

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

Name of Company  
 H Realisations Limited (formerly Habitat UK Ltd)

Company number  
 00548030

In the  
 High Court of Justice, Chancery Division

Court case number  
 5510 of 2011

We

F J Gray  
 Zolfo Cooper  
 Cornerstone  
 107 West Regent Street  
 Glasgow  
 G2 2BA

P M Saville  
 Zolfo Cooper  
 10 Fleet Place  
 London EC4M 7RB

S I Gallie  
 Zolfo Cooper  
 The Zenith Building  
 26 Spring Gardens  
 Manchester  
 M2 1AB

A C O'Keefe  
 Zolfo Cooper  
 The Zenith Building  
 26 Spring Gardens  
 Manchester  
 M2 1AB

administrators of the above company attach a progress report for the period

From  
 24 December 2011

To  
 14 June 2012

Signed

*A C O'Keefe*  
 Joint Administrator

Dated

26 6 . 12

**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

Katie Wells  
 Zolfo Cooper  
 The Zenith Building  
 26 Spring Gardens  
 Manchester  
 M2 1AB

DX Number

+44 (0) 161 838 4500  
 DX Exchange

FRIDAY



\*A1C2XTRT\*

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**Joint Administrators'  
Final Progress Report  
for the period  
24 December 2011 to  
14 June 2012**

**H Realisations Limited  
(formerly Habitat UK Limited)**

**In Administration**

**26 June 2012**



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Zolfo Cooper

The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

t +44 (0) 161 838 4500 f +44 (0) 161 838 4501

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## 1 Statutory information

- 1.1 Anne O'Keefe was appointed Joint Administrator of H Realisations Limited (formerly Habitat UK Limited) (the Company) together with Fraser Gray, Peter Saville and Scott Gailie on 24 June 2011 by the High Court of Justice. The application for the appointment of an Administrator was made by the floating charge holder, Filefigure 20 Limited (Filefigure).
- 1.2 This Administration is being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
- 1.3 The Administration is registered in the High Court of Justice, Chancery Division, under reference number 5510 of 2011
- 1.4 The Company traded from various addresses across the UK under the trading name Habitat.
- 1.5 The registered office of the Company is The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB and its registered number is 00548030
- 1.6 In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Joint Administrators are to be exercised by any or all of the Joint Administrators.

## 2 Joint Administrators' proposals

- 2.1 As advised in the proposals previously sent to creditors, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives
- rescuing the Company as a going concern,
  - achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
  - realising property in order to make a distribution to one or more secured or preferential creditors
- 2.2 The proposals advised that the Joint Administrators were pursuing the second objective, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)
- 2.3 The objective was achieved via a pre-packaged sale (the Sale) of part of the Company's business and assets on 24 June 2011 to Home Retail Limited (HRG), which realised £22.5 million, helped to preserve 135 jobs and eliminate employee preferential claims for unpaid wages and holiday pay

## 3 Progress of the Administration

- 3.1 Attached at Appendices A and B are the Joint Administrators' Receipts and Payments Account and Trading Account for the period 24 December 2011 to 14 June 2012, together with a Cumulative Trading and Receipts and Payments Account for the period 24 June 2011 to 14 June 2012

### Sale of business

- 3.2 Following the Sale, the trading business was supervised by the Joint Administrators' staff for a period of six months, which was a condition of the Sale under the terms of a Transitional

Service Agreement (HRG TSA) As reported previously a significant contribution to the cost of the HRG TSA was made by HRG

- 3 3 Also, as previously advised, a condition of the Sale stipulated that funds must be placed into Escrow until such time a number of commercial matters were finalised, including the assignment of leases, valuation of stock and assessment of obligations relating to gift cards All funds held in Escrow have now been released to the Joint Administrators or returned to HRG

### Joint Administrators' trading period

- 3 4 Whilst the Joint Administrators sought a purchaser for the remainder of the business, the stores not included within the Sale were traded with a view to disposing of stock in the Company's warehouse and to enable outstanding orders to be fulfilled This was critical to the overall realisations of the Administration as the cost of charge-backs from the Company's merchant service providers were estimated to be in excess of the cost to complete the orders
- 3.5 At appointment the value of the bonds required by the Company's merchant service providers totalled approximately £2 million. To date, approximately £1.2 million has been released and it is expected that the remaining balance net of charges will be collected once the Company has been placed into Liquidation.
- 3 6 As an interested party for the residual UK business could not be found, a gradual wind down of the stores was completed and consequently all remaining staff were made redundant. The Joint Administrators continue to work with suppliers to settle outstanding trading liabilities and so if you contend to have any unpaid invoices following receipt of an approved purchaser order, please forward to 'hrealisations@zolfocooper.eu' at your earliest opportunity.
- 3 7 The Trading Account at Appendix B currently shows a trading surplus of £892,664 on a cash basis As noted above, various trading liabilities are still being settled and it is anticipated that there will be an overall trading loss of £1.19 million As detailed above, trading the remaining stores was critical to comply with the terms of the Sale to increase the realisations from merchant services and converting existing stock into sales

### European operations

- 3 8 As previously reported, during the HRG TSA period, a sale of the European operations, being a separate entity from the one in Administration, was executed to Cafom S A (Cafom) The Joint Administrators agreed a transitional services agreement with Cafom (Cafom TSA) who was reliant on the Company's UK Head Office for certain central services
- 3 9 The Joint Administrators provided support under the terms of Cafom TSA The amount paid by Cafom exceeded the cost of providing of the services

### Furniture and equipment

- 3.10 Following closure of the stores and vacation of head office, certain assets such as office and shop fittings, tills and computer equipment were sold for £136,623. No further realisations are expected in this regard

## Refunds and prepayments

- 3 11 During the course of the trading period a number of supplier overpayments and the balance on the Company's client account were collected totalling £77,482. All amounts in this respect are now collected.
- 3 12 Furthermore, local councils, utility providers and landlords have been contacted with regard to advance payments made prior to the Joint Administrators' appointment. A total of £239,233 has been collected to date and a number of smaller refunds are still being pursued, future realisations are however uncertain but if realisations are available they will be collected in the Liquidation.

## Cash

- 3 13 Following the shop closure programme, store petty cash and floats totalling £111,558 were collected. In addition, balances on Company bank accounts were requisitioned and cash receipts totalling £236,034 have been collected to date. Furthermore, due to pre-appointment card sales an amount of £363,613 was 'in transit' on appointment, this was duly remitted into the Joint Administrators' account.
- 3 14 All proceeds have now been reconciled and no further cash is expected to be received.

## Outstanding costs

- 3 15 The analysis of receipts and payments for the period excludes the following estimated costs which have been incurred but not yet paid. All estimated costs will be paid within the agreed period with each supplier.

Cost category	Supplier / Recipient	Amount not yet paid £
Purchase orders	Various	995,000
HRG settlement under TSA	HRG	733,000
ERA costs	PAYCO ERA Limited	23
Professional fees	Twice2Much Limited	87,950
PAYE/NIC	HM Revenue and Customs	565,346
Stationery and postage	Bell Design and Print Limited	2,189
Asset storage	Cadogan Tate Auction House Services	11,611
Agent's/valuer's fees	Hector Paterson and Co	1,750
<b>Total</b>		<b>2,396,869</b>

## 4 Joint Administrators' remuneration

- 4.1 The relevant creditors approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by the Joint Administrators and their staff on matters arising in the Administration.
- 4.2 The Joint Administrators' time costs for the period 24 December 2011 to 14 June 2012 are £328,603. This represents 1,187 hours at an average rate of £277 per hour. Attached at Appendix C is a Time Analysis for the period which provides details of the activity costs incurred by staff grade. Approval of the Joint Administrators' remuneration has been sought in accordance with rule 2.106 of the Insolvency Rules 1986 as amended.

- 4.3 Principal areas of activity during the period are discussed in further detail below.
- **Administration and planning** - time has been incurred formulating and implementing the initial case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
  - **Realisation of assets - floating charge** - time recorded within this category includes liaising with the agent in respect of the plant, machinery, fixtures and fittings, establishing the most appropriate realisation strategy and managing the sale process. Time has been spent corresponding with a number of leasing companies to arrange the settlement of finance agreements or the collection of the assets from the Company's premises.
  - **Realisation of assets - debtors** - time has been incurred reviewing the Company's book debt ledger and corresponding with the Company staff regarding likely realisations. Time has been charged to communicating and negotiating with debtors regarding outstanding balances and dealing with disputes.
  - **Trading** - time has been incurred preparing trading budgets and forecasts, liaising with suppliers and customers, managing employee issues and overseeing the ongoing trading of the business. Treasury time relating to trading receipts and payments is also recorded here.
  - **Creditors** - time has been incurred notifying all creditors of the appointment, preparing statutory reports. Time has also been spent dealing with unsecured claims correspondence and reporting to the secured creditor.
- 4.4 Also attached at Appendix D is a Cumulative Time Analysis for the period 24 June 2011 to 14 June 2012 which provides details of the activity costs incurred by staff grade since the Joint Administrators' appointment.
- 4.5 To date fees of £1 million and disbursements of £44,613 have been drawn on account, a further £500,000 of fees will be drawn in the Liquidation.
- 4.6 The Joint Administrators can confirm that the category 2 disbursement of photocopying, charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying, has been incurred and will be drawn with the final fees in the Liquidation.
- 4.7 Appendix E contains additional information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, disbursements and details of their current charge-out rates by staff grade.

## 5 Unrealised assets

- 5.1 The following assets have yet to be realised and will be dealt with by the Joint Liquidators

### Merchant services bonds

- 5.2 As mentioned in section 3.5, the merchant services bonds are yet to be finalised. Approximately £556,000 is yet to be collected which has been held back by merchant service and interest free credit providers to cover any potential exposure that they face for non-delivery of goods. As the Joint Administrators have fulfilled the vast majority of orders during their trading period it is anticipated that the large proportion will be received.

## Artwork

- 5.3 The Company owned a number of Eduardo Paolozzi sculptures, which have been initially valued in excess of £100,000 and the Joint Administrators are currently awaiting updated auction estimates from Sotheby's. It is unclear at this time what realisations will be made from the sale of the sculptures, however it can be confirmed that any disposal will be made by the Joint Liquidators once appointed

## 6 Outcome for creditors

### Secured creditor - Filefigure 20 Limited

- 6.1 The Company granted a fixed and floating charge to the secured creditor on 21 January 2010. At the date of the Joint Administrators' appointment the secured creditor's indebtedness was estimated to be £27 million (excluding interest and charges). Following the completion of the sale to HRG, the secured creditor received a distribution of £8 million. Further distributions have been made from fixed charge realisations bringing total distributions to £19.3 million.

### Preferential creditors

- 6.2 Preferential claims were mitigated by the transfer of employees to HRG following the Sale and payment of arrears of wages and accrued holiday pay during the Joint Administrators' trading period.
- 6.3 A preferential claim of £58,915 in respect of unpaid pension contributions has been received and a dividend of 100 pence in the pound will be paid by the Joint Liquidators.

### Unsecured Creditors' Fund

- 6.4 Pursuant to section 176A of the Insolvency Act 1986, where there is a floating charge which post-dates 15 September 2003, the Joint Administrators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (Unsecured Creditors' Fund).
- 6.5 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Joint Administrators are required to create an Unsecured Creditors' Fund.
- 6.6 The Joint Administrators can confirm that, based on realisations to date, the amount available for the Unsecured Creditors' Fund is £165,000, and based on the level of claims in the Statement of Affairs, this would equate to a dividend of approximately 0.1 pence in the pound.
- 6.7 The Unsecured Creditors' Fund will be distributed in the Liquidation, creditors who are yet to submit their unsecured claims are therefore invited to do so using the creditors' statement of claim form at Appendix F.



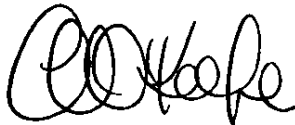
## 7 Ending the Administration

- 7.1 The Joint Administrators filed form 2.34B with the Registrar of Companies, which was duly registered on 15 June 2012. As a result the Company was placed into Liquidation on 15 June 2012 and the Administration was concluded as of 14 June 2012.
- 7.2 The Joint Administrators were discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointment as Joint Administrators ceased to have effect.

## 8 Creditors' rights

- 8.1 Within 21 days of the receipt of the report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the 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.
- 8.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this progress report, make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration or the expenses incurred by the Joint Administrators as set out in this progress report, are excessive

For and on behalf of  
H Realisations Limited (formerly Habitat UK Limited)



Anne O'Keefe  
Joint Administrator

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**Receipts and Payments Account for the period  
24 December 2011 to 14 June 2012 and a  
Cumulative Account for the period 24 June 2011 to  
14 June 2012**

**Appendix A**

Statement of Affairs	24/12/2011 - 14/06/2012	24/06/2011 - 14/06/2012
£	£	£
<b>Fixed charge assets</b>		
<b>Receipts</b>		
1,500,000*		
Property	-	4,200,000
Leasehold property	50,144	1,600,144
Goodwill, brand and intellectual property	-	15,938,226
Bank interest	4,447	11,824
Trading Support	98,339	98,339
	<u>152,930</u>	<u>21,848,533</u>
<b>Payments</b>		
Joint Administrators' fees	-	500,000
Legal fees	650	119,379
Agents'/valuers' fees	-	150,000
Rental Settlement	42,528	42,528
Corporation tax	-	525
Bank charges	-	72
	<u>(43,178)</u>	<u>(812,504)</u>
<b>Distributions</b>		
Fixed charge holder	2,500,000	19,343,308
	<u>(2,500,000)</u>	<u>(19,343,308)</u>
		<u>1,692,721</u>
<b>Balance transferred to the Liquidation</b>		
<b>Floating charge assets</b>		
<b>Receipts</b>		
200,972		
9,694,869		
3,313,177		
Furniture and equipment	83,290	136,623
Stock	-	2,200,000
Book debts	4,614	77,482
High Street voucher refund	-	770
Cash	(10,197)	711,205
Trading surplus	1,321,043	892,664
Bank interest	11,224	29,339
Rates and utilities refunds	231,608	239,234
Sundry refunds	14,279	14,279
	<u>1,655,861</u>	<u>4,301,596</u>

\* The Statement of Affairs (SOA) figure for leasehold and freehold property was combined on the directors SOA

**Receipts and Payments Account for the period  
24 December 2011 to 14 June 2012 and a  
Cumulative Account for the period 24 June 2011 to  
14 June 2012 (cont'd)**

Statement of Affairs	24/12/2011 - 14/06/2012	24/06/2011 - 14/06/2012
£	£	£
<b>Payments</b>		
Zolfo Cooper pre-appointment fees	-	45,000
Joint Administrators' fees	-	500,000
Agents'/valuers fees	19,701	25,276
Legal fees	769	195,372
Legal disbursements	-	235
Bank charges	198	5,020
Professional fees	12,482	21,000
Insurance of assets	8,031	8,031
Payroll costs	297	297
ERA costs	492	3,510
<b>Category 1 disbursements</b>		
Bordereau costs	-	420
Travel and subsistence	-	30,077
Telephone costs	-	570
Company searches	-	105
Storage costs	2,000	2,419
Stationery and postage	964	7,186
Accounting fees	-	30
Re-direction of mail	49	375
Statutory advertising	-	77
	<u>(44,983)</u>	<u>(845,000)</u>
<b>Balance transferred to the Liquidation</b>		<b><u>3,456,596</u></b>
<b>Total funds transferred</b>		
VAT receivable		28,628
VAT Payable		(1,244,036)
Cash on interest bearing accounts		6,364,244
Petty cash		480
		<b><u>5,149,317</u></b>

**Trading Account for the period 24 December 2011 to 14 June 2012 and a Cumulative Account for the period 24 June 2011 to 14 June 2012** Appendix B

	24/12/2011 - 14/06/2012 £	24/06/2011 - 14/06/2012 £
<b>Income</b>		
Sales	1,769,987	24,223,062
HRG - funds received	128,737	9,505,278
Merchant services bond	1,181,055	1,181,055
Habitat Europe - funds received	251,293	2,998,948
	<u>3,331,072</u>	<u>37,908,343</u>
<b>Expenditure</b>		
Purchases	286,579	6,589,887
Staff costs		
Sub-contractors	157,041	6,995,908
Wages and salaries	614,870	5,303,799
Expenses	13,269	3,989,023
PAYE and NIC tax	24	1,568,653
Fixed trading support	98,339	98,339
Rents	238,265	3,958,742
Rates	191,482	1,381,963
Utilities	39,424	354,038
Travel	246	115,035
Telephone costs	(68,792)	92,851
Carriage costs	-	275,171
Insurance	(3,662)	351,433
Professional fees	14,036	136,890
Bank charges	34,591	129,349
Lease/HP payments	-	1,662
Hire of equipment	-	398
Repairs and maintenance	6,436	75,469
Sundry expenses	(33)	110,277
Sales commission	-	17,648
Advertising	-	470,700
Stationery and postage	-	16,346
IT costs	527,429	1,318,558
Retention of title costs	-	143,329
Logistics costs	(182,052)	3,176,714
Agents' costs	42,537	310,338
Vehicle lease payments	-	1,383
Security costs	-	14,776
Vouchers	-	17,000
	<u>(2,010,029)</u>	<u>(37,015,679)</u>
<b>Trading surplus</b>	<u>1,321,043</u>	<u>892,664</u>

Time Analysis for the period 24 December 2011 to  
14 June 2012

Appendix C

H Realisations Ltd	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
<b>Administration and planning</b>							
Planning				0.4	0.4	60.00	150
Strategy and control	19.8	1.6	3.7	3.4	28.5	13,537.00	475
Statutory duties	0.6	0.4	1.6	2.9	5.5	1,317.00	239
Case administration	0.5	0.2	2.0		2.7	929.50	344
Accounting and treasury	1.4	0.9	2.9	41.1	46.3	6,687.00	144
Internal documentation	0.7	1.7	8.4	10.5	21.3	4,928.00	231
<b>Realisation of assets - debtors</b>							
Debt collection				2.9	2.9	435.00	150
Internal and external documentation	-			4.9	4.9	735.00	150
<b>Realisation of assets - floating charge</b>							
Asset realisation strategy		0.3	-		0.3	111.00	370
Asset identification and valuation	0.2	1.7	4.5		6.4	2,019.00	315
Sale of assets		2.0		0.2	2.2	850.00	386
Dealing with third party assets		0.3	0.9		1.2	363.00	303
Asset accounting and administration		4.5		1.7	6.2	2,080.00	335
<b>Trading</b>							
Trading strategy		6.3	8.7	-	15.0	5,207.00	347
Trading activities	1.0	165.6	99.5	85.8	351.9	108,271.00	308
Accounting and administration	3.4	230.6	18.0	243.2	495.2	130,034.50	263
<b>Creditors</b>							
Creditor claims				2.1	2.1	315.01	150
Debtor litigation					-	0.00	n/a
Internal documentation				1.2	1.2	180.00	150
Creditor strategy		1.0	0.2		1.2	426.00	355
Reporting to creditors	1.0	15.1	12.0	3.2	31.3	10,465.50	334
Creditor meetings				2.1	2.1	315.00	150
Creditors committee		0.2		-	0.2	82.00	410
Secured creditors				3.1	3.1	465.00	150
Preferential creditors			1.3		1.3	364.00	280
Unsecured creditors	2.1	9.3	72.6	34.8	118.8	30,078.50	253
Employees	0.2	2.1	19.6	10.7	32.6	7,973.00	245
Shareholders and other stakeholders			-	2.5	2.5	375.00	150
<b>Totals</b>	<b>30.9</b>	<b>443.8</b>	<b>255.9</b>	<b>456.7</b>	<b>1,187.3</b>	<b>328,603.01</b>	<b>277</b>

**Cumulative Time Analysis for the period  
24 June 2011 to 14 June 2012**

**Appendix D**

H Realisations Ltd	Employee grade (hours)				Total hours	£	
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support		Total cost	Average rate per hour
<b>Administration and planning</b>							
Planning	5.5	9.6	0.9	8.4	24.4	8,338.00	342
Strategy and control	150.2	60.4	35.2	12.3	258.1	120,735.50	468
Statutory duties	0.6	7.3	2.2	21.9	32.0	7,171.00	224
Case administration	12.4	4.6	33.5	24.8	75.3	20,755.00	276
Accounting and treasury	8.9	1.8	5.6	192.8	209.1	34,396.00	164
Travel and waiting time		54.7	17.5	1.5	73.7	27,989.50	380
Internal documentation	1.5	15.5	14.3	56.0	87.3	19,485.50	223
<b>Investigations</b>							
Director conduct reports	0.5	1.5	1.4	5.8	9.2	2,127.00	231
<b>Realisation of assets - fixed charge</b>							
Asset realisation strategy	0.6	-			0.6	270.00	450
Asset identification and valuation	0.8	1.0	0.6	2.7	5.1	1,303.00	255
Sale of assets	1.8	33.1		0.3	35.2	14,298.00	406
Dealing with third party assets		-		0.2	0.2	30.00	150
Asset accounting and administration		-		11.2	11.2	1,680.00	150
<b>Realisation of assets - debtors</b>							
Debt collection	0.7			2.9	3.6	750.00	208
Internal and external documentation				4.9	4.9	735.00	150
<b>Realisation of assets - floating charge</b>							
Asset realisation strategy		3.8	2.0		5.8	2,156.00	372
Asset identification and valuation	0.2	4.3	45.4	1.8	51.7	15,594.50	302
Sale of assets	8.3	13.0	0.5	0.2	22.0	9,127.50	415
Recovery of assets		-	0.3		0.3	84.00	280
Dealing with third party assets		5.3	56.6	3.0	64.9	19,219.00	296
Asset accounting and administration		12.3	0.8	1.7	14.8	5,502.00	372
<b>Trading</b>							
Trading strategy	16.7	189.8	43.7	3.6	253.8	99,109.50	391
Trading activities	82.3	1,754.0	1,806.5	422.0	4,064.8	1,346,680.00	331
Accounting and administration	50.9	378.4	590.7	1,119.6	2,139.6	519,737.50	243
<b>Creditors</b>							
Creditor claims	2.0	0.2		2.1	4.3	1,297.01	302
Debtor litigation	0.2	-			0.2	90.00	450
Internal documentation		0.2		1.2	1.4	262.00	187
Creditor strategy		1.2	0.2		1.4	508.00	363
Reporting to creditors	26.8	24.2	25.6	9.5	86.1	30,824.50	358
Creditor meetings			0.4	2.1	2.5	427.00	171
Creditors committee		0.2			0.2	82.00	410
Secured creditors	0.3		0.3	3.5	4.1	781.50	191
Preferential creditors			1.3		1.3	364.00	280
Unsecured creditors	2.1	24.0	108.2	187.2	321.5	69,670.50	217
Employees	5.6	13.8	85.0	68.1	172.5	42,312.00	245
Shareholders and other stakeholders		-		2.5	2.5	375.00	150
<b>Totals</b>	<b>378.9</b>	<b>2,614.2</b>	<b>2,878.7</b>	<b>2,173.8</b>	<b>8,045.6</b>	<b>2,424,267.01</b>	<b>301</b>

## Additional information in relation to the Joint Administrators' remuneration pursuant to Statement of Insolvency Practice 9 Appendix E

### 1 Policy

Detailed below is Zolfo Cooper's policy in relation to

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

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

The Joint Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a partner, a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Joint Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, time spent by treasury in relation to specific tasks on an assignment is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The following services have been provided on this assignment by external sub-contractors

Service type	Service provider	Basis of fee arrangement	Cost to date £
Employee claim processing	PAYCO ERA Limited	Hourly rate and disbursements	3,510

#### 1.2 Professional advisors

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

Name of professional advisor	Basis of fee arrangement
Salans LLP (legal advice)	Hourly rate and disbursements
Hill and Knowlton Limited (Public Relations and Press)	Hourly rate and disbursements
Willis Limited (insurance)	Risk based premium
Retail Agents 250 Limited (management retail agents)	Hourly rate and disbursements
Twice2much (rent and rating valuation agents)	Percentage based realisations
Speechly Bircham LLP (validity of security review)	Hourly rate and disbursements
Harper Dennis Hobbs	A mixture of a percentage of realisations, percentage of rent savings and a fixed fee

The Joint Administrators' choice was based on their perception of the professional advisors experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them

### 1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case, eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Joint Administrators and their staff will also be chargeable

Category 2 disbursements do require prior approval by creditors before they are paid. Any incurred in this case have been drawn in accordance with the Joint Administrators' proposals, which approved category 2 disbursements as follows

- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying

## 2 Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 January 2011 is detailed below

Description	£
<b>Partner/director</b>	
Partner 1*	575
Partner 2*	520
Director	450
<b>Senior associate</b>	
Senior associate 1*	410
Senior associate 2*	370
<b>Associate/analyst</b>	
Associate	305
Analyst*	280
<b>Junior analyst and support staff</b>	
Junior analyst*	150
Senior treasury associate	220
Treasury associate	150
Treasury analyst	95
Support	80
<b>*Key</b>	
<i>Partner 1 - Partners with three or more years' experience at partner level</i>	
<i>Partner 2 - Partners with less than three years' experience at partner level</i>	
<i>Senior associate 1 - Staff with two or more years' experience at senior associate level</i>	
<i>Senior associate 2 - Staff with less than two years' experience at senior associate level</i>	
<i>Analyst - Staff with more than one year's experience at analyst level</i>	
<i>Junior analyst - first year analysts</i>	



**Creditors' statement of claim form**

**Appendix F**

**H Realisations Limited (formerly Habitat UK Ltd) - IN LIQUIDATION  
CREDITOR'S STATEMENT OF CLAIM**

Name and address of creditor \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Company reg number if applicable \_\_\_\_\_

Amount claimed in the Administration

(Including VAT) £ \_\_\_\_\_

Signature of creditor \_\_\_\_\_

Name of creditor \_\_\_\_\_

Telephone \_\_\_\_\_

Fax \_\_\_\_\_

E-mail \_\_\_\_\_

Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Please provide appropriate documentation in support of your claim.  
If you are registered for VAT the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994.

Please return this form when you have completed it to Katie Wells at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

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Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-debts-account.

Claims lodged in the Administration should be gross, including any VAT element. Amounts claimed should be net of any discount, and any adjustment made to set off amounts owed by the creditor to the company in administration. If/when dividends are paid, creditors who have claimed VAT bad debt relief must apportion the dividend between VAT and the net element of their claim and account to HM Revenue & Customs for the VAT element through their VAT return.

Insolvency Practitioners have no role in administering VAT bad debt relief under the Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact their VAT office or take professional advice.

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