

Director's report to the creditors

The Newport Restaurant Ltd

19 July 2024

Notice to creditors

This report has been prepared using information provided by the directors of The Newport Restaurant Ltd and information taken from the Company's books and records.

Please note that the accuracy of the information has not been reviewed by Geoff Jacobs or Alistair McAlinden (the proposed joint liquidators).

It has been produced to comply with the directors' statutory duty to deliver to the creditors a Statement of Affairs and for no other purpose.

This document contains other important information such as the directors' trading history and company financial information.

A glossary of the abbreviations used throughout this document is attached (Appendix 4).

Please also note that an important legal notice about this report is attached (Appendix 5).

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1 Meetings of members and decision of creditors

This report is to make available certain information, regarding the history and financial affairs of the Company, to the creditors.

Given the Company's financial position, the directors commenced liquidation proceedings to place the Company into Creditors' Voluntary Liquidation.

Geoff Jacobs and Alistair McAlinden were instructed by the directors on 3 July 2024 to convene the requisite meeting of members and assist with the creditors' decision procedure for this purpose.

Notices of written resolutions were dispatched to members on 3 July 2024. It is proposed that the following written resolutions will be passed on 30 July 2024:

- That it has been proved that the Company cannot by reason of its liabilities continue its business and it is advisable to wind up the same and, accordingly that the Company be wound up voluntarily in accordance with Chapter IV of Part IV of the Insolvency Act 1986.
- That subject to the passing of the above special resolution, Geoff Jacobs and Alistair McAlinden of Interpath Advisory, Interpath Ltd, 5th Floor, 130 St Vincent Street, Glasgow, G2 5HF, be appointed as Joint Liquidators of the Company and that any power conferred on the Joint Liquidators by the Company, or by law, be exercisable by them jointly or by either of them alone.

The Company will be placed into liquidation when the resolutions are passed.

The Proposed Joint Liquidators have consented to act.

Notices were dispatched to all known creditors on 19 July 2024.

2 Prior involvement of proposed liquidators

We have no personal relationship with the directors. We have had no prior involvement with them other than noted below.

We were introduced to the Directors – Jamie Scott and Kelly Scott ('the Directors') - by a third-party advisor and first made contact with the Directors in December 2023. During the period between December 2023 and April 2024, the Directors evaluated the strategic options available but ultimately concluded that it was in the best interests of creditors to proceed with a Liquidation of the Company.

On 3 July 2024, we were appointed to provide assistance to place the Company into Creditors' Voluntary Liquidation ('CVL').

The Directors have also requested that Geoff Jacobs and Alistair McAlinden are appointed as Joint Liquidators of Raliad Ltd ('RL') in a director led CVL. Jamie Scott and Kelly Scott are both directors and shareholders of RL.

The appointment to Raliad is not considered to be material or prejudicial to the objectivity of Interpath Advisory or either of the Joint Liquidators, who consider themselves able to accept the appointment as Liquidators of the Company.

Interpath and the Joint Liquidators have confirmed that they have fully considered the relevant guide to professional conduct and ethics as issued by their regulatory bodies and are satisfied that there is no conflict or threat to independence for them.

3 Directors' summary of trading history and reasons for failure

The comments below are made by and are the sole responsibility of the Directors of the Company – Jamie Scott and Kelly Scott.

Relevant statutory information of the Company is attached at Appendix 1.

The Directors advised the following:

- The Company was incorporated on 8 January 2016 and operated a 3 AA rosette award-winning occasional dining restaurant in Newport on Tay in Fife. The business was primarily operated by Jamie Scott, a former winner of the TV series MasterChef: The Professional, and his wife, Kelly Scott.
- Whilst trading had been difficult in the years prior to COVID, the pandemic placed a significant financial strain on the Company, as the business was forced to close or work under strict health and safety restrictions for significant periods of time during

2020 and 2021. As the pandemic eased, despite an initial uplift in custom in 2021, trade did not return to the pre-pandemic levels and the Company struggled to meet its monthly outgoings.

- Between 2021 and 2024, rent, food, energy and labour costs all increased significantly and certain of the Company's main suppliers changed credit lending terms on their accounts, reducing the terms for payment. All of these factors had a detrimental impact on the Company's cash flow.
- The Directors approached the Company's bank to discuss possible lending, however, no facilities were available. The Directors considered other lending options, such as short-term loans, however, these were unfeasible due to the high monthly costs and terms which could not be met.
- As funding was not available, the Directors sought to diversify the Company's offerings and promoted a wider range of services such as dinner, bed and breakfast deals, bar meals, private dining and occasional tasting menus. The Company also promoted exclusive deals via vouchers purchased through specialist agents, such as 'IT IS ON', during periods of low trade. Despite these measures, trade remained low, and the Company was forced to reduce staff numbers and restrict the Company's opening to 4 days per week to prevent further losses.

Between December 2023 and March 2024, the Directors met with the Company accountant to discuss possible options. Due to exceptionally low footfall in January and February, and the rising costs of rent, labour and utilities, it was determined that the Company could not continue to trade and was no longer able to service its debts as they fell due. Consequently, the Directors took the decision to cease trading on 7 April 2024.

A meeting of the Company's board of directors subsequently took place on 3 July 2024 where it was resolved that the Company was insolvent and should be wound up voluntarily.

Accordingly, the Company instructed Geoff Jacobs and Alistair McAlinden to assist with obtaining the members written resolutions and assist with the creditors' decision procedure to place the Company into liquidation.

The Directors have informed us that no writs, statutory demands or decrees were received by the Company prior to the appointment of the Joint Liquidators.

4 Financial information

The Company was incorporated on 8 January 2016.

The Company was subject to small companies regime so statutory accounts, lodged with Companies House, are unaudited and only provide a balance sheet with limited disclosure. No profit or loss (trading) or cash flow information is available.

Unaudited financial statements for the year ended 31 January 2023 have been lodged at Companies House. A summary of these accounts, and those for the year to 31 January 2022, are provided at Appendix 2.

To date, we have not been provided with up-to-date financial information for the Company. On this basis, a deficiency statement has not been prepared.

5 Connected party transactions

The Directors advised that certain transactions with a related entity - The Newport Bakery Limited ('TNBL') – had taken place in the past year. The Directors advised that TNBL is a creditor of the Company, as noted in the Directors Statement of Affairs at Appendix 3 of this report.

Upon appointment, the Joint Liquidators will review the nature and quantum of any such transactions and seek to recover any amounts which may be due to the Company, where appropriate.

6 Directors' Statement of Affairs

The Directors have provided a Statement of Affairs for the Company as at 17 July 2024, which is attached at Appendix 3.

The figures contained in the Directors' Statement of Affairs have been extracted from the Company's accounts. Geoff Jacobs and Alistair McAlinden have not conducted an audit of this information. The figures do not take the costs of the liquidation into account.

Please note that the actual level of assets recoveries and claims against the Company may differ materially from the accounts included in the Statement of Affairs.

A summary of the assets and liabilities is shown below.

6.1 Assets

As per the Statement of Affairs at Appendix 3, the Directors advised that there were no assets as at 17 July 2024.

The Joint Liquidators', once appointed, will review the pre-appointment position (specifically the movement of assets since the last accounts) and ascertain if there are any potentially realisable assets available.

6.2 Liabilities

Secured creditors

There are no secured creditors of the company.

Preferential creditors

The Directors advised that the Company had 22 employees at cessation of trade.

The Directors have included a provision of £36,898 in the Statement of Affairs to account for preferential creditor claims that might be made in respect of potential redundancy entitlements.

We understand that the employees have not yet been made formally redundant, therefore, upon appointment, the Joint Liquidators will require to issue official notices of redundancy and assist former employees in making any relevant redundancy related claims to the relevant Government Department.

Secondary preferential

Following the introduction of the Finance Act 2020, certain of the debts of HMRC will be classed as secondary preferential creditors. The debts classed as secondary preferential are PAYE, VAT, Employee NIC and Construction Industry Scheme (CIS) deductions but does not include corporation tax.

The Directors estimate that there are amounts totalling £87,872 which would be due to HMRC in this regard.

Upon appointment, the Joint Liquidators will confirm the position with HMRC and will provide further details in future reports to creditors.

Unsecured creditors

A schedule of the known creditors' names, addresses, debts and details of any security held is included in Appendix 3. Creditors should note that as the Company may not have completed updating its ledgers to the date of appointment, the balances stated may be revised.

7 Costs

The Company paid £10,000 (excluding VAT) to Interpath Advisory in relation to the costs of preparing for the Section 100 appointment of the Liquidators to the Company.



Geoff Jacobs

Proposed Joint Liquidator

Appendix 1 Statutory information

Company information

Company and trading name	The Newport Restaurant Ltd	
Date of incorporation	8 January 2016	
Company registration number	SC645656	
Principal business	Restaurant	
Trading address	1 High Street, Newport on Tay, DD6 8AB	
Present registered office	1 High Street, Newport on Tay, DD6 8AB	
Company directors	Jamie Scott Kelly Samantha Scott	
Shareholding	Name	Shareholding
	Jamie Scott	50
	Kelly Samantha Scott	50
Total shares issued	100 Ordinary shares at £1 each	
Application of EU Regulations	EU Regulations apply and these proceedings will be the Proceedings to which the EU Regulation as it has effect in the law of the United Kingdom does not apply as defined in Article 3 of the EU Regulations.	

The Company has 2 current directors, as shown above.

The Directors other current and previous directorships are noted below.

Current and previous directorships				
Director	Company number	Company name	Period in office	Current status
Jamie Scott	SC729668	The Newport Bakery at St Andrews Limited	14 April 2022 - ongoing	Dormant
Jamie Scott	SC638968	The Newport Bakery Limited	15 August 2019 - ongoing	Live
Jamie Scott	SC523804	Raliad Ltd	3 May 2023 - ongoing	Live
Jamie Scott	SC498658	JK Scott Limited	23 February 2015 – ongoing	Live
Kelly Scott	SC729668	The Newport Bakery at St Andrews Limited	14 April 2022 - ongoing	Dormant
Kelly Scott	SC638968	The Newport Bakery Limited	15 August 2019 - ongoing	Live
Kelly Scott	SC523804	Raliad Ltd	3 May 2023 - ongoing	Live
Kelly Scott	SC498658	JK Scott Limited	23 February 2015 – ongoing	Live

Appendix 2

Financial Information

Balance Sheet	Unaudited accounts as at 31 January 2023 (£)	Unaudited accounts as at 31 January 2022 (£)
Fixed assets		
Tangible assets	2,051	2,378
Current assets		
Stock	10,600	12,000
Debtors	122,608	100,983
Cash at bank and in hand	12,413	9,855
	145,621	122,838
Creditors: amounts falling due within one year	(228,110)	(135,151)
Net current liabilities	(82,489)	(12,313)
Total assets less current liabilities	(80,438)	(9,935)
Creditors: amounts falling due after more than one year	(30,248)	(42,956)
Provisions for liabilities	17,756	8,330
Net liabilities	(92,930)	(44,561)
Capital and reserves		
Called up share capital	100	100
Profit and loss reserves	(93,030)	(44,661)
Total equity	(92,930)	(44,561)
<i>Source: Companies House</i>		

The accounts filed by the Company at Companies House are unaudited and do not contain trading (profit & loss) or cash flow information.

As detailed in Section 4 of this report, we have not been provided with up-to-date management accounts or any further financial information.

Statement of Affairs

Name of company	Company number
The Newport Restaurant Limited	SC523804

Statement as to the affairs of (a) The Newport Restaurant Limited, 1 High Street, Newport on Tay, DD6 8AD

The Newport Restaurant Limited, 1 High Street, Newport on Tay, Fife, DD6 8AD

on the (b) 17 July 2024 being a date not more than 14 days before the date of the resolution for winding up.

(b) Insert date of appointment

Statement of Truth

I believe that the facts stated in this statement of affairs are true.

Full name Kelly Scott
Signed Kelly Scott
Dated 17 July 2024

A - Summary of Assets

Assets

	Book Value £	Estimated to Realise £
Assets subject to fixed charge:	0	0
Total assets subject to fixed charge	0	0
Less: Amount(s) due to fixed charge holder(s)		
Shortfall/surplus to fixed charge holder(s) c/d	0	0
Assets subject to floating charge:		
Total assets subject to floating charge	0	0
Uncharged assets:		0
		0
Total uncharged assets	0	0
Estimated total assets available for preferential creditors	0	0

Signature

Kelly Scott

Date: 17/07/2024

A1 - Summary of Liabilities

	Book Value £	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)		0
Liabilities		
Preferential creditors:		
Preferential (employee) creditors		-36,898
Estimated deficiency/surplus as regards preferential creditors		-36,898
Secondary preferential creditors		
HM Revenue & Customs - VAT		-66,659
HM Revenue & Customs - PAYE		-21,213
Less uncharged assets		
Net property		-124,770
Estimated prescribed part of net property where applicable (to carry forward)		
Estimated total assets available for floating charge holders		0
Debts secured by floating charges		
Estimated deficiency/surplus of assets after floating charges		0
Estimated prescribed part of net property where applicable (brought down)		
Uncharged assets		
Total assets available to unsecured creditors		-124,770
HM Revenue & Customs - Corp Tax		-10,871
Unsecured creditors		-119,297
Estimated deficiency/surplus as regards unsecured creditors		-254,938
Shortfall to fixed charge holders (brought down)		
Shortfall to preferential creditors (brought down)		
Shortfall to floating charge holders (brought down)		
Estimated deficiency/surplus as regards creditors		-254,938
Issued and called up capital		-100
Estimated total deficiency/surplus as regards members		-255,038

Signature Kelly Scott

Date: 17/07/2024

List of unsecured creditors

Name	Address	Amount
Avian Communications	87 Brook Street, Broughty Ferry, Dundee, DD5 1DJ	£ 6,905.00
British Gas	BGL336987 Online account	£ 3,352.00
Cattech Lifts Limited	Stannergate Road, Dundee, DD1 3NA	£ 234.00
Clear Business	No 1 Dovecote, Old Hall Road, Sale, M33 2GS	£ 5,911.00
David Lowrie Fishmerchants	35 Pittenweem Road, Anstruther, Fife, KY10 3DS	£ 3,278.00
De Burgh Wines	Fordet Mains Steading, Dalkeith, Midlothian, EH22 2PQ	£ 1,739.00
Deltron Lifts	Building 29, Pace Space, The Pesnett Estate, Dandy Bank Rd, Kingswinford, DY6 7TU	£ 342.00
Stephen Dye	withheld	£ 4,741.00
The Edinburgh Beer Factory	The Works, Implement Road, West Barns, Dunbar, EH42 1UN	£ 252.00
Fife Council	Rothsay House, Rothsay Place, Glenrothes, KY7 5PQ	£ 14,561.00
Findlays, Chartered Accountants	11 Dudhope Terrace, Dundee, DD3 6TS	£ 1,200.00
Gin Bothy	The Bothy Experience, Kirkwynd, Glamis, Angus, DD8 1RT	£ 341.00
Gordon Cater Hire	Stiellsmuir Farm, Woodlands Road, Rousemount, Blairgowrie, PH10 6LE	£ 24.00
Graham Fire Protection Ltd	Skirmie Park, Welton Road Industrial Estate, Blairgowrie, PH10 6NP	£ 487.00
HOT Energy	The Doghouse, Rattray, Blairgowrie, PH10 7JB	£ 181.00
Inverarity Morton	7 Evanton Drive, Thornliebank Ind Estate, Glasgow, G46 8HL	£ 2,273.00
John Henderson Ltd	Unit 8, Fife Food Park, Faraday Road, Glenrothes, KY6 2RU	£ 6,955.00
Johnsons By Statbridge	259 Summerlee Street, Queenslie Ind Estate, Queenslie, Glasgow, G33 4DB	£ 4,959.00
L'Art Du Vin	18 Taxi Way, Hillend Ind. Estate, Dalgety Bay, Fife, KY11 9JT	£ 2,011.00
Classic Lifts	1 Buchanan Court, Stepps, Glasgow, G33 6HZ	£ 2,415.00
Little Hotelier	One Lyric Square, Hammersmith, London, W6 0NB	£ 95.00
Mark Murphy & Partner	1 Bankhead Way, Sighthill Industrial Estate, Edinburgh, EH11 4FB	£ 6,277.00
Naughton	Naughton Garden Cottage, Balmerino, Newport on Tay, DD6 8RN	£ 559.00
The Newport Bakery Limited	7 Cupar Road, Newport On Tay, Fife, DD6 8AF	£ 548.00
Otteco	Northampton Road, Bilsforth, Northamptonshire, NN7 3DR	£ 115.00
Pattullo	Eassie Farm, Glamis, Angus, DD8 1SG	£ 268.00
Pulse Electrical (Dundee) Limited	Smellies Lane, Lochee Road, Dundee, DD1 5RJ	£ 273.00
Rikbar Ltd	13/15 James Watt Place, College Milton, East Kilbride, G74 5HG	£ 979.00
Coeur Sauvage Limited	Suite 4, 32 Kempock Street, Gourrock, PA19 1NA	£ 1,000.00
SCO Tech (Services) Limited	Unit 8, Arran House, Arran Road, Perth, PH1 3DZ	£ 419.00
Site Minder	1 Lyric Square, 8th Floor London, W6 0NB	£ 95.00
Seahills Farm	Seahills Farm, Auchmithie, Angus, DD11 5SF	£ 449.00
Strathearn Pest Control	Cramond, Rectory Close, Crieff, PH7 3EA	£ 324.00
Tabology	8-10 Wood Street, Wajkefield, WF1 2ED	£ 122.00
Tay Spirits Ltd	Tayport Distillery Unit 2, Shanwell Road, Tayport, Fife, DD6 9DX	£ 158.00
The Cheesery	9 Exchange Street, Dundee, DD1 3DJ	£ 3,413.00
Thisty Cross	The Works, Implement Road, West Barns, Dunbar, EH42 1UN	£ 110.00
Wellocks	Unit 4 Pendleside, Lomeshaye Ind. Estate, Nelson, Lancs, BB9 6SH	£ 11,932.00
Voucher holders	withheld	£ 30,000.00
	Total	£ 119,297.00

Appendix 4 Glossary

Company	The Newport Restaurant Ltd
Joint Liquidators/we/our/us	Geoffrey Isaac Jacobs and Alistair McAlinden
Interpath/Interpath Advisory	Interpath Ltd
RL	Raliad Ltd
TNBL	The Newport Bakery Limited
HMRC	HM Revenue & Customs

Any references in this report to Sections, Paragraphs and Rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, and the Insolvency (Scotland) (Receivership and Winding up) Rules 2018 respectively.

Appendix 5 Notice: About this report

This report has been prepared by Geoffrey Isaac Jacobs and Alistair McAlinden in conjunction with the directors of The Newport Restaurant Ltd (the 'Company'). Its purpose is to adhere to the statutory duty of the directors under Section 99 (and Rules 4.3, 4.4 and 4.5), to present to creditors a Statement of the Affairs of the Company, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in the Statement of Affairs are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose does so at their own risk. To the fullest extent permitted by law, Geoffrey Isaac Jacobs and Alistair McAlinden do not assume any responsibility and will not accept any liability in respect of this report.

Geoffrey Isaac Jacobs and Alistair McAlinden are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

The Officeholders may be Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – www.interpath.com/policies-and-regulatory-information/uk/privacy-insolvency/.

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