

Private and Confidential

02 November 2020

Our ref MC/AJ/LR/AK/SB/NR/NN

HM Revenue and Customs
VAT Written Enquiries
123 St Vincent Street
Glasgow
G2 5EA

Dear Sir / Madam,

Cote Group (Financing) Limited ("the Company")

The Board of the Company, having regard to its financial position, have decided to commence liquidation proceedings. FTI Consulting LLP have been asked to assist in organising the deemed consent procedure to appoint a Liquidator, and the preparation of a statement of affairs for presentation to creditors.

The following decisions are sought from the Creditors by the Deemed Consent Procedure, that Matthew Boyd Callaghan, Andrew Johnson and Lisa Rickelton, Licensed Insolvency Practitioners, be appointed Joint Liquidators of the Company and that they act either jointly or separately, and to invite creditors to appoint a Liquidation Committee.

If you agree with the proposed decisions, then you do not need to do anything. Unless 10% of creditors, who would be entitled to vote at a qualifying decision procedure, object to this decision it will automatically be approved on 11 November, the decision date.

If you wish to object to the decisions, you must complete and return the enclosed notice of objection so that it is delivered to FTI Consulting LLP by no later than 23.59 hours on 11 November 2020, the decision date, together with proof of your debt, without which your objection will be invalid.

Please note that when objecting to the decision to appoint Liquidators you are only objecting to Matthew Boyd Callaghan, Andrew Johnson and Lisa Rickelton being appointed Joint Liquidators. You are not objecting to the Company being placed into liquidation since that is a decision for the shareholders of the Company to make, not the creditors.

It is the Board's responsibility, as the convener of the procedure, to determine whether any objections received are sufficient for this Deemed Consent Procedure to end without the decisions being made. If sufficient objections are received, then FTI Consulting LLP will write to creditors on behalf of the Board convening a physical meeting of creditors to seek approval for these decisions.

Should you, or a group of creditors wish to request a physical meeting of creditors, you must do so prior to 11 November 2020, the decision date, and such requests must be supported by valid proof of your debt (if not already lodged). I will convene a meeting on behalf of the Board if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

The following documents are enclosed:

- Notice of decisions by deemed consent;
- Notice of invitation to form a Liquidation Committee;
- Statement of Affairs
- Some explanatory information about the Company and its affairs.

You will note that the statement of affairs enclosed includes personal data in the form of the names and addresses of individual creditors, together with the amounts owed to them. The directors are required to include this information in the statement of affairs, and send a copy to all known creditors, by virtue of section 99 and 100 of the Insolvency Act 1986 and rules 6.3, 6.4 and 6.14 of the Insolvency (England and Wales) Rules 2016. As a result, this is a valid use of the personal data of individual creditors, and it is not a breach of the General Data Protection Regulations (GDPR).

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how office holders fees' may be approved for each case type are available in a series of Guidance Notes issued with SIP 9, and they can be accessed at <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/guide-to-administrators-fees-6-april-2017-england-wales.pdf>.

No payment has been made by, or on behalf of the Company, in respect of the instructions given to prepare a Statement of Affairs or to seek a decision from the creditors on the appointment of a Liquidator.

Please note that when carrying out all professional work relating to an insolvency appointment, Insolvency Practitioners are bound by the Insolvency Code of Ethics, as well as by the regulations of their professional body.

Prior to being asked by the Board to assist in this matter, FTI Consulting LLP had the following involvement with the Company. FTI were retained by the Group on 27 August 2020 to undertake a review of the Group's cashflow forecast to understand the quantum of any liquidity requirement, options available to the Group in light of the covenant breaches and to negotiate a potential deal with the current stakeholders. The engagement was led by Matthew Callaghan, who was ultimately appointed as one of the Joint Administrators. Matthew Boyd Callaghan, Andrew Johnson and Lisa Rickelton are currently serving as the Joint Administrators of 8 Cote Group entities. Having considered the extent of their prior involvement with the Company in the light of the Insolvency Code of Ethics the Insolvency Practitioners of FTI Consulting LLP consider that the threats to their objectivity identified as a result of the prior involvement was not at a significant level such that they would not be able to act objectively as Liquidators.

If you have any queries regarding this letter, please contact Cote Administrators by email at coteadministrators@fticonsulting.com, or by phone on 020 3727 1635.

Yours faithfully,



Matthew Boyd Callaghan
FTI Consulting LLP

Matthew Boyd Callaghan, Andrew Johnson and Lisa Rickelton are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under section 390A(2)(a) of the Insolvency Act 1986.

Insolvency Practitioners are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information on our website at <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>.

Notice of decisions by deemed consent

Cote Group (Financing) Limited (“the Company”)

(Company Number - 08662609)

NOTICE IS GIVEN by the Board of Directors to the creditors of Cote Group (Financing) Limited that the following decision required by section 100 of The Insolvency Act 1986 is sought from them by way of a Deemed Consent Procedure:

- i) That Matthew Boyd Callaghan, Andrew Johnson and Lisa Rickelton of FTI Consulting LLP be appointed Joint Liquidators of the Company and that they be authorised to act either jointly or separately.

Please note that unless 10% of the creditors who would be entitled to vote at a qualifying decision procedure object to these decisions, then they will be automatically approved on

11 November 2020 the Decision Date.

1. Members will consider the winding up resolution on 11 November 2020 .
2. To object to these decisions, creditors must send to FTI Consulting LLP a duly completed notice of objection by no later than 23.59 hours on 11 November , the Decision Date, together with proof of their debt, without which their objection will be invalid.
3. Creditors should note that it is the responsibility of the convener of the procedure to determine whether any objections received are sufficient for this Deemed Consent Procedure to end without the decisions being made. If sufficient objections are received, then FTI Consulting LLP will write to creditors on behalf of the convener convening a physical meeting of creditors to seek approval for these decisions.
4. Creditors with small debts, that is claims of £1,000 or less, must have lodged proof of their debt for their vote to be valid.
5. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decision(s) provided they have lodged proof of their debt.
6. Creditors may, at any time prior to 11 November , the Decision Date, request that a physical meeting of creditors be held to determine the outcome of the decision(s). Any request for a physical meeting must be delivered to FTI Consulting LLP and be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where “creditors” means “all creditors.”
7. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of 11 November 2020 the Decision Date.
8. Matthew Boyd Callaghan (IP No. 14630), Andrew Johnson (IP No. 17670) and Lisa Rickelton (IP No. 10594), all of FTI Consulting LLP, are qualified to act as Insolvency Practitioners in relation to the Company and will, during the period before the decision date, furnish creditors free of charge with such information concerning the Company's affairs as they may reasonably require. Creditors can contact FTI Consulting LLP on 020 3727 1635. or by email at coteadministrators@fticonsulting.com
9. Creditors are informed that the Board of Cote Group (Financing) Limited have nominated Matthew Boyd Callaghan, Andrew Johnson and Lisa Rickelton of FTI Consulting LLP, FTI

Consulting LLP to act as Liquidators of the Company and that they are to act either jointly or separately.

DATED THIS 19 DAY OF October 2020

BY ORDER OF THE BOARD


.....
Strahan Wilson
Director – Convener of the Decision Procedure

Cote Group (Financing) Limited ("the Company")

(Company Number: 08662609)

NOTICE OF OBJECTION TO DEEMED CONSENT

If you agree with the proposed decisions, then you do not need to do anything, and can disregard this form.

Please note that when objecting to the proposed decision you are only objecting to the persons stated below being appointed Joint Liquidators. You are not objecting to the Company being placed into liquidation since that is a decision for the shareholders of the Company to make, not the creditors.

The following decisions are sought from the creditors of Cote Group (Financing) Limited by way of a Deemed Consent Procedure:

- i) That Matthew Boyd Callaghan, Andrew Johnson & Lisa Rickelton of FTI Consulting LLP be appointed Joint Liquidators of the Company and that they be authorised to act either jointly or separately.

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

THIS DECISION IS OBJECTED TO BY

Name of creditor: _____

Signature of creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which signing document: _____

Date: _____

This form must be delivered to FTI Consulting LLP, FTI Consulting LLP by 23.59 hours on 11 November in order to be counted as an objection. It must be accompanied by proof of the debt, unless one has already been submitted. Failure to do so will lead to this objection being invalid.

Please note that unless 10% of the creditors who would be entitled to vote at a qualifying decision procedure object to this decision, then it will be automatically approved on 11 November the Decision Date.

Notice of invitation to form a Liquidation Committee

Cote Group (Financing) Limited ("the Company")

(Company Number - 08662609)

NOTICE IS GIVEN by the Board of Directors to the creditors of Cote Group (Financing) Limited of an invitation to form a Liquidation Committee under rule 6.19 of The Insolvency (England and Wales) Rules 2016.

1. In addition to seeking a decision on the matters set out in the accompanying notice, creditors are also invited to determine, at the same time, whether a Liquidation Committee should be established. In this case, a decision by deemed consent is being proposed that a Liquidation Committee should NOT be established, but it is open to creditors to object to that decision in the same way that they can object to the decisions set out in the accompanying notice.

Please note that unless 10% of the creditors who would be entitled to vote at a qualifying decision procedure object to this decision, then it will be automatically approved on 11 November , the Decision Date.

2. A Committee may be formed if a minimum of 3 and a maximum of 5 creditors are willing to become members.
3. Nominations can only be accepted for a creditor to become a member of the Committee if they are an unsecured creditor and have lodged a proof of their debt that has not been disallowed for voting or dividend purposes.
4. The specified date for receipt of nominations for creditors to act as a member of the Committee under rule 6.19 of The Insolvency (England and Wales) Rules 2016 is 11 November , the Decision Date.
5. If you object to the decision being sought, i.e. if you want a Liquidation Committee to be established, please complete the form sent with this notice, and include the name and address of any person you wish to nominate to act as a member of the Committee. The completed document should be returned to FTI Consulting LLP of 200 Aldersgate St, London, EC1A 4HD so that it is received by no later than 23.59 hours on 11 November , the decision date.

Note: Further information on the rights, duties and the functions of a Committee is available in a booklet published by the Association of Business Recovery Professionals (R3). This booklet can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>. If you require a hard copy of the booklet please contact Cote Administrators of FTI Consulting LLP by email at coteadministrators@fticonsulting.com, or by phone on 020 3727 1635.

The final date for votes to establish a committee is 11 November , the decision date.

1. To object to this decision, creditors must deliver to FTI Consulting LLP, 200 Aldersgate St, London, EC1A 4HD a duly completed notice of objection by no later than 23.59 hours on 11 November , the Decision Date, together with proof of their debt, without which objections will be invalid.
2. Creditors should note that it is the responsibility of the convener of the procedure to determine whether any objections received are sufficient for this Deemed Consent Procedure to end without a decision being made. If sufficient objections are received, then FTI Consulting LLP will write to creditors on behalf of the convener to convene a qualifying decision process to seek approval for these decisions.
3. Creditors with small debts, that is claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.

4. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decision(s) provided they have lodged proof of their debt.
5. Creditors may, at any time prior to 11 November , the Decision Date, request that a physical meeting of creditors be held to determine the outcome of the decisions. Any request for a physical meeting must be delivered to FTI Consulting LLP, 200 Aldersgate St, London, EC1A 4HD and be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
6. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of 11 November the Decision Date.

Creditors requiring further information regarding the above, should contact FTI Consulting LLP at 200 Aldersgate St, London, EC1A 4HD, or contact Cote Administrators by telephone on 020 3727 1635, or by email at coteadministrators@fticonsulting.com.

DATED THIS 29 DAY OF October 2020

BY ORDER OF THE BOARD



.....
Strahan Wilson
Director – Convener of the Decision Procedure

Cote Group (Financing) Limited (“the Company”)

(Company Number - 08662609)

NOTICE OF OBJECTION TO DEEMED CONSENT

If you agree with the proposed decisions, then you do not need to do anything, and can disregard this form.

The following decision is sought from the creditors of Cote Group (Financing) Limited by way of a Deemed Consent Procedure:

1. That a Liquidation Committee should NOT be established.

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

THIS DECISION IS OBJECTED TO BY

Name of creditor: _____

Signature of creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which
signing document: _____

Date: _____

Note: The completed form must be delivered to FTI Consulting LLP of 200 Aldersgate St, London, EC1A 4HD, by 23.59 hours on 11 November , the decision date, in order to be counted as an objection. It must be accompanied by proof of the debt, unless one has already been submitted. Failure to do so will lead to this objection being invalid.

Please note that unless 10% of the creditors who would be entitled to vote at a qualifying decision procedure object to this decision, then it will be automatically approved on 11 November , the Decision Date.

Statement of Affairs

Statement as to affairs Cote Group (Financing) Limited
Company No. 08662609

on the 29/10/20 being a date not more than 14 days before the date of the resolution
for winding up

Statement of truth

I believe that the facts stated in this Statement of Affairs are true. I understand that
proceedings for contempt of court may be brought against anyone who makes, or causes to be
made, a false statement in a document verified by a statement of truth without an honest
belief in its truth.

Full name.....STRAHAN LEONARD ARTHUR WILSON

Signed.....S. Wilson.....

Dated.....29/10/20.....

A – Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Intercompany investment (in Cote Group (Bidco) Limited (in Administration))	£98,351,004	0
Uncharged assets:		
Estimated total assets available for preferential creditors	£98,351,004	0

Signature  Date 29/01/20

A1 – Summary of Liabilities

		Estimated to realise (£)
Liabilities		
Preferential creditors:-	0	0
Employees	0	0
Estimated deficiency/surplus as regards preferential creditors	0	0
Estimated prescribed part of net property where applicable (to carry forward)	0	0
Estimated total assets available for floating charge holders	0	0
Debts secured by floating charges	<u>(95,000,044)</u>	<u>(95,000,044)</u>
Estimated deficiency/surplus of assets after floating charges	<u>(95,000,044)</u>	<u>(95,000,044)</u>
Estimated prescribed part of net property where applicable (brought down)	0	0
Total assets available to unsecured creditors	<u>(95,000,044)</u>	<u>(95,000,044)</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
- Intercompany	(111,035,314)	(111,035,314)
- HMRC	(2,300,000)	(2,300,000)
Consumer creditors for pre-paid goods or services	0	0
Employees	0	0
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	<u>(113,335,314)</u>	<u>(113,335,314)</u>
Shortfall to floating charge holders (brought down)	<u>(95,000,044)</u>	<u>(95,000,044)</u>
Estimated deficiency/surplus as regards creditors	<u>(208,335,358)</u>	<u>(208,335,358)</u>
Issued and called up capital	<u>(1)</u>	<u>(1)</u>
Estimated total deficiency/surplus as regards members	<u>(208,335,359)</u>	<u>(208,335,359)</u>

Signature S. Hulse Date 24/01/20

B

Company Creditors

Note You must include all creditors and identify creditors under hire-purchase, chattel leasing or conditional sale agreements and creditors claiming retention of title over property in the company's possession.

Signature 

Date 24/10/20

C Consumer Creditors

Note You must include all creditors who are consumers claiming amounts paid in advance of the supply of goods or services

Signature *John S.* Date 29/10/20

D Employee Creditors

Note You must include all employees who owed monies by the company in respect of unpaid wages, holiday pay, pay in lieu of notice etc

Signature  Date 29/10/20

E Shareholders

Note You must include all shareholders of the company

Signature

Shane

Date 22/10/20

Statement of Affairs

Statement as to affairs Cote Group (Financing) Limited

Company No. 08662609

29 October 2020

on the 1 October 2020 being a date not more than 14 days before the date of the resolution for winding up

Statement of truth

I believe that the facts stated in this Statement of Affairs are true. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Full name..... *ALEXANDER RUPERT GUTHRIE SCRIMMAGE*

Signed..... *AW*

Dated..... *29/10/20*

A – Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Intercompany investment (in Cote Group (Bidco) Limited (in Administration))	£98,351,004	0
Uncharged assets:		
Estimated total assets available for preferential creditors	£98,351,004	0

Signature A W Date 29/08/20

A1 – Summary of Liabilities

		Estimated to realise (£)
Liabilities		
Preferential creditors:-	0	0
Employees	0	0
Estimated deficiency/surplus as regards preferential creditors	0	0
Estimated prescribed part of net property where applicable (to carry forward)	0	0
Estimated total assets available for floating charge holders	0	0
Debts secured by floating charges	<u>(95,000,044)</u>	<u>(95,000,044)</u>
Estimated deficiency/surplus of assets after floating charges	<u>(95,000,044)</u>	<u>(95,000,044)</u>
Estimated prescribed part of net property where applicable (brought down)	0	0
Total assets available to unsecured creditors	<u>(95,000,044)</u>	<u>(95,000,044)</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
- Intercompany	(111,035,314)	(111,035,314)
- HMRC	(2,300,000)	(2,300,000)
Consumer creditors for pre-paid goods or services	0	0
Employees	0	0
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	<u>(113,335,314)</u>	<u>(113,335,314)</u>
Shortfall to floating charge holders (brought down)	<u>(95,000,044)</u>	<u>(95,000,044)</u>
Estimated deficiency/surplus as regards creditors	<u>(208,335,358)</u>	<u>(208,335,358)</u>
Issued and called up capital	<u>(1)</u>	<u>(1)</u>
Estimated total deficiency/surplus as regards members	<u>(208,335,359)</u>	<u>(208,335,359)</u>

Signature AW Date 29/10/20

B Company Creditors

Note You must include all creditors and identify creditors under hire-purchase, chattel leasing or conditional sale agreements *and* creditors claiming retention of title over property in the company's possession.

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Partners Group (Guernsey) Limited	Heron Tower, 110 Bishopsgate, London EC2N 4AY	95,000,044	Fixed and Floating Charge	9 June 2017	95,000,044
HM Revenue & Customs	HM Revenue and Customs VAT Written Enquiries, 123 St Vincent Street, Glasgow City, Glasgow, G2 5EA	2,3000,000	N/A	N/A	N/A
Cote Restaurants Group Holdings Limited	61 Berners Street, 2nd Floor, London, W1T 3NJ	111,035,314	N/A	N/A	N/A

Signature _____

Date 24/02/20



C Consumer Creditors

Note You must include all creditors who are consumers claiming amounts paid in advance of the supply of goods or services.

Signature _____

Date 29/10/20

D
Employee Creditors

Note You must include all employees who owed monies by the company in respect of unpaid wages, holiday pay, pay in lieu of notice etc.

Signature _____

Date 22/10/20

Shareholders E

Note You must include all shareholders of the company

EXPLANATORY INFORMATION FOR THE CREDITORS OF

Cote Group (Financing) Limited
(“the Company”)

Decision date for the appointment of a Liquidator: 11 November 2020

This explanatory information is designed to supplement the Statement of Affairs prepared by the directors and to provide creditors with sufficient information so that they can make an informed decision in respect of the appointment of a liquidator.

STATUTORY INFORMATION

The Company was incorporated on 23 August 2013 in the name Cote Group (Financing) Limited and the Company Registration No. is 12608856. The Company has not had any other names since incorporation.

The Company's business was “other food services” (SIC 56290).

The registered office has been located as follows:

From	To	Registered Office Address
23/08/2013	Present	61 Berners Street, 2nd Floor, London, W1T 3NJ

The authorised share capital is 1 ordinary shares of £1 each, of which all have been issued and fully paid as follows:

Name of member	Ordinary	Percentage
Cote Restaurants Group Holdings Limited	1	100%

Aside from the formation agents, the officers of the Company have been as follows.

Name	Position	Appointed	Resigned
Ms Kristina Zienko	Secretary	17/07/2018	n/a
Alexander Rupert Gauvain Scrimgeour	Director	24/09/2013	n/a
Strahan Leonard Arthur Wilson	Director	06/09/2016	n/a

Associated companies: Cote Restaurants Group Holdings Limited

HISTORY

The Company is a member of the wider Cote Group (“the Group”), which operated 98 restaurants under the Côte Brasseries brand and a further three under the Jackson & Rye and Limeyard brands. It employed 3,204 people across the UK, specialising in freshly prepared French food in the mid-market casual dining sector and is predominately located in London and the South East of England.

The Group was originally founded in August 2007 with the first restaurant opening in Wimbledon. The Group grew steadily through site expansion and was acquired by private equity firm CBPE Capital in 2013. BCP took a majority stake in July 2015.

Debt funding was provided to the Group under a £150m unitranche facility (“Secured Debt”) provided by various Partners Group (“Partners”) funds, for which the Company is a guarantor.

The Group aimed to expand the range of brands it operated with the purchase of Jackson & Rye and Limeyard in 2016, at the time accounting for 3 sites and 1 site respectively. The Company was a guarantor to the leases in Jackson and Rye.

Recent trading has seen the Group demonstrate positive revenue growth (5.9% CAGR between FY16 and FY19) and although operating margins have been falling, the Group continued to post an operating profit in FY19.

A summary of the Group’s recent trading performance is set out below:

£'m	FY16	FY17	FY18	FY19
Revenue	131.9	150.2	146.4	156.6
Cost of Sales	(74.5)	(85.8)	(83.4)	(89.7)
Gross Profit	57.3	64.4	63.0	66.9
Operating Costs	(51.0)	(55.9)	(58.2)	(63.3)
Impairment on acquisitions	-	(70.0)	(1.0)	(1.6)
Operating Profit/(Loss)	6.4	(61.6)	3.8	(0.0)

Like many other UK casual diners, the Group was heavily impacted by COVID-19. The nationwide lockdown resulted in a c30% decline in year-on-year revenue and EBITDAP for the period ending July 20. As part of the lockdown all of the Group’s restaurants were closed and all restaurant staff were placed on furlough.

In total, the COVID-19 restrictions led to a cash outflow before loan funding of £17.6m in the 12 months to July 2020 and resulted in the Group drawing down fully on their £10m RCF.

Whilst the Group commenced a phased reopening of its restaurants from 6 July 2020, performance was significantly impacted following the lockdown, such that the Group was in breach of the unitranche facility provided by Partners. In addition, the Group had built material arrears with its creditors, notably landlords, in spite of continued negotiations to reach agreement on payment plans for rental arrears.

The Group also took advantage of ‘time to pay’ initiatives with HMRC. Despite providing some cash benefit in Q2 2020, this left a significant liability which would have required future repayment, which would significantly impact the Group’s cash position as it continued to face industry headwinds caused by COVID-19.

In August 2020, FTI Consulting were instructed by the Group to consider its options in relation to the ongoing viability of the Companies.

In considering these options it became immediately apparent that the value of the business broke well within the Secured Debt, and that a solvent solution would not be achievable. Partners expressed an interest in purchasing the Group’s business and assets and, in addition, made clear that any third-party offer would need to exceed the total level of the Partners Secured Debt, accrued interest and funding requirement of £165m. On the basis of current industry multiples and time to complete a transaction, the Partners offer would result in a better return to creditors than any alternative.

On 28 September 2020, the Directors appointed Matthew Boyd Callaghan, Andrew Johnson and Lisa Rickelton of FTI Consulting LLP ("Joint Administrators, Joint Liquidators") as Joint Administrators over 8 entities ("the Companies") within the wider Cote Group.

Immediately following our appointment as Joint Administrators on 28 September 2020 we sold substantially all of the business and assets of the Group to Cote Restaurant Group Ltd, Cote Deliveries Ltd and Greenfield Food Supply Ltd (together the "Purchasers") ("the Transaction"). The Purchasers are wholly owned subsidiaries of Partners Group ("Partners").

In addition to the Companies, there are four further Group entities which are set to enter liquidation either in the UK or Jersey, these are the Company, Cote at Home Limited, Cote Topco Limited (Jersey) and Cote Holdings Limited (Jersey).

The Company is jointly and severally liable for the Secured Debt owed to Partners and had no material assets. Furthermore. It acted as a holding company for the investment in Cote Group (Bidco) Limited, with no material external assets, it had a large intercompany due from one of the Administration entities from which no value will flow.

The Company did not have any assets that were purchased as part of the Transaction.

INSOLVENCY

Given the Company had no assets and is liable for the secured debt detailed above, it was deemed to be unable to pay its liabilities as they fell due without wider Group support. Therefore, the Company has been placed into a Creditors' Voluntary Liquidation process.

The Joint Liquidators were instructed by Strahan Wilson to assist in convening a meeting of the Company's members and seeking a decision from the creditors on the appointment of a Liquidator.

No payment has been made by, or on behalf of the Company, in respect of the instructions given to prepare a Statement of Affairs or to seek a decision from the creditors on the appointment of a Liquidator.

JOINT LIQUIDATORS FEES AND EXPENSES

Whilst time costs will be incurred in properly dealing with the affairs of the Company, the Joint Liquidators have taken the view that they will not seek to recover fees from the estate of the Company given no realisations are anticipated.

STATEMENT OF AFFAIRS

The Joint Liquidators assisted the Directors in preparing a Statement of Affairs. A copy of the Statement of Affairs was delivered to creditors with this explanatory information on 02 November 2020.

INSOLVENCY PRACTITIONERS' COMMENTS ON THE STATEMENT OF AFFAIRS

Matthew Boyd Callaghan, Andrew Johnson and Lisa Rickelton of FTI Consulting LLP would comment on the Statement of Affairs as follows:

Assets

The Company held an intercompany investment in Cote Group (Bidco) Limited, which is now in Administration, with no realisable value.

Liabilities

The Company acted as a guarantor for the £150m unitranche facility owed to Partners. Only £95m is reported on the Statement of Affairs as £55m was released as part of the Transaction upon appointment of Administrators of the Group.

The Company owes £111m in intercompany liabilities to Cote Restaurants Group Holdings Limited.

HM Revenue & Customs – VAT - £2.3m is owed to HM Revenue & Customs in respect of unpaid VAT for the period 1 February 2020 to 30 April 2020.

An intercompany liability of £263,938 is owed to Greenfields Meat Limited. Given there are no realisable assets within the Company there will be no return to creditors.

Matthew Boyd Callaghan, Andrew Johnson and Lisa Rickelton are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under section 390A(2)(a) of the Insolvency Act 1986.

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