

AM10

Notice of administrator's progress report



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 8 6 0 5 0 7 6

Company name in full Soda Folk Ltd

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

2 Administrator's name

Full forename(s) James Alexander

Surname Snowdon

3 Administrator's address

Building name/number 6th Floor

Street 2 London Wall Place

Post town London

County/Region

Postcode E C 2 Y 5 A U

Country

4 Administrator's name ①

Full forename(s) Michael Colin John

Surname Sanders

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

5 Administrator's address ②

Building name/number 6th Floor

Street 2 London Wall Place

Post town London

County/Region

Postcode E C 2 Y 5 A U

Country

② **Other administrator**
Use this section to tell us about
another administrator.

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Period of progress report

From date	^d 0	^d 5	^m 0	^m 1	^y 2	^y 0	^y 2	^y 3	
To date	^d 0	^d 4	^m 0	^m 7	^y 2	^y 0	^y 2	^y 3	


7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's signature	Signature X		X						
Signature date	^d 0	^d 2	^m 0	^m 8	^y 2	^y 0	^y 2	^y 3	

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Notice of administrator's progress report



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	Alex Timotheou
Company name	Macintyre Hudson LLP
Address	6th Floor 2 London Wall Place
Post town	London
County/Region	
Postcode	E C 2 Y 5 A U
Country	
DX	
Telephone	0207 429 4100



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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



Soda Folk Ltd (“the Company”)
(In Administration)

JOINT ADMINISTRATORS’ SIX MONTH
PROGRESS REPORT TO CREDITORS AND
MEMBERS

For the period ending 4 July 2023



mha

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bakertilly

INTERNATIONAL



SODA FOLK LTD (“**THE COMPANY**”) – IN ADMINISTRATION

ADMINISTRATORS’ PROGRESS REPORT TO CREDITORS

FOR THE SIX MONTHS ENDING 4 JULY 2023

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1. EXECUTIVE SUMMARY

James Alexander Snowdon and Michael Colin John Sanders were appointed Joint Administrators of the Company on 5 January 2023. The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company and contract without personal liability.

This report should be read in conjunction with the Joint Administrators' Proposals ("the Proposals") dated 28 February 2023, which are accessible via the Creditor Portal.

The Proposals set out that the objective of the Administration, as set out under the insolvency legislation, is objective (c), which is to realise property in order to make a distribution to one or more secured or preferential creditors, which is achieved by the auction of the Company's motor vehicles and recovery of outstanding books debts.

At present the Joint Administrators are currently liaising with Ecapital Commercial Finance (North) Limited ("Ecapital") to obtain the remaining book debt ledger which has been collected in. All assets have been realised from the sale as per the Sale and Purchase Agreement ("SPA").

2. STATUTORY INFORMATION

Company name:	Soda Folk Ltd
Formerly known as:	N/A
Court name and reference:	High Court of Justice 004855 of 2022
Registered office:	6th Floor 2 London Wall Place London EC2Y 5AU
Former registered office:	Timsons Business Centre Bath Road Kettering NN16 8NQ
Registered number:	08605076
Joint Administrators' names;	James Alexander Snowdon and Michael Colin John Sanders
Joint Administrators' address:	6th Floor 2 London Wall Place London EC2Y 5AU
Joint Administrators' date of appointment:	5 January 2023
Actions of Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.



3. JOINT ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

Following the issuing of the Proposals, the following work has been undertaken:

Administration and Planning

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case;
- Preparing, reviewing and issuing proposals to the creditors and members;
- Filing the proposals at Companies House;
- Seeking approval of the proposals by way of deemed approval;
- Reporting on the outcome of the approval of the proposals to the creditors, Companies House and the Court;
- Dealing with all routine correspondence and emails relating to the case;
- Maintaining and managing the office holder's estate bank account;
- Maintaining and managing the office holder's cashbook;
- Undertaking regular reconciliations of the bank account containing estate funds;
- Reviewing the adequacy of the specific penalty bond on a quarterly basis;
- Undertaking periodic reviews of the progress of the case;
- Overseeing and controlling the work done on the case by the case administrators; and
- Preparing, reviewing and issuing 6-month progress reports to creditors and members.

Realisation of assets

- Liaising with Axia Valuation Services Limited ("Axia") in relation to the valuation of the Company's business and assets;
- Inspecting the Company's vehicle and laptops, with Axia, and determining the best strategy to achieve maximum realisations;
- Securing the vehicle and laptops;
- Located and secured the vehicle documentation and keys and the laptop;
- Corresponding with Axia in relation to holding an on-site auction of the Company's motor vehicle;
- Corresponding with other third parties who have expressed interest in acquiring the Company's motor vehicle and laptop;
- Liaising with various finance creditors;
- Reviewing the outcome of the sale at auction;
- Liaising with ECapital in relation to the book debts and any exit fees and realisations made; and
- Liaising with Axia regarding the funds held on account and ensuring all asset realisations have been properly recorded.

Creditors

- Liaising with the Redundancy Payments Office regarding employee claims;
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims; and
- Maintaining up to date creditor information on the case management system.

Investigations

- Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.
- Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act.



There is certain work that I am required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Joint Administrator is contained in Appendix 1.

4. RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 5 January 2023 to 4 July 2023 is attached at Appendix 2. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

Since the end of the Reporting Period, there has been a further realisation of £10,373.60 from the sale of the vehicle and laptop.

The balance of funds are held in an interest bearing estate bank account.

5. ASSETS

As stated in the Proposals, Axia were instructed by MHA to undertake a valuation of the assets of the Company, market and dispose of said the assets on a break-up basis.

On 31 December 2022, a valuation of the assets of the Company was prepared by Graham Thomas of Axia who is a fully subscribed member of The National Association of Valuers and Auctioneers (membership no. M0199896), an independent firm of valuers who have confirmed that they hold Professional Indemnity Insurance.

The assets were sold for £200,353 (plus VAT where applicable). An outline of the different types of assets realised to date and the amount for which they valued is provided below:

Asset category	Valuation basis & amount (£)		Sale Consideration (exclusive of VAT) (£)
	(e.g. Market value in-situ)	(e.g. Market value ex-situ or Orderly Liquidation Value etc)	
<u>Charged assets</u>			
IT Equipment	400	200	100
Fixtures and Fittings	300	100	-
Vehicle	9,000	7,500	10,253
Stock*	60,000	Nil	90,000
Digital Assets	10,000	Nil	10,000
Goodwill/Brand/IP	75,000	Nil	90,000
Total	154,700	7,800	200,353
	Plus VAT where applicable	Plus VAT where applicable	Plus VAT where applicable
*Stock – note. The valuation was stated gross of any retention of title claim which was likely to extinguish any net realisable value based upon the level of retention of title claim received.			

The market value of the business and certain assets were valued on an in-situ versus ex-situ basis:

Market Value In-Situ is defined by the RICS Appraisal & Valuation Manual as being:-

The estimated amount for which the assets should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. On the assumption that, prior to the date of valuation, there had been a reasonable period for the proper marketing of the interest and for the sale to be concluded and that no account is taken of any additional bid by a prospective purchaser with a special interest;



Market Value Ex-Situ is defined by the RICS Appraisal & Valuation Manual as being:-

The estimated amount for which the assets should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. On the assumption that, is a sale either;

- as a whole for removal from the premises at the expense of the purchaser; or
- as individual items for removal from the premises at the expense of the purchaser.

Book Debts

The debtor ledger currently stands at £135,300. The Joint Administrators have been liaising with ECapital who have continued to collect the book debts following the date of administration. Currently, ECapital have realised £81,111 of book debts which is the final figure of realisable debts. This figure has increased from the directors' estimated amount on the Statement of Affairs of £75,007. ECapital have termination and collection fees of £16,729 plus VAT which will be deducted from the monies held and the balance of £61,036 will be transferred to the Joint Administrators in due course.

Fixtures and Fittings

The Company's fixtures and fittings were valued by Axia on an in-situ and ex-situ basis. The value attributed on an in-situ basis was £300 and on an ex-situ basis was £100. The estimated to realise value has been set as £100 as the assets will be sold as a forced sale scenario. There have been no realisations made to date in relation to the fixtures and fittings and it is not expected that any value will be recovered. Therefore, the fixtures and fittings have been disposed of accordingly.

IT Equipment

The Company held three Apple MacBook's, with one being defunct and out of use, one being older and one in reasonable condition. There is currently an in-situ value of £400 and an ex-situ value of £200. The ex-situ value of £200 has been used for the purposed of the asset realisations. Axia have been in contact with the former employees to complete on a deal for one of the laptops for £100 plus VAT. I can confirm this deal has now been completed and the monies realised for the one in reasonable condition for £100 plus VAT.

Stock

The current stock had a cost value of £332,148 and the value realised on an in-situ sale of the stock as per the SPA was £90,000 plus VAT. This sum received was subject to a payment which was due to be made to HCC under the terms of the SPA agreement. This meant that £60,000 plus VAT was paid by Blake-Turner LLP on behalf of the Joint Administrators from the funds held from the completion of the SPA. There was a further payment of £30,000 plus VAT paid to Boughey. A further payment of £24,413 was made to the purchaser following a reconciliation of the stock position which led to a reduced amount of stock being received by the purchaser.

Vehicle

The Company held a vintage 1957 Chevrolet 3200 pick-up. The vehicle was placed in auction and realised a value of £10,253 and is not subject to any VAT.

Cash at Bank

The last set of accounts of the Company showed that there was £94,881 held in the Company's bank account with HSBC Bank UK plc ("HSBC"). Since the Joint Administrators appointment, contact has been made with the Company's bankers and the current balance held in the account is £33,928. This money has been transferred to the Administrations estate account.



6. LIABILITIES

Secured Creditors

An examination of the Company's charge register held by the Registrar of Companies, showed that the Company has granted the following charge to Ecapital.

A first ranking fixed and floating charge over the book debts of the Company. The charge was created on 16 October 2020 and was registered on 20 October 2020. Ecapital have been paid in full.

Preferential Creditors

The only known ordinary preferential creditors are former employees of the Company for unpaid wages and holiday pay and the Redundancy Payments Service who will be paying the redundancy claims. Their claims are subject to a maximum limit set by the insolvency legislation.

The statement of affairs did not include the expected claims from the employees and the Redundancy Payment Service ("RPS"); however, this was brought to the directors' attention. The expected claim from the RPS is £165.

The employees preferential claim is anticipated at £1,296 in respect of ordinary preferential creditors and the directors statement of affairs anticipated a claim of £9,101 in respect of secondary preferential creditors relating to HMRC's full claim. Please note that the Directors Statement of Affairs includes the full amount owing to HMRC of £9,101 as preferential, however employer's National Insurance should correctly be shown as an unsecured rather than preferential claim which explains the difference. Therefore, the updated secondary preferential amount owed is £6,585.

No claims have been received to date in relation to any preferential creditor claims.

Unsecured Creditors

Non-preferential unsecured Creditors

The statement of affairs included 31 non-preferential unsecured creditors with an estimated total liability of £100,213. I have received claims from 10 creditors at a total of £268,608. I have not received claims from 21 creditors.

Employees

Claims from employees totalling £4,328 are anticipated in respect of the unsecured elements owed to employees.

Redundancy Payments Service ("RPS")

The RPS are anticipated to have a claim of £7,197 from the monies paid to the redundant employees. This figure is just an estimate and is subject to the final adjudication and payment from RPS' office. A final proof of debt has been requested from the RPS.

Director Loans

Monies are owed to two of the Company's directors in respect of loans made to the Company throughout the trading period. At present, Mr Hawkins is owed £986,474 and Mr O'Donohoe is owed £907,193 which amounts to a total of £1,893,667.18. These loans will be subject to review for reconciliation in due course.

HM Revenue and Customs – Employer's National Insurance Contributions

There is a claim of £2,534.38 for unpaid employer's national insurance contributions due to HM Revenue and Customs. To date, no claim has been received from HMRC, however, it is anticipated that HM Revenue and Customs will submit a claim in due course.



Coronavirus Bounce Back Loan Scheme ("BBLs")

The Company obtained a BBLs of £50,000 from HSBC Bank UK plc. There have been various payments made against the loan and the current outstanding amount owed is £34,099.

HSBC Bank UK plc - Credit Card

There has also been information provided by HSBC Bank UK plc regarding a credit card debt owed. The current outstanding amount is £5,386, however no formal proof of debt has been lodged at this moment in time.

7. DIVIDEND PROSPECTS

Fixed and floating charge creditors

The following costs are those incurred to date that are directly attributable to the realisation of the Company's book debts subject to a fixed and floating charge granted to Ecapital. As such they have either been paid from, or have been allocated for future payment against, fixed and floating charge realisations as follows:

Details of Expenditure	Amount paid £	Amount yet to be paid £
Termination and Collection Fees	16,729 plus VAT	Nil

Preferential creditors

No dividends have been paid to the preferential creditors holding first or second preferential status as of yet. At this moment in time, it is uncertain whether a dividend will be paid to the first and second ranking preferential creditors.

Unsecured creditors

The Company gave a fixed and floating charge to Ecapital. The money due to Ecapital will be fully repaid from the assigned debts they hold over book debts. As a result, I will not have to pay them any money under their floating charge, and the prescribed part provisions will not apply.

8. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation.

Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the six months prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the Administration and made enquiries about the reasons for the changes.

There were no matters that justified further investigation in the circumstances of this appointment.

Within three months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

Matters requiring further investigation that may lead to potential recovery actions have been identified, and the work outlined above was undertaken to further those investigations with a view to making recoveries for the benefit of the creditors.



9. PRE-ADMINISTRATION COSTS

On 15 March 2023 the following pre-administration costs were approved by the creditors as follows:

Description	Level of Fees Approved (£)	Amount Paid (£)
Joint Administrators' pre-appointment remuneration	20,522	20,522
Agents and Valuer's Fees	9,823	Nil
Agents and Valuer's Expenses	105	Nil
Legal Fees	2,994	2,994
Legal Expenses	50	50
Total	33,494	23,566

£23,566 has been paid to date in respect of these costs, as detailed in the attached receipts and payments account, such that £9,928 remains outstanding and will be paid in due course from realisations made.

10. ADMINISTRATORS' REMUNERATION

My remuneration was approved on a time cost basis based on a fees estimate of £79,479. The fees estimate acts as a cap, and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

My total time costs to 4 July 2023 amount to £65,607, representing 179 hours of work at a blended charge out rate of £367 per hour.

The actual blended charge out rate incurred compares with the estimated blended charge out rate of £354 in my fees estimate. There is a difference in the blended rate charged, compared with the estimated blended rate because a lower amount of time costs have been incurred in dealing with all matters of the case than originally anticipated.

I have drawn £55,522 during the Reporting Period.

A detailed schedule of my time costs incurred to date is attached as Appendix 3.

I sub-contracted some of the work I am required to undertake as office holder, namely the conversion of the Company bank statements from PDF to excel. I sub-contracted this work because it is cheaper than doing it in house and it allows for an improved method of reviewing a significant quantity of bank statements. This work was sub-contracted to an unconnected third-party organisation and they have charged £362 plus VAT, to date for the work. This amount has been paid in full.

My choice of sub-contractors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also confirmed that they hold appropriate regulatory authorisations. I consider that the amount they have charged for their work has ensured that the best value and service was provided to creditors.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.mha.co.uk/?/guides-to-fees>. There are different versions of these Guidance Notes, and you should refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which is enclosed at Appendix 4.



11. ADMINISTRATORS' EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- Category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- Category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

I have incurred total expenses of £34,709.

I have used the following professional advisors in the Reporting Period:

Professional Advisor	Nature of Work	Basis of Fees
Axia Valuation Services Limited	Valuing and realising assets	Time cost
Blake Turner LLP	Legal advice	Time cost
AFP Services Limited	Assisting in preparing and supplying financial information	Fixed cost

Axia Valuation Services Limited

Axia have undertaken the relevant valuations of all the Company's assets and have conducted a marketing process to find a suitable buyer for the assets. They have facilitated the sale of the assets and business.

Blake-Turner LLP

Blake-Turner was instructed to advise on the sale of the Company's assets and business. They drafted the necessary documents for the Joint Administrators to conduct the relevant SPA and provided various advice to the Joint Administrators on their appointment.

AFP Services Limited ("AFP")

AFP were instructed to provide the relevant Company financial information and to assist in preparing financial documents for the Administration.

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I also confirmed that they hold appropriate regulatory authorisations. I have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of this case.

I have incurred the following expenses in the period since my appointment as Joint Administrator.

Nature of category 1 expense	Amount incurred/ accrued to date £	Amount paid to date £	Amount still to be paid £
Axia Valuation Services Limited	18,829	-	18,829
Blake Turner LLP	8,255	8,255	-
AFP Services Limited	7,000	7,000	-
Insolvency Bonding	200	200	-
Statutory Advertising	200	200	-
Insurance	225	225	-
Total	34,709	15,880	18,829

Details of the category 1 expenses that I have paid to date are included in the receipts and payments account attached.



12. FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about MHA can be found at <https://www.mha.co.uk/legal-disclaimer>.

13. SUMMARY

The Administration will remain open until the Joint Administrators have collected the funds from Ecapital, all post-appointment tax and VAT returns have been submitted and a distribution has been made to the first and second ranking preferential creditors. I estimate that this will take approximately five months, and once these matters have been finalised the Administration will be converted to a Liquidation, as approved in the proposals.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Alex Timotheou by email at Alex.Timotheou@mha.co.uk, or by phone on 0207 429 4100.

James Alexander Snowdon
JOINT ADMINISTRATOR

The affairs, business and property of the Company are being managed by the Joint Administrators, James Alexander Snowdon and Michael Colin John Sanders. The Joint Administrators act as agents of the Company and contract without personal liability.



Appendix 1 – Detail of work undertaken during the Administration

Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder (and their managers). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and others as required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Seeking approval of the Joint Administrators' Proposals by way of Deemed Approval.
- Preparing a report to creditors to consider to the approval of the Pre-Administration expenses and fixing the basis of the Joint Liquidators' remuneration.
- Requesting the Director provide a Statement of Affairs.
- Extending the Deadline for the Director to provide a Statement of Affairs.
- Chasing the Director for a copy of the Statement of Affairs following the passing of the deadline.
- Supervising the work of advisors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by the case administrators.
- Preparing and filing VAT returns.

Creditors

Employees - the office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the RPS. The office holder is required to undertake this work as part of their statutory functions.

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the RPS.
- Corresponding with employees regarding their claims.
- Supervising the work of advisors instructed on the case to assist in dealing with employee claims; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.



- Liaising with the RPS regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Dealing with correspondence from the Secured creditor, Ecapital.
- Undertaking reconciliations of the amounts due to/from Ecapital.

Realisation of assets:

- Arranging suitable insurance over assets.
- Regularly monitoring the suitability and appropriateness of the insurance cover in place.
- Corresponding with debtors and attempting to collect outstanding book debts.
- Liaising with the bank regarding the closure of the account.
- Instructing agents to value known assets.
- Liaising with agents to realise known assets.
- Liaising with the secured creditors over the realisation of the assets subject to a charge.

Investigations:

- Recovering the books and records for the case.
- Listing the books and records recovered.
- Chasing the Company's bankers for copy bank statements.
- Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.
- Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors.



Appendix 2 – Receipts and Payments Account

Soda Folk Ltd (In Administration) Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 05/01/2023 To 04/07/2023 £	From 05/01/2023 To 04/07/2023 £
	SECURED ASSETS	
	Goodwill/IP/Brand	
	90.000.00	90.000.00
	90.000.00	90.000.00
	ASSET REALISATIONS	
	Bank Interest Gross	117.13
67,179.21	Cash at Bank	33,928.16
	Digital Assets	10,000.00
	Stock	90,000.00
	134,045.29	134,045.29
	COST OF REALISATIONS	
	Accountant Fees	7,000.00
	Legal Disbursements	50.00
	Legal Fees	11,248.00
	Office Holders Expenses	399.60
	Office Holders Fees	35,000.00
	Office Holders Pre-Appointment Fees	20,522.00
	ROT Payment	60,000.00
	Stock Payment to Supplier	30,000.00
	Stock Repayment to Purchaser	24,412.86
	(188,632.46)	(188,632.46)
67,179.21	35,412.83	35,412.83
	REPRESENTED BY	
	Bank 2 Current - IB	35,696.34
	Vat Payable	(38,000.00)
	Vat Receivable	37,716.49
		35,412.83



Appendix 3 – Time Costs

Soda Folk Ltd (In Creditors Voluntary Liquidation)

Analysis of time costs for the period 05/01/2023 - 04/07/2023

Classification of Work	Partner		Director		Manager		Administrator		Assistant		Cashier		Total Hours	Time Cost	Average
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hourly Rate (£)
Administration and Planning	3.90	2,215.50	0.00	0.00	6.30	2,825.00	35.10	10,550.00	1.45	283.00	0.00	0.00	46.75	15,873.50	339.54
Case Accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	45.00	0.20	45.00	225.00
Case Review and Case Diary Management	0.00	0.00	0.00	0.00	2.10	945.00	0.00	0.00	0.00	0.00	0.00	0.00	2.10	945.00	450.00
Cashiering	0.20	116.00	0.00	0.00	0.00	0.00	4.00	1,250.00	1.85	366.50	4.35	1,016.25	10.40	2,748.75	264.30
CDDA Reports	0.00	0.00	0.00	0.00	3.20	1,480.00	2.60	790.00	0.00	0.00	0.00	0.00	5.80	2,270.00	391.38
Communicating with Creditors	0.10	56.50	0.00	0.00	1.80	810.00	4.10	1,265.00	0.00	0.00	0.00	0.00	6.00	2,131.50	355.25
Corresponding with Employees	0.30	169.50	0.00	0.00	0.00	0.00	0.60	190.00	0.00	0.00	0.00	0.00	0.90	359.50	399.44
Floating Charge Realisations	7.20	4,068.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.20	4,068.00	565.00
Identifying, Securing and Insuring Assets	0.00	0.00	0.00	0.00	0.00	0.00	1.70	510.00	0.00	0.00	0.00	0.00	1.70	510.00	300.00
Investigations	0.00	0.00	0.00	0.00	3.75	1,781.25	3.80	1,140.00	0.00	0.00	0.00	0.00	7.55	2,921.25	386.92
Management of Operations	0.00	0.00	0.00	0.00	0.00	0.00	6.60	2,035.00	0.00	0.00	0.00	0.00	6.60	2,035.00	308.33
Meetings	0.00	0.00	0.00	0.00	0.00	0.00	6.40	1,920.00	0.00	0.00	0.00	0.00	6.40	1,920.00	300.00
Realisation of Assets	0.20	116.00	0.00	0.00	13.90	6,255.00	2.20	660.00	0.00	0.00	0.00	0.00	16.30	7,031.00	431.35
Retention of Title	1.30	734.50	0.00	0.00	0.60	270.00	0.00	0.00	0.00	0.00	0.00	0.00	1.90	1,004.50	528.68
Secured Creditors	0.00	0.00	0.00	0.00	2.20	1,017.50	0.00	0.00	0.00	0.00	0.00	0.00	2.20	1,017.50	462.50
Statutory Reporting Matters	2.20	1,243.00	0.00	0.00	6.70	3,015.00	34.30	10,290.00	0.00	0.00	0.00	0.00	43.20	14,548.00	336.76
Strategy Case Planning	1.05	593.25	0.00	0.00	12.30	5,585.33	0.00	0.00	0.00	0.00	0.00	0.00	13.35	6,178.58	462.81
Total (£)	16.45	9,312.25	0.00	0.00	52.85	23,984.08	101.40	30,600.00	3.30	649.50	4.55	1,061.25	178.55	65,607.08	367.44
Average Hourly Rate (£)		566.09		0.00		453.81		301.78		196.82		233.24			



Appendix 4 – MHA's Fee and Expense Recovery Policy

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Restructuring and Recovery - CHARGE OUT RATES

The below information is to assist creditors in making an informed decision on any resolution seeking approval of the office holder's remuneration.

MHA's Restructuring and Recovery charge out rates (exclusive of VAT).

Our current charge-out rates which may be amended from time to time are as follows:

Position	Rates from 1 April 2022 – 31 March 2023	1 April 2023 – 31 March 2024
Partner	565	595
Director	475 - 565	595
Manager	350 - 450	450 - 475
Administrators		
Senior Administrator	235 - 330	350
Administrator	250 - 310	220 - 325
Assistant	190 - 195	220
Cashier	205	250

It is the firm's policy to recharge all disbursements properly incurred to the relevant insolvency case where there is identifiable specific expenditure. Any costs which may involve an element of shared and/or related costs or are for services provided by the firm are detailed in the firm's receipts and paymer's accounts as 'Category 2 Disbursements'.

MHA's Restructuring and Recovery disbursements charges (exclusive of VAT).

Our current disbursements charges which may be amended from time to time are as follows:

Disbursement	Charge £
Photocopying	15p per copy
Postage	per current postal charges
Travel	As per cost
Car Mileage	48p per mile
Document storage (internal)	70p per box per month
Storage	£5 per box per month
Room Suite 1 & 2 half day/evening hire	£150
Room Suite 1 & 2 full day	£330
Room Suite 1, 2 & 3 half day/evening	£230
Room Suite 1, 2 & 3 full day	£400

Please note that no charge is made relating to the recovery of the firm's overhead costs.

Contact

Should you require clarification on any of the above, do not hesitate to contact us on **+44(0)20 7429 4100** or email MHARestructuringRecovery@mhllp.co.uk

mha.co.uk

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