4 A B

Country

4 Administrator's name ¹

Full forename(s) Ben

Surname Woolrych

¹ Other administrator
Use this section to tell us about another administrator.

5 Administrator's address ²

Building name/number 4th Floor

Street Abbey House

Post town Booth Street

County/Region Manchester

Postcode M 2 4 A B

Country

² Other administrator
Use this section to tell us about another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 4	^m 0	^m 6	^y 2	^y 0	^y 1	^y 8
To date	^d 0	^d 3	^m 1	^m 2	^y 2	^y 0	^y 1	^y 8

7 Progress report

I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X A Miller

X

Signature date

^d 2	^d 4	^m 1	^m 2	^y 2	^y 0	^y 1	^y 8
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AM10

Notice of administrator's progress report

Presenter information

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

Contact name **Keeley Casey**

Company name **FRP Advisory LLP**

Address **4th Floor**

Abbey House

Post town **Booth Street**

County/Region **Manchester**

Postcode

M	2		4	A	B	
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Country

DX

Telephone **0161 833 3344**

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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

**Cash Generator Limited (In Administration) (“The Company”)
In The High Court of Justice Business and Property Court in
Manchester, Company and Insolvency List NO. 2523 OF 2018**

**The Joint Administrators’ Progress Report for the period 4 June
2018 to 3 December 2018 pursuant to Rule 18.3 of the
Insolvency (England and Wales) Rules 2016**

24 December 2018

Contents and Abbreviations



The following abbreviations may be used in this report:	
Section	Contents
1.	Progress of the Administration in the Period
2.	Estimated Outcome for Creditors
3.	Joint Administrators' Remuneration, Disbursements, Expenses and Pre-Appointment Costs
Appendix	Content
A.	Statutory Information regarding the Company and the Appointment of the Joint Administrators
B.	Form AM10 Formal Notice of the Progress Report
C.	Schedule of Work
D.	Details of the Joint Administrators' Time Costs and Disbursements for the Period
E.	Receipts and Payments Account for the Period
F.	Statement of Expenses incurred in the Period
FRP	FRP Advisory LLP
The Company or CGL	Cash Generator Limited (In Administration)
The Joint Administrators	Anthony Collier and Ben Woolrych of FRP Advisory LLP
The Period	The reporting period 4 June 2018 to 3 December 2018
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying floating charge holder
HMRC	HM Revenue & Customs
CGFL	Cash Generator Franchising Limited
SIP 16	Statement of Insolvency Practice 16 – Pre-Packed Sales in Administration
Barclays	Barclays Bank PLC
The Directors	Graeme Shepherd McKinnon (Managing Director) Gold Round Limited (Corporate director) Fantastic Voyage Limited (Corporate director)
SPB	Squire Patton Boggis, the Joint Administrators' independent legal advisors
Metis	Metis Partners Limited, a firm of independent valuation experts
Secured Creditor	Deasil Limited

Contents and Abbreviations

SIA	SIA Group (UK) London, the Joint Administrators' selling agents
PHD	PHD Property Advisory Limited, the Joint Administrators' property agents
The Proposals	The Joint Administrators' Proposals dated 11 June 2018
FVL	Fantastic Voyage Limited
C&V	C&V Data Management
Fyfield	Fyfield Equipment Ltd
Whittingham Riddell	Whittingham Riddell LLP, the Joint Administrators' tax accountants

1. Progress of the Administration



Work Undertaken in the Period

This report should be read in conjunction with the Proposals, which provides background information on the Company, details of the events leading up to the insolvency and full details of the marketing of the business undertaken by the Joint Administrators. A copy of the Proposals can be provided on request.

Attached at **Appendix C** is a schedule of work undertaken during the Period together with a summary of work still to be completed. I would comment specifically as follows;

Sale of the Company's Business and Assets

As detailed in the Proposals, a sale of the business and assets of the Company to FVL completed on 4 June 2018, immediately after the Joint Administrators' appointment. The primary asset sold being CGL's shareholding in CGFL. The transaction value was £1,000,005, plus VAT where applicable, and this was paid in full on completion, and immediately distributed to the Secured Creditor under its fixed charge.

Full details of the sale transaction in accordance with SIP16 can be found in Appendix C, of the Proposals.

The assets included as part of the transaction and consideration allocated to each is detailed below.

Assets	£
CGFL Shareholding	1,000,000
Goodwill / Intellectual Property / IT Equipment / Seller's Records / Franchise Agreements & debts	5
	<u>1,000,005</u>

Administration Trading Period

At the date of appointment the Company's records detailed stock with a combined cost value of £164k in the remaining stores.

Whilst it was not appropriate to continue trading indefinitely, the Joint Administrators considered that an orderly wind down of operations at the remaining three stores at Feltham, Luton and Peckham would increase asset realisations for the benefit of the body of creditors as a whole. Ten members of staff who worked at these locations were retained.

The wind down period also allowed certain CGL customers, who held repurchase rights on certain stock, with the opportunity and time to exercise their rights.

Trading in the three stores ceased on 18 June 2018, and the 10 remaining employees of the Company were made redundant on the same date. The three stores were vacated by the Joint Administrators, shortly thereafter.

A total of £63,291 was realised from sales of stock in the three stores during the post appointment trading period.

Trading Surplus

A trading surplus of £50,521 has been generated during the Period. After payment of all remaining costs associated with the trading period, the final anticipated trading surplus is c£35,000. This does not include professional costs associated with the trading period. A further update will be provided in the next progress report.

Leasehold Premises

The Company historically operated from a number of leasehold premises nationwide within its corporate store network. With the exception of the three stores at Peckham, Luton and Feltham, all other stores were vacated by the Company prior to the Joint Administrators' appointment.

1. Progress of the Administration



At the date of appointment, 16 leases relating to legacy closed stores remained, as the Company had been unable to negotiate acceptable settlements to exit the leases. Upon appointment, the Joint Administrators engaged PHD, the Company's pre-appointment property advisors to liaise with landlords and managing agents in regards to access to all 19 leasehold premises.

All landlords were written to on appointment, and were offered an informal surrender, two of the leases have been informally surrendered to date.

The Joint Administrators will continue to liaise with the various landlords in respect of the remaining leases in regards to an informal surrender.

Receipts and Payments in the Period

Attached at **Appendix E** is a receipts and payments account detailing all transactions in the Period. The transactions are largely self-explanatory, but I would comment specifically as follows;

Fixtures and Fittings

A total of £600 has been received by the Joint Administrators in relation to the sale of miscellaneous fixtures and fixtures from the three stores.

No further realisations are expected in this regard.

IT Equipment

A total of £4,000 has been received, in relation to IT equipment that was sold in bulk to a franchise store, following the trading period. All IT equipment was data wiped prior to sale, via the Joint Administrators' agents, SIA, in order to comply with GDPR requirements and safeguard personal data.

No further realisations are expected in this regard.

Stock

The majority of stock was sold in stores during the post appointment trading period. The remaining surplus stock was sold in bulk to a franchise store. The Joint Administrators received a total of £11,900 in relation to this particular stock.

No further realisations are expected in this regard.

Book debts

Pre-appointment book debts totalling £16,257 have been received in relation to debts owed by franchise stores. Funds had been paid into the Company's pre appointment bank account, and were then transferred to the Administration estate account. There will be no further realisations from this source as franchise agreements and franchise debts were included in the sale of business and assets that took place on 4 June 2018.

Merchant Services Deposits

A total of £35,841 has been received in relation to cash held by merchant service providers, at the appointment of the Joint Administrators.

No further realisations are expected in this regard.

Insurance Refund

A total of £589 has been received in respect of over payments made in respect of the Company's pre appointment insurance cover policy.

No further realisations are expected in this regard.

1. Progress of the Administration

Cash at Bank and On Hand

At the date of appointment, cash at bank held in the Company's pre-appointment Barclays account totalled £115,991, this amount was transferred to the Administration estate account on request of the Joint Administrators.

In addition to this, a total of £28,539 of cash was uplifted from the remaining stores upon appointment, and funds of £14,074 relating to merchant service funds in transit were paid into the Company's pre appointment bank account, and subsequently remitted to the Administration estate account.

No further realisations are expected in this regard.

Rates Refunds

The Joint Administrators engaged independent property advisers, PHD to investigate the rateable values of the trading premises and identify any historic overpayments based on the rateable value being incorrectly determined. A total of £12,526 has been received during the Period, in relation to rates refunds.

The review exercise in respect of historic rates overpayments is still ongoing, and an update will be provided in the next progress report.

Gross Bank Interest

Gross bank interest totalling £304 has been received to date.

Other matters carried out in the Period and ongoing

Corporation Tax

The Joint Administrators have instructed Whittingham Riddell to review the Company's tax position. The review is ongoing and an update will be provided in the next progress report.

Pre-appointment VAT Recoverable

At the date of appointment the Company was due to reclaim £56,299 from HMRC in respect of pre appointment VAT recoverable. The Company was removed from its VAT group upon insolvency and therefore we have been unable to submit the pre-appointment VAT return on behalf of the Company.

The Joint Administrators are currently liaising with the VAT group's representative member in regards to submission of the pre-appointment VAT return, on behalf of the Company in order to recover funds.

After the application of HMRC's claim in the Administration, it is anticipated that £30k will be recovered.

An update in this regard will be provided in the next progress report.

Investigations

Part of the Joint Administrators' duties include carrying out proportionate investigations into what assets the Company has, including any potential claims against directors or other parties, and what recoveries could be made. The Joint Administrators have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have regarding the way in which the Company's business has been conducted.

Further details of the conduct of their investigations are set out in the schedule of work attached. The Joint Administrators can confirm that no further investigations or actions were required.

1. Progress of the Administration



Extension to the Initial Period of Appointment and Anticipated Exit Strategy

The Administration will end automatically after 12 months from the date of the appointment of the Joint Administrators. This period can be extended with consent of the creditors for up to twelve months or longer by the application of the Court, however an extension to the initial 12 month period is not envisaged.

It is anticipated that the Joint Administrators will implement the necessary steps to end the Administration and dissolve the Company, before the next six month anniversary of the Administration.

2. Estimated Outcome for Creditors



The estimated outcome for creditors was set out in the Proposals, an update is provided below:

Outcome for the Secured Creditor

In consideration for a loan facility to fund the initial acquisition of the Company, the Company granted the Secured Creditor debentures dated 30 August 2017 and 9 November 2017, containing fixed and floating charges over all the assets of the Company.

At the date of appointment, the Company's indebtedness to the Secured Creditor was understood to be £1.26m, subject to accruing interest & charges.

A total of £1,000,005 was immediately remitted to the Secured Creditor upon the completion of the sale of the Company's business and assets.

It is currently anticipated that there will be a shortfall to the Secured Creditor.

Outcome for Preferential Creditors

To date preferential claims totalling £4,580, have been received to date, being the employees' preferential element for accrued holiday pay as calculated in accordance with legislation.

It is currently uncertain if there will be sufficient funds to enable a distribution to preferential creditors, as this is dependent on future asset realisations.

Outcome for Unsecured Creditors

According to the Company's books and records at the date of appointment, unsecured creditors totalled £272,676, to date unsecured creditor claims totalling £423,421 have been received.

It is currently anticipated that there will be insufficient funds to distribute to unsecured creditors, other than via the prescribed part if applicable.

Cash Generator Limited (In Administration)
The Joint Administrators' Progress Report

Prescribed Part

The Prescribed Part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The Prescribed Part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000 and the cost of making a distribution to unsecured creditors would not be disproportionate to the benefits.

The value of the net property available is currently unknown as this is dependent on future asset realisations.

3. Joint Administrators' Remuneration, Disbursements, Expenses and Pre-Appointment Costs



Joint Administrators' Remuneration

Following circulation of the Proposals the Secured Creditor and preferential creditors approved a resolution that the Joint Administrators' remuneration should be calculated on a time cost basis, capped at £150,000. To date fees of £130,000 plus VAT have been drawn from the funds available.

A breakdown of the Joint Administrators' time costs incurred during the Period is attached at **Appendix D**. The remuneration anticipated to be recovered by the Joint Administrators based on time costs, is not likely to exceed the sum provided in the fees estimate circulated to creditors with the Proposals.

The Joint Administrators are unable to draw fees based on time costs exceeding the total amount set out in the fees estimate without further approval of the Secured Creditor and preferential creditors. Approval will be sought under separate cover if required.

Joint Administrators' Disbursements

The Joint Administrators' disbursements are a recharge of actual costs incurred by the Joint Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the period of this report are set out in **Appendix D**.

Joint Administrators' Expenses

An estimate of the Joint Administrators' expenses was set out in the Proposals. Attached at **Appendix F** a statement of expenses that have been incurred during the Period. It is currently expected that the expenses incurred or anticipated to be incurred are likely to exceed the details previously provided, this is due to the following reasons:

-T A total of £4,117 has been incurred by C&V and Fyfield in relation to the collection and storage and destruction of certain books and records collected from the three remaining stores. This is due to there being more paper books and records on site than initially anticipated.

-T A total of £9,608 relates to fees incurred by property agents, PHD, who liaised with landlords of the remaining stores and closed stores regarding the return of keys to the premises. The Joint Administrators' property agents have also investigated and secured a number of refunds in respect of historic rates overpayments.

Creditors have a right to request further information from the Joint Administrators and further have a right to challenge the Joint Administrators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules. (For ease of reference these are the expenses incurred in the reporting period as set out in **Appendix F** only).

Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <https://creditors.frapadvisory.com/info.aspx> and select the one for Administrations. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Joint Administrators' Pre-Appointment Costs

Following circulation of the Proposals, the Secured Creditor and preferential creditors approved a resolution approving payment of the Joint Administrators' pre-appointment costs on 27 July 2018 and 17 August 2018.

3. Joint Administrators' Remuneration, Disbursements, Expenses and Pre-Appointment Costs



A breakdown of the Joint Administrators' pre appointment costs and the dates they were paid are presented below, please note that these amounts are net of VAT.

Engagement	Fees Paid £	Disbursements Paid £	Date Paid
FRP Pre-Appointment Costs	37,019	nil	23 August 2018
SPB Pre-Appointment Costs	32,000	83	20 September 2018
Metis' Pre-Appointment Costs	6,250	nil	30 August 2018

Appendix A

Statutory Information

CASH GENERATOR LIMITED (IN ADMINISTRATION)

COMPANY INFORMATION:

Other trading names: None

Company number: 02258951

Registered office: 4th Floor, Abbey House, Booth Street, Manchester, M2 4AB

Previous registered office: 2 A C Court, High Street, Thames Ditton KT7 0SR

Trading addresses: Unit 54, The Arndale Centre Luton LU1 2LJ
Unit 1, Bellenden Road Retail Park, Bellenden Road Peckham SE15 5BA
Unit 162 The Centre Feltham TW13 4BS

ADMINISTRATION DETAILS:

Joint Administrator(s): Anthony Collier and Ben Woolrych

Address of Joint Administrator(s): FRP Advisory LLP
4th Floor, Abbey House, Booth Street, Manchester, M2 4AB

Cash Generator Limited (In Administration)
The Joint Administrators' Progress Report

Date of appointment of Joint Administrator(s): 4 June 2018

Court in which Administration proceedings were brought: In The High Court of Justice, Business and Property Court in Manchester, Company and Insolvency List

Court reference number: 2523 of 2018

Appointor details: The Directors
2 A C Court, High Street, Thames Ditton, KT7 0SR

Previous office holders, if any: None

Extensions to the initial period of appointment: None

Date of approval of Joint Administrators' proposals: 26 June 2018

Appendix B

CH Form AM10 Formal Notice of the Progress Report

