

# AM03

## Notice of administrator's proposals



Companies House

WEDNESDAY



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19/12/2018

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COMPANIES HOUSE

### 1 Company details

Company number 07404610

Company name in full Vini Italiani Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Daniel

Surname Plant

### 3 Administrator's address

Building name/number 9 Ensign House

Street Admirals Way

Post town Marsh Wall

County/Region London

Postcode E14 9XQ

Country

### 4 Administrator's name

Full forename(s) Simon Franklin

Surname Plant

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address

Building name/number 9 Ensign House

Street Admirals Way

Post town Marsh Wall

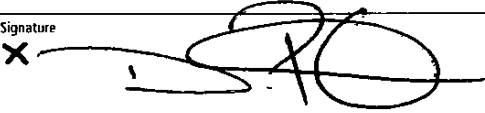
County/Region London

Postcode E14 9XQ

Country

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Use this section to tell us about  
another administrator.

AM03  
Notice of Administrator's Proposals

<b>6</b>		<b>Statement of proposals</b>																		
	<input checked="" type="checkbox"/>	I attach a copy of the statement of proposals																		
<b>7</b>		<b>Sign and date</b>																		
Administrator's Signature																				
Signature date	<table border="1"><tr><td>d</td><td>1</td><td>d</td><td>4</td></tr></table>	d	1	d	4	<table border="1"><tr><td>m</td><td>1</td><td>m</td><td>2</td></tr></table>	m	1	m	2	<table border="1"><tr><td>y</td><td>2</td><td>y</td><td>0</td><td>y</td><td>1</td><td>y</td><td>8</td></tr></table>	y	2	y	0	y	1	y	8	
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## AM03 Notice of Administrator's Proposals



### 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	Daniel Plant				
Company name	S F P				
Address	9 Ensign House				
	Admirals Way				
Post town	Marsh Wall				
County/Region	London				
Postcode	E	1	4		9 X Q
Country					
DX					
Telephone	020 7538 2222				



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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

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



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This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**Strictly Private and Confidential**

**Vini Italiani Limited (In Administration)**

**The Joint Administrators' Proposal**

**Daniel Plant  
MIPA FABRP**

**Simon Franklin Plant  
MIPA FABRP**

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## 1. Executive Summary

## APPENDIX I SECTION REFERENCES

- |   |                                   |
|---|-----------------------------------|
| <p><b>1.1</b> The Company was placed into Administration on 14 November 2018. The purpose of rescuing the Company as a going concern was not achievable. The primary purpose of the Administration is therefore to achieve 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).</p>  | <p><b>Section 4</b></p>           |
| <p><b>1.2</b> The Company was incorporated on 12 October 2010 to operate wine stores and bars and to sell Italian wines. Its registered office and one of its trading premises were located at 5 College Approach, Greenwich, London, SE10 9HY. It also operated from premises at Ground Floor and Basement, 72 Old Brompton Road, London, SW7 3LQ and Unit 33, The Market, Covent Garden, London, WC2E 8BE. A history of the Company's trading activity together with the events leading the Directors to seek to place the Company into Administration are detailed in <b>Section 3 of Appendix I</b>.</p>  | <p><b>Section 3</b></p>           |
| <p><b>1.3</b> In pursuing the second Administration objective, the Joint Administrators' strategy was to seek to achieve a sale of the business and assets on a going concern basis, as this would vastly improve the result for the secured and preferential creditors. Given the lack of available funding and that the Company was and had always traded at a loss, continued trading of the business was not an option. The Joint Administrators have now completed a sale of the business and assets on a going concern basis. As the sale was negotiated prior to the Joint Administrators' appointment, the disclosure requirements of SIP16 apply. Accordingly, information regarding the sale is included in the Statement of Proposals.</p>   | <p><b>Section 5<br/>and 6</b></p> |
| <p><b>1.4</b> The purpose of the Administration is still in the process of being achieved and there is still a significant amount of work to be undertaken. This includes debtor recoveries, collecting the remaining credit held by the Company's bankers, continued investigations into the Company's affairs, statutory reporting and concluding the Company's interest in the Stores and the Storage Facility. The Joint Administrators consider that it may be advisable for the Company to continue in Administration for the time being, although the Statement of Proposals provides details of the proposed exit route from Administration in due course. On present information, there may be a dividend to preferential and non-preferential unsecured creditors, pursuant to the prescribed part.</p> | <p><b>Section 7</b></p>           |
| <p><b>1.5</b> Questionnaires have been sent to creditors. Responses may assist the Joint Administrators with their general investigation duties. Accordingly, those who have not replied are urged to do so.</p>  | <p><b>Section 11</b></p>          |

## 2. Introduction

- 2.1 This Proposal incorporates the Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act ("the Statement of Proposals") attached at **Appendix I**.
- 2.2 The Statement of Proposals provides explanations of the events leading to the Administration and the progress of the Administration to date, as well as statutory information relating to the proposed completion of the Administration.
- 2.3 This Proposal provides more detailed information on the work that the Joint Administrators anticipate they will undertake to complete the Administration together with their proposed basis of fees. To put this request into context, this Proposal provides further information on the Joint Administrators' costs to date, including the costs incurred prior to Administration. It also explains other matters for creditors' consideration, such as the proposed timing of the Joint Administrators' discharge on conclusion of the Administration.
- 2.4 Definitions of the terms used in this Proposal are provided in **Appendix I** together with all statutory information pertaining to the Company.

## 3. Statement of Pre-Administration Costs

- 3.1 The Statement of Proposals provides an account of the work done prior to the Administration. The Company agreed to this work being done by SFP by means of an engagement letter signed on 29 October 2018. This work was carried out before the Company entered Administration in order to determine that it was reasonably likely that the purpose of Administration would be achieved, to brief the Team and MBV in preparation for the appointment and with the assistance of Freeths solicitors to enable the necessary formalities to be completed to place the Company into Administration. As the first objective of an Administration is to rescue the company as a going concern, the Joint Administrators and their staff spent some time prior to Administration reviewing the Company's ability to continue to trade under Administration.
- 3.2 Prior to Administration, it was considered advantageous also to prepare to move swiftly to sell the business and assets of the Company in the event that it became apparent that a CVA was not possible. Thus, agents were engaged with a view to valuing the business and assets and advising on the most beneficial means of pursuing a sale. In addition, for the reasons set out in the SIP16 disclosure, it was considered beneficial to conduct the sale negotiation process and exchange a draft SPA with the proposed purchaser prior to commencement of the Administration with a view to completing the sale shortly on appointment. It was felt that this strategy would further the second objective of achieving a better result for creditors as a whole than would be likely if the Company were wound up, which may not have been achievable if the work had been carried out after the commencement of the Administration.

- 3.3 In conducting the above work, the following costs were incurred:

	£
SFP's time costs (see <b>Appendix II</b> )	18,681.50
MBV	16,825
Freeths	25,000
SFP Property	2,450

- 3.4 Attached at **Appendix II** is a breakdown of the time costs of the Joint Administrators and their staff incurred prior to Administration and included within **Appendix III** are SFP's charge-out rates and bases of disbursements. The Joint Administrators have received payment from the Company of £4,000, plus VAT on account of SFP's pre-Administration time costs.

- 3.5 Consequently, the unpaid pre-Administration costs are as follows:

	£
SFP's time costs	14,681.50
MBV	16,825
Freeths	25,000
SFP Property	2,450

- 3.6 The payment of the unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act. Further explanation of the approval process is provided in **Section 10**.

#### 4. The Joint Administrators' Fees

- 4.1 As explained in the Statement of Proposals, the Joint Administrators propose to fix their fees by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 4.2 Attached at **Appendix IV** is a breakdown of the time costs incurred in the Administration to date. The Statement of Proposals provides an account of the work undertaken to date and **Appendix VI** provides a detailed list of work undertaken and proposed to be undertaken by the Joint Administrators and their staff. As explained in the Statement of Proposals, the Team attended at the Greenwich Premises for half a day to collect the petty cash balance, make certain staff redundant and to deal with other statutory tasks.
- 4.3 The charge-out rates of the Joint Administrators and their staff are detailed in **Appendix III**. The grades of staff instructed to assist in this matter and their key responsibilities include:
- 4.3.1 Support Staff: maintenance of the creditor contact database, assisting with creditor queries and sending reports to creditors;
  - 4.3.2 Administrators: on-site attendance, reviewing the Company's position and affairs, assisting in the realisation of assets, employee matters, liaising with creditors and debtors, preparing statutory reports to creditors, returns to Companies House, and managing the Treasury function of the case; and
  - 4.3.3 Managers: on-site attendance, reviewing the Company's position and affairs, handling asset realisations, reviewing draft statutory reports to creditors, returns to Companies House, other statutory matters and overseeing the tax and VAT aspects of the case.
- 4.4 In view of the sensitive nature of the Company's business and the complex issues arising in this case, it has proven necessary to involve the manager to a greater degree than otherwise would have been the case.
- 4.5 Creditors may access a Guide to Administrators' Fees at <http://panel.sfpgroup.com> or a hard copy will be provided on request.
- 4.6 Further information is set out below and in the appendices to explain the future time costs that the Joint Administrators anticipate incurring in this Administration.

#### 5. The Joint Administrators' Expenses

- 5.1 The Joint Administrators' expenses may be divided into two categories:
- 5.1.1 Category 1 expenses are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses. Legislation provides that administrators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.
  - 5.1.2 Category 2 expenses are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 expenses after the relevant creditors have approved the bases of their calculation.
- 5.2 As explained in the Statement of Proposals, the Joint Administrators have instructed SFP Property to assist with the property matters arising in the Administration. SFP Property has been established by SFP to perform



functions that either the office holders or outside agencies could undertake. It is considered that by virtue of the specialist nature of SFP Property and its close proximity to SFP, it will achieve better results than the office holders, their team or any outside agencies would be able to accomplish.

- 5.3 **Appendix III** provides a summary of the charge-out rates for SFP Property. Also set out in that appendix are the bases of other Category 2 expenses that the Joint Administrators propose to recover from the insolvent estate.
- 5.4 A breakdown of the time costs incurred by SFP Property since the start of the Administration is attached at **Appendix V**. For further information regarding the work carried out to date by SFP Property, please refer to the Statement of Proposals.

## 6. Proposed Work to be Undertaken

- 6.1 Substantial work needs to be undertaken in order to progress and conclude the Administration. Set out in **Appendix VI** is a detailed list of tasks that the Joint Administrators propose that they and their staff will undertake together with estimates of the time these tasks will take to carry out. The most material tasks are summarised below. The Estimated Outcome Statement attached to the Statement of Proposals provides an overview of the financial benefit that this work is expected to bring to creditors.

### Statutory and General Administration

- 6.2 The Joint Administrators are required to meet a considerable number of statutory and regulatory requirements. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the Administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.
- 6.3 Primarily, these tasks will include:
- 6.3.1 issuing this Proposal, seeking relevant creditors' approvals and issuing notice of the outcome;
  - 6.3.2 drafting and issuing 6-monthly progress reports to creditors and filing statutory documents with the Registrar of Companies;
  - 6.3.3 consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
  - 6.3.4 consulting with SFP Property to receive progress updates and to agree strategies;
  - 6.3.5 maintaining case files, which must include records to show and explain the Administration and any decisions made by the Joint Administrators that materially affect the Administration;
  - 6.3.6 monitoring and maintaining an adequate statutory bond;
  - 6.3.7 conducting periodic case reviews to ensure that the Administration is progressing efficiently, effectively and in line with the statutory requirements;
  - 6.3.8 maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
  - 6.3.9 completing periodic tax returns and settling any associated liabilities;
  - 6.3.10 considering whether an extension to the Administration is necessary and, if so, seeking approval for this from the relevant creditors or the court and issuing notice of the outcome; and
  - 6.3.11 considering which exit route from Administration is appropriate and issuing and filing the necessary documents, including a final report, to effect the exit.

### Investigations

- 6.4 The Joint Administrators will examine the conduct of the Company and its directors (past and present) prior to the Administration with the objective of identifying what assets are available for realising for the benefit of creditors, including any potential actions against the directors or other parties, such as transactions at an undervalue or preferences. This work will also provide information to enable a statutory report on the conduct of the directors to be submitted to the Insolvency Service.

- 6.5 In the early stages, this work will involve examining the Company's books and records, considering information received from creditors and the Company's accountants and seeking information from the Company's directors by means of questionnaires and/or interviews.
- 6.6 In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding on the next steps in pursuing a recovery. If the Joint Administrators encounter resistance in obtaining a recovery, formal legal action may be appropriate.
- 6.7 At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in this work and the likely financial benefit to creditors that may result from these efforts. The Fees and Expenses Estimates attached reflect the anticipated work in identifying potential causes of action. If any are identified and the Joint Administrators consider that additional work is required, additional legal costs may be incurred and the Joint Administrators may revert to the relevant creditors to seek approval for additional fees.

#### **Debtors**

- 6.8 As explained in the Statement of Proposals, the Joint Administrators are currently collecting the Company's sales ledger with the assistance of Mr Cernecca. The Joint Administrators will continue to monitor closely Mr Cernecca's progress, assist with any material disputes and queries raised and liaise with solicitors where their involvement is required in order to pursue collections.

#### **The Company's Trading Premises**

- 6.9 As explained in the Statement of Proposals, SFP Property has been instructed to value the Company's interest in the Stores, to propose an appropriate disposal strategy for the Greenwich Premises and the Storage Facility, to monitor collection of licence payments in relation to the Covent Garden Premises and the South Kensington Premises and to propose an appropriate disposal strategy for those properties. The Joint Administrators will consider the appropriate strategy and likely will instruct SFP Property to proceed to realise any value in the interest where possible or conclude the Company's interest in a cost-effective manner.

#### **Other Realisations**

- 6.10 As explained in the Statement of Proposals, the Joint Administrators will be collecting the remaining credit balance held by the Company's bankers. This will require work to reconcile the payments received since appointment to determine whether they relate to sales made by the Company or by B Wines.

#### **Creditors**

- 6.11 At present, it appears possible that there will be sufficient funds to pay a distribution to preferential creditors and to non-preferential unsecured creditors by way of the prescribed part. It is anticipated that these distributions will be paid by the Joint Administrators. Although it appears unlikely, in the event that there proves to be sufficient funds to pay a dividend to non-preferential unsecured creditors other than by way of the prescribed part, this would need to be carried out by subsequently-appointed Joint Liquidators. The Fees Estimate attached at **Appendix VI** has been created on the assumption that the Administration will terminate by means of filing a notice of move to dissolution (once all the Company's property has been distributed). However, in the event that the Company moves from Administration to CVL and the Joint Administrators have not declared distributions before the Company moves to CVL, it should be noted that the time estimated in the Joint Administrators' Fees Estimate in relation to the distributions may be incurred by the Joint Liquidators.
- 6.12 Irrespective of whether sufficient realisations are achieved to pay a dividend to unsecured creditors, the Joint Administrators envisage carrying out the following key tasks:
- 6.12.1 liaising with the secured creditors in relation to the sale of assets subject to their security;
  - 6.12.2 with the assistance of solicitors, examining the validity of the secured creditors' claims and, where relevant, paying distributions to the secured creditors;
  - 6.12.3 assisting the employees to receive payments from the RPO;

- 6.12.4 responding to creditors' queries and logging their claims and supporting information; and
- 6.12.5 maintaining the database as regards creditors' contact details and claims.

6.13 If there are sufficient funds to pay a distribution to preferential creditors, the following additional tasks will be carried out:

- 6.13.1 issuing a Notice of Intended Distribution in accordance with statute;
- 6.13.2 agreeing the employees' and the RPO's claims;
- 6.13.3 calculating and paying a distribution to preferential creditors;
- 6.13.4 setting up a new tax reference to enable the PAYE/NI deductions to be paid by means of an online return to HMRC; and
- 6.13.5 dealing with unclaimed dividends.

6.14 If there are sufficient funds to pay a dividend to non-preferential unsecured creditors (by way of a prescribed part), the following additional tasks will be carried out:

- 6.14.1 issuing and advertising Notice of Intended Distribution in accordance with statute;
- 6.14.2 reviewing the tax claims submitted by HMRC and, where it is appropriate, examining the Company's records to adjudicate on HMRC's claims;
- 6.14.3 agreeing the employees' and the RPO's non-preferential claims;
- 6.14.4 setting up a new tax reference to enable any PAYE/NI deductions from the dividend to be paid by means of an online return to HMRC;
- 6.14.5 adjudicating on all other unsecured creditors' claims, including seeking further information and seeking legal advice where necessary;
- 6.14.6 dealing with any appeals to the Joint Administrators' decisions to reject claims;
- 6.14.7 calculating a prescribed part dividend;
- 6.14.8 declaring and paying dividends to unsecured creditors; and
- 6.14.9 dealing with unclaimed dividends.

6.15 Although adjudicating on creditors' claims can be a complicated and time-intensive process, office holders are required to distribute the Company's funds only to parties who have valid claims and in line with the statutory order of priority. Therefore, whilst the time costs incurred in much of this work may not appear to bring direct financial benefit to creditors, it will ensure that the statutory provisions are complied with and that distributions are made in accordance with creditors' statutory entitlements.

## 7. Other Information to Support the Fees and Expenses Estimates

7.1 Attached at **Appendix VI** is an estimate of the time that the Joint Administrators envisage the above work will take to complete. **Appendix VII** provides their estimate of the expenses that have been or are likely to be incurred and includes the costs likely to be incurred by SFP Property.

7.2 Please note that the estimates have been provided on the assumptions given below. In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate. In the event that the Joint Administrators incur time costs in excess of the Fees Estimate, they will only revert to the relevant creditors for approval if they propose to draw any fees in addition to those estimated from the insolvent estate.

7.3 In summary, the Joint Administrators propose that their fees be fixed on the basis of time costs and they estimate that they and their staff will spend time totalling £75,000 in conducting the tasks described. This estimate includes the time spent to date of £15,067.50, as described in **Appendix IV**.

7.4 The Fees and Expenses Estimates have been compiled on the assumptions set out below. Please note that these are assumptions only for the purposes of preparing the Estimates in accordance with the statutory provisions. It has been assumed that:

- 7.4.1 investigations to the extent described in paragraphs 6.4 to 6.7 above will be carried out;

7.4.2 no exceptional work will need to be conducted in order to realise the remaining assets; and

7.4.3 there will be no need to extend the Administration.

7.5 On the basis of these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

## **8. The Joint Administrators' Discharge**

8.1 The Act requires that the timing of the Joint Administrators' discharge from liability will be decided by the secured and preferential creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect, unless the court specifies a time.

## **9. Invitation to Form a Creditors' Committee**

9.1 Attached at **Appendix VIII** is a Notice of Invitation to Form a Creditors' Committee. The function of the Committee is to assist the Joint Administrators in discharging their functions. In particular, a Creditors' Committee takes on the responsibility for approving the basis of the Joint Administrators' fees and other costs described above.

9.2 In the absence of a Committee, this responsibility falls to the secured and preferential creditors. The Joint Administrators do not see a need for a Committee to be formed in this case.

9.3 Notwithstanding this, creditors are entitled to seek the formation of Committee, provided that there are sufficient nominations to form a Committee. At least three nominations would be required and the requisite majority of preferential creditors would also need to vote to form a Committee.

## **10. Approval Process**

10.1 In the absence of a Creditors' Committee, the matters described in this Proposal are to be decided by the secured and preferential creditors. Therefore, this information is provided to other creditors for information purposes only.

**Appendix I  
to the Joint Administrators' Proposal**

**Strictly Private and Confidential**

**Vini Italiani Limited (In Administration)**

**Statement of the Joint Administrators' Proposals  
Pursuant to Paragraph 49(1) of  
Schedule B1 to the Insolvency Act 1986**

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MIPA FABRP**

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**Vini Italiani Limited (In Administration)**  
**Statement of the Joint Administrators' Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

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7. The Statement of Affairs and the Outcome for Creditors / The Joint Administrators' Receipts and Payments Account
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**Attachments**

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- B Statutory Information and Details of the Sale
- C *Estimated Statement of Affairs as at 14 November 2018 / Creditors' Details / Director's Estimated Statement of Affairs / Estimated Outcome Statement*
- D The Joint Administrators' Receipts and Payments Account to 7 December 2018

## 1. Introduction

- 1.1. This Statement of Proposals is prepared pursuant to Schedule B1, Paragraph 49 of the Act in relation to the Company, the purposes of which are to provide creditors with a full update as to the present position and to set out the Joint Administrators' proposals for achieving an Administration objective. Please note that the Proposals were not issued at the same time as the SIP16 statement was circulated to creditors as in order to generate a reasonable Estimated Outcome Statement, initial advice was required from agents and solicitors regarding the fixed and floating charge division of realisations and time was required to be spent in assessing the likely debtor recoveries. In addition, a statement of affairs was anticipated to be received from one of the Directors shortly after appointment. In the circumstances, the SIP16 statement was circulated as a priority on 19 November 2018 and there was insufficient time to draft and finalise the Proposals by this time.
- 1.2. The Statement of Proposals also includes information required to be provided to creditors pursuant to the Rules. Definitions of the terms used in the Statement of Proposals are provided in **Attachment A** and all statutory information pertaining to the Company is set out in **Attachment B**.
- 1.3. This Statement of Proposals is being delivered to creditors by means of the Joint Administrators' website on 14 December 2018 and it shall be deemed delivered to any creditors who have already requested hard copies two business days later. These statutory delivery dates will not be affected by any requests from creditors for a hard copy of this document after 14 December 2018.

## 2. The Joint Administrators' Appointment

- 2.1. On 29 October 2018, the Company held a board meeting at the Greenwich Premises. At the meeting it was resolved that the Company could no longer meet its liabilities as and when they fell due and as a result the Directors sought the appointment of Joint Administrators as soon as possible.
- 2.2. The Directors filed the Notice of Intention at the Court and subsequently served it upon the Company's qualifying floating charge holder, AAL. The Notice of Intention was endorsed with the number 3052 of 2018.
- 2.3. The prescribed notice period of five business days, within which the charge holders may take their own steps to appoint an administrator, elapsed.
- 2.4. On 12 November 2018, the Company held a further board meeting at the Greenwich Premises. At the meeting it was agreed that a further Notice of Intention should be filed at Court to allow the parties which had come forward with an interest in the Company's business and assets additional time to get an SPA into an agreed format by 14 November 2018, in order for a deal to be finalised on that day.
- 2.5. Accordingly, the Directors filed a second Notice of Intention at the Court and subsequently served it upon the Company's qualifying floating charge holder, AAL. The Notice of Intention was endorsed with the number 3107 of 2018.
- 2.6. The chargeholder consented to the proposed appointment and on 14 November 2018, the Notice of Appointment was presented to the Court by solicitors Freeths on behalf of the Company's Directors. Both Daniel Plant and Simon Franklin Plant were appointed Joint Administrators. Pursuant to Schedule B1, Paragraph 100(2) of the Act, any function may be exercised by either of the Joint Administrators.

## 3. Company History and Events Leading to the Administration

- 3.1. Albeit that statutory information is contained in **Attachment B**, this Statement of Proposals provides brief details in relation to the Company's history. This history has been compiled following conversations between the Team and the Directors, subsequent to the placing of the Company into Administration.

**Vini Italiani Limited (In Administration)**  
**Statement of the Joint Administrators' Proposals**  
**Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986**

3.2. The Company was incorporated on 12 October 2010 for the purpose of operating wine stores and bars and to sell Italian wines.

3.3. The table below sets out the key people of the Company and their position / responsibilities:

Name	Formal Position / Job Title	If Formal Position, the dates of service:	Role / background details
Bruno Cernacca	Director	12 October 2010 to date	Involved in the day to day running of the business
Matteo Berlucchi	Director	18 February 2013 to date	Not involved in the day to day running of the business
Darren Williams	Director	1 January 2018 to date	Not involved in the day to day running of the business

3.4. A table setting out the premises used by the Company, is provided below:

Address	Period of Occupation / Basis of Occupation	Purpose of Premises	Comments and reasons for ending occupation, if applicable
5 College Approach, Greenwich, London, SE10 9HY	Since 2017 / Lease	Head Office / Store / Wine Bar	N/A
Ground Floor and Basement, 72 Old Brompton Road, London SW7 3LQ	Since 2010 / Lease	Store / Wine Bar	N/A
Unit 33, The Market, Covent Garden, London WC2E 8BE	Since 2015 / Lease	Store / Wine Bar	N/A
Unit 1, Meridian Trading Estate, 20 Bugsby's Way, London, SE7 7SF	Unknown	Storage Facility	N/A

3.5. It is understood that the business was commenced by Mr Cernacca and Mr Berlucchi in October 2010, utilising their previous experience in the wine industry.

3.6. The business initially operated from the South Kensington Premises as a wine store and bar and to sell Italian wines.

3.7. With the assistance of investment from third parties, the business grew and in 2015, the Company opened the Covent Garden Premises.

3.8. From 2010 to 2016, the South Kensington Premises was loss making.

3.9. In 2015 and 2016, the Covent Garden Premises was operating profitably. In addition, the business opened up a pop-up store during the summer of 2016 near to St Pauls which also generated profits.

3.10. By 2017, the Covent Garden Premises remained profitable and the South Kensington Premises started to generate profits as a result of an increase in revenue and gross profits.

3.11. Given the strong position at the Covent Garden Premises and the South Kensington Premises, the Company continued with its expansion plans in 2017 and opened the Greenwich Premises which not only operated as a store and bar but also as the Company's head office.



- 3.12. The opening of the Greenwich Premises required a significant level of investment, however it was forecasted to generate further profits for the business going forward.
- 3.13. Much of the investment came from AAL, which was granted a debenture containing fixed and floating charges. This was registered at Companies House on 24 May 2017.
- 3.14. The Company had plans to open up a further 5 stores by 2020, with the next new store planned to be opened in Mayfair in early 2019.
- 3.15. Whilst the Greenwich Premises subsequently generated a strong level of footfall, its customers tended to spend much less than at the Company's other stores and the store generated significant losses in 2017 and 2018.
- 3.16. In addition, during the summer of 2018, there was scaffolding erected at the front of the South Kensington Premises and the Covent Garden Premises in order to conduct maintenance work on the stores. It is understood that this significantly reduced turnover at these stores, by around 50%.
- 3.17. Notwithstanding the above, it was planned that the opening of the Mayfair store in early 2019 would result in the Company as a whole generating profits.
- 3.18. By September/October 2018, the Company had exhausted its available cash resources and had requested additional funding of £120,000 from its shareholders which it believed it required in order to continue trading to the end of 2018. The Company was only able to raise funding of £57,000.
- 3.19. The Company was also planning on seeking additional funding of £480,000 in 2019 in order to assist with the expansion plans for the Mayfair store.
- 3.20. It subsequently came to light that due to planning matters, the opening of the store in Mayfair was likely to be delayed until June 2019 and as a result, the Company would have required further funding of £100,000 in addition to the £480,000 detailed above.
- 3.21. In addition, it was unclear whether or the Company would be accepted as a tenant at the proposed Mayfair store.
- 3.22. Given the lack of ability to raise £120,000 to maintain trading in the short term, the poor performance of the stores in comparison to forecasted figures, the significant losses generated by the Greenwich Premises, together with the uncertainty and rising costs of the proposed new store in Mayfair, the Directors considered that it would not be possible to continue trading the business without entering into a formal insolvency procedure.
- 3.23. On 28 October 2018, the Directors circulated an email to the Company's shareholders advising them of their intention to place the company into Administration.
- 3.24. Shortly thereafter, the Directors approached SFP to discuss its options and a meeting subsequently took place on 29 October 2018.
- 3.25. The Directors subsequently confirmed that they wished to place the Company into Administration and to pursue a pre-pack sale of the business and assets.
- 3.26. Whilst Mr Cernecca advised that he would be interested in making an offer for the business, SFP explained that the business would need to be marketed, in order to ensure maximum exposure and in the interest of creditors, to look to maximise potential recoveries. This was acknowledged and agreed by the Directors.

- 3.27. SFP agreed to assist and an engagement letter was signed on behalf of the Company on 29 October 2018. It was agreed that the Company would make a payment of £4,000 plus VAT on account of the pre-appointment costs.
- 3.28. At **Attachment C** is an estimated Statement of Affairs, which indicates that the Company was insolvent on a balance sheet basis with a deficiency to creditors of £644,645.

#### **4. The Purpose of the Administration**

- 4.1. The purpose of an Administration is set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of:
- 4.1.1 rescuing the company as a going concern, or
  - 4.1.2 achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration), or
  - 4.1.3 realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.2. These objectives form a hierarchy. The rescue of a company is the priority. If this is not possible, the Administrator seeks to achieve a better result for the creditors as a whole. In the event that this cannot be achieved, then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.
- 4.3. In the light of the insolvency of the Company, the initial purpose relating to its rescue could only be achieved through a CVA. This was not considered to be achievable given that the Company was and had always been loss making although it appears that the second purpose is a viable option
- 4.4. The Joint Administrators have pursued the second objective of achieving a better result for creditors as a whole than would be likely if the Company had been wound up. Their strategy has been to pursue a sale of the business as a going concern, which has the advantage, not only of maximising asset realisations but also of limiting the crystallisation of some liabilities against the Company and protecting the Company's sales ledger from counterclaims and other disputes. Thus, the result for the secured and preferential creditors has been vastly improved and unsecured creditors may also benefit more than if the business had not been sold as a going concern.
- 4.5. In order to pursue a going concern sale, the Joint Administrators' professional agents have undertaken an active marketing campaign in order to locate potential purchasers.
- 4.6. A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

#### **5. Events Following the Joint Administrators' Appointment Leading to Post-appointment Strategy**

##### **The Pre-Pack Sale, Attendance On Site And Other Immediate Actions**

- 5.1. Valuation agent, MBV was instructed to attend the Stores in order to prepare a valuation of the Company's business and assets.
- 5.2. MBV subsequently circulated a teaser advert to 5,226 interested parties on 30 October 2018. The advert was also placed on its website, stipulating a deadline of 12:00pm on 8 November 2018 for offers to be submitted.

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- 5.3. Prior to the Joint Administrators' appointment on 14 November 2018, they arranged for a meeting to take place with the Team in order to discuss the general strategy and to provide a background of the Company's position.
- 5.4. Upon the passing of the deadline, MBV had received 6 enquiries, 4 parties had completed and returned NDAs and 3 indicative offers had been received. One of these offers was from B Wines, of which Mr Cernecca was the sole director and shareholder. The offer was for the Company's business which was operated from the Covent Garden Premises and the South Kensington Premises, together with the Company's assets. B Wines did not wish to take on the business at the Greenwich Premises, given the historic losses which it had generated.
- 5.5. Given that 3 indicative offers had been received for the Company's business and assets, a further deadline of 5:00pm on 8 November 2018 was provided to each party for best and final offers.
- 5.6. Further, it was explained to each party that a draft SPA and licences to occupy certain of the Stores would be provided to them for consideration.
- 5.7. Finally, that the successful party would, by 11:00am on 12 November 2018, need to have:
- 5.7.1. executed an agreed form SPA and licences to occupy; and
- 5.7.2. remitted agreed completion funds to Freeths' client account.
- 5.8. One of the interested parties subsequently explained that they needed additional time in order to undertake further due diligence prior to proceeding with their indicative offer.
- 5.9. Accordingly, on 12 November 2018, a further board meeting was held. In the light of the above and that the indicative offer received from the interested party was materially higher than that received from B Wines, it was agreed that a second Notice of Intention would be stamped at Court and served on AAL.
- 5.10. Further, that the deadline for the interested parties to have executed an agreed form SPA and licences to occupy and remitted completion funds, would therefore be extended to 3:00pm on 14 November 2018.
- 5.11. Despite requesting additional time in order to undertake further due diligence, no further correspondence was received from the other interested party. Prior to the passing of the deadline, the Joint Administrators requested an update from the agent acting on behalf of the interested party, however they advised that they had no further instructions in the matter.
- 5.12. Accordingly, upon the passing of the deadline, only one party had an agreed form SPA and licences to occupy and had remitted completion funds. This party was B Wines.
- 5.13. The Notice of Appointment was stamped at Court and the Company was placed into Administration at 3:20pm on 14 November 2018. A sale of the business and assets to B Wines subsequently completed.
- 5.14. The terms agreed for the sale of the business and assets to B Wines can be found in Attachment B.
- 5.15. In anticipation of the appointment taking place and the sale of the Company's business and assets, SFP sent the Team and MBV to the Greenwich Premises to await the confirmation of the placing of the Company into Administration and the sale of the business and assets.
- 5.16. After receiving confirmation that the Administration had commenced, various statutory duties were discharged including the following:
- 5.16.1. open insurance cover was obtained immediately on appointment;

- 5.16.2. a request for all accounts to be frozen was made, as well as a request for copy statements and additional information to be provided;
  - 5.16.3. the Company's books and records were recovered from the Storage Facility and an inventory was prepared;
  - 5.16.4. notification of the Administration and a request to change the Company's registered office were sent to the Registrar of Companies; and
  - 5.16.5. instructions were issued to advertise the Administration.
- 5.17. The Directors were provided with the standard director's pack explaining the impact of the Administration and their fiduciary duties going forward.
- 5.18. Following the conclusion of the sale of the business and assets to B Wines, the 5 members of staff at the store within the Greenwich Premises were made redundant, the store was closed and the cash contained within the store of £325.02 was collected and subsequently paid into the Administration estate.
- 5.19. In addition, MBV attended the stores at the Covent Garden Premises and the South Kensington Premises. There were cash at the stores of £644.30 which was collected by MBV and transferred to the Administration estate. Further, there were cash takings of £942.78 and it was agreed that these could be withheld by B Wines and transferred by B Wines to the Administration estate.
- 5.20. A letter was provided to B Cernecca who signed an undertaking to confirm that he would provide copies of the letter to the staff at the Covent Garden Premises and the South Kensington Premises, advising of their transfer of contracts to B Wines pursuant to TUPE.
- 5.21. The Team also commenced its review of the current debtor position.

## 6. General Progress In Relation to the Administration

### The Sale of the Business and Assets

- 6.1. As explained above, shortly after the placing of the Company into Administration, a sale of the business and assets took place to B Wines on 14 November 2018.
- 6.2. Attached at **Attachment B** are further details of this sale.

### The Employees

- 6.3. Given that the store at the Greenwich Premises had always been loss making, B Wines did not purchase the business which operated from this store. Accordingly, a member of the Team addressed the 5 members of staff at the store within the Greenwich Premises on 14 November 2018 to explain the Administration process and that, as a result of the store ceasing to trade, all employees located at that store were being made redundant with immediate effect.
- 6.4. All of these staff were subsequently issued with a letter explaining the process along with a Redundancy fact sheet.
- 6.5. The remaining 20 employees which operated from the Covent Garden Premises and the South Kensington Premises were transferred to B Wines pursuant to TUPE following completion of the sale of certain of the business and assets on 14 November 2018.

#### **Debtors**

- 6.6. The Company's sales ledger is unencumbered and as at the date of placing the Company into Administration, it stood at £62,376.73.
- 6.7. Mr Cernecca has advised that following an initial review of the ledger, there may be certain debts on the ledger which have already been paid.
- 6.8. It is considered that given Mr Cernecca's relationship with the Company's debtors, he will be best placed to maximise recovery of the ledger. Therefore, the Joint Administrators have put in place an agency agreement dated 11 December 2018 in order for Mr Cernecca to assist with the collection of the ledger, in return for a commission of 12.5% of debts collected on behalf of the Company, excluding the debt from the Company's major customer.
- 6.9. An update concerning collections will be provided in the First Report.

#### **The Company's Trading Premises**

##### **The Greenwich Premises**

- 6.10. The Greenwich Premises were occupied by the Company subject to a lease.
- 6.11. SFP Property has been instructed to provide the Joint Administrators with a valuation of the Company's leasehold interest, together with an appropriate disposal strategy. Furthermore, to liaise with the property owner in order to provide updates, attend to any property related queries and to oversee the execution of surrender or assignment. An update on the matter will be provided in the First Report.

##### **The Covent Garden Premises**

- 6.12. The Covent Garden Premises were occupied by the Company subject to a lease, commencing on 20 November 2015 and due to expire on 19 November 2020.
- 6.13. The Joint Administrators have granted a licence to occupy the Covent Garden Premises to B Wines for the period 14 November 2018 to 24 March 2019 totalling £24,219.017. The funds will be payable to the Administration estate account on a monthly basis and the funds will be transferred to the landlord accordingly.
- 6.14. SFP Property has been instructed to provide the Joint Administrators with a valuation of the Company's leasehold interest, together with an appropriate disposal strategy. Furthermore, to monitor collection of the licence payments, liaise with the property owner in order to provide updates, attend to any property related queries and to oversee the execution of surrender or assignment. An update on the matter will be provided in the First Report.

##### **The South Kensington Premises**

- 6.15. The South Kensington Premises were occupied by the Company subject to a lease, commencing on 27 April 2011 and due to expire on 26 April 2026.
- 6.16. The Joint Administrators granted a licence to occupy the South Kensington Premises to B Wines for the period 14 November 2018 to 24 March 2019 totalling £28,493.15. The funds will be payable to the Administration estate account on a monthly basis and the funds will be transferred to the landlord accordingly.

- 6.17. SFP Property has been instructed to provide the Joint Administrators with a valuation of the Company's leasehold interest, together with an appropriate disposal strategy. Furthermore, to monitor collection of the licence payments, liaise with the property owner in order to provide updates, attend to any property related queries and to oversee the execution of surrender or assignment. An update on the matter will be provided in the First Report.

**The Storage Facility**

- 6.18. The Storage Facility was occupied by the Company subject to an informal agreement.
- 6.19. SFP Property has been instructed to conduct enquiries in order to establish the Company's rights of occupation and if applicable, provide a valuation of any formal agreement.
- 6.20. An update on the matter will be provided in the First Report.

**Investigation into the Company's Affairs Prior to the Administration**

- 6.21. The Joint Administrators are undertaking a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a conduct report to be submitted in respect of Company directors in office at the commencement of the Administration and any who resigned in the three years prior to the Administration.
- 6.22. Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

**6.23. Additional Issues and Realisations**

**Cash at Bank**

- 6.24. The Joint Administrators have collected £36,000 in relation to the Company's credit balance with bankers, HSBC.
- 6.25. HSBC is allowing credits to be paid into the bank for a short period, whilst debtors and credit card payments continue to be received into the account.
- 6.26. *It is anticipated that certain amounts which are received into the account will relate to sales made by B Wines and that once additional funds have been received from HSBC, a full reconciliation will need to be undertaken.*

**Petty cash**

- 6.27. The Joint Administrators have collected cash of £325.02 from the Greenwich Premises, cash of £644.30 from the Covent Garden Premises and the South Kensington Premises and further cash takings of £942.78 which were being held by B Wines. These have all been transferred to the Administration estate.

**Instruction of Other Professionals**

- 6.28. Independent professional agents, MBV were instructed to provide valuation advice and to assist with the disposal strategy. MBV were chosen for this assignment due to their knowledge of the industry, geographical location, experience and understanding of insolvency scenarios and the Joint Administrators understand that they have adequate professional indemnity insurance.

- 6.29. Freeths is a legal practice which has a division specialising in insolvency matters. Freeths was chosen for this assignment due to this specialism.

## 7. The Statement of Affairs and the Outcome for Creditors / Joint Administrators' Receipts and Payments

- 7.1. At **Attachment C** is an estimated Statement of Affairs completed by the Joint Administrators. Further, attached is a copy of the Statement of Affairs provided by Mr Cernecca with the concurrence of Mr Belucchi. On the whole, and whilst certain division of assets and liabilities do not seem to be completely accurate, broadly Mr Cernecca's statement of affairs appears in order, albeit the preferential claims seem to be overstated.
- 7.2. Attached is also a list of creditors whose details have been obtained from the Company's records and whose claims have been lodged. Please note that the £0.00 balances denote claims that are yet to be lodged onto the Joint Administrators' system and appearance on this list does not mean that any claim has been rejected or agreed. Preferential claims against the Company are likely in relation to arrears of wages and holiday pay owing to former employees.
- 7.3. Section 176A of the Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 7.4. From the Estimated Statement of Affairs, you will note that the net property is estimated to be £182,623, which would result in an estimated prescribed part of £39,525. Please note, however, that these estimates are exclusive of the costs of the Administration.
- 7.5. The Joint Administrators do not propose to make an application to court under Section 176A(5) of the Act to disapply the prescribed part provisions, because the Joint Administrators intend to distribute the prescribed part in the event that the net property exceeds £10,000.
- 7.6. As demonstrated in the Estimated Outcome Statement attached at **Attachment C**, on the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated that there may be sufficient funds to pay a dividend to preferential and ordinary unsecured creditors by way of prescribed part.
- 7.7. Attached at **Attachment D** is the Joint Administrators' receipts and payments account for the period from 14 November 2018 to 7 December 2018.

## 8. The Joint Administrators' Fees

- 8.1. The Joint Administrators propose to be remunerated by reference to the time properly spent by them and their staff in attending to matters arising in the Administration. The Joint Administrators will seek approval for the basis of their fees from the secured and preferential creditors, unless a Creditors' Committee is established.
- 8.2. Information to support the proposed basis of the Joint Administrators' fees, together with the Statement of pre-Administration costs, is provided in the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix.

## 9. Approval of the Statement of Proposals

- 9.1 As explained in **Section 7.6** above, the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of Section 176A(2)(a) of the Act). Therefore, pursuant to Paragraph 52(1)(b) of Schedule B1 of the Act, the Joint Administrators are not required to seek creditors' approval of the Statement of Proposals.

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- 9.2** Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision.
- 9.3** If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

**10. Summary of the Joint Administrators' Proposals**

- 10.1.** The Statement of Proposals is summarised below.
- 10.2.** In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:
- 10.2.1.** the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
- 10.2.1.1.** they deal with the remaining leases in the Company's name and dispose of any other assets which may come to light, at such time(s) and on such terms as they consider appropriate;
- 10.2.1.2.** they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
- 10.2.1.3.** they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- 10.2.2.** the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- 10.2.3.** the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
- 10.2.3.1.** in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
- 10.2.3.2.** however, in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Simon Plant and Daniel Plant will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with



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Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at **Section 9**; or

**10.2.3.3.** alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Simon Plant and Daniel Plant may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

**11. Ancillary**

**EC Regulation on Insolvency Proceedings**

- 11.1.** For creditors' general information, the EC Regulation on insolvency proceedings applies in this case, and these proceedings are the main proceedings.

**Creditors' Questionnaires**

- 11.2.** As previously stated in the first circular to the Company's creditors, responses that are received may prove integral to assisting with investigations into the Company's affairs. Accordingly, if you have not previously provided a completed questionnaire, please do so, at your earliest convenience.

**Directors' Conduct**

- 11.3.** Pursuant to the CDDA, it is the Joint Administrators' duty to submit a requisite form to the Insolvency Service concerning the Directors' conduct.
- 11.4.** The form must address all persons holding the position as director during the three years up to the date of the onset of insolvency. Please note that this is a standard requirement. Completed creditors' questionnaires may prove extremely helpful concerning this.

If any creditor has any queries in relation to the above, please do not hesitate to contact either of the Joint Administrators or the Senior Manager dealing with this matter, David Kemp, on 020 7538 2222 or by email to [enquiries@sfpgroup.com](mailto:enquiries@sfpgroup.com).

**Dated this 14 December 2018**

  
**Daniel Plant**  
**Joint Administrator**

## DEFINITIONS

### Independent Parties instructed to assist with the Administration

MBV	Middleton Barton Valuation Limited
Freeths	Freeths LLP

### Terms associated with SFP

SFP Property	SFP Property Limited
The Team	Any of the Joint Administrators, their staff members and members of staff of SFP Property
The ERA Department	The Employment Rights Act department

### Other Parties

The Company	Vini Italiani Limited
The Directors	Mr Cernecca, Mr Williams and Mr Berlucchi
Mr Cernecca	Bruno Cernecca
Mr Berlucchi	Matteo Berlucchi
Mr Williams	Darren Williams
B Wines	B Wines Limited
The Joint Administrators	Daniel Plant and Simon Franklin Plant
AAL	Asset Advantage Limited
The Greenwich Premises	5 College Approach, Greenwich, London, SE10 9HY
The Covent Garden Premises	Unit 33, The Market, Covent Garden, London WC2E 8BE
The South Kensington Premises	Ground Floor and Basement, 72 Old Brompton Road, London SW7 3LQ
The Stores	The Greenwich Premises, the Covent Garden Premises and the South Kensington Premises
The Storage Facility	Unit 1, Meridian Trading Estate, 20 Bugsby's Way, London, SE7 7SF
The Court	The High Court of Justice in Manchester
RPO	Redundancy Payments Office
HMRC	HM Revenue & Customs

### References to Statutory and other Regulatory Provisions and Documents

The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators' Proposal	The document containing the Statement of Proposals
The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986 or the Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event described)
ERAf	Employment Rights Act 1996
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations
ETO	Economic, technical or organisational
CDDA	Company Directors Disqualification Act 1986
SIP	Statement of Insolvency Practice
Notice of Intention	Notice of Intention to Appoint an Administrator
Notice of Appointment	Notice of Appointment of an Administrator by Directors of the Company
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
The Statement of Affairs	Estimated Statement of Affairs as at the date that the Company was placed into Administration
The First Report	The Joint Administrators' progress report for the first six month period from the date that the Company was placed into Administration
The Second Report	The Joint Administrators' progress report for the period from six months after appointment to the date specified in the report
The Last Report	The most recent progress report issued by the Joint Administrators
Review Period	Period covered by the Joint Administrators' progress report
NDA	Non-disclosure agreement
SPA	Sale and purchase agreement

NDA	Non-disclosure agreement
SPA	Sale and purchase agreement
The Release	Deed of release of the secured creditor's security
IPR	Intellectual property rights
A Connected Party/Connected	As defined by Section 249 of the Act (a copy of the statutory definition is overleaf)

### Statutory Definition of a Connected Party

Section 249 of the Act states:

A person is connected with a company if:

- (a) he is a director or shadow director of the company or an associate of such a director or shadow director, or
- (b) he is an associate of the company;

and "associate" has the meaning given by Section 435 of the Act.

Section 435 of the Act states:

(2) A person is an associate of an individual if that person is:

- (a) the individual's husband or wife or civil partner,
- (b) a relative of
  - (i) the individual, or
  - (ii) the individual's husband or wife or civil partner, or
- (c) the husband or wife or civil partner of a relative of
  - (i) the individual, or
  - (ii) the individual's husband or wife or civil partner.

(3) A person is an associate of any person with whom he is in partnership, and of the husband or wife or civil partner or a relative of any individual with whom he is in partnership; and a Scottish firm is an associate of any person who is a member of the firm.

(4) A person is an associate of any person whom he employs or by whom he is employed.

(5) A person in his capacity as trustee of a trust other than

- (a) a trust arising under any of the second Group of Parts or the Bankruptcy (Scotland) Act 1985, or
- (b) a pension scheme or an employees' share scheme,

is an associate of another person if the beneficiaries of the trust include, or the terms of the trust confer a power that may be exercised for the benefit of, that other person or an associate of that other person.

(6) A company is an associate of another company

- (a) if the same person has control of both, or a person has control of one and persons who are his associates, or he and persons who are his associates, have control of the other, or
- (b) if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

(7) A company is an associate of another person if that person has control of it or if that person and persons who are his associates together have control of it.

(8) For the purposes of this section a person is a relative of an individual if he is that individual's brother, sister, uncle, aunt, nephew, niece, lineal ancestor, or lineal descendant, treating

- (a) any relationship of the half blood as a relationship of the whole blood and the stepchild or adopted child of any person as his child, and
- (b) an illegitimate child as the illegitimate child of his mother and reputed father;

and references in this section to a husband or wife include a former husband or wife and a reputed husband or wife and references to a civil partner include a former civil partner and a reputed civil partner.

(9) For the purposes of this section any director or other officer of a company is to be treated as employed by that company.

(10) For the purposes of this section a person is to be taken as having control of a company if

- (a) the directors of the company or of another company which has control of it (or any of them) are accustomed to act in accordance with his directions or instructions, or
- (b) he is entitled to exercise, or control the exercise of, one third or more of the voting power at any general meeting of the company or of another company which has the control of it;

and where two or more persons together satisfy either of the above conditions, they are to be taken as having control of the company.

- (11) In this section "company" includes any body corporate (whether incorporated in Great Britain or elsewhere); and references to directors and other officers of a company and to voting power at any general meeting of a company have effect with any necessary modifications.

**Vini Italiani Limited (in Administration)**

**The Statement of Proposals**

**ATTACHMENT B**

- **Statutory Information and Details of the Sale**

## Statutory Information

**Company Name:** Vini Italiani Limited  
**Company Number:** 07404610  
**Date of Incorporation:** 12 October 2010  
**Trading Names:** -  
**Previous Names:** -  
**Nature of Business:** Other retail sale not in store, stalls or markets  
**Issued Share Capital:** 125,001 Ordinary Shares with a Nominal Value of £1 ("No 1 Shares")  
 464,286 Ordinary Shares with a Nominal Value of 70p ("No 2 Shares")  
 2,131,894 Ordinary Shares with a Nominal Value of £1 ("No 1 Shares")

	Name	Appointed	Resigned	Shareholding
<b>Director(s):</b>	Matteo Berlucchi	18/02/2013	-	224,622 No 1 Shares 71,500 No 2 Shares
	Bruno Cernecca	12/10/2010	-	41,605 No 1 Shares
	Darren Williams	01/01/2018	-	23,334 No 1 Shares
	Germana Berlucchi	14/01/2011	21/02/2013	11 No 1 Shares
	Matteo Cerri	01/05/2016	01/12/2017	-
	Marco D'Arro	28/03/2013	17/10/2018	306,430 No 1 Shares 100,784 No 2 Shares
	Carl Graham	12/10/2010	12/10/2010	-
	Diuska Luppi	14/01/2011	14/02/2012	44 No 1 Shares
	Stefano Milani	20/08/2017	15/11/2017	-
	Stefano Paschetto	28/03/2013	26/03/2015	137,140 No 1 Shares

**Company Secretary:** - - - -

**Current Registered Office:** 9 Ensign House  
 Admirals Way  
 Marsh Wall  
 Docklands  
 London E14 9XQ

**Previous Registered Office:** 5 College Approach,  
 Greenwich, London, SE10 9HY

**Trading Addresses:** 5 College Approach,  
 Greenwich, London, SE10 9HY  
  
 Unit 33, The Market,  
 Covent Garden, London, WC2E 8BE  
  
 Ground Floor and Basement,  
 72 Old Brompton Road, London, SW7 3LQ

### Schedule of Outstanding Mortgages or Charges:

Name	Type of Charge	Registered
Asset Advantage Limited	Debenture	24 May 2017

Note: this information reflects that presented at Companies House, unless the Joint Administrators have knowledge to the contrary.

## **THE SALE OF THE BUSINESS AND ASSETS / ADDITIONAL INFORMATION TO BE PROVIDED TO CREDITORS IN ACCORDANCE WITH THE SIPS**

As explained above, a pre-pack sale of the Company's business and assets took place on 14 November 2018. Further details concerning the sale can be found below.

### **Details Required by SIP16**

#### **Introduction**

Valuation agents, Middleton Barton Limited were instructed prior to Administration in order to seek out interested parties and the Joint Administrators conducted negotiations prior to their appointment.

*Prior to commencement of the Administration, SFP acted as advisors to the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither SFP nor its insolvency practitioners advised the Director(s) personally or any parties connected with the eventual purchaser, who where appropriate were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for, and in control of, the Company's affairs. During this time, the insolvency practitioners of SFP took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's business and assets shortly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets and it would avoid the substantial risks that the continued viability of the business and the value of the assets would deteriorate due to the commencement of a formal insolvency regime. Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of attracting interest in the business and progressing a sale representing the best outcome for creditors as a whole. This involved some negotiations with parties interested in acquiring the business and assets of the Company to a point whereby a sale could be concluded shortly after the Administration had commenced.*

Immediately on their appointment, the Joint Administrators, as officers of the court, took over from the Board responsibility for the management of the affairs, business and property of the Company. In the interests of the creditors as a whole, mindful of the need to achieve a statutory purpose of an Administration and in order to maximise realisations and minimise the accrual of ongoing liabilities, they concluded the sale. In the Joint Administrators' opinion, the outcome achieved was the best available outcome for creditors as a whole in all the circumstances and the transaction enables the second statutory purpose of an Administration to be achieved. The Joint Administrators' Proposals provide further information regarding the statutory purpose pursued.

#### **The source of the initial introduction to the insolvency practitioner and the date of the Joint Administrators' initial introduction**

Daniel Plant of SFP was initially introduced to the Company by Simpson Wreford, the Company's accountant in October 2014. As explained below, this was an informal contact. SFP was only formally engaged by the Company on 29 October 2018.

#### **Pre-appointment matters**

##### **The extent of the Joint Administrators' (and that of their firm and/or any of their associates) involvement prior to the appointment**

Daniel Plant met with one of the Directors in October 2014 and again in April 2018. Each meeting was in the same format, being an informal discussion to review the financial position of the Company and discuss options without receiving any formal instruction.

Following a third meeting on 29 October 2018, SFP was instructed by the Company to advise generally on the Company's solvency and assist the board of directors in dealing with the formalities of placing the Company into administration and to assist in pursuing a pre-pack sale of the business.

In addition, SFP was engaged to instruct agents to advise on the value of the Company's business and assets, to market the business and assets and to engage in negotiations with parties interested in the business and assets, with a view to concluding a sale of the Company's business and assets shortly after entering administration.



**The alternative courses of action that were considered, both prior to and within formal insolvency by the insolvency practitioners and the Company, and on appointment by the Joint Administrators with an explanation of the possible outcomes**

*Continuing to trade without entering into a formal insolvency procedure*

The Company had exhausted its available cash resources and had requested additional funding of £120,000 from its shareholders which it believed it required in order to continue trading to the end of 2018. The Company was only able to raise funding of £57,000.

The Company had planned to open a further store in Mayfair in the early part of 2019, which it believed would generate significant profits.

Accordingly, the Company was planning on seeking additional funding of £480,000 in 2019 in order to assist with the expansion plans.

It subsequently came to light that due to planning matters, the opening of the store in Mayfair was likely going to be delayed until June 2019 and as a result, the Company would have required further funding of £100,000 in addition to the £480,000 detailed above.

In addition, it was unclear whether or not the Company would be accepted as a tenant at the proposed Mayfair store.

Given the lack of ability to raise £120,000 to maintain trading in the short term, the poor performance of the stores in comparison to forecasted figures, the significant losses generated by the Greenwich premises, together with the uncertainty and rising costs of the proposed new store in Mayfair, the Directors considered that it would not be possible to continue trading the business without entering into a formal insolvency procedure.

On 28 October 2018, the directors circulated an email to the Company's shareholders advising them of their intention to place the Company into Administration.

*Company Voluntary Arrangement*

Consideration was given to whether a CVA could be proposed and implemented successfully. This was discounted as an option because the Company was and had always traded at a loss. It was also clear that the Company was under significant pressure from its creditors.

*Liquidation*

The collective view of Middleton Barton Limited and the Joint Administrators was that a going concern sale would be the best result for creditors as a whole. A going concern sale, which was unlikely to be successful in a liquidation, had the advantages of reducing the employees' and potentially the landlord's claims and avoiding a break in supplies to customers, which would enable value to be achieved for goodwill and ensure a more effective debt collections process. Accordingly, consideration was given also to liquidation but was discounted for this reason.

*Pre-pack Administration sale*

As explained above, the Company could not continue to trade in the medium term and therefore in order to maximise realisations it was important to use the short time available wisely in exploring and pursuing a going concern sale. Therefore, a pre-pack sale was pursued. On their appointment, the Joint Administrators reviewed the prospective sale and the marketing process. They reconsidered whether the Company could continue to trade in the short term to explore whether the offer could be improved upon, but in light of the risks that the business would deteriorate, costs would accrue and the offer might be withdrawn or revised, they decided that completing the sale was in the interests of creditors as a whole.

**Whether efforts were made to consult major or representative creditors and the upshot of any consultations**

The secured creditor, Asset Advantage Limited, was consulted about the Company's circumstances and the proposed strategy. As the sale negotiations progressed, dialogue continued with Asset Advantage Limited to update them on offers received for the business and assets and progress with the sale.

The landlords of the Company's three trading premises were contacted prior to the sale taking place to provide a summary of the strategy and to attend to any queries.

**Why it was not appropriate to trade the business and offer it for sale as a going concern during the Administration**

It was not considered that trading of the business during the Administration could continue, as the Company was making significant losses. Further, the Company operated licences in order to trade and there was uncertainty as to whether the business could be traded during the Administration with the existing licences and there appeared to be significant risks involved should the Joint Administrators continue to trade the business.

In the circumstances, it was considered that the most effective strategy would be for Middleton Barton Limited to market the Company's business and assets prior to Administration in order to identify any interested parties with which the proposed Joint Administrators could start negotiations with a view to completing a sale shortly after their appointment.

**Details of requests made to potential funders to fund working capital requirements**

In view of the Company's overall financial position, it was considered inappropriate to seek additional working capital outside of Administration.

**Details of registered charges with dates of creation**

The charges registered against the Company are as follows:

<u>Name of charge-holder</u>	<u>Type of security</u>	<u>Date created</u>
Asset Advantage Limited	Debenture	24 May 2017

**Any acquisition of the business or assets from an insolvency practitioner within the previous 24 months (or longer if considered relevant to creditors' understanding)**

As far as the Joint Administrators are aware, neither the business nor its assets were acquired from an insolvency practitioner within the previous 24 months.

**Marketing of the business and assets**

**The marketing activities conducted by the Company and / or the Joint Administrators and the effect of those activities, with reference to the marketing essentials**

Attached is an explanation, which includes the reasons underpinning the marketing and media strategy used, provided by Middleton Barton Limited. The Joint Administrators believe that the business was marketed as widely as possible proportionate to the nature and size of the business. They also believe that the marketing activity was carried out for as long as possible in the circumstances given the constraints on the Company's continued trading as described above. The business was marketed on the internet. The Joint Administrators are also satisfied as to the adequacy and independence of the marketing undertaken in the circumstances.

**Valuation of the business and assets**

**The names and the professional qualifications of the valuers / advisers and confirmation that they have confirmed their independence and that they carry adequate professional indemnity insurance**

Neil Duckworth, MRICS of Middleton Barton Limited were instructed to act as independent valuers / advisors. Middleton Barton Limited have confirmed their independence and that they carry adequate professional indemnity insurance.

**The valuations obtained for the business or its underlying assets**

Prior to the commencement of the Administration, Middleton Barton Limited carried out valuations of the Company's business and assets on both an in-situ and ex-situ basis, summarised as follows:

	In-situ basis £	Ex-situ basis £
Office Furniture & Equipment	4,000	1,500
Catering & bar equipment	5,000	2,500
Motor vehicle	2,000	1,500
Stock	50,000	30,000
Rent Deposits / Fixtures & Fittings at South Kensington Premises and Greenwich Premises	140,000	Nil
Goodwill and Intellectual Property	10,000	5,000

Middleton Barton Limited reviewed the Company's financial and trading history, together with information on its IPR and current market conditions, in order to consider the value of these assets and of the Company's goodwill. Both Middleton Barton Limited and the Joint Administrators are satisfied that the realisations from these assets represent the best available outcome in all the circumstances.

No reliance has been placed on any valuations previously obtained by the Company or its lenders. In all respects regarding the sale, the Joint Administrators have sought independent advice from Middleton Barton Limited.

#### **A summary of the basis of valuation adopted by the Joint Administrators or their valuers / advisers**

The valuation on an in-situ basis reflects the valuers' estimated amount for which the assets could be sold as a whole in their working place(s). The ex-situ basis reflects a sale whereby the assets are removed from the premises at the expense of the purchaser subject to a restricted marketing period that does not allow sufficient time for proper marketing, as would be available under normal market conditions.

#### **The rationale for the basis of the valuations obtained and an explanation of the value achieved of the assets compared to those valuations**

The Joint Administrators considered the bases of the valuations appropriate as they enabled them to consider any offer with the objective of selling the business and assets as a going concern, but also to gain an appreciation of the likely realisations in the event that sale negotiations were threatened to collapse and a forced sale of the assets became a real possibility.

Although the resulting sale is below the in-situ valuation, it represents a significantly improved outcome over that which would have been likely had it been necessary to resort to a forced sale of the assets, particularly when the disposal costs and increased liabilities (e.g. employees' redundancy claims, landlords' claims on surrendering leases on vacant property) are factored in.

#### **If no valuation has been obtained, the reason for not having done so and how the Joint Administrators were satisfied as to the value of the assets**

Not applicable; the assets were valued (see above).

#### **The transaction**

##### **The date of the transaction**

The sale was completed on 14 November 2018.

##### **Purchaser and related parties**

##### **The identity of the purchaser**

The purchaser is B Wines Limited.

**Any connection between the purchaser and the directors, shareholders or secured creditors of the Company or their associates**

The managing director and one of the shareholders of the Company, Bruno Cernecca is also the sole director and shareholder of B Wines Limited.

**The names of any directors, or former directors (or their associates), of the Company who are involved in the management, financing, or ownership of the purchasing entity, or of any other entity to which any of the assets are transferred**

Please see above. As far as the Joint Administrators are aware, Mr Cernecca is the only director with any role in B Wines.

**Further information on transactions impacting on more than one related company (e.g. a group transaction)**

Not applicable; the transaction impacted only on the Company.

**Whether any directors had given guarantees for amounts due from the Company to a prior financier and whether that financier is financing the new business**

As far as the Joint Administrators are aware, B Wines Limited will not be obtaining finance from any prior financier who the Company directors gave personal guarantees to.

**Assets**

**Details of the assets involved and the nature of the transaction**

The tangible assets sold were stock, motor vehicles, office furniture and equipment, catering bar and equipment and fixtures and fittings at the South Kensington Premises and the Greenwich Premises. The intangible assets were interest in rent deposits, intellectual property and goodwill. The nature of the transaction was a going concern sale.

**Sale consideration**

**The consideration for the transaction, terms of payment and any condition of the contract that could materially affect the consideration**

Sale consideration totalled £150,000 which was received in full on completion.

**The consideration disclosed under broad asset valuation categories and split between fixed and floating charge realisations (where applicable) and the method by which this allocation of consideration was applied**

The total sale consideration of £150,000 has been provisionally apportioned to the asset categories as follows:

<u>Asset</u>	<u>Apportioned value</u>
Stock	£50,000
Motor vehicles	£2,000
Office furniture & equipment	£4,000
Catering & bar equipment	£5,000
Interest in rent deposits	£39,000
Intellectual property & goodwill	£10,000
Fixtures & Fittings – South Kensington Premises and Greenwich Premises	£40,000

The apportionment of these asset categories is subject to confirmation by Middleton Barton Limited and discussion with Freeths LLP.

Although the validity of the debenture has yet to be verified, it purports to grant a fixed charge over certain assets and a floating charge over all other assets.

The Joint Administrators will look to allocate the sale consideration between fixed and floating charges when the solicitors have reviewed the security.

**Any options, buy-back agreements, deferred consideration or other conditions attached to the transaction**

There are no options, buy-backs or other similar conditions attached to the sale.

The sale is not on a deferred basis.

**Details of any security taken by the Joint Administrators in respect of any deferred consideration**

The sale consideration was payable upon completion in full and accordingly, there were no deferred payments.

**If the sale is part of a wider transaction, a description of the other aspects of the transaction**

The sale was not part of a wider transaction.

**Connected Party Transactions**

**Pre-pack pool**

The Joint Administrators have requested a copy of any opinion given by a pre-pack pool member. As far as the Joint Administrators know, the pre-pack pool has not been approached by the Connected Party.

**Viability statement**

The Joint Administrators have requested a viability statement from the Connected Party, but none has been provided.

## THE AGENTS' EXPLANATION OF THE SALE PROCESS (MARKETING UNDERTAKEN)

Vini Italiani Limited (In Administration) ("the Company")	
At the point when you received the instruction to value and market the Company's business/assets, were you independent?	We confirm Middleton Barton Valuation ("MBV") have had no previous involvement with the business of Vini Italiani Limited and MBV have acted on this matter as a completely independent party.
Describe any marketing previously undertaken by the Company or by any party instructed by the Company.	To our knowledge no marketing was undertaken by the Company or any Party instructed by the Company prior to our involvement.
If this marketing by the Company was considered sufficiently adequate and independent to avoid (or reduce the extent of) further marketing, explain the reasons why.	N/A
Describe any characteristics of the Company's business/assets that significantly impacted on the marketing strategy devised, particularly where widespread and overt marketing was considered inappropriate or disadvantageous.	The Company had no characteristics that would prevent widespread and overt marketing.
Describe the marketing strategy undertaken and the reasons why this strategy was followed.	<p>A comprehensive overt marketing strategy was undertaken to maximise exposure of the Company to the open market.</p> <p>The marketing comprised of:</p> <ul style="list-style-type: none"> <li>• Mailshots to interested parties held in our database of prospective buyers of business of this type and distressed business investors. The mailshots were sent to 5226 parties;</li> <li>• The proposed sale of the business was listed on our website <a href="http://www.mbvvaluation.com">www.mbvvaluation.com</a>;</li> <li>• Direct approaches to competitors and other market participants were made.</li> </ul>
In what other main ways could a sale of the business/assets have been pursued and why were these options not chosen?	Trade press advertising was considered but the lead time to place advertisement was prohibitive in the time frame available, in our opinion bearing in mind the need to preserve trade and maximize realisations to creditors.

What exposure was given to the proposed sale on the internet?	The business was listed on our popular website <a href="http://www.mbvvaluation.com">www.mbvvaluation.com</a> under our "Business for Sale" section.
Were the business/assets marketed via any specialist media? Were particular profiles of potential interested parties targeted?	<p>As noted above, trade press advertising was considered but the lead time to place advertisement was prohibitive in the time frame available, in our opinion bearing in mind the need to preserve trade and maximize realisations to creditors.</p> <p>Direct approaches to competitors and other wine retailers was arranged and executed by direct telephone approaches to parties we had identified as potentially interested in a business of this type.</p>
For how long were the business/assets marketed? Why was this length of time settled on?	<p>The business was marketed from 30<sup>th</sup> October 2018 culminating in a deadline for indicative offers at 12 noon on 8<sup>th</sup> November 2018, which was later extended to 3pm on 14<sup>th</sup> November 2018.</p> <p>The time scale was driven by the need to expose the business to the market and considered time constraints in order to preserve goodwill value whilst the business traded prior to the Joint Administrators appointment. This time frame was sufficient in our opinion, under the circumstances.</p>
How many parties: (i) expressed an initial interest in the business/assets; (ii) completed non-disclosure agreements; and (iii) engaged in negotiations?	<p>(i) We received 6 enquiries and 4 requests for non-disclosure agreements;</p> <p>(ii) 4 complete non-disclosure agreements were received;</p> <p>(iii) 3 offers were received by the initial deadline.</p>
Describe briefly how interest was progressed and how this led to the final offer(s) being made.	Further discussions were undertaken with the interested parties and in order to conclude matters best and final offers were sort from all parties by a deadline of 3pm on 14 <sup>th</sup> November 2018.
If more than one offer was received, how was the final purchaser decided upon?	No offers were revised prior to the best and final deadline. The final purchaser was the only party from the 3 offers received, who was prepared to instruct legal advisors and engage in the sale process in order to move forward to completion.
In conclusion, describe how, in your view, the marketing strategy has achieved the best available outcome in all the circumstances.	<p>The marketing strategy was focused on maximizing exposure and achieving maximum publicity for the Company sale process under restricted timescales.</p> <p>We are confident the process generated sufficient unconnected third party interest in order to generate competing bids.</p>
Completed by:	Damian Short PgDip Val

Professional qualification(s):	RICS Accredited Diploma in Valuation
Date completed:	16 November 2018

Note: the Joint Administrators intend including your answers above in the Joint Administrators' Proposals. Therefore it will also be filed at Companies House and thus it will be in the public domain within the next two months. Please explain whether you would recommend that any information provided above should avoid disclosure in this manner.



**Vini Italiani Limited (in Administration)**

**The Statement of Proposals**

**ATTACHMENT C**

- **Estimated Statement of Affairs as at 14 November 2018 / Creditors' Details / Directors' Estimated Statement of Affairs / Estimated Outcome Statement**

VINI ITALIANI LIMITED (IN ADMINISTRATION)

ESTIMATED STATEMENT OF AFFAIRS AS AT 14 NOVEMBER 2018

	Notes	Book Value £	Estimated to realise £
<b>Assets (specifically pledged)</b>			
Sale of Business and Assets	1	50,000	50,000
Less: Asset Advantage Limited	1	<u>-128,564</u>	<u>-128,564</u>
Estimated deficiency as regards Asset Advantage Limited c/d		<u>-78,564</u>	<u>-78,564</u>
<b>Assets (not specifically pledged)</b>			
Sale of Business and Assets	1	100,000	100,000
Book Debts	2	62,377	62,377
Less: Provision of 30% for paid accounts and bad debts		-18,713	-18,173
Cash at Bank / Credit Card Receipts	3	38,000	38,000
Petty Cash	4	<u>1,912</u>	<u>1,912</u>
Estimated funds available to creditors		<u>183,576</u>	184,116
<b>Liabilities</b>			
Preferential creditors: employees (4 individuals)			-15
RPO preferential claim	5		<u>-1,478</u>
Estimated net property available to other creditors	6		182,623
<b>Less: prescribed part</b>			
50% of first £10,000		5,000	
20% of remainder		<u>34,525</u>	
	6		<u>-39,525</u>
Estimated funds available for floating charge creditor			143,098
Estimated deficiency as regards Asset Advantage Limited b/d			<u>-78,564</u>
<b>Estimated surplus as regards floating charge creditor c/d</b>			64,534
<b>Add back: prescribed part</b>			39,525
<b>Unsecured Creditors</b>			
HM Revenue & Customs - VAT / PAYE / NIC	7	61,202	
Trade creditors	7	684,050	
RPO unsecured claim		3,452	
Employees (4 individuals)	8	<u>TBC</u>	
			-748,704
<b>Estimated deficiency as regards creditors</b>			<u>-644,645</u>

NB: subject to the costs and expenses of the Administration

**Vini Italiani Limited (in Administration)**  
**Notes to the Estimated Statement of Affairs as at 14 November 2018**

1. The Company's business and assets were sold to B Wines for the sum of £150,000. The apportionment of the sale consideration between fixed and floating charge assets is subject to confirmation by MBV and Freeths. As at the date of Administration, AAL's outstanding balance excluding charges was £128,564 and AAL's level of charges has yet to be ascertained.
2. The sales ledger is standing at £62,376.73. However, it is understood that certain of these debts may have been paid pre appointment and accordingly, a provision of 30% has been applied to cover these paid accounts and a small provision for bad debts.
3. There is an amount of £36,000 in respect of cash at bank and it is understood that there are additional receipts worth approximately £2,000 which have been paid into the Company's pre-appointment account in relation to pre-appointment transactions.
4. As at the date of the Joint Administrators' appointment, there was petty cash at the stores totalling £1,912.
5. Preferential claims are expected in respect of employees who were made redundant. These claims are currently being processed by the RPO.
6. As illustrated by this statement, the net property is estimated to be £182,623, which would result in an estimated prescribed part of £39,525. Please note, however, that these estimates are exclusive of the costs of the Administration. Please see the Estimated Outcome Statement accompanying these Proposals for further information regarding the estimated surplus after costs.
7. These figures have been taken from the Company's records and are subject to change once creditors come forward and submit their proof of debt forms.
8. Non-preferential unsecured claims are expected in respect of employees who were made redundant. These claims are currently being processed by the RPO.

**Vini Italiani Limited (In Administration)**  
**Company Creditors**

Key	Name	Address	£
C200	2 The Loo	2nd Floor 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH60PA	1,582.32
CA00	Asset Advantage Limited	Third Floor, Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ	128,563.68
CA01	Asrum Wine Cellars	Unit 7 Falcon Business Centre, 14 Wandle Way, Mitcham, SR, CR4 4FG	7,060.40
CA02	Az. Agr. Capolino Perlingieri EUR	Azienda Agricola Capolino Perlingieri, Via marraiole, 58, 82037 - Castelvenere (BN)	2,061.27
CA03	Az Vin G.Valenti EUR	Cantine Valenti s.r.l. via Roma, 42, in Passopisciaro, 95030 Castiglione di Sicilia,Catania	1,178.20
CA04	Arione SPA EUR	ARIONE SPA - Legal headquarter, Via L. Bosca 135 - 14053 Canelli (AT)	441.82
CA05	Armit Wines	5 Royalti Studios, 105 Lancaster Road, London, W11 1QF	1,269.30
CA06	Absolute Fire Protection Ltd	Absolute Fire Protection Ltd, 17 Durham Road, Feltham, Middlesex, TW14 0AG	57.60
CA07	ALESSANDRO RUSSO	Jacaranda Close 13 , Sandypot Nassau, Bahamas	52,358.90
CB00	Balan SRL EUR	Via Sant'Ambrogio, 107, 35010 Sant'Ambrogio PD, Italy	7,881.60
CB01	Berkmann Wine Cellars	Berkmann Wine Cellars Limited, 10-12 Brewery Road, London, GreaterLondon, N7 9NH	7,111.98
CB02	Barkers Quality Digital Print	Barkers Print Limited, Unit 4, Enterprise House, 4 Curtis Road, Dorking, Surrey, RH4 1EJ	1,002.00
CB03	Birrificio del Ducato London Ltd	STRADA ARGINE 43, 43019 SORAGNA PR, ITALIA	1,325.45
CB04	Bibendum Wine Limited	Whitchurch Lane, Bristol, BS14 0JZ	1,054.80
CC00	Carnevale LTD	HEAD OFFICE, CARNEVALE HOUSE, 107 BLUNDELL STREET, LONDON, N7 9BN	10,735.41
CC01	Cantine Valenti EUR	CANTINE VALENTI SRL , SOC.AGRICOLA, VIA ROMA N. 42, FRAZ.PASSOPISCAIRO, 95012, CASTIGLIONE DI SICILIA	10,212.56
CC02	Cantine Volpi SRL EUR	Strada Statale per Voghera , 72, 15057 Tortona AL, Italy	8,705.11
CC03	Condé Francesco Condello EUR	Via Luchina, 27 - 47016, Fiumana di Predappio, (FC) Italy	7,267.01
CC04	Casa Vinicola Bolter EUR	BOTTER S.P.A. , Via L. Cadorna, 7911.02, 17, 30020 Fossalta di Piave (VE) – ITALIA	7,911.02
CC05	Campari UK	Level 27, The Shard, 32 London Bridge Street., London, SE1 9SG	4,630.58
CC06	County Supplies London	Unit C16-20, New Covent Garden Mkt, London, SW8 5JJ	1,763.68
CC07	Castelvecchio EUR	Azienda Agricola Castelvecchio Società Agricola a R.L., Via Castelmuro, 2, 34078 Sagrado (GO), P.IVA e Cod	1,459.09
CC08	Cantina dei colli ripani EUR	Contrada Toscano, 28, 63065 Ripatransone AP, Italy	855.65
CC09	Casa di Baal EUR	Via Tiziano, 14, 84096 Macchia di Montecorvino Rovella, SA, Italy	709.09
CC0A	Capital & Countries CG LTD		4,000.00
CD00	DOLCE VITA WINES	Dolce Vita Wines, 1 Wimbledon Park road, SW18 1LS, London	409.68
CD01	DW Exec Consulting LTD	65 Canary View, 23 Dowells Street, Greenwich, London SE10 9DY, VAT: 287750263	2,400.00
CE00	Euro Food Brand Ltd	1 Kimbell Mews, Humfrey Lane, Boughton, Northampton, Northants NN2 8XB	504.52
CE01	ENOMATIC UK LTD	7 Europa Way, Norwich, NR1 2EN	488.00
CE02	Enotria Wine Cellars Ltd	Enotria House, 23 Cumberland Avenue, Park Royal, London, NW10 7RX	450.47
CE03	Extra Prime DI PF Fracassi EUR	VIA ANTONIO PACINOTTI , 33 09128 CAGLIARI CA, Italy	1,325.48
CE04	ELENA KORAC	Villa Bianca, Carenage Bay, Canouan, VC 0450, St Vincent & The Grenadines	100,987.67
CE05	EMILIO FOA	124 Woodford Square, London, W14 8DT	10,156.30
CF00	FortyFive 10 LTD	Suite 3.02, The Food Exchange, New Covent Garden Market, London, SW8 5EL	9,487.17
CF01	Fratelli Bertucchi SRL EUR	Via Broletto, 2, 25040 Corte Franca BS, Italy	10,033.03
CF02	Feudi Di san Gregorio	Località Cerza Grossa, 83050 Sorbo Serpico AV, Italy	6,850.48
CF03	Flour Power City Bakery	UNIT 5B, JUNO WAY, ELIZABETH INDUSTRIAL ESTATE, SURREY QUAYS, SE14 5RW	1,443.15
CG00	Geeks On Wheels	58-60 Totteridge Lane, London, N20 9QP, 02030517977	715.20

CG01	Gastronomica Ltd	Unit 21, Rotherhithe Business Estate, 214 Rotherhithe New Road, LONDON, SE16 3EH	1,349.88
CG02	Gelato Mio	Unico Gelato & Caffè Group, 37 Pembroke Road, London, UK, W11 3HG, United Kingdom	211.60
CG03	Glen Grant Limited	Level , 271 The Shard, 32 London Bridge, SE1 9SG, UK	0.00
CH00	HM Revenue & Customs	Insolvency & Securities, 3rd Floor, Euston Tower, 286 Euston Road, London, NW1 3UQ	0.00
CH01	HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4RS	61,202.34
CH02	HM Revenue & Customs	Insolvency Operations, 5th Floor, Regian House, James Street, Liverpool, L75 1AD	0.00
CH03	HM Revenue & Customs	Room BP3202, Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	0.00
CH04	Hallgarten & Novum Wines	Dallow Road, Luton, Bedfordshire, LU1 1UR	3,200.40
CH05	HGS Cleaning Supplies	12 GATWICK DISTRIBUTION CENTRE, WHITTLE WAY, CRAWLEY, WEST SUSSEX, RH10 9RW	725.69
CI00	Italian Craft Beers	Flat 503, Regalia Point, 30 Palmers Road, E2 0FQ	1,166.40
CK00	Knight Frank (Deloitte)	1st Floor, Woolgate Exchange, 25 Basinghall Street, London, EC2V 5HA	502.55
CL00	La Credenza Ltd	Unit 9, College Fields Business Centre, Prince George's Road - London SW192PT	3,374.14
CL01	La Corsa SRL EUR	La Corsa Società Agricola S.r.l., Strada Provinciale del Prataccione, 19, 58015 Orbetello Scalo (GR)	5,360.48
CL02	La Collina dei Ciliegi SRL EUR	Sede Legale e Showroom:, Via Giorgio Stephenson n., 43A - 20157 Milano	4,423.20
CL03	Liberty Wines	6 Timbermill Way, London, SW4 6LY	3,457.22
CL04	Le Fattorie Renolia Argei EUR	Argei - Le Fattorie Renolia Srl , Società Agricola Soggetta a direzione, e coordinamento di Olinvest S.r.l, Unipersonale Via Municipio, 16 08030 Gersei (CA)	2,832.22
CL05	Les Caves de Pyrene LTD	Pew Corner, Old Portsmouth Road, Artington, Guildford, GU3 1LP	3,088.92
CL06	LCG LTD T/A HGS Cleaning Supplies	12 Gatwick Distribution Centre, Crawley, West Sussex, RH10 9RW	0.00
CL07	LUCA ZAMBONI	Flat 5, 189 Sussex Gardens, London, W22RH	10,196.13
CM00	Monterossa EUR	Via Monte Rossa 1R, Bornato, Brescia 25040	4,678.36
CM01	Mondial Wine LTD	2nd Floor, 33, Brighton Road, Great Britain South Croydon, Surrey, CR2 6EB	1,361.28
CM02	Martin Lavelli	MLL Specialist Distribution, Olaf Street, London, W11 4BE	74.25
CN00	Neison Dish & Glasswashing Machines Ltd	Unit 1, Rowley Industrial Park, Roslin Road, Acton, LONDON W3 8BH	73.32
CO01	Oliverfrilli LTD	Unit 18, Ingate Place, London, SW8 3NS	1,476.10
CP00	Poderi Luigi Einaudi EUR	Borgata Gombe, 31/32, 12063 Dogliani CN, Italy	27,991.30
CP01	Primostic EUR	Località Madonnina di Oslavia, 3, 34170 Oslavia GO, Italy	17,897.27
CP02	Passione Vino LTD	85 Leonard Street, London, EC2A 4QS	2,470.62
CP03	Platinum Fire & Security LTD	37 Richmond Crescent, Highams Park, LO, E4 9RT	402.00
CR00	Redundancy Payments Office	PO Box 16685, Birmingham, B2 2LX	3452.03
CR01	Ricci Curbastro EUR	I - 25031 CAPRIOLO (BS), Villa Evelina - Via Adro, 37	5,586.36
CS00	STI Internazionale SPA EUR	Viale del Lavoro 57, 37051 Bovolone (VR), Italy	31,385.63
CS01	Surrau SRL EUR	Località Chilvaghgia, 07021 Porto Cervo OT, Italy	6,574.40
CS02	San Fabiano EUR	Via di S. Martino, 168, 53014 Monteroni d'Arbia SI, Italy	4,789.92
CS03	South Kensington Print	76 Old Brompton Road, Kensington, London, SW7 3LQ	1,389.18
CS04	Selezione Brijnda EUR	Via Vittorio Emanuele, 6 12050 Castellinaldo (Cn)	1,358.40
CS05	SauceSi	11 St. Joseph's Vale, SE3 0XQ	15.00
CS06	Simpson Wereford & Co	Wellesley House, Duke of Wellington Avenue, Royal Arsenal, London SE18 6SS	1,500.00
CS07	Standing Innovation Consulting Limited	34 St Dunstan's Road, London, W6 8RB	53,269.86
CS08	STEFANO PASCHETTO	Passatge Roserar, 4-8, 08034 Barcelona, Spain	8,143.45
CS09	Sarment France SARL	23-25 Boulevard Marechal Joffre, 21200 Beaune, u, Rance	0.00
CT00	Tenuta Viglione EUR	SP140, 70029 Santeramo in Colle BA, Italy, in via Carlo Marx 44/P. Sede Stabillimento: Via App	11,599.91
CT01	Tenuta Di Liliano Ruspoli EUR	Località Liliano, 8, 53011 Castellina in Chianti SI, Italy	9,568.75
CT02	Teo Costa EUR	AZIENDA AGRICOLA TEO COSTA, Dove siamo, Via San Salvatore, 1, 12050 Castellinaldo d'Alba (CN)	8,802.44
CT03	Tenuta Alfredosa EUR	Via Camiano Piccolo, 25 06036, Italy	3,528.80
CT04	Tenuta Di Liliano	Località Liliano, 8, 53011 Castellina in Chianti SI, Italy	3,417.61
CT05	Tenuta I Fauri EUR	Via Foro, 18, 66010 Ari CH, Italy	3,191.17
CT06	Tenuta Di Aljano EUR	Via Figno, 1, 42019 Scandiano RE, Italy	1,589.77

CT07	Tenute Barone di Valforte EUR	Contrada Piomba, 11, 64028 Silvi PE, Italy	1,069.57
CV00	Villa Russiz EUR	Via Russiz, 4, 34070 Capriva del Friuli GO, Italy	5,026.91
CV01	Vigneti Reale EUR	VIGNETI REALE srl , Via Reale, 55 - 73100 Lecce, Italy	3,354.89
CV02	Villa Papiano EUR	Via Monte Forcella, 24, 47015 Modigliana FC, Italy	320.73
CW00	West Lane Consulting LTD	West Lane Farm, West Lane, Hampsthwaite, Harrogate, North Yorkshire, HG3 2HP	2,838.84
CW01	Winterhalter LTD	Winterhalter House, Roebuck Way, Knowlhill, Milton Keynes, MK5 8WH	182.40
CZ00	Zamo Foodservice UK	46 Nova Road, Croydon, England, CR0 2TL	2,803.03
92 Entries Totalling			748,704.39

Vini Italiani Limited  
(In Administration)

Schedule of Secured Creditors included in the Statement of Affairs

Secured Creditors

Secured creditor's name and address	Amount of claim (estimated)	Details of security	Date security was given	Value of security (per Statement of Affairs)
Asset Advantage Limited, Matrix House Basing View, Basing View, Basingstoke RG21 4DZ	£128,564	Debenture	24 May 2017	£50,000

## STATEMENT OF AFFAIRS

Name of Company: Vini Italiani Limited	Company number: 07404510
In the Manchester District Registry	Court case number: [redacted] of 2013 3107

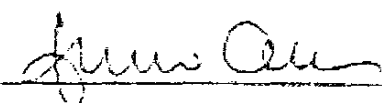
Statement as to the affairs of (a) Vini Italiani Limited of SFP, 9 Ensign House, Admirals Way, Marsh Wall, London, E14 3XQ  
on 14 November 2013, the date that the company entered administration.

---

### Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 14 November 2013, the date that the company entered administration.

Full name BRUNO CERNECCA

Signed 

Dated 22.11.2018



# A - Summary of Assets

## Assets

Assets subject to fixed ~~charge~~ and floating charge:

FIXTURES + FITTINGS, EQUIPMENT  
AND INTEGRAL FEATURES

CASH AT BANK

STOCK

DEPOSITS

DEBTS

Assets subject to floating charge:

ASSET ADVANTAGE HELD

A FIXED AND FLOWING CHARGE  
OVER ALL ASSETS OF VINI  
~~Uncharged assets~~ ITALIANI

Book Value £	Estimated to Realise £
£430,000	£120,000
£40,000	£40,000
£127,000	£30,000
£68,000	N/A
£62,000	£62,000
	-£120,000
£727,000	£132,000

Estimated total assets available for preferential creditors

Signature [Signature]

Date 25.11.2018

# A1 - Summary of Liabilities

	Estimated £
Estimated total assets available for preferential creditors (carried from page A)	£ 132,000
<b>Liabilities</b>	
Preferential creditors:-	
Employees (number: <u>9</u> )	- 12,452
Estimated deficiency/surplus as regards preferential creditors	£ 119,548
Estimated prescribed part of net property where applicable (to carry forward)	N/A
Estimated total assets available for floating charge holders	£
Debts secured by floating charges	N/A
Estimated deficiency/surplus of assets after floating charges	£
Estimated prescribed part of net property where applicable (brought down)	N/A
Total assets available to unsecured creditors	£ 119,548
Unsecured non-preferential claims:-	
Employees (number: <u>          </u> )	- 410,000
Consumers who have paid in advance for goods or services (number: <u>          </u> )	
Other unsecured creditors	- 228,000
Estimated deficiency after floating charge where applicable (brought down)	
Estimated deficiency/surplus as regards creditors	£ - 518,452
Issued and called up capital	£ 2,775,350
Estimated total deficiency/surplus as regards members	£
	- 3,293,802

Signature

*[Signature]*

Date

22.11.18

The Insolvency Act 1986

## Statement of Concurrence

Name of Company  
Vini Italiani Limited

Company number  
07404610

In the  
Manchester District Registry  
(full name of court)

Court case number  
3107 of 2018

(a) Insert full name and address of registered office of company to which statement of affairs relates  
(b) Insert date statement of truth on the statement of affairs was made.  
(c) Insert full name of person who made the statement of truth on the statement of affairs being concurred with.

With regards to the Statement of Affairs of (a)  
Vini Italiani Limited  
(‘the company’)

made on (b) 22 November 2018

by (c) Bruno Cernecca

### Statement of Truth

(d) Insert full name and address of person making statement

I (d) Matteo Berlucchi

\*Delete as applicable

\*concur with the Statement of Affairs of the above company and I believe that the facts stated in the Statement of Affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration.

OR

~~\*concur with the Statement of Affairs of the above company, subject to the following qualifications~~

(e) Please list matters in the statement of affairs which you are not in agreement with, or which you consider to be erroneous or misleading, or matters to which you have no direct knowledge and indicate reason for listing them.

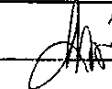
(e)

and believe that, subject to these qualifications, the facts stated in the statement of affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration.

Full name

Matteo Berlucchi

Signed



Dated

6 December 2018

Vini Italiani Limited (in Administration)  
Estimated Outcome Statement as at 7 December 2018

	Notes	Statement of Affairs (book value) £	Actual position as at 27/11/18 £	Estimated future £	Final outcome £
<b>Assets Specifically Pledged</b>					
Sale of Business and Assets	1	50,000	50,000	-	50,000
Less: Asset Advantage Limited	2	(128,564)	(128,564)	-	(128,564)
<b>Estimated deficit to Asset Advantage Limited c/d</b>		<b>(78,564)</b>	<b>(78,564)</b>	<b>-</b>	<b>(78,564)</b>
<b>Assets not Specifically Pledged</b>					
Sale of Business and Assets	1	100,000	100,000	-	100,000
Book Debts	3	62,377	-	62,377	62,377
Less: Provision of 30% for paid accounts and bad debts		(18,713)	-	(18,713)	(18,713)
Cash at Bank / Credit Card Receipts	4	38,000	36,000	2,000	38,000
Petty Cash	5	1,912	1,912	-	1,912
Rent Receivable	6	52,712	-	52,712	52,712
<b>Estimated total surplus available to creditors</b>		<b>236,288</b>	<b>137,912</b>	<b>98,376</b>	<b>236,289</b>
<b>Expenditure</b>					
<b>Costs incurred pre-Administration</b>					
SFP Property Pre-Appointment Fees	7		(2,450)	-	(2,450)
Pre-Appointment Joint Administrators' Fees	7		(14,682)	-	(14,682)
Agents'/Valuers' Fees	10		(16,825)	-	(16,825)
Legal Fees	11		(25,000)	-	(25,000)
<b>Costs incurred during Administration</b>					
SFP Property Fees and Expenses	8		(2,266)	(3,935)	(6,200)
Joint Administrators' Remuneration	8		(15,068)	(59,932)	(75,000)
Joint Administrators' other Category 1 Expenses	9		(1,281)	(52)	(1,333)
Joint Administrators' other Category 2 Expenses	9		-	(100)	(100)
Agents'/Valuers' Fees	10		(9,740)	(2,500)	(12,240)
Legal Fees	11		(2,832)	(5,000)	(7,832)
Statutory Advertising	12		(85)	(85)	(170)
Insurance	13		-	(1,500)	(1,500)
Storage and Destruction of Company Records	14		-	(1,500)	(1,500)
Debt Collection Costs	15		-	(1,757)	(1,757)
Other Professional Fees (Press Agent)	16		(450)	-	(450)
Rent Payable	6		-	(52,712)	(52,712)
<b>Total expenditure</b>			<b>(90,679)</b>	<b>(129,073)</b>	<b>(219,751)</b>
<b>Estimated total surplus/(deficit) to preferential creditors</b>			<b>47,233</b>	<b>(30,696)</b>	<b>16,537</b>

**NB All figures are subject to change and exclude VAT.**

**Notes**

- The Company's business and assets have been sold to B Wines for £150,000. An initial apportionment has been included for the purposes of the EOS, however this is subject to review and advice from agents and lawyers
- It is understood that the debt owing to AAL is £128,564. Further that AAL has been granted a debenture, containing fixed and floating charges.
- The Company's sales ledger stood at £62,377 as at the date of the Joint Administrators' appointment. Following initial discussions with the director, it is understood that certain of these debts may have been paid pre appointment and accordingly, a provision of 30% has been applied.
- The Joint Administrators have collected a credit balance of £36,000 from the pre-appointment bankers. It is understood that there are additional receipts which have been paid into the Company's pre-appointment account in relation to pre-appointment transactions which will be recovered, for the benefit of the estate
- As at the date of the Joint Administrators' appointment, there was petty cash at the stores of £1,912.
- B Wines is required to pay sums to the Joint Administrators in relation to licences to occupy the South Kensington Premises and Covent Garden Premises. These payments will then be passed to the respective landlords.
- The Joint Administrators' Proposal provides further details of the work carried out prior to Administration.
- The 'Actual position' column includes costs incurred, whether or not they have been drawn.  
The 'Estimated future' column includes costs anticipated to be incurred in finalising the case.  
The Joint Administrators instructed SFP Property Limited to assist them with property matters arising in the Administration.
- These are estimates of disbursements likely to be incurred by the Joint Administrators during the course of the Administration
- Middleton Barton Valuation Limited's costs for conducting a valuation of the business and assets and providing a formal valuation, marketing them for sale, dealing with offers received for the business, providing a recommendation in relation to the offer received, attending the Stores in order to reconcile the petty cash balances and collect funds, assisting with third party claims, including ROT claims and claims from finance companies and overseeing the removal of assets from the Greenwich Premises in order to ensure that there would be no claim from the landlord against the Joint Administrators in this regard. Their future costs have been estimated.
- The Joint Administrators instructed solicitors, Freeths LLP, to assist in placing the Company into Administration, undertake a general validity review and assist with sale documentation. Their future costs have been estimated.
- Statutory advertising services are provided by Courts Advertising.
- Insurance services are provided by Aon Risk Solutions and the amount has been estimated. An invoice will be received in due course.
- Collection and destruction services are provided by JG Collection Services and the amount has been estimated. An invoice will be received in due course
- The Joint Administrators have instructed the director, Mr Cernecca to assist with collection of the sales ledger, as it is considered that his relationship with the customers will help to maximise recoveries
- Gravity London have assisted with a press release statement, as the Joint Administrators have been approached for a statement and may receive further approaches in the future. In addition, the successful collection of the sales ledger is partly dependant on the business continuing to trade going forward and accordingly, it is important that there is not any negative press which will impact upon the ongoing trading

**Vini Italiani Limited (in Administration)**

**The Statement of Proposals**

**ATTACHMENT D**

- **The Joint Administrators' Receipts and Payments Account to 7 December 2018**

VINI ITALIANI LIMITED  
(IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT  
FROM 14 NOVEMBER 2018 TO 7 DECEMBER 2018

	Notes	Statement of Affairs £	From 14 Nov 18 to 7 Dec 18 £
<b>RECEIPTS</b>			
Sale of Business and Assets	1	150,000	150,000.00
Book Debts		62,377	-
Cash at Bank / Credit Card Receipts		38,000	36,000.00
Petty Cash		1,912	1,912.16
<b>TOTAL RECEIPTS</b>		<b>252,289.00</b>	<b>187,912.16</b>
 <b>PAYMENTS</b>			
Redirection of Mail	2		303.00
Statutory Advertising			84.60
<b>TOTAL PAYMENTS</b>			<b>387.60</b>
<b>BALANCE IN HAND</b>			<b>187,524.56</b>
 <b>REPRESENTED BY</b>			
Interest Bearing Current Account			187,507.64
VAT Receivable			16.92
<b>BALANCE IN HAND</b>			<b>187,524.56</b>

**NOTES TO THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

**Notes**

- 1 The total sale consideration of £150,000 has been provisionally apportioned to the asset categories as follows:

<u>Asset</u>	<u>Apportioned value</u>
Stock	£50,000
Motore Vehicles	£2,000
Office furniture & equipment	£4,000
Catering bar & equipment	£5,000
Interest in rent deposits	£39,000
Intellectual property & goodwill	£10,000
Fixtures & Fittings – South Kensington and Greenwich	£40,000

- 2 Details of material disbursements/expenses incurred to date are as follows:

Bond premium	£575.00
Mail redirection	£303.00
Postage	£400.00
Travel costs	£3.20

Vini Italiani Limited (in Administration)

The Joint Administrators' Proposal

## APPENDIX II

- Breakdown of Pre-Administration Time Costs for SFP

VINI ITALIANI LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PRE APPOINTMENT PERIOD

CLASSIFICATION OF WORK FUNCTION	Time spent over the pre appointment period					Total Costs £
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours incurred	
Statutory and General Administration	14.80	19.60	1.10	7.00	42.50	13,855.00
Investigations	0.00	0.00	0.00	0.50	0.50	50.00
Realisation of assets	4.80	5.30	0.00	0.00	10.10	3,882.50
Trading	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Members	0.60	2.20	0.00	0.00	2.80	894.00
Total	20.20	27.10	1.10	7.50	55.90	18,681.50

See Appendix for Summary Charge Out Rates for staff



Vini Italiani Limited (in Administration)

The Joint Administrators' Proposal

#### APPENDIX III

- Charge-out Rates and Bases of Disbursements

## Charge-out rates for office holders and their staff and bases of calculation of disbursements

Time costs of office holders and their staff are recorded in 6-minute units at the charge-out rates shown.

These rates are reviewed periodically and are subject to inflationary or other adjustments. Up-to-date schedules of charge-out rates will be provided in all future reports.

For further information regarding fees, please download the relevant Guide at <http://panel.sfpgroup.com/> or a hard copy will be provided on request.

Further information regarding insolvency processes in general is available at [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk)

SFP Restructuring Limited	
Grade	Rate £/hr
Director 2	500
Director 1	450
Senior Manager 2	350
Senior Manager 1	325
Manager 2	300
Manager 1	275
Assistant Manager	260
Senior Administrator 2	250
Senior Administrator 1	225
Administrator 2	175
Administrator 1	150
Assistant	100
Data Store Administrator	75

### **Category 1 Disbursements**

Category 1 disbursements are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost, with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums, and properly reimbursed expenses. Postage directly incurred on the case is also charged at cost as a Category 1 disbursement. Legislation provides that office holders may discharge Category 1 disbursements from the funds held in the insolvent estate without further recourse to creditors.

### **Category 2 Disbursements**

Category 2 disbursements are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 disbursements after the relevant creditors (or committee) have approved the bases of their calculation. Set out below are the bases of the office holder's disbursements in this category.

<u>Stationery / Photocopying – standard charge</u>		<u>Stationery / Photocopying – exceptional charge</u>		<u>Mileage</u>	
A single charge will be made to cover the initial mail-out to creditors and members. The charge therefore is dependent upon the type of insolvency and the number of creditors and members.		In the event that an exceptional circular (i.e. not including expected circulars such as notices of appointment) is sent to at least 100 recipients, it will be charged on the following basis.		(Note: if, as an alternative to using the pool or personal car, public transport is used, the costs will be charged as a Category 1 disbursement.)	
	Charge per creditor / member (£)		Per page / envelope (£)		Per mile (£)
Administration ("ADM")	0.24	1 page of headed paper	0.12	Pool car	1.10
CVL (following ADM)	0.16	1 page of continuation paper	0.10	Director's / staff's	
CVL (not following ADM)	0.20	1 page of photocopying paper	0.02	personal car	0.45
CVA	0.20	Envelopes (all sizes)	0.10	Additional cost for each passenger in colleague's	
Compulsory Liquidation (note: only creditors charged)	0.22			personal car	0.05
Bankruptcy	0.22				



Category 2 Disbursements (continued)			
Charges for Record Archiving		SFP Property Limited	
<p>In most cases, the office holders' staff arrange for collection of the company's books and records and create an inventory. The records are then delivered to the storage facilities of an independent agent, who will then be responsible for the records' ongoing storage, responding to retrieval requests and the records' eventual destruction (usually 12 months after the company's dissolution). SFP charges on the following bases (exclusive of staff time costs and the costs of the independent agents):</p>		<p>SFP Property Limited is an entity associated with the office holders. Time is charged on 6-minute units at the rates listed below.</p>	
	<b><u>Charge</u></b>	<b><u>Grade</u></b>	<b><u>Rate £/hr</u></b>
Provision of archive boxes	£5 per box	Director	350
Retrieval costs from site	£1.10 per mile	Senior Manager 2	275
Same Day Delivery (up to 10 items)	£22.50	Senior Manager 1	250
Per item thereafter	£1.50	Manager 2	225
Delivery to third party offices (up to 10 items)	£15.00	Manager 1	200
Per item thereafter	£1.50	Senior Administrator 2	175
		Senior Administrator 1	155
		Administrator 2	135
		Administrator 1	115
		Assistant	100
		<p>SFP Property Limited may also incur direct expenses, such as Land Registry fees, which will be charged to the insolvent estate at cost.</p>	

Vini Italiani Limited (in Administration)

The Joint Administrators' Proposal

#### APPENDIX IV

- Breakdown of Time Costs for SFP



VINI ITALIANI LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PERIOD 14 NOVEMBER 2018 TO 07 DECEMBER 2018

CLASSIFICATION OF WORK FUNCTION	Time spent over the period under review 14 NOVEMBER 2018 TO 07 DECEMBER 2018					Total Time spent 14 NOVEMBER 2018 TO 07 DECEMBER 2018		
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours incurred	Total Costs £	Total hours incurred	Average rate £/hour
Statutory and General Administration	2.90	20.80	3.20	11.00	37.90	9,675.00	37.90	255.28
Investigations	1.80	0.00	0.00	4.20	6.00	1,315.00	6.00	219.17
Realisation of assets	0.20	2.20	0.00	0.00	2.40	764.50	2.40	318.54
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Members	0.30	10.00	0.00	3.70	14.00	3,313.00	14.00	236.64
Total	5.20	33.00	3.20	18.90	60.30	15,067.50	60.30	249.88

See Appendix for Summary Charge Out Rates for staff

Vini Italiani Limited (in Administration)

The Joint Administrators' Proposal

## APPENDIX V

- Breakdown of Time Costs for SFP Property

VINI ITALIANI LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PERIOD 14 NOVEMBER 2018 TO 07 DECEMBER 2018

CLASSIFICATION OF WORK FUNCTION	Time spent over the period under review 14 NOVEMBER 2018 TO 07 DECEMBER 2018					Total Time spent 14 NOVEMBER 2018 TO 07 DECEMBER 2018		
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours incurred	Total Costs £	Total hours incurred	Average rate £/hour
Statutory and General Administration	0.00	0.00	0.00	0.50	0.50	50.00	0.50	100.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of assets	5.00	0.00	3.70	0.40	9.10	2,215.50	9.10	243.46
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	5.00	0.00	3.70	0.90	9.60	2,265.50	9.60	235.99
								2,265.50

See Appendix for Summary Charge Out Rates for staff

**Vini Italiani Limited (in Administration)**

**The Joint Administrators' Proposal**

**APPENDIX VI**

- **The Joint Administrators' Fees Estimate**



## Vini Italiani Limited (in Administration)

### The Joint Administrators' Fees Estimate as at 7 December 2018

Below is the Joint Administrators' fees estimate in respect of the above case for the purpose of obtaining approval of the basis of the office holders' fees. The total time costs estimated to be incurred is £75,000 for 321 hours at an average hourly rate of £233.64. Please note that this estimate includes time costs already incurred, details of which are provided at **Appendix III**.

This firm's current charge-out rates may be found at **Appendix II**.

Legislation requires fees estimates to detail the work that the office holders propose to undertake and the time that they estimate the work will take to complete. For the sake of completeness, this estimate lists all the tasks that the Joint Administrators and their staff *may* undertake (including those already undertaken), but the estimate of hours reflects only the time that the Joint Administrators anticipate is *likely* to be incurred, given the circumstances of the case as they are understood at present. To assist creditors in understanding the most material tasks that the Joint Administrators expect to undertake, please refer to the document to which this forms an appendix.

This estimate of time covers the work anticipated to be undertaken to the completion of the Administration, subject to the assumptions listed in Section 6 of the document to which this forms an appendix. The Joint Administrators do not anticipate that it will be necessary to seek approval for fees in excess of this estimate. However, should additional work be necessary beyond what is contemplated, further approval may be sought from the relevant creditors.

Time cost categories	Tasks included	No. of hours estimated to be incurred
<b>Statutory and General Administration</b>	<b>(including 37.90 hours spent to date)</b>	<b>105</b>
Case planning	Discussions regarding strategies to be pursued Meetings with office holders, team members, SFP Property and independent advisers to consider practical, technical and legal aspects of the case Receiving and considering progress reports from SFP Property Organising tasks and updating team members and office holders Travelling to/from company premises to initiate the insolvency process and perform statutory and general administration tasks	
Administrative set-up	Setting up appointment on internal systems and databases Creating files and informing departments of appointment Support staff's creation of standard letters and forms Entering creditors' names and addresses onto database	
Appointment notification	Statutory notices and advertisements on appointment Initial meeting with company officers Notifying insurers, bank and other third parties	
Records of insolvent and office holder	Collecting the company's books and records Seeking delivery of books and records from third parties Creating an inventory of the company's books and records Retrieving and reviewing books and records from storage Maintaining office holders' files, filing electronic and hard copy correspondence Support staff's processing of the teams' instructions to issue letters Completing checklists Maintaining statutory and case progression task lists and diaries	
Statutory duties	Preparing, circulating and filing Proposals and statutory fee-related information Where a vote is conducted by correspondence: Preparing and issuing notices and voting forms Collating and examining proofs and votes to conclude decisions Responding to queries and questions regarding Proposals and voting process Issuing and filing statutory notice on conclusion of voting process Where no votes from unsecured creditors are sought: Liaising with secured creditors (and preferential creditors, where appropriate) to seek approval of statutory matters Responding to queries and questions regarding Proposals Issuing and filing Notice of Approval of Proposals In the event that creditors requisition a physical meeting: Preparing and issuing meeting notices and voting forms Advertising meeting Collating and examining proofs and proxies Responding to queries and questions regarding Proposals and meeting Holding meeting and completing minutes Issuing and filing statutory notice on conclusion of meeting Preparing, circulating and filing six monthly progress reports, final report and associated statutory notices Seeking approval of extension from relevant creditors and issuing notice of extension (where appropriate) In the event that a court extension is required:	

Time cost categories	Tasks included	No. of hours estimated to be incurred
	<ul style="list-style-type: none"> <li>Preparing application to court for an extension and accompanying witness statement with the assistance of solicitors</li> <li>Liaising with solicitors regarding the application and court order</li> <li>Issuing and filing notice of extension</li> <li>Posting all statutory reports and notices to the firm's website for access</li> </ul>	
Estate accounting	<ul style="list-style-type: none"> <li>Correspondence regarding opening and closing accounts</li> <li>Requesting bank statements</li> <li>Bank account reconciliations</li> <li>Raising fee and disbursement invoices</li> <li>Reviewing suppliers' invoices and approving for payment</li> <li>Banking remittances and issuing cheques/BACS payments</li> <li>Maintaining the estate cash book and journaling transactions</li> <li>Periodic reviews of the summary of receipts and payments to ensure its accuracy</li> </ul>	
Post-appointment tax	<ul style="list-style-type: none"> <li>Calculating corporation tax due on post-appointment disposals and submitting tax returns</li> <li>Arranging VAT de-registration</li> <li>Completing VAT returns and applying for VAT refunds after de-registration</li> <li>Dealing with tax-related correspondence</li> </ul>	
Compliance	<ul style="list-style-type: none"> <li>Completing statutory due diligence checks and an ethics review regarding the appointment</li> <li>Pursuing relevant parties for evidence of identity</li> <li>Seeking solicitors' advice on the validity of the appointment</li> <li>Carrying out periodic file reviews</li> <li>Periodic reviews of the application of ethical, anti-money laundering and anti-bribery threats and safeguards</li> <li>Arranging the statutory bond and periodically reviewing its adequacy</li> <li>Assessing the options for exiting the Administration and obtaining internal clearance for closure and the exit route chosen</li> <li>Periodically reviewing the cash book receipts and payments account for accuracy</li> </ul>	
Information technology	<ul style="list-style-type: none"> <li>IT department's support of the case administration team as regards maintaining, and extracting data from, the company's computer systems</li> </ul>	
<b>Investigations (including 6 hours spent to date)</b>		<b>77</b>
Case preparation	Pursuing the return of directors' questionnaires	
Initial review	Reviewing questionnaires submitted by creditors and directors	
Investigations	<ul style="list-style-type: none"> <li>Correspondence to request information on the company's dealings and to make further enquiries of third parties</li> <li>Reviewing the company's books and records to identify inconsistencies or unusual transactions</li> <li>Review of specific transactions and exchanges with directors and accountants regarding certain transactions</li> <li>Undertaking background searches</li> <li>Liaising with the committee or (major) creditors about further action to be taken</li> </ul>	
Pursuing claims identified	<ul style="list-style-type: none"> <li>In the event that one or more causes of action are identified for pursuit: <ul style="list-style-type: none"> <li>Liaising with solicitors regarding examinations</li> <li>Attendance at examination</li> <li>Reviewing examination transcripts</li> <li>Liaising with solicitors regarding outcome of examinations and further actions available</li> <li>Meetings internally to discuss progress and strategy of litigation</li> <li>Seeking funding from creditors</li> <li>Instructing agents to assist in investigations</li> <li>Reviewing terms of solicitors' conditional fee agreements</li> <li>Preparing brief to solicitors/Counsel</li> <li>Liaising with solicitors regarding recovery actions</li> <li>Dealing with ATE insurers</li> <li>Attending to negotiations</li> <li>Attending to settlement matters and agreements</li> <li>Pursuing settlement and other payments</li> </ul> </li> </ul>	
Reports	<ul style="list-style-type: none"> <li>Preparing and submitting statutory reports to the Insolvency Service</li> <li>Liaising with the Insolvency Service</li> <li>Assisting the Insolvency Service with its investigations</li> </ul>	
Administrative work	<ul style="list-style-type: none"> <li>Other correspondence</li> <li>Support staff's assistance with correspondence and maintaining files</li> </ul>	
Handling and examining records	<ul style="list-style-type: none"> <li>Extracting data from the company's computer systems</li> <li>Collecting the company's books and records for investigation purposes</li> <li>Travelling associated with the above</li> </ul>	
Strategy and planning	Internal meetings to discuss findings, potential actions and strategies for further investigations	

Time cost categories	Tasks included	No. of hours estimated to be incurred
<b>Realisation of Assets</b>	<b>(including 2.40 hours spent to date)</b>	<b>18</b>
Identification, securing, insuring assets	<ul style="list-style-type: none"> <li>Identifying assets by consulting with directors, employees and third parties</li> <li>Reviewing fixed asset register and other company records</li> <li>Correspondence with insurer regarding initial and ongoing insurance requirements</li> <li>Reviewing insurance policies</li> <li>Seeking insurance refunds</li> <li>Correspondence with previous brokers/insurers</li> <li>Terminating insurances and agreeing final bills</li> <li>Depending on the existence, location and condition of physical assets: <ul style="list-style-type: none"> <li>Physical examination of company premises</li> <li>Investigating the company's security arrangements and arranging changes where appropriate</li> <li>Reviewing and amending where appropriate the security and viability of the company's computer systems</li> </ul> </li> <li>Undertaking and/or instructing specialists to undertake risk assessments, environmental and health and safety reviews</li> <li>Identification of potential issues requiring attention of insurance specialists</li> </ul>	
Retention of title	<ul style="list-style-type: none"> <li>In the event of receiving retention of title claim(s): <ul style="list-style-type: none"> <li>Dealing with initial notifications of creditor's intention to claim</li> <li>Liaising with agents to process claims</li> <li>Meeting claimant on site to identify goods</li> <li>Examining retention of title claim documentation and adjudicating on claims</li> <li>Exchanges with solicitors in deciding complex claims and dealing with disputes</li> <li>Correspondence with claimant notifying of the outcome of adjudication and dealing with additional responses</li> <li>Settlement of claim, where appropriate</li> </ul> </li> </ul>	
Property - negotiations	<ul style="list-style-type: none"> <li>Depending on the property interests in existence: <ul style="list-style-type: none"> <li>Instructing agents as regards valuations and proposed marketing strategies</li> <li>Discussing and agreeing strategies with office holders, teams and SFP Property/agents</li> <li>Undertaking oral and written negotiations with interested parties</li> <li>Dealing with tenant issues (if any)</li> <li>Liaising with secured creditors, landlords and any LPA Receivers</li> <li>Reviewing draft sale documentation</li> <li>Liaising with SFP Property, agents and solicitors</li> <li>Undertaking work regarding utilities and business rates, including seeking refunds where possible</li> <li>Liaising with HMRC as regards option to tax</li> </ul> </li> </ul>	
Property – professional advice	<ul style="list-style-type: none"> <li>Depending on the property interests in existence: <ul style="list-style-type: none"> <li>Agreeing method statement with SFP Property/agents</li> <li>Reviewing valuation report</li> <li>Invoicing for and collection of rent from tenants or licensees</li> <li>Reviewing updates from SFP Property/agents</li> <li>Discussions and meetings with the office holders, teams and SFP Property/agents regarding strategies</li> <li>Reviewing completion statement</li> </ul> </li> </ul>	
In-situ sale	<ul style="list-style-type: none"> <li>In the event that an in-situ sale is progressed: <ul style="list-style-type: none"> <li>Instructing and liaising with agents as regards valuations and marketing strategies</li> <li>Considering agents' updates on efforts to sell business and assets, reviewing strategies and discussing offers received</li> <li>Liaising with potential purchasers</li> <li>Agreeing licences to trade/occupy</li> <li>Assessment and review of offers received</li> <li>Negotiating with intended purchaser</li> <li>Liaising with secured creditors and seeking releases</li> <li>Compiling information for SPA</li> <li>Reviewing drafts of SPA and supporting documents (e.g. personal guarantees, debentures)</li> <li>Exchanges with solicitors to agree the terms of the SPA</li> <li>Pursuing deferred sale consideration</li> </ul> </li> </ul>	
Asset sale and other realisations	<ul style="list-style-type: none"> <li>In the event that assets are sold ex-situ: <ul style="list-style-type: none"> <li>Instructing and liaising with agents as regards valuations and marketing strategies</li> <li>Liaising with landlords as regards access to and ownership of assets</li> <li>Considering agents' updates on efforts to sell assets, reviewing strategies and discussing offers received</li> <li>Liaising with potential purchasers</li> <li>Assessment and review of offers received</li> <li>Negotiating with intended purchaser</li> <li>Liaising with secured creditors and seeking releases</li> <li>Compiling information for SPA (if any)</li> </ul> </li> </ul>	

Time cost categories	Tasks included	No. of hours estimated to be incurred
	<ul style="list-style-type: none"> <li>Reviewing drafts of SPA and supporting documents (e.g. personal guarantees, debentures)</li> <li>Exchanges with solicitors to agree SPA</li> <li>Pursuing sales consideration</li> <li>Depending on the existence of relevant assets: <ul style="list-style-type: none"> <li>Liaising with agents and owners/lessors of leased assets</li> <li>Reviewing stock values</li> <li>Analysing the value in WIP and costs to complete</li> <li>Contracting with service-providers/suppliers to complete WIP</li> <li>Arranging for post-appointment sales invoices to be issued and pursuing payments</li> <li>Liaising with insurance companies and directors to pursue insurance claims</li> <li>Examining company records to support tax refunds</li> <li>Exchanges with HMRC regarding tax refunds</li> <li>Pursuing transfer of credit balances from banks</li> </ul> </li> </ul>	
Debt collection - reporting	<ul style="list-style-type: none"> <li>Depending on the existence of book debts: <ul style="list-style-type: none"> <li>Discussions with office-holders, teams, agents and solicitors regarding collection strategies</li> </ul> </li> </ul>	
Debt collection – communications	<ul style="list-style-type: none"> <li>Depending on the existence of book debts: <ul style="list-style-type: none"> <li>Correspondence with debtors</li> <li>Receiving updates from any factoring companies</li> <li>Where relevant, agreeing debt collection agency agreements and monitoring agents' progress</li> <li>Submitting VAT bad debt relief claims</li> <li>Responding to factoring company's queries and providing documents/information to support debts</li> <li>Liaising with debt collectors and solicitors</li> <li>Resolving disputes, including communicating with directors/former staff</li> <li>Pursuing credit insurance claims</li> </ul> </li> </ul>	
Debt collection – review of sales ledger	<ul style="list-style-type: none"> <li>Monitoring monies received into pre-appointment bank account and seeking transfer to office holders' account</li> <li>Collecting and reviewing supporting documentation including associated travelling</li> <li>Reconciling debtors' accounts with reference to monies received pre and post appointment</li> <li>Reviewing and assessing debtors' ledgers</li> <li>Dealing with any reassignment of ledger</li> </ul>	
<b>Creditors (including 14 hours spent to date)</b>		<b>121</b>
Communication with unsecured creditors	<ul style="list-style-type: none"> <li>Respond to creditors' enquiries by telephone, post and email</li> <li>Correspondence with creditors and their representatives, insurers etc.</li> <li>Updating database regarding creditors' contact details</li> <li>In the event that a Creditors' Committee is formed: <ul style="list-style-type: none"> <li>Holding an initial meeting of the Committee</li> <li>Reporting to Committee members</li> <li>Seeking the Committee's approval on case strategy and statutory matters</li> <li>Calling and holding meetings of the Committee as required and as the circumstances of the case dictate</li> <li>Completing statutory filing</li> </ul> </li> </ul>	
Creditor claims	<ul style="list-style-type: none"> <li>Recording claims onto database, marking as admitted, pending adjudication etc.</li> <li>Filing of claims and supporting documentation</li> <li>In the event that one or more distributions are paid in the Administration: <ul style="list-style-type: none"> <li>Preparation of correspondence to potential creditors inviting submission of claims</li> <li>Adjudicating claims</li> <li>Requesting further information from claimants regarding claims</li> <li>Preparation of correspondence to claimants advising of the outcome of adjudication</li> <li>Dealing with any appeals to rejections of claims</li> <li>Seeking solicitors' advice on the validity and quantity of complex claims</li> <li>Preparation of correspondence to creditors advising of intention to declare distribution</li> <li>Advertisement of notice of intended distribution</li> <li>Preparation of distribution calculation, including where appropriate calculations of the statutory net property and prescribed part</li> <li>Preparation of correspondence to creditors announcing declaration of distribution</li> <li>Preparation of cheques/BACS to pay distribution</li> <li>Preparation of correspondence to creditors enclosing payment of distribution</li> <li>Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC</li> <li>Dealing with unclaimed dividends</li> </ul> </li> </ul>	
ERA	<ul style="list-style-type: none"> <li>Where the following have not been carried out as part of trading activities and any staff remain employed by the company on the Joint Administrators' appointment: <ul style="list-style-type: none"> <li>Arranging for the election of employee representatives</li> <li>Consultation with staff, employee and Union representatives and sub-contractors</li> <li>Contacting absent/remote-working staff by telephone</li> <li>Liaising with the Pensions Regulator regarding auto-enrolment</li> </ul> </li> </ul>	

Time cost categories	Tasks included	No. of hours estimated to be incurred
	<p>Where any post-appointment wages are paid, liaising with accountants/book-keepers regarding arrangements for setting up a new PAYE scheme with HMRC and submitting online payroll returns</p> <p>Instructing accountants/book-keepers to process payroll</p> <p>Arranging payment of tax and pension contributions</p> <p>Deciding on and making redundancies when and where necessary</p> <p>Updating staff periodically and as material events occur</p> <p>Dealing with employee queries and issues arising, e.g. disciplinary actions, Employment Tribunals and complaints</p> <p>Liaising with RPO and Job Centre Plus regarding redundancies</p> <p>Concluding payroll and issuing forms P45 on redundancies/transfers</p> <p>Seeking legal advice to assist with employee matters, where necessary</p> <p>In all cases:</p> <p>Assisting employees to pursue claims via the RPO</p> <p>Corresponding with the PPF, the Pensions Regulator, pension Trustees and pension administrator</p> <p>Instructing specialists to review pension obligations</p> <p>Reviewing professional advice regarding status of pension</p> <p>Dealing with the pension to conclude the office holders' obligations</p>	
Property - negotiations	<p>Liaising with landlord to mitigate claims</p> <p>Agreeing landlord's claims, where a dividend is anticipated</p> <p>Dealing with tenants' and other third party claims</p>	
Property – professional advice	<p>Where a dividend is anticipated:</p> <p>Reviewing dilapidations claims</p> <p>Adjudicating on landlords' claims and other claims related to the property with the assistance of agents and/or solicitors where necessary</p>	
Communication with secured creditors	<p>Depending on the existence and distribution prospects of secured creditors:</p> <p>Providing oral and written updates to secured creditors on progress of the insolvency and prospects of recovery</p> <p>Seeking solicitors' advice on the validity of secured creditors' claims</p> <p>Agreeing allocation of realisations and costs between fixed and floating charges</p> <p>Paying distributions to secured creditors and seeking confirmation of discharged claims</p>	
Pre-appointment taxation	<p>Reviewing HMRC's claims</p> <p>Submitting pre-appointment VAT, corporation tax and PAYE/NIC/CIS returns and/or appealing assessments, where a dividend to non-preferential unsecured creditors is anticipated</p>	
<b>Estimated total hours</b>	<b>(including 60.30 hours spent to date)</b>	<b>321</b>
<b>Estimated total fee</b>	<b>(at an average charge-out rate of £233.64 per hour) (including £15,067 incurred to date)</b>	<b>£75,000</b>

Vini Italiani Limited (in Administration)

The Joint Administrators' Proposal

## APPENDIX VII

- The Joint Administrators' Expenses Estimate

## Vini Italiani Limited (in Administration)

### The Joint Administrators' Expenses Estimate as at 7 December 2018

Below is the estimate of the Joint Administrators' expenses that have been, or are likely to be, incurred in administering the insolvent estate. These expenses comprise Category 1 and Category 2 expenses. Office holders are entitled by statute to discharge Category 1 expenses from the insolvent estate. Category 2 expenses may be paid from the estate provided that the relevant creditors have authorised their payment. Further information regarding this approval process is provided in the report to which this forms an attachment.

Expenses Category 1	Estimate of total
<b>Solicitors</b> (providing advice and assistance in respect of the validity of security and the office holders' appointment, ROT, potential rights of action and any claims received from shareholders)	£7,832
<b>Agents / Valuers</b> (finalising the formal valuation of the Company's business and assets, attending the South Kensington Premises and Covent Garden Premises to reconcile the petty cash balances and collect funds, assisting with various ROT and HP creditor claims, overseeing the removal of assets from the Greenwich Premises in order to ensure there would be no claim from the landlord against the Joint Administrators in this regard)	£12,240
<b>Debt Collection Agency</b> agreed with Mr Cemecca to collect the Company's book debts, excluding the major customer	£1,757
Advertising	£170
Bonding	£575
Insurance	£1,500
Postage	£450
Mail redirection	£303
Storage and eventual destruction (if the exit is by dissolution) of the company's books and records (independent agents)	£1,500
Travel (excluding own vehicle use)	£5
Rent payable (monthly payments are expected in respect of the Covent Garden Premises and the South Kensington Premises)	£52,712.37
Press agents	£450
<b>Total</b>	<b>£79,494.37</b>

Expenses Category 2 (for details of the bases on which these expenses are calculated, see Attachment B)	Estimate of total
<b>SFP Property</b> (assisting with all property-related matters)	£6,200
Stationery / photocopying	£100
<b>Total</b>	<b>£6,300</b>

<b>SFP Property</b>	
<b>Summary of work that has been, or likely will be, undertaken</b>	
<b>Time cost categories</b>	<b>Tasks undertaken</b>
<b>Statutory and General Administration</b>	
Case planning	Discussions regarding strategies to be pursued Meetings with office holders, their team members and independent advisers to consider practical, technical and legal aspects of the case Organising tasks and updating team members and office holders Travelling to/from company premises to initiate the insolvency process and perform statutory and general administration tasks
Administrative set-up	Setting up appointment on internal systems and databases Creating files and informing departments of appointment
Appointment notification	Notifying insurers
Post-appointment tax	Establishing position with HMRC regarding option to tax premises
<b>Realisation of Assets / Trading</b>	
Identification, securing, insuring assets	Undertaking and/or instructing specialists to undertake risk assessments, environmental and health and safety reviews Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies
Property - negotiations	Undertaking initial instruction work as regards valuations and proposed marketing strategies Researching comparable property data/desktop property research Researching property status and condition Discussing and agreeing strategies with office holders Undertaking oral and written negotiations with interested parties Dealing with tenant issues (if any) Liaising with secured creditors, landlords and any LPA Receivers Where there is a property interest to be sold: Reviewing draft sale documentation Liaising with agents and solicitors Undertaking work regarding utilities and business rates, including seeking refunds where possible
Property – professional advice	Finalising method statement with office holders, opening files Drafting and finalising valuation report Providing updates to the office holder Concluding the office holders' involvement in the property, business rates and utilities Depending on company's interest in property: Undertaking work regarding dilapidations and property repairs Site visits to monitor property Invoicing for and collection of rent from tenants or licensees Agreeing assignment, surrender or disclaimer of lease Reviewing completion statement
<b>Estimated total time costs</b>	<b>£6,200</b>
<b>ESTIMATED TOTAL COSTS TO BE INCURRED BY SFP PROPERTY (including costs to date of £2,265.50)</b>	<b>£6,200</b>



Vini Italiani Limited (in Administration)

The Joint Administrators' Proposal

#### APPENDIX VIII

- Notice of Invitation to Form a Creditors' Committee

## NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

Company Name: Vini Italiani Limited (In Administration) ("the Company")  
Company Number: 07404610 In the Manchester District Registry no. 3107 of 2018

**NOTE: The Joint Administrator is required to issue this notice under the Rules. However, he is proposing that no Committee be formed and therefore there is no need for you to complete this form unless you are prepared to become a member of a Committee in which case it will be assumed that you understand what the role entails.**

This Notice is given under Rule 3.39 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Daniel Plant, of SFP, 9 Ensign House, Admirals Way, Marsh Wall, London, E14 9XQ (telephone number 020 7538 2222), who was appointed by the directors.

Creditors are invited to nominate creditors (which may include themselves) by completing the section below and returning this Notice to the Joint Administrator by one of the following methods:

By post to: SFP, 9 Ensign House, Admirals Way, Marsh Wall, London, E14 9XQ  
By fax to: 020 7538 3322  
By email to: enquiries@sfpgroup.com

Please note that, if you are sending nominations by post, you must ensure that you have allowed sufficient time for the Notice to be delivered to the address above by the time set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

**All nominations must be delivered by: 23.59 on 4 January 2019**

Nominations can only be accepted if the Joint Administrator is satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules.

For further information on the role of Creditors' Committees, go to: <http://panel.sfpgroup.com/>

Dated: 14 December 2018

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## NOMINATIONS FOR MEMBERS OF A CREDITORS' COMMITTEE

On behalf of (name of Creditor): \_\_\_\_\_,

at (address of Creditor): \_\_\_\_\_,

I nominate the following creditor(s) to be member(s) of a Creditors' Committee (provide name(s) and address(es)):

1. \_\_\_\_\_

2. \_\_\_\_\_

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_

Name in capitals: \_\_\_\_\_

Position with, or relationship to, Creditor or other authority for signature: \_\_\_\_\_

Are you the sole member/shareholder of the Creditor (where it is a company)?

☐ Yes / ☐ No