

The Insolvency Act 1986

# Administrator's progress report

Name of Company. SWL Realisations Ltd (formerly Shakeaway Worldwide Ltd)	Company number 05707091
In the High Court of Justice, Chancery Division, Bristol  [full name of court]	Court case number 187 of 2011

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

We (a) Julie Anne Palmer of Begbies Traynor (Central) LLP, 65 St. Edmunds Church Street, Salisbury, Wiltshire SP1 1EF and Mark Robert Fry of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT

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

(b) Insert dates

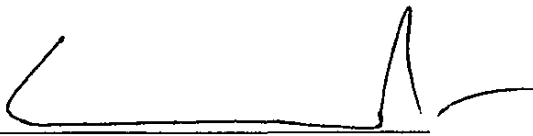
from

to

(b) 14 February 2011

(b) 13 August 2011

Signed.

  
 Joint Administrator

Dated

22/8/11.

### 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.

Begbies Traynor (Central) LLP	
1000 Lakeside, North Harbour, Western Road, Portsmouth, PO6 3EZ	
	Tel Number 02392 704312
Fax Number 02392 704140	DX Number

TUESDAY



A22 23/08/2011 233  
 COMPANIES HOUSE

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

Julie Anne Palmer and Mark Robert Fry were appointed joint administrators on 14 February 2011

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

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**SWL Realisations Ltd (formerly  
Shakeaway Worldwide Ltd)  
(In Administration)**

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Progress report of the joint administrators pursuant  
to Rule 2.47 of The Insolvency Rules 1986

Period: 14 February 2011 to 13 August 2011

## **Important Notice**

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. 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 this report to them, or by any other person for any purpose whatsoever.

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## 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	SWL Realisations Ltd (formerly Shakeaway Worldwide Ltd) (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 14 February 2011
"the administrators"	Julie Anne Palmer of Begbies Traynor (Central) LLP, 65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF and Mark Robert Fry of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

## 2. STATUTORY INFORMATION

Name of Company	SWL Realisations Ltd (formerly Shakeaway Worldwide Ltd)
Trading name(s)	Shakeaway Worldwide Limited
Date of Incorporation	13 February 2006
Company registered number	05707091
Company registered office	65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF

### 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators	Julie Anne Palmer, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 65 St Edmunds Church Street, Salisbury, Wiltshire, SP1 1EF and Mark Robert Fry, a Licensed Insolvency Practitioner of Begbies Traynor LLP, 32 Cornhill, London, EC3V 3BT
Date of administrators' appointment	14 February 2011
Date of administrators' resignation	n/a
Court	High Court of Justice, Chancery Division, Bristol
Court Case Number	187 of 2011
Person(s) making appointment / application	Peter Robert Moody and Robert Peter Hazell Flat 88 Richmond Gate, Richmond Hill Drive, Bournemouth, BH2 6LT
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

### 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 14 February 2011 to 13 August 2011

#### ASSETS

##### Goodwill

As estimated in the statement of affairs, the goodwill of the Company was realised for a sum of £20,000 as part of the pre-packaged sale following our appointment on 14 February 2011

Bank interest for the period amounted to £1 70

##### Book Debts

The book debts relating to franchise management fees were subject to set off and are therefore uncollectable

## LIABILITIES

### Legal Fees

A sum of £2,054 has been paid to our Solicitor TLT, which relates to pre-appointment fees and expenses for their assistance in drawing up the statutory paperwork for the administration, dealing with the sale agreement and liaising with the purchaser and other general advice

### Other Expenses

Statutory advertising costs for the period were £151,

## 5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the administrators' statement of proposals

On the basis of realisations to date we estimate an outcome for each class of the Company's creditors as follows

### **Secured creditor**

There is no secured creditor

### **Preferential creditors**

There are no preferential creditors

### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Details of how the prescribed part for unsecured creditors is calculated were provided in the administrators' statement of proposals

### **Unsecured creditors**

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors

## 6. PRE-ADMINISTRATION COSTS

On 12 April 2011 the following amounts in respect of pre-administration costs were approved by a resolution of creditors passed by correspondence in accordance with paragraph 58 of Schedule B1 to the Act and Rule 2.48 of the Rules

Details of recipient	Description of services provided	Amount
Begbies Traynor	Meetings with the directors, interested parties and purchaser to insure the purpose of the administration could be achieved. Further details of the work carried out pre-appointed was set out in the administrators' proposals	£5,897.50 plus VAT
TLT Solicitors	General advice, assistance in drawing up the statutory paperwork for the administration, drawing up the sale agreement	£2,000, plus VAT & disbursements of £59.10

## 7. ADMINISTRATORS' REMUNERATION & DISBURSEMENTS

The administrators' remuneration has been fixed by reference to the time properly given by them (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy, details of which accompanied the Statement of Proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report

The administrators time costs for the period from 14 February 2011 to 13 August 2011 amount to £9,675 which represents 60 30 hours at an average rate of £160 45 per hour

The following further information in relation to the administrators' time costs and disbursements is set out at Appendix 2

- Narrative summary of time costs incurred
- Table of time spent and charge-out value for the period 14 February 2011 to 13 August 2011
- Begbies Traynor (Central) LLP's policy for re-charging disbursements
- Begbies Traynor (Central) LLP's charge-out rates

To date, the administrators have drawn the total sum of £8,343 50 plus disbursements of £52 35 on account

## 8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred by the administrators during the period of this progress report is attached at Appendix 3

## 9. ASSETS THAT REMAIN TO BE REALISED

All assets have been realised

## 10. OTHER RELEVANT INFORMATION

### Report on Directors conduct

As detailed in the administrators' statement of proposals, the administrators have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the directors. The administrators have complied with their duties in this respect

As provided in the administrators' statement of proposals, the Company will have insufficient funds to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 84 of Schedule B1 to the Act. Under these provisions, on the registration of a notice sent by us to the Registrar of Companies, our appointment as administrators ceases to have effect and at the end of three months the Company will automatically be dissolved.

However, if it transpires that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. Yet Paragraph 76 of Schedule B1 to the Act provides that the appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding six months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further six months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

## 11. CREDITORS' RIGHTS

### Right to request further information

Pursuant to Rule 2.48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that the administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report.

### Right to make an application to court

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court), may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by the administrators as set out in this progress report are excessive or, in relation to the basis fixed for the administrators' remuneration, inappropriate.

## 12. CONCLUSION

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



J A Palmer  
Joint Administrator

Dated 22 August 2011



**ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS**  
 Period: 14 February 2011 to 13 August 2011

S of A £		£	£
	SECURED ASSETS		
20,000	Goodwill	<u>20,000</u>	20,000
	COSTS OF REALISATION		
	Office Holders Fees	4,500	
	Office Holders Expenses	<u>19</u>	(4,519)
	ASSET REALISATIONS		
Uncertain	Franchisee Book Debts	NIL	
	Bank Interest Gross	<u>2</u>	2
	COST OF REALISATIONS		
	Pre-appointment Fee	5,898	
	Office Holders Fees	3,844	
	Office Holders Expenses	33	
	Legal Fees (1)	2,054	
	Statutory Advertising	<u>151</u>	(11,980)
	UNSECURED CREDITORS		
(2,654)	Trade Creditors	NIL	
(100,594)	Intercompany debt	<u>NIL</u>	NIL
	DISTRIBUTIONS		
(2)	Ordinary Shareholders	<u>NIL</u>	NIL
(83,250)			<u><u>3,503</u></u>
	REPRESENTED BY		
	Bank 1 Current		209
	Vat Control Account		<u>3,294</u>
			<u><u>3,503</u></u>

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## ADMINISTRATORS' TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs incurred, [and]
- d Table of time spent and charge-out value for the period from 14 February 2011 to 13 August 2011

### BEGBIES TRAYNOR CHARGING POLICY

#### INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance<sup>2</sup> requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

#### OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

#### EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
-

- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting,
- Car mileage is charged at the rate of 40 pence per mile
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

#### BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Salisbury/Portsmouth office as at the date of this report are as follows

	<b>Standard 1 July 2008 – 30 April 2011</b>	<b>Standard 1 May 2011 – until further notice</b>
Partner 1	350	395
Director	325	345
Senior Manager	295	310
Manager	250	265
Assistant Manager	195	205
Senior Administrator	160	175
Administrator	130	135
Trainee Administrator	100	110
Support	100	110

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME SWL Realisations Limited (Formerly Shakeaway Worldwide Ltd)  
CASE TYPE ADMINISTRATION  
OFFICE HOLDERS Julie Anne Palmer AND Mark Robert Fry  
DATE OF APPOINTMENT 14 February 2011

### 1 CASE OVERVIEW

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

#### 1.2 Complexity of the case

This case is closely linked to Shakeaway Limited, which has been a very complex case due to the pre-packaged sale and dealing with the number of stores and associated problems - mainly landlord queries regarding the leasehold and rent

#### 1.3 Exceptional responsibilities

If the transaction had not proceeded there was a very high chance that realisations would have been negligible

#### 1.4 The office holders' effectiveness

We consider that the objective of the administration has already largely been achieved and that a purchase of the international franchise agreements, as an alternative to an immediate cessation of trade and liquidation of the Company has significantly enhanced the realisations

#### 1.5 Nature and value of property dealt with by the office holders

The goodwill was sold for a sum of £20,000 as detailed in the body of the report

#### 1.6 Anticipated return to creditors

It is estimated that funds will be insufficient to allow a distribution to unsecured creditors

#### 1.7 Time costs analysis

An analysis of time costs incurred between 14 February 2011 and 10 March 2011 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only

#### 1.8 The views of the creditors

Following our appointment and completion of the sale an initial letter detailing same was sent to all known creditors on 15 February 2011 in accordance with the provisions of SIP16. The administrators' proposals were sent to all creditors on 16 March 2011

#### 1.9 Approval of fees

The following resolutions with regards to the administrators' fees were approved by the unsecured creditors on 12 April 2011 following a meeting of creditors held by correspondence

*Administrators' remuneration*

"That the joint administrators' remuneration be fixed by reference to the time properly given by the joint administrators (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the administration"

*Pre-administration costs*

"That the joint administrators' unpaid pre-administration costs in the total sum of £5,897 50 plus VAT plus disbursements of £59 10 plus VAT detailed in the statement of pre-administration costs contained in the joint administrators' Statement of Proposals, be approved for payment "

**1 10 Approval of Expenses and Disbursements**

The following resolutions with regards to the administrators' expenses were approved by the unsecured creditors on 12 April 2011 following a meeting of creditors held by correspondence

*Administrators' disbursements*

"That the joint administrators be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy, details of which accompanied *The Statement of Proposals of the Joint Administrators for Achieving the Purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986*

**1 11 Other professionals employed & their costs**

Our Solicitor TLT was chosen based on their expertise in the field and their presence on the bank's panel of professionals. Legal fees to date are £2,054

**2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES**

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 3

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 3

**3. SUMMARY OF WORK CARRIED OUT SINCE APPOINTMENT**

Since appointment, the following work has been carried out

- Liaising with the directors and completing statutory post sale tasks
- Reporting to creditors in accordance with current legislation
- Preparing the joint administrators' proposals for circulation
- Dealing with creditor queries, including landlords and agents

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration and Planning			3.2			4.0	0.7			7.90	1,678.50	212.47
Appointment and case planning												
Administration and Banking				0.7			7.4		2.1	10.20	1,368.50	133.97
Statutory reporting and statement of affairs			3.4				34.0			37.40	5,423.00	145.00
Investigations							1.4			1.40	189.00	135.00
Realisation of assets			3.2							3.20	992.00	310.00
Debt collection												
Property, business and asset sales												
Retention of Third Party assets							0.2			0.20	26.00	130.00
Trading												
Secured												
Others												
Creditors committee												
Meetings												
Other												
Tax												
Litigation												
Total hours by staff grade			9.8	0.7		4.0	43.7		2.1	60.3		
Total time cost by staff grade £			2,939.00	181.00		640.00	5,701.00		214.00		9,675.00	
Average hourly rate £			299.90	258.57		160.00	130.46		101.90			160.45
Total fees drawn to date £											8,343.50	

## STATEMENT OF ADMINISTRATORS' EXPENSES

Name of Company	Detail of Expense	Expense discharged	Estimated Expense incurred, but not yet discharged
TLT Solicitors	Legal advice including general advice, assistance in drawing up the statutory paperwork for the administration and drawing up the Sale Agreement,	£2,054	Nil
<b>TOTAL</b>		<b>£2,054</b>	<b>Nil</b>