

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

THURSDAY



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07/05/2020

#317

COMPANIES HOUSE

1	Company details	
Company number	0 3 4 0 1 7 7 9	→ Filing in this form Please complete in typescript or in bold black capitals.
Company name in full	Rococo Chocolates Ltd	

2	Court details	
Court name	In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List	
Court case number	C R 2 0 1 9 0 0 3 2 3 5	

3	Administrator's name	
Full forename(s)	Kerry	
Surname	Bailey	

4	Administrator's address	
Building name/number	3 Hardman Street	
Street	Spinningfields	
Post town	Manchester	
County/Region		
Postcode	M 3 3 A T	
Country		

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Notice of move from administration to creditors' voluntary liquidation

5	Administrator's name ●		
Full forename(s)	Danny		● Other administrator Use this section to tell us about another administrator.
Surname	Dartnaill		
6	Administrator's address ●		
Building name/number	Thames Tower, Level 12, Station Road		● Other administrator Use this section to tell us about another administrator.
Street	Reading		
Post town	Berkshire		
County/Region			
Postcode	R G 1 1 L X		
Country			
7	Appointor/applicant's name		
	Give the name of the person who made the appointment or the administration application.		
Full forename(s)	Unsecured creditor		
Surname			
8	Proposed liquidator's name		
Full forename(s)	Kerry		
Surname	Bailey		
Insolvency practitioner number	8 7 8 0		
9	Proposed liquidator's address		
Building name/number	3 Hardman Street		
Street	Spinningfields		
Post town	Manchester		
County/Region			
Postcode	M 3 3 A T		
Country			

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10		Proposed liquidator's name*	
Full forename(s)	Danny		
Surname	Dartnaill		
Insolvency practitioner number	1	0	1 1 0
		* Other liquidator Use this section to tell us about another liquidator.	
11		Proposed liquidator's address*	
Building name/number	Thames Tower, Level 12, Station Road		
Street	Reading		
Post town	Berkshire		
County/Region			
Postcode	R	G	1 1 L X
Country			
		* Other liquidator Use this section to tell us about another liquidator.	
12		Period of progress report	
From date	d 2 d 3	m 1 m 1	y 2 y 0 y 1 y 9
To date	d 0 d 1	m 0 m 5	y 2 y 0 y 2 y 0
13		Final progress report	
		<input checked="" type="checkbox"/> I have attached a copy of the final progress report.	
14		Sign and date	
Administrator's signature	Signature X  X		
Signature date	d 0 d 6	m 0 m 5	y 2 y 0 y 2 y 0

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Presenter information

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

Contact name **Kerry Bailey**

Company name **BDO LLP**

Address
5 Temple Square
Temple Street

Post town **Liverpool**

County/Region

Postcode **L 2 5 R H**

Country

DX

Telephone **01512 374 500**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

Rococo Chocolates Ltd
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 23/11/2019 To 01/05/2020 £	From 23/05/2019 To 01/05/2020 £
POST APPOINTMENT RECEIPTS		
Sales	11,314.43	191,905.36
	<u>11,314.43</u>	<u>191,905.36</u>
THIRD PARTY FUNDING		
Funding Agreement - Trading	(58,609.04)	NIL
	<u>(58,609.04)</u>	<u>NIL</u>
SUSPENSE		
Purchaser monies	(13,372.74)	NIL
	<u>(13,372.74)</u>	<u>NIL</u>
COST OF SALES		
Royalties	NIL	800.25
Material Purchases	NIL	17,744.05
Packaging	NIL	4,002.92
Carriage/Logistics	NIL	1,877.77
Repairs & Renewals	NIL	350.00
Ransom payments	NIL	22,900.35
	<u>NIL</u>	<u>(47,675.34)</u>
TRADING EXPENSES		
Wages	2,207.49	99,007.52
Accounting software	NIL	184.03
Sub Contractors	NIL	4,960.00
Electricity	NIL	199.72
Gas	NIL	63.20
Internet & Telephones	NIL	7,091.39
Rates	NIL	9,727.87
Water Rates	NIL	14.63
Rent	NIL	11,971.51
Insurance	NIL	36.26
Fulfilment provider	NIL	4,712.72
Motor Expenses	NIL	492.99
Stationery and Postage	NIL	536.53
Parking	NIL	70.00
Miscellaneous store expenses	NIL	899.28
Merchant services charges	NIL	5,203.90
	<u>(2,207.49)</u>	<u>(145,171.55)</u>
TRADING SURPLUS/(DEFICIT)	<u>(62,874.84)</u>	<u>(941.53)</u>

Rococo Chocolates Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 23/11/2019 To 01/05/2020 £	From 23/05/2019 To 01/05/2020 £
	ASSET REALISATIONS		
Uncertain	Goodwill	NIL	1.00
	Intellectual Property	NIL	73,000.00
	Transferred records	NIL	1.00
	Business Name	NIL	1.00
	Business Rights	NIL	1.00
	Customer contracts	NIL	1.00
	Supply Contracts	NIL	1.00
118,418.08	Book debts	(5,174.72)	85,413.71
	Cash at Bank	NIL	18,695.42
	Cash floats	NIL	3,244.82
Uncertain	Directors' Loan Account	NIL	NIL
	Interest Gross	597.41	1,501.74
	Licence to Occupy fees	2,500.00	112,839.64
16,467.80	Plant	NIL	164,678.00
	Rates and other refunds	6,318.82	8,300.80
	Software Licences	NIL	1.00
60,000.00	Stock	NIL	459,070.18
	Trading Surplus/(Deficit)	(62,874.84)	(941.53)
		(58,633.33)	925,809.78
	COST OF REALISATIONS		
	Administrators' Disbursements	293.90	8,090.51
	Administrators' Fees	100,000.00	275,000.00
	Agents' Fees & Disbs	NIL	15,740.53
	Bank Charges	3.00	54.00
	Debtor commission - 10%	NIL	11,600.00
	Insurance	NIL	3,107.14
	Legal Fees & Disbs	4,886.54	55,077.05
	Payroll agent's fees	580.00	1,410.00
	Preparation of S.of A.	NIL	800.00
	Professional fees and services	NIL	10,245.00
	Rents Payable	14,000.00	106,189.58
		(119,763.44)	(487,313.81)
	THIRD PARTY FUNDING		
	Funding Agreement	(12,294.00)	NIL
		(12,294.00)	NIL
	PREFERENTIAL CREDITORS		
(5,255.06)	Pension Contributions	NIL	NIL
(61,126.05)	Preferential Wages and holiday pay	NIL	NIL
		NIL	NIL
	DISTRIBUTION TO SECURED CREDITOR		
(117,587.82)	RBS Invoice Finance Limited	NIL	28,589.19
		NIL	(28,589.19)
	UNSECURED CREDITORS		
(1,509,663.60)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(350,100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,848,846.65)		(190,690.77)	409,906.78
	REPRESENTED BY		

Rococo Chocolates Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 23/11/2019 To 01/05/2020 £	From 23/05/2019 To 01/05/2020 £
REPRESENTED BY CONTINUED		
Current Account 1		307,916.41
Current Account 2		51,888.34
Input VAT		8,252.09
Output VAT		(2,762.88)
Vat Control Account		44,612.82
		409,906.78



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www.bdo.co.uk

5 Temple Square
Temple Street
Liverpool
L2 5RH

TO ALL KNOWN CREDITORS

6 May 2020

Our Ref 00294545/C/KFB/RT

Please ask for
Rebecca Thompson
Dial: 0151 237 4472
Email: BRCMT@bdo.co.uk

Dear Madams/Sirs

Rococo Chocolates Ltd - In Administration ('the Company')
Registered number: 03401779
In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List
Court Number: CR-2019-003235

I now supply my final report in respect of this Administration, reporting on the progress made in completing the approved proposals ('the Proposals') and achieving the statutory purpose of the Administration.

This report covers the period 23 November 2019 to 1 May 2020 ('the Final Period'). This report should be read in conjunction with my previous reports.

In accordance with the Proposals, the Company will now move from Administration to Creditors' Voluntary Liquidation ('CVL').

Statutory Information

The Joint Administrators are Kerry Bailey (officeholder No:8780) of BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT and Danny Dartnaill (officeholder No:10110) of BDO LLP, Level 12, Thames Tower, Station Road, Reading, RG1 1LX and they were appointed in respect of the Company on 23 May 2019. Under the provisions of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the Administrators carry out their functions jointly and severally meaning any action can be carried out by one or both of them.

The Joint Administrators were appointed by an unsecured creditor, pursuant to Paragraph 12 of Schedule B1 to the Insolvency Act 1986. The Administration proceedings are dealt with in the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List and the case number is CR-2019-003235.

The Company's registered office is situated at 3 Hardman Street, Spinningfields, Manchester, M3 3AT and the registered number is 03401779.

As detailed in previous reports, a sale of the Company's business and assets completed on 25 June 2019 to Rococo Chocolates London Limited ('the Purchaser').

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

The Joint Administrators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Administration of Rococo Chocolates Ltd. Please see the privacy statement at <https://www.bdo.co.uk/en/privacy-policy/insolvency>



Trading in the Administration

Following the appointment of Joint Administrators, the Company continued to trade for the period from 23 May 2019 to 25 June 2019 (the 'Trading Period') from its head office, five retail stores and via its website and wholesale relationships. A Trading Receipts and Payments Account is provided at Appendix 1 which provides details of the trading activities for the Trading Period.

During the Final Period, the Company received a total of £11,314 in relation to sales to wholesale customers during the Trading Period, bringing total sales in relation to retail, wholesale and online sales to £191,905. We do not anticipate there will be any further trading receipts.

During the Final Period, the Company settled employee and employer pension liabilities totalling £2,207 incurred during the Trading Period. A further £2,653 will be paid during the preceding Liquidation.

We do not anticipate there will be any further trading receipts or payments (other than the pension contributions) and therefore we anticipate a final trading loss of c£3.5k.

The trading loss was significantly reduced given the Purchaser agreed to pay salary costs that related to the Trading Period that had been accrued up to the date of the sale.

Funding Agreement

As detailed in previous reports, shortly prior to appointment, the Company prepared trading projections which anticipated a trading loss and a funding requirement during the summer months. On appointment, the Joint Administrators entered into a funding agreement ('the Funding Agreement') with a stakeholder (a director of the Company and an unsecured creditor), whereby initial funding of £220,000 was provided to the Company to allow it to continue to trade whilst the Company's business and assets were marketed for sale. A further £152,000 was provided during the Trading Period and £12,294 was received in order to settle professional fees (see section 4 below). As such, the funding provided totalled £384,294.

In the Final Period, £70,903 has been repaid, and there are no further funds to repay under the Funding Agreement.

Purchaser monies

As previously advised, the Company received payments made by customers that were due to the Purchaser. In the Period, £13,372 was swept to the Purchaser's account. There are no further amounts due to be remitted to the Purchaser.

Receipts & Payments

I enclose, for your information, a summary of my receipts and payments to date showing a balance in hand of £409,907, together with a copy of my receipts and payments account covering the Final Period, and report as follows:



Receipts

The receipts shown are largely self-explanatory, however I would comment specifically on the following:

Licence to occupy fees

As detailed in previous reports, prior to the Joint Administrators' appointment, the Company held six leases in relation to its five retail stores and head office. As stated in the Proposals, the Joint Administrators granted licences to occupy in respect of five of the six leasehold properties. One property lease had lapsed prior to the sale of the Company's business and assets therefore, a licence to occupy was not granted and a new lease was agreed between the Purchaser and the landlord.

Prior to the Final Period, four of the five leasehold properties were assigned or surrendered. Negotiations in relation to the final leasehold property were ongoing and therefore, an extension to the licence was required to 30 April 2020. As a result, the Company was required to settle property costs during the period of occupation and therefore £2,500 was received from the Purchaser, bringing total licence to occupy contributions to £112,840. Rent totalling £14,000 has been settled in the Final Period. A further £3,500 will be paid in the Liquidation in relation to rent for April 2020 and a reconciliation of the licence fee and payments made will be undertaken.

The Joint Administrators completed an assignment of the final leasehold property on 28 April 2020 and all leases held by the Company have been now been assigned or surrendered.

Book debts

During the Final Period, the Joint Administrators identified a number of receipts that were allocated to pre-administration book debtors that related to wholesale receipts for the Trading Period. As a result, the Receipts and Payments Account is illustrating a negative receipt of £5,175 at Appendix 1.

Since appointment, the Company has collected £85,414 in relation to a pre-administration debtor ledger totalling £214,000. The remaining debtor ledger was historic and future collections are uncertain.

Rates, other refunds and bank interest

A sum of £6,319 was received in the Final Period in relation to a rates and other refunds including £1,602 from Lambeth Council and a rent deposit in respect of a leasehold premises that has been assigned to the Purchaser of £4,717. No further refunds are anticipated.

In addition, the Company received bank interest of £597 in the Final Period bringing total bank interest to £1,502.

Payments - costs in the Administration

I additionally provide a summary of the professional fees and other expenses which have been paid during the Final Period, the costs which have been accrued and not yet paid and, the costs that are anticipated.

Professional Fees & Expenses	Accrued £	Paid £	Anticipated £
ERA Solutions Limited - Payroll Agent's Fees	Nil	580	Nil
Legal Fees & Disbursements	1,000	4,886.54	1,000
Total	1,000	5,466.54	1,000

ERA Solutions ('ERA')

ERA received a sum of £580 during the Period in relation to their assistance with dealing with redundancies made by the Company and liaising with the pension provider/remitting pension contributions. No further costs are anticipated.

Legal fees

Addleshaw Goddard LLP ('Addleshaws') were engaged to provide legal advice to the Company. During the Final Period, Addleshaws has received £4,886 for advice provided in relation to the licences to occupy, the property assignments and the repayment of the funds subject to the Funding Agreement.

It is anticipated that a further £1,000 will be paid in relation to the assignment of the final leasehold property. This will bring Addleshaws' fees to £56,077, above our original Fee Estimate. The accrued fees will be paid in the Liquidation.

Summary of the Joint Administrators' Proposals

The statutory purpose of an Administration consists of three objectives, and I now address the progress that has been made in this respect.

- (a) The first objective is rescuing the Company as a going concern (i.e. restructuring the Company's business, resulting in the survival of the Company). This objective was not achieved due to the extent of the Company's liabilities and insufficient funding to support working capital requirements.
- (b) With regard to the second objective of 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), the Joint Administrators can advise that this objective has been achieved. The Administration has enabled continued trading, preserving the value of the Company's assets including goodwill and enabled the Joint Administrators to facilitate a sale of the Company's business and assets. The sale also reduced the level of unsecured claims, employees have transferred to the purchaser, the secured creditor (RBSIF) has been repaid in full and, the assignment and surrendering of the five leases mitigated certain leased asset liabilities.
- (c) The final objective is realising property in order to make a distribution to one or more secured or preferential creditors. The secured creditor has been repaid in full and, preferential claims have been kept to a minimum and are likely to be paid in full.

Formal Proposals - the Joint Administrators propose that:

- (a) They continue to manage the Company's business and realise assets in accordance with Objective 2 of the statutory purpose of the Administration, and
- (b) They exit the Administration by way of a Creditors' Voluntary Liquidation and that Kerry Bailey & Danny Dartnaill will be the Joint Liquidators and will act jointly and severally.

NB. Under Paragraph 83(7) of Sch. B1 to the Act and Rule 3.60(6)(b) of The Insolvency Rules 2016 creditors may nominate different Liquidators, but in the absence of such nomination the above named would become the Joint Liquidators.

OTHER RESOLUTIONS FOR APPROVAL, THAT:

- (c) That a creditors committee be established if sufficient creditors are willing to be members. (such committee must comprise of between 3 and 5 creditors)
- (d) The remuneration of the Joint Administrators' is approved on a time cost basis as set out in the fees estimate, and
- (e) The Joint Administrators' category 2 disbursements be approved on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to creditors.

I can confirm that proposal (a) has been achieved in the Administration as detailed earlier in this report.

Steps will now be taken to exit the Administration and move the Company to Creditors' Voluntary Liquidation in order to facilitate a dividend to the unsecured creditors in accordance with proposal (b).

Creditors voted in favour to form a creditors' committee, however there were insufficient nominations to form a committee, consequently proposal (c) was not deemed necessary.

Proposals (d) and (e) were also approved by creditors and are referred to later in this report.

Assets

I can confirm that there are no assets of a peculiar or special nature which cannot be sold. Consequently, there has been no distribution of unsold assets to creditors, as mentioned in Rules 18.10/14.13 of the 2016 Rules.

In addition, there are no further assets to realise and steps will be taken to distribute to preferential and unsecured creditors.

Investigations

The Joint Administrators have a duty to investigate the affairs of the Company and also the conduct of the directors and in respect of the latter, to submit a confidential statutory report to the Secretary of State. I confirm that a report has been submitted.



The Joint Administrators have completed a review of the Company's affairs and assets to establish whether there are any actions that can be investigated for the benefit of the creditors and concluded there are no causes of action to be pursued.

Outcome for Creditors

Secured Creditors

Please see below details of the registered charge against the Company.

In Favour of	Type of Security	Date of Creation	Date Registered
RBS Invoice Finance Limited ('RBSIF')	Debenture	25 March 2010	8 April 2010

On appointment, RBSIF was owed c£118,000 in relation to an invoice discounting agreement.

As previously reported, the Company continued to collect debtors whilst trading in Administration and debtor balances of c£89,000 were collected. On 25 June 2019, the amount owing to RBSIF totalled £28,589.

As part of the sale of the Company's business and assets, the Joint Administrators transferred assets subject to security held by RBSIF to Rococo Chocolates London Limited ('the Purchaser'). In order to facilitate the transfer to the Purchaser, the Company was required to settle RBSIF's debt. On 25 June 2019 and simultaneously on completion of the sale, the debt owed to RBSIF was settled in full with cash received from the sale. The cash consideration would have been subject to RBSIF's charge in any event. As such, RBSIF confirmed that its charge has been satisfied and has released its security allowing the sale of the business and certain assets.

As such, there are no remaining secured creditors of the Company.

Preferential Creditors

Preferential claims are defined as monies owed to former employees in respect of arrears of wages and accrued holiday pay at the date of Administration.

The Joint Administrators were advised that the employees of the Company had arrears of wages in respect of the period 29 April 2019 to 23 May 2019. On 14 June 2019, the Administrators processed the payroll for the period 29 April to 26 May 2019, in line with the Company's usual payroll date.

The Joint Administrators did not settle wages for the four employees made redundant. As such, the Administrators are anticipating preferential claims of £2,355.

Claims for arrears of wages up to £800 per employee and unpaid holiday pay is deemed a preferential claim. We have received a claim from the Redundancy Payments Service confirming a preferential claim of £5,801.

Based on present information, we anticipate that preferential creditors will be paid in full.



Unsecured Creditors

The Statement of Affairs estimates unsecured creditors of £1.5 million. To date, unsecured creditor claims received but not yet adjudicated, total approximately £928,949. It is not the duty of the Joint Administrators to adjudicate on the claims of unsecured creditors; this is the responsibility of any subsequently appointed Liquidator.

Based on present information, there will be sufficient funds available to enable the subsequently appointed Liquidators to make a dividend payment to unsecured creditors.. I would comment that the timing and quantum of payment of the dividend is dependent upon the finalisation of future costs.

Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986, the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where a company has granted a floating charge to a creditor after 15 September 2003.

Although the Company has granted a floating charge to RBSIF after 15 September 2003, RBSIF was paid in full on 25 June 2019. There will therefore be no floating charge distribution and the provisions of the prescribed part will not apply.

Joint Administrators' Remuneration

The Joint Administrators were obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

- (1) As a percentage of the assets realised and distributed; and/or
- (2) By reference to the time the Joint Administrators and the staff have spent attending to matters in the Administration; and/or
- (3) As a set amount; and/or
- (4) As a combination of the above.

Creditors approved the Joint Administrators' remuneration on 8 August 2019 on a time cost basis in line with their Fees Estimate.

In accordance with the remuneration agreed by creditors, the Joint Administrators have drawn £275,000 in respect of remuneration, £100,000 of which was drawn in the Final Period as shown on the enclosed Receipts and Payments Account.

I attach two schedules detailing the time costs incurred to date. The first schedule covers the Final Period and records time costs of £27,219, which represents 155 hours spent at an average charge out rate of £176 per hour.

The second schedule covers the whole period of appointment and records time costs of £389,876, which represents 1,462 hours at an average charge out rate of £267 per hour.

The unpaid time costs, in relation to the Administration, will be written off.

I also attach the Joint Administrators' Fees Estimate annotated with a column showing the time costs accrued in respect of each activity, together with a detailed description of the work undertaken.



For guidance, I enclose a document that outlines the policy of BDO LLP in respect of fees and disbursements.

Joint Administrators' Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. No category 1 disbursements have been incurred during the Final Period.

Some Joint Administrators recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have been incurred during the Final Period.

Total disbursements of £8,090 have been incurred in this Administration as detailed below.

	Cat. 1 (£)	Cat. 2 (£)	Total (£)
Staff Expenses	5,035.69	-	5,035.69
Data Management	293.80	-	293.80
Staff Travel	2,284.00	-	2,284.00
Statutory Advertising	81.00	-	81.00
Mileage	-	395.92	395.92
Total	7,694.49	395.92	8,090.41

To date, disbursements of £8,090 have been drawn, £294 of which were drawn in the Final Period, as shown on the enclosed Receipts and Payments Account.

Joint Administrators' Release from Liability

In accordance with Paragraph 98 of Schedule B1 to the Act, I would like to request that the Joint Administrators be discharged from liability and, therefore, I invite creditors to consider approving their release via deemed consent.

A resolution to this effect is included in the Creditors' Decision Procedure attached to this report.

Creditors Decision Procedures

Please note that a formal notices of Decision Procedure by Deemed Consent is attached covering the matters set out above.

In order to object the resolutions, a creditor must deliver to me, by no later than 22 May 2020, a written notice stating that the creditor objects. The objection must be accompanied by a proof of debt (form attached) otherwise the creditors' objection will be disregarded. A creditor with a 'small debt' of £1,000 or less, must still submit a proof of debt, if submitting a notice of objection.



If creditors want to consider the resolutions at a physical meeting they must notify me in writing within five business days of delivery of the attached notice. A meeting will be convened if sufficient creditors notify the nominee within the timeframe. Section 246ZE the insolvency Act sets the minimum number of creditors for requisitioning a meeting at any of the following:—

- (a) 10% in value of the creditors or contributories;
- (b) 10% in number of the creditors or contributories;
- (c) 10 creditors or contributories

If no objections are received to the decision process by deemed consent by the date specified on the formal notice, the resolutions for consideration will be approved.

Creditors' Rights and Enquiries

The Insolvency Service has established a central gateway for considering complaints in respect of insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

Creditors with the concurrence of at least 5% in value of the unsecured creditors may within 21 days of this report request in writing further information regarding the remuneration and expenses set out in this report. In accordance with Rule 18.9(3) of the Rules within 14 days of a request we will provide further information or explain why further information is not being provided. Creditors may access information setting out creditors' rights in respect of the approval of the Joint Administrators' remuneration at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

A creditor (who need not be the creditor who asked for the information) may, with the concurrence of at least 5% or more in value of the creditors (including the creditor in question), apply to the court within 21 days of our response or the expiry for the period of my response and the court may make such order as it thinks fit (Rule 18.9(6)&(7) of the Rules). Creditors with the concurrence of at least 10% of the creditors may apply to the court if they consider that the remuneration of the Administrators, or the basis fixed for the remuneration of the Administrator or expenses charged by the Administrator are excessive (Rule 18.34 of the Rules). Such an application must be made within 8 weeks of receiving this report. The text of Rules 18.9 and 18.34 are set out at the end of this report.

The Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at: <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>



Please contact me or my colleague Rebecca Thompson at BRCMT@bdo.co.uk if you require further information.

Yours faithfully
for and on behalf of
Rococo Chocolates Ltd

A handwritten signature in black ink, appearing to be 'K Bailey', with a long, sweeping underline.

Kerry Bailey
Joint Administrator
Authorised by the Institute of Chartered Accountants in England & Wales in the UK

Enclosures

Receipts and Payments Account
SIP 9 Time Cost Report for the Final Period
SIP 9 Time Cost Report for the period of Administration
Fees Estimate to Accrued Time Comparison
BDO LLP Policy in Respect of Fees and Disbursements
Notice of Deemed Consent
Proof of Debt form
Statement of Creditors' Rights in respect of Fees and Disbursements

Rococo Chocolates Ltd
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 23/11/2019 To 01/05/2020 £	From 23/05/2019 To 01/05/2020 £
POST APPOINTMENT RECEIPTS		
Sales	11,314.43	191,905.36
	<u>11,314.43</u>	<u>191,905.36</u>
THIRD PARTY FUNDING		
Funding Agreement - Trading	(58,609.04)	NIL
	<u>(58,609.04)</u>	<u>NIL</u>
SUSPENSE		
Purchaser monies	(13,372.74)	NIL
	<u>(13,372.74)</u>	<u>NIL</u>
COST OF SALES		
Royalties	NIL	800.25
Material Purchases	NIL	17,744.05
Packaging	NIL	4,002.92
Carriage/Logistics	NIL	1,877.77
Repairs & Renewals	NIL	350.00
Ransom payments	NIL	22,900.35
	<u>NIL</u>	<u>(47,675.34)</u>
TRADING EXPENSES		
Wages	2,207.49	99,007.52
Accounting software	NIL	184.03
Sub Contractors	NIL	4,960.00
Electricity	NIL	199.72
Gas	NIL	63.20
Internet & Telephones	NIL	7,091.39
Rates	NIL	9,727.87
Water Rates	NIL	14.63
Rent	NIL	11,971.51
Insurance	NIL	36.26
Fulfilment provider	NIL	4,712.72
Motor Expenses	NIL	492.99
Stationery and Postage	NIL	536.53
Parking	NIL	70.00
Miscellaneous store expenses	NIL	899.28
Merchant services charges	NIL	5,203.90
	<u>(2,207.49)</u>	<u>(145,171.55)</u>
TRADING SURPLUS/(DEFICIT)	<u>(62,874.84)</u>	<u>(941.53)</u>

Rococo Chocolates Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 23/11/2019 To 01/05/2020 £	From 23/05/2019 To 01/05/2020 £
	ASSET REALISATIONS	
Uncertain	Goodwill	NIL
	Intellectual Property	73,000.00
	Transferred records	1.00
	Business Name	1.00
	Business Rights	1.00
	Customer contracts	1.00
	Supply Contracts	1.00
118,418.08	Book debts	(5,174.72)
	Cash at Bank	18,695.42
	Cash floats	3,244.82
Uncertain	Directors' Loan Account	NIL
	Interest Gross	597.41
	Licence to Occupy fees	2,500.00
16,467.80	Plant	NIL
	Rates and other refunds	6,318.82
	Software Licences	1.00
60,000.00	Stock	459,070.18
	Trading Surplus/(Deficit)	(62,874.84)
		(58,633.33)
	COST OF REALISATIONS	
	Administrators' Disbursements	293.90
	Administrators' Fees	100,000.00
	Agents' Fees & Disbs	NIL
	Bank Charges	3.00
	Debtor commission - 10%	NIL
	Insurance	NIL
	Legal Fees & Disbs	4,886.54
	Payroll agent's fees	580.00
	Preparation of S.of A.	NIL
	Professional fees and services	NIL
	Rents Payable	14,000.00
		(119,763.44)
	THIRD PARTY FUNDING	
	Funding Agreement	(12,294.00)
		(12,294.00)
	PREFERENTIAL CREDITORS	
(5,255.06)	Pension Contributions	NIL
(61,126.05)	Preferential Wages and holiday pay	NIL
		NIL
	DISTRIBUTION TO SECURED CREDITOR	
(117,587.82)	RBS Invoice Finance Limited	NIL
		28,589.19
		(28,589.19)
	UNSECURED CREDITORS	
(1,509,663.60)	Trade & Expense Creditors	NIL
		NIL
	DISTRIBUTIONS	
(350,100.00)	Ordinary Shareholders	NIL
		NIL
(1,848,846.65)		(190,690.77)
	REPRESENTED BY	
		409,906.78

Rococo Chocolates Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 23/11/2019 To 01/05/2020 £	From 23/05/2019 To 01/05/2020 £
REPRESENTED BY CONTINUED		
Current Account 1		307,916.41
Current Account 2		51,888.34
Input VAT		8,252.09
Output VAT		(2,762.88)
Vat Control Account		44,612.82
		<u>409,906.78</u>

Detail of Time Charged and Rates Applicable for the Period From 23/05/2019 to 01/05/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
B. Steps on Appointment														
02 Statutory Documentation			2.40	719.20	0.50	63.50	8.90	1,667.20	24.45	2,219.25			36.25	4,669.15
07 Attendance at Premises							8.20	1,738.40	8.00	1,440.00			16.20	3,178.40
09 Preparation of Proposals			4.00	963.50	2.00	262.00	1.00	130.40	5.00	345.00			12.00	1,700.90
12 Setting up Internal Files			1.30	312.00									1.30	312.00
99 Other Matters					0.30	65.40							0.30	65.40
sub total -			7.70	1,994.70	2.80	390.90	18.10	3,536.00	37.45	4,004.25			66.05	9,925.85
B. Steps on Appointment														
C. Planning and Strategy														
05 Review Options Available	33.45	17,828.85					1.80	381.60					35.25	18,210.45
07 Strategy Planning	27.20	14,664.80	8.00	3,304.00			0.50	106.00	4.20	1,460.00			39.90	19,534.80
99 Other Matters	4.00	3,040.00							0.50	58.00			4.50	3,098.00
sub total -	64.65	35,533.65	8.00	3,304.00			2.30	487.60	4.70	1,518.00			79.65	40,843.25
C. Planning and Strategy														
D. General Administration														
01 Insurance Matters					0.30	65.40	2.50	530.00	1.50	178.50			4.30	773.90
02 VAT			4.75	2,156.00	9.80	2,136.40							14.55	4,292.40
03 Taxation			17.45	9,265.95	8.20	1,787.60			4.25	652.45			29.90	11,706.00

Detail of Time Charged and Rates Applicable for the Period From 23/05/2019 to 01/05/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
04 Instruct/Liase Solicitors					2 30	487 60			0 15	17 85			2 45	505 45
05 Investigations					10 90	2,361 20			2 00	142 00			12 90	2,503 20
06 Conduct Reports					2 30	501 40							2 30	501 40
07 Receipts/Payments Accounts	2 30	1,156 50	15 25	3,619 70	49 90	10,785 80	8 20	233 20	109 90	8,906 60	0 05	5 80	185 50	24,707 60
08 Remuneration Issues					1 40	305 20							1 40	305 20
09 Statutory Matters					9 30	2,025 60	2 30	357 00	0 50	90 00			12 10	2,472 60
13 General Meetings					2 30	487 60							2 30	487 60
14 General Discussions					5 90	1,271 80							5 90	1,271 80
15 Gen Admin/Correspondence	10 55	6,228 70	6 55	2,433 05	7 95	1,612 95	4 65	501 70	47 65	4,455 35	0 50	45 00	77 85	15,296 75
sub total -	12 75	7,385 20	44 00	17,494 70	110 55	23,828 55	17 65	1,621 90	165 95	14,442 75	0 55	59 80	351 45	64,823 90
D. General Administration														
E. Assets Realisation/Dealing														
02 Evaluation/Reconciliation					1 10	239 80							1 10	239 80
04 Agent Instruction/Leasing			0 50	170 50	3 80	805 60							4 30	976 10
05 Sales Info Preparation			4 50	1,682 50					77 75	13,995 00			82 25	15,677 50
06 Property Related Matters	4 30	2,360 70	1 65	557 70	43 80	9,528 00	2 30	487 60	12 10	1,902 70			64 15	14,836 70

Detail of Time Charged and Rates Applicable for the Period From 23/05/2019 to 01/05/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
07 Debt Collection			0 50	230 00	20 80	4,530 80							21 30	4,760 80
08 Dealing with Chanel Assets			1 00	413 00									1 00	413 00
09 Dealing with other Assets			0 70	289 10	2 80	596 00			0 75	89 25			4 25	974 35
10 HP/Leasing Matters			1 70	702 10	0 40	87 20							2 10	789 30
12 Retention of Title			4 10	1,660 10	0 55	116 00							4 65	1,776 10
14 Sale of Business Assets	41 40	22,066 20	142 85	50,793 60	35 90	7,613 80	38 00	8,056 00	19 15	4,638 75			277 30	93,168 35
99 Other Matters					6 90	1,504 20							6 90	1,504 20
sub total -	45 70	24,426 90	157 50	56,498 60	116 05	25,021 40	40 30	8,543 60	109 75	20,625 70			469 30	135,116 20
E. Assets Realisation/Dealing														
F. Trading Related Matters														
01 Establish Business Control			2 00	826 00									2 00	826 00
02 Trading/other Projections			15 95	6,447 10			8 00	1,696 00					8 00	1,696 00
03 Cashflow Forecasts													15 95	6,447 10
05 Attendance at Premises			0 20	82 60	5 20	1,102 40	24 20	5,130 40	12 75	2,295 00			42 35	8,610 40
06 Monitor/Supervise Trading			64 60	25,018 80	10 10	2,161 00	14 40	3,052 80	60 00	23,874 50			149 10	54,107 10
07 Business Management			1 60	660 80					8 25	1,485 00			9 85	2,145 80

Detail of Time Charged and Rates Applicable for the Period From 23/05/2019 to 01/05/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
08 Trading Accounts			35.80	14,059.80	36.70	7,984.40			4.00	491.00			76.50	22,535.20
99 Other Matters	0.50	391.50	2.60	1,083.20	1.10	239.80			8.00	952.00			12.20	2,666.50
sub total -	0.50	391.50	122.75	48,178.30	53.10	11,487.60	46.60	9,879.20	93.00	29,097.50			315.95	99,034.10
F. Trading Related Matters														
G. Employee Matters														
02 Dealing with Employees	1.75	932.75	3.50	1,384.60	1.50	280.30	5.90	1,250.80	2.90	1,050.00			15.55	4,898.45
03 EPA Matters			0.30	123.90	1.90	402.80							2.20	526.70
04 Pension Issues			3.90	1,611.90	6.70	1,455.80							10.60	3,067.70
99 Other Matters			0.05	23.00					1.50	103.50			1.55	126.50
sub total -	1.75	932.75	7.75	3,143.40	10.10	2,138.90	5.90	1,250.80	4.40	1,153.50			29.90	8,619.35
C. Employee Matters														
H. Creditor Claims														
04 Non-Preferential Creditors			4.75	1,755.65	4.95	873.15	1.30	275.60	23.50	1,730.70			34.50	4,635.10
99 Other Matters			5.05	1,507.15									5.05	1,507.15
sub total -			9.80	3,262.80	4.95	873.15	1.30	275.60	23.50	1,730.70			39.55	6,142.25
H. Creditor Claims														
I. Reporting														
01 Statutory Reporting			1.00	413.00	63.20	13,629.40	2.15	281.65	11.55	888.95			77.90	15,213.00

Detail of Time Charged and Rates Applicable for the Period From 23/05/2019 to 01/05/2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
04 Reporting to Creditors	3.30	1,927.70	19.00	7,088.00					2.00	360.00			24.30	9,375.70
sub total -														
I. Reporting	3.30	1,927.70	20.00	7,501.00	63.20	13,629.40	2.15	281.65	13.55	1,248.95			102.20	24,588.70
J. Distribution and Closure														
01 Closure Planning			0.30	74.10									0.30	74.10
02 Distributions									2.10	149.10			2.10	149.10
04 Closure Documentation									4.00	336.00			4.00	336.00
06 Closing Statutory Dunes							1.70	222.70					1.70	222.70
sub total -			0.30	74.10			1.70	222.70	6.10	485.10			8.10	781.90
J. Distribution and Closure														
Net Total														389,875.50
Secretarial Expense														0.00
Other Disbursements														0.00
Billed														0.00
Grand Total														389,875.50



Rococo Chocolates Ltd

Fees Estimate to Accrued Time Comparison

Below is the original Fees Estimate annotated with a column showing the time costs accrued in respect of each activity.

Fees Estimate as at 12 July 2019 compared to accrued time to 1 May 2020

Joint Administrators' Fees	Total Hours	Blended Rate £	Estimated Fee £	Accrued Time £
Summary Activity				
A. Pre Appointment Matters	0.00	0.00	0.00	0.00
TOTAL			0.00	0.00
B. Steps on Appointment	60.45	143.55	8,677.75	9,925.85
C. Planning and Strategy	66.00	512.52	33,826.20	40,843.25
D. General Administration	81.50	208.16	16,965.00	64,823.90
E. Assets Realisation/Dealing	385.80	298.55	115,179.40	135,116.20
F. Trading Related Matters	186.40	306.07	57,051.90	99,034.10
G. Employee Matters	41.25	335.10	13,822.75	8,619.35
H. Creditor Claims	32.15	233.75	7,515.05	6,142.25
I. Reporting	52.20	272.41	14,219.90	24,588.70
J. Distribution and Closure	23.50	363.02	8,531.00	781.90
TOTAL	929.25	296.79	275,788.95	389,875.50
Officeholder Category 1 Disbursements			8,000	7,694.49
Officeholder Category 2 Disbursements			200.00	395.91
Other Expenses			0.00	10,245.00
Agents'/Valuers' Costs			15,500.00	15,740.53
Solicitors' Costs			45,000.00	50,190.51

You will note that I have exceeded the original Fees Estimate.

The original Fees Estimate has been exceeded primarily as a result of the work in relation to general administration, asset realisation/dealing and trading. Further detail of the additional time that has been incurred in excess of the Fees Estimate is provided below:

- **Planning and Strategy** - additional time has been incurred reviewing the strategy of the Administration and attending meetings with various stakeholders.
- **General Administration** - additional time has been incurred dealing with the Receipts and Payments Accounts including reconciling the bank accounts and remitting monies to the Purchaser on a regular basis where the Purchaser's customer has incorrectly paid into the Company's bank account. In addition, time has been incurred investigating the directors' conduct and submitting VAT and Corporation Tax returns. Due to the complexity of the returns, this required advice from a Director in the BDO Tax Department. In addition, time was incurred collating the Company's books and records including transferring the electronic data from the Company's cloud based system.

- **Asset Realisation/Dealing** - time has been incurred collecting the pre-administration debtors including undertaking reconciliations on a regular basis and communicating with the Purchaser. Additional time costs also relate to issuing licence to occupy invoices, reconciling the funds received and liaising with the Purchaser's solicitor and Addleshaws in relation to the assignation or surrender of leases. The negotiations in relation to the assignment of the final leasehold property were protracted and additional time has been incurred that was originally anticipated. Time has also been incurred preparing Estimated Outcome Statements following the realisation of assets to understand the potential dividend to unsecured creditors.
- **Trading Related Matters** - additional time has been incurred in relation to post-completion matters including finalising trading costs, liaising with the pension provider with the assistance of ERA, chasing (with the assistance of the Purchaser) customers for payment who had been provided with 60 and 90 day terms in the Trading Period.
- **Reporting** - time has been incurred preparing the six monthly progress report and the final report to unsecured creditors.

At this stage, I am not seeking to revise my Fee Estimate at this time and I intend to only draw time costs up to the Fee Estimate, as detailed above.

Detail of Work Undertaken

General Administration

As detailed above, time has been incurred reconciling the bank accounts and remitting monies to the Purchaser on a regular basis where the Purchaser's customer has incorrectly paid into the Company's bank account. In addition, time relates to issuing payments and completing VAT and Corporation Tax returns.

This time has led by me as Partner however, was primarily undertaken by an Assistant Manager and Administrator with suitable competencies.

Asset Realisation/Dealing

Time has been incurred liaising with the Purchaser and the landlord in relation to the assignment of the final leasehold property. These negotiations were protracted and the assignment completed on 28 April 2020.

This work was led by an Assistant Manager.

Employee matters

Time relates to liaising with ERA Solutions in relation to the payment of pension contributions during the Trading Period.

Creditor claims

Time has been incurred liaising with creditors regarding the progress of the Administration and logging both unsecured and preferential claims. Creditor claims will be reviewed during the Liquidation.

Reporting

During the Period, time has been incurred drafting and issuing the six monthly progress report. This work was led by a Partner and delegate where possible.

Distribution and Closure

Time has been incurred dealing with statutory formalities of moving the Company from Administration to Liquidation.



Rococo Chocolates Ltd- In Administration

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows:

GRADE	£
Partner	549 - 646
Manager	242-380
Assistant Manager	218
Senior Administrator	206
Administrator	119-185
Other Staff	73-77

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed on a regular basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

Pre Appointment
Steps upon Appointment
Planning and Strategy
General Administration
Asset Realisation/Management
Trading Related Matters
Employee Matters
Creditor Claims
Reporting
Distribution and Closure
Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.



Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

Category 2

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP
6 May 2020

The Insolvency Act 1986 - NOTICE OF DEEMED CONSENT PROCEDURE

To request the Joint Administrators be discharged from liability

Name of Company Rococo Chocolates Ltd	Company number 03401779
In the High Court of Justice, Business and Property Courts of England and Wales Insolvency and Companies List	Court case number CR-2019-003235

The Joint Administrators are Kerry Bailey (Officeholder No: 8780) of BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT and Danny Dartnall (officeholder No: 10110) of BDO LLP, Level 12, Thames Tower, Station Road, Reading, RG1 1LX who were appointed on 23 May 2019. The Joint Administrators may also be contacted by via Rebecca Thompson at BRCMT@bdo.co.uk.

NOTICE IS GIVEN, pursuant to Paragraph 51 of Schedule B1 to the Insolvency Act 1986 that the release of the Joint Administrator's will be dealt with by deemed consent by the Decision date: 22 May 2020. The resolution is:

- (a) That a Creditors' Committee not be formed; and
- (b) The Joint Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the filing of the final progress report with the Registrar of Companies.

In order to object to the deemed consent procedure, a creditor must deliver to me at the address below, by no later than 22 May 2020 a written notice stating that the creditor objects to the nomination. The objection must be accompanied by a proof of debt (form attached) otherwise the creditor's objection will be disregarded. A creditor with a 'small debt' £1,000 or less must still submit a proof of debt if submitting a notice of objection. The threshold is 10% in value of the creditors who are entitled to vote.

It is the convenor's responsibility to aggregate the objections to see if the threshold is met. If the threshold is met the deemed consent procedure will terminate. It will then be necessary for the convenor to arrange for a meeting of creditors to decide on the resolutions put to creditors. If less than 10% in value of creditors object, the creditors are treated as having approved the resolution above.

Appeals against decisions (Rule.15.35): Creditors may appeal to the court in respect of the convenor's decision. Any appeal must be made within 21 days of the Decision date stated above.

Date: 6 May 2020



Kerry Bailey
Joint Administrator and Convenor of the decision procedure

Objections to the Joint Administrators' resolutions, together with proof of claim must be forwarded to Kerry Bailey c/o Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH, by no later than 22 May 2020.

Certain Rules apply to decision procedures. The full text of the Rules is attached but the effect of those Rules is summarised here:

Creditor Voting rights (R.15.28): Every creditor who has this notice is entitled to vote in respect of the debt due to the creditor. Where there is a physical meeting the creditor must submit a proxy form (not relevant at this stage). Creditors, including creditors whose debt is treated as a 'small debt' (£1,000 or less) must still deliver a proof for voting purposes, if they have not already done so.

Calculation of creditors voting rights (R.15.31): In respect of this Administration creditors' claims will be calculated as at the date of Administration being 23 May 2019. Claims that have an uncertain value will be valued at £1, or a higher value if the chair allows.

Requisite majority of creditors for making a decision (15.34): A CVL a decision approved if a majority of creditors, by value vote, in favour by the Decision date.

Appeals against decisions (R.15.35): Decisions of the Joint Administrator in convening the Decision Procedure and dealing with voting is subject to appeal to the court by a creditor. Any appeal must be made within 21 days of the Decision Date.

Physical Meeting: If creditors want to consider the resolutions at a physical meeting they must notify in writing the Joint Administrator, whose details are above, within five business days of delivery of this notice. A meeting will be convened if sufficient creditors notify the nominee within the timeframe. Section 246ZE of the Act sets the 'minimum number' of creditors for requisitioning a meeting at any of the following:—

- (a) 10% in value of the creditors or contributories;
- (b) 10% in number of the creditors or contributories;
- (c) 10 creditors or contributories.

Extract from the Insolvency (England and Wales) Rules 2016

Creditors' voting rights

15.28.—(1) In an administration, an administrative receivership, a creditors' voluntary winding up, a winding up by the court and a bankruptcy, a creditor is entitled to vote in a decision procedure or to object to a decision proposed using the deemed consent procedure only if—

- (a) the creditor has, subject to 15.29, delivered to the convener a proof of the debt claimed in accordance with paragraph (3), including any calculation for the purposes of rule 15.31 or 15.32, and
- (b) the proof was received by the convener—
 - (i) not later than the decision date, or in the case of a meeting, 4pm on the business day before the meeting, or
 - (ii) in the case of a meeting, later than the time given in sub-paragraph (i) where the chair is content to accept the proof; and
- (c) the proof has been admitted for the purposes of entitlement to vote.

(2) In the case of a meeting, a proxy-holder is not entitled to vote on behalf of a creditor unless the convener or chair has received the proxy intended to be used on behalf of that creditor.

(3) A debt is claimed in accordance with this paragraph if it is—

- (a) claimed as due from the company or bankrupt to the person seeking to be entitled to vote; or
- (b) in relation to a member State liquidator, claimed to be due to creditors in proceedings in relation to which that liquidator holds office.

(4) The convener or chair may call for any document or other evidence to be produced if the convener or chair thinks it necessary for the purpose of substantiating the whole or any part of a claim.

(5) In a decision relating to a proposed CVA or IVA every creditor, secured or unsecured, who has notice of the decision procedure is entitled to vote in respect of that creditor's debt.

(6) Where a decision is sought in an administration under sub-paragraph 3.52(3)(b) (pre administration costs), paragraph 18.18(4) (remuneration: procedure for initial determination in an administration) or paragraph 18.26(2) (first exception: administrator has made statement under paragraph 52(1)(b) of Schedule B1), creditors are entitled to participate to the extent stated in those paragraphs.

Calculation of voting rights

15.31.—(1) Votes are calculated according to the amount of each creditor's claim—

- (a) in an administration, as at the date on which the company entered administration, less—
 - (i) any payments that have been made to the creditor after that date in respect of the claim, and
 - (ii) any adjustment by way of set-off which has been made in accordance with rule 14.24 or would have been made if that rule were applied on the date on which the votes are counted;
- (b) in an administrative receivership, as at the date of the appointment of the receiver, less any payments that have been made to the creditor after that date in respect of the claim;

- (c) in a creditors' voluntary winding up, a winding up by the court or a bankruptcy, as set out in the creditor's proof to the extent that it has been admitted;
- (d) in a proposed CVA—
 - (i) at the date the company went into liquidation where the company is being wound up,
 - (ii) at the date the company entered into administration (less any payments made to the creditor after that date in respect of the claim) where it is in administration,
 - (iii) at the beginning of the moratorium where a moratorium has been obtained (less any payments made to the creditor after that date in respect of the claim), or
 - (iv) where (i) to (iii) do not apply, at the decision date;
- (e) in a proposed IVA—
 - (i) where the debtor is not an undischarged bankrupt—
 - (aa) at the date of the interim order, where there is an interim order in force,
 - (bb) otherwise, at the decision date,
 - (ii) where the debtor is an undischarged bankrupt, at the date of the bankruptcy order.
- (2) A creditor may vote in respect of a debt of an unliquidated or unascertained amount if the convener or chair decides to put upon it an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose.
- (3) But in relation to a proposed CVA or IVA, a debt of an unliquidated or unascertained amount is to be valued at £1 for the purposes of voting unless the convener or chair or an appointed person decides to put a higher value on it.
- (4) Where a debt is wholly secured its value for voting purposes is nil.
- (5) Where a debt is partly secured its value for voting purposes is the value of the unsecured part.
- (6) However, the value of the debt for voting purposes is its full value without deduction of the value of the security in the following cases—
 - (a) where the administrator has made a statement under paragraph 52(1)(b) of Schedule B1 and the administrator has been requested to seek a decision under paragraph 52(2); and
 - (b) where, in a proposed CVA, there is a decision on whether to extend or further extend a moratorium or to bring a moratorium to an end before the end of the period of any extension.
- (7) No vote may be cast in respect of a claim more than once on any resolution put to the meeting; and for this purpose (where relevant), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim.
- (8) A vote cast in a decision procedure which is not a meeting may not be changed.
- (9) Paragraph (7) does not prevent a creditor or member State liquidator from—
 - (a) voting in respect of less than the full value of an entitlement to vote; or
 - (b) casting a vote one way in respect of part of the value of an entitlement and another way in respect of some or all of the balance of that value.

Requisite majorities

- 15.34.—(1) A decision is made by creditors when a majority (in value) of those voting have voted in favour of the proposed decision, except where this rule provides otherwise.
- (2) In the case of an administration, a decision is not made if those voting against it—
 - (a) include more than half in value of the creditors to whom notice of the decision procedure was delivered; and
 - (b) are not, to the best of the convener or chair's belief, persons connected with the company.
 - (3) Each of the following decisions in a proposed CVA is made when three-quarters or more (in value) of those responding vote in favour of it—
 - (a) a decision approving a proposal or a modification;
 - (b) a decision extending or further extending a moratorium; or
 - (c) a decision bringing a moratorium to an end before the end of the period of any extension.
 - (4) In a proposed CVA a decision is not made if more than half of the total value of the unconnected creditors vote against it.
 - (5) For the purposes of paragraph (4)—
 - (a) a creditor is unconnected unless the convener or chair decides that the creditor is connected with the company;
 - (b) in deciding whether a creditor is connected reliance may be placed on the information provided by the company's statement of affairs or otherwise in accordance with these Rules; and
 - (c) the total value of the unconnected creditors is the total value of those unconnected creditors whose claims have been admitted for voting.
 - (6) In a case relating to a proposed IVA—
 - (a) a decision approving a proposal or a modification is made when three-quarters or more (in value) of those responding vote in favour of it;
 - (b) a decision is not made if more than half of the total value of creditors who are not associates of the debtor vote against it.
 - (7) For the purposes of paragraph (6)—
 - (a) a creditor is not an associate of the debtor unless the convener or chair decides that the creditor is an associate of the debtor;
 - (b) in deciding whether a creditor is an associate of the debtor, reliance may be placed on the information provided by the debtor's statement of affairs or otherwise in accordance with these Rules; and
 - (c) the total value of the creditors who are not associates of the debtor is the total value of the creditors who are not associates of the debtor whose claims have been admitted for voting.

Appeals against decisions under this Chapter

15.35. –(1) A decision of the convener or chair under this Chapter is subject to appeal to the court by a creditor, by a contributory, or by the bankrupt or debtor (as applicable).

(2) In a proposed CVA, an appeal against a decision under this Chapter may also be made by a member of the company.

(3) If the decision is reversed or varied, or votes are declared invalid, the court may order another decision procedure to be initiated or make such order as it thinks just but, in a CVA or IVA, the court may only make an order if it considers that the circumstances which led to the appeal give rise to unfair prejudice or material irregularity.

(4) An appeal under this rule may not be made later than 21 days after the decision date.

(5) However, the previous paragraph does not apply in a proposed CVA or IVA, where an appeal may not be made after the end of the period of 28 days beginning with the day—

(a) in a proposed CVA, on which the first of the reports required by section 4(6) or paragraph 30(3) of Schedule A1 was filed with the court(a); or

(b) in a proposed IVA—

(i) where an interim order has not been obtained, on which the notice of the result of the consideration of the proposal required by section 259(1)(a) has been given, or

(ii) otherwise, on which the report required by section 259(1)(b)(b) is made to the court.

(6) The person who made the decision is not personally liable for costs incurred by any person in relation to an appeal under this rule unless the court makes an order to that effect.

(7) The court may not make an order under paragraph (6) if the person who made the decision in a winding up by the court or a bankruptcy is the official receiver or a person nominated by the official receiver.

Extract from the Insolvency Act 1986 (as amended)

Section 246ZE Decisions by creditors and contributories: general

(1) This section applies where, for the purposes of this Group of Parts, a person ("P") seeks a decision about any matter from a company's creditors or contributories.

(2) The decision may be made by any qualifying decision procedure P thinks fit, except that it may not be made by a creditors' meeting or (as the case may be) a contributories' meeting unless subsection (3) applies.

(3) This subsection applies if at least the minimum number of creditors or (as the case may be) contributories make a request to P in writing that the decision be made by a creditors' meeting or (as the case may be) a contributories' meeting.

(4) If subsection (3) applies P must summon a creditors' meeting or (as the case may be) a contributories' meeting.

(5) Subsection (2) is subject to any provision of this Act, the rules or any other legislation, or any order of the court—

(a) requiring a decision to be made, or prohibiting a decision from being made, by a particular qualifying decision procedure (other than a creditors' meeting or a contributories' meeting);

(b) permitting or requiring a decision to be made by a creditors' meeting or a contributories' meeting.

(6) Section 246ZF provides that in certain cases the deemed consent procedure may be used instead of a qualifying decision procedure.

(7) For the purposes of subsection (3) the "minimum number" of creditors or contributories is any of the following—

(a) 10% in value of the creditors or contributories;

(b) 10% in number of the creditors or contributories;

(c) 10 creditors or contributories.

(8) The references in subsection (7) to creditors are to creditors of any class, even where a decision is sought only from creditors of a particular class.

(9) In this section references to a meeting are to a meeting where the creditors or (as the case may be) contributories are invited to be present together at the same place (whether or not it is possible to attend the meeting without being present at that place).

(10) Except as provided by subsection (8), references in this section to creditors include creditors of a particular class.

(11) In this Group of Parts "qualifying decision procedure" means a procedure prescribed or authorised under paragraph 8A of Schedule 8.

Proof of Debt/Claim Form
Rococo Chocolates Ltd - In Administration
Company No: 03401779

Debt as at the date of the Administration: 23 May 2019

1	Name of creditor (If a company please also give company registration number and where registered).	
2	Address of creditor including email address for correspondence.	
3	Total amount of claim, including any Value Added Tax at the above date.	
4	If amount in 3 above includes outstanding un-capitalised interest please state amount.	£
5	Particulars of how and when debt incurred. (If you need more space append a continuation sheet to this form).	
6	Particulars of any security held, the value of the security, and the date it was given.	
7	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
8	Provide details of any documents by reference to which the debt can be substantiated. (Note: There is no need to attach them now but the Administrator may call for any document or evidence to substantiate the claim at their discretion as may the chairman or convener of any meeting).	
9	Signature of creditor or person authorised to act on his behalf	Dated
<hr/>		<hr/>
Name in BLOCK LETTERS		
<hr/>		
Position with or in relation to creditor		
<hr/>		
Address of person signing (if different from 2 above)		
<hr/>		

Deliver to the Joint Administrator, Kerry Bailey, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH.

Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:

Creditors' and members' requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- (d) any unsecured creditor with the permission of the court; or
- (e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- (a) providing all of the information requested;
- (b) providing some of the information requested; or
- (c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

- (a) the office-holder giving reasons for not providing all of the information requested; or
- (b) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

- (a) a secured creditor,
- (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
- (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question (the relevant report).

Applications under rules 18.34 and 18.35 where the court has given permission for the application

18.36.—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

- (2) Where the court has given permission, it must fix a venue for the application to be heard.
- (3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

Applications under rule 18.34 where the court's permission is not required for the application

18.37.—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

- (2) Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
 - (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
 - (b) an order reducing any fixed rate or amount;
 - (c) an order changing the basis of remuneration;
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
 - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
 - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
 - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
 - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.