

# AM03

## Notice of administrator's proposals



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 1 1 0 2 0 1 2 9

Company name in full Luxuryshakes Ltd

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Martin C

Surname Armstrong

### 3 Administrator's address

Building name/number Allen House

Street 1 Westmead Road

Post town Sutton

County/Region Surrey

Postcode S M 1 4 L A

Country

### 4 Administrator's name ①

Full forename(s) Andrew R

Surname Bailey

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Allen House

Street 1 Westmead Road

Post town Sutton

County/Region Surrey

Postcode S M 1 4 L A

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM03

## Notice of Administrator's Proposals

**6**

### Statement of proposals

☒ I attach a copy of the statement of proposals**7**

### Qualifying report and administrator's statement <sup>①</sup>

☐ I attach a copy of the qualifying report☐ I attach a statement of disposal

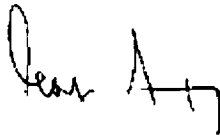
<sup>①</sup> As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

**8**

### Sign and date

Administrator's  
Signature

Signature

**X****X**

Signature date

<sup>d</sup>

2

<sup>d</sup>

2

<sup>m</sup>

1

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<sup>y</sup>

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<sup>y</sup>

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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	Martin C Armstrong
Company name	Turpin Barker Armstrong
Address	Allen House
	1 Westmead Road
Post town	Sutton
County/Region	Surrey
Postcode	S M 1 4 L A
Country	
DX	tba@turpinba.co.uk
Telephone	020 8661 7878



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



### Important information

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



### Where to send

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

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



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**Joint Administrators' Proposals and Statement of Practice 16 Disclosure  
relating to**

**Luxuryshakes Ltd – in Administration (“the Company”)**

**ISSUED ON: 22 December 2022**

**DELIVERED TO CREDITORS ON: 23 December 2022**

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Andrew R Bailey and I are the Joint Administrators of the Company, and these are our statutory proposals relating to the Company.

## **1. STATUTORY INFORMATION**

### **Company Information**

Company name:	LUXURYSHAKES LTD
Trading name:	N/A
Company number:	11020129
Date of incorporation:	25 July 2014
Trading address:	Unit A, Aerial Business Park, Lambourn Woodlands, Hungerford, RG17 7RZ
Current registered office:	Unit A, Aerial Business Park, Lambourn Woodlands, Hungerford, RG17 7RZ

### **Appointment Details**

Administrators	Martin Armstrong and Andrew R Bailey
Administrators' address	Allen House, 1 Westmead Road, Sutton, Surrey, SM1 4LA
Date of appointment	21 December 2022
Court name and reference	High Court of Justice CR-2022-004177
Appointment made by:	The Directors in accordance with paragraph 22 of schedule B1 to the Insolvency Act 1986
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.

### **Officers of the Company:**

<b>Name of Director</b>	<b>Appointed</b>
Nicholas Ian Rogers	1 January 2020
Andrew Jonathan Sherick	18 October 2017
Jonathan William Walsh	1 January 2020

**The shareholders of the company are as follows:**

<b>Name of Shareholder</b>	<b>Type / Amount of shares</b>
Andrew Sherick	1,013 Ordinary Shares
MSS Revest Ltd	222 Ordinary Shares
Bettie Politi	267 Ordinary Shares
Central & Metropolitan Estates Limited	433 Ordinary Shares
Kevin Jarman	418 Ordinary Shares
Jim Tyrrell	418 Ordinary Shares
First Corporate Consultants Ltd	418 Ordinary Shares
David Ord	418 Ordinary Shares
Jon Walsh	233 Ordinary Shares
Nick Rogers	285 Ordinary Shares
Charles Robinson	150 Ordinary Shares
George Robinson	150 Ordinary Shares

**Charges**

<b>Name</b>	<b>Created</b>	<b>Satisfied</b>
HSBC UK Bank PLC ("HSBC" or "the Bank")	17 August 2020	Outstanding
Morgan Lloyd Trustees Limited	1 October 2019	Outstanding

## **2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATORS**

Creditors should note that unless otherwise stated, this section of the proposals has been prepared based on information provided by the directors of the Company and not from our personal knowledge as Joint Administrators.

The Company was incorporated on 18 October 2017. The Company's business was the production and sale of luxury milkshakes. The Company was financed by directors' loans, shareholders loans, grants and equity investments.

The Company took on leasehold premises in June 2019 and started preparing for the installation of bespoke milkshake production equipment, which was ordered from Italy at a cost of £780,000. The equipment was funded by the capital that had been raised and by equipment finance of £250,000 provided by Ultimate Finance on a five-year agreement.

The equipment was being built in October 2019 for delivery and installation in March 2020. Unfortunately, the outbreak of the Novel Coronavirus (COVID-19) declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, impacted global financial markets with travel restrictions having been implemented by many countries. This had a detrimental effect on the business as Italian engineers were needed to commission the equipment. Due to various lockdowns and travel restrictions, the engineers were not able to visit until March 2021, and it was not until July 2021, that the equipment had been commissioned and the Company had acquired the necessary accreditations to start trading.

Since commencing trade, the Company established supply chains with WH Smith Retail, Sainsburys and Morrisons. The Company was paid on seven-day terms by Sainsburys and used supply chain finance for Morrisons, meaning it was paid within three days of invoice with a 1% finance charge.

Unfortunately, order volumes were insufficient, and the Company was trading at circa 25% of the level required in order to break-even. The Company had obtained a Coronavirus Business Interruption Loan Scheme ("CBILS") Loan of £170,000 in September 2020 to assist with cash flow, and it was hoped that the Company would establish a supply chain with the Co-op for significantly greater volumes, but this did not materialise.

Despite further funding from the director, shareholder, and crowd funding, the Company was not viable at the existing trading level and could not afford to purchase further supplies for the production of its product. This led to the loss of the existing customers and an effective cessation of trade in October. Accordingly, the Board of Directors ("the Board") sought advice on the financial position of the Company.

A summary of the Company's recent balance sheets are shown below:

	2021	2020
<b>Fixed Assets</b>		
Intangible Assets	75,000	75,000
Tangible Asset	<u>574,296</u>	<u>622,667</u>
	649,296	697,667
<b>Current Assets</b>		
Stocks	47,511	35,610
Debtors	139,154	188,149
Cash at Bank	<u>30,036</u>	<u>121,511</u>
	216,701	345,270
Creditors (amounts falling due within one year)	<u>273,273</u>	<u>302,163</u>
<b>Net current (Liabilities)/Assets</b>	<u>(56,572)</u>	<u>(43,107)</u>
Total assets less current liabilities	592,725	740,774
Creditors (amounts falling due after more than one year)	717,640	693,300
<b>Net Liabilities / assets</b>	<u>(124,916)</u>	<u>47,474</u>

On 21 December 2022, Andrew R Bailey and I were appointed by the Board as Joint Administrators of the Company and took over from the Board responsibility for the management of the affairs, business and property of the Company. The appointment permits the Joint Administrators to take any actions required either jointly or alone. A pre-pack sale of the business and assets to the Purchaser was completed shortly after our appointment.

Prior to the commencement of the Administration, Turpin Barker Armstrong acted as advisors to the Board as a whole, who in turn were acting on behalf of the Company. No advice was given to the individual Directors regarding the impact of the insolvency of the Company on their personal financial affairs. While not formally in office at that time, Turpin Barker Armstrong was still required to act in its dealings with the Company in accordance with the Insolvency Code of Ethics.



### **3. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINSTRATORS' STRATEGY FOR ACHIEVING THEM**

As Joint Administrators of the Company, we are officers of the Court and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the following three objectives set out in the insolvency legislation:

- (a) Rescue the Company as a going concern; or,
- (b) 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); or,
- (c) Realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Voluntary Arrangement was not appropriate.

Objective (b) could not be achieved as the amount due to the Company's charge holders compared to the value of its assets means that there are only sufficient assets to make a distribution to the charge holders and preferential creditors.

As a result, I am seeking to achieve objective (c) for the Company and will do this by making a distribution to one or more secured or preferential creditors from realisations made by way of the sale of the Company's business and assets.

The insolvency legislation has set a 12-month maximum duration for Administrations unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months, then I will either apply to the Court or seek a decision from the creditors to extend the duration of the Administration.

### **4. ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENT**

The manner in which the affairs and property of the Company have been managed since the appointment of the Joint Administrators is set out below.

As mentioned above it was decided that the objective of the Administration was best achieved via a pre-package sale of the business and its assets of the Company. As a result, immediately following our appointment, we sold the business and assets of the Company and the Company ceased trading.

This transaction was carried out immediately upon our appointment in order to protect and realise the assets of the Company for the best possible value.

Since our appointment we have undertaken routine statutory and compliance work, such as filing a notice of appointment at Companies House, issuing a notice to the London Gazette advising of the Administration and writing to secured creditors and HM Revenue & Customs advising of our appointment. These tasks are required by statute or regulatory guidance are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors they still have to be carried out.

The Company's business and assets were sold on 21 December 2022, to INDUL Ltd ("the Purchaser") by way of a pre-pack sale following Administration. We provided no advice to the Purchaser, who were advised to seek their own independent legal advice.

The total sale consideration was £60,000 with an initial £6,000 payment due on completion and then nine equal monthly instalments of £6,000 due on the last business day of each calendar month beginning on 31 January 2023. The deferred consideration is secured by way of a fixed and floating charge over the Purchaser. There are no other options, buy-back agreements, deferred consideration, or other conditions other than those disclosed in this report. The sale is not part of a wider transaction.

The sale also includes a Trigger Event Clause, whereby anytime the purchaser fails to pay a subsequent instalment within 3 business days, suspends or threatens to suspend payment, applies to court for a moratorium, a petition is filed against the purchaser, an application is made for the appointment of an Administrator, a person becomes entitled to appoint a Receiver a creditor levies action or there is a change of control of the purchaser, the entire balance becomes payable.

Outlined below is a breakdown of how the sale consideration was apportioned:

Plant and Machinery	£50,000
Office Furniture and Equipment	£9,995
Goodwill	£1
Stock	£1
Business Intellectual Property Rights	£1
Seller's Records	£1
Business Contracts	£1

We summarise below some of the other key matters dealt with since our appointment:

- Issued Notice to the Directors regarding the ongoing duties and obligations to assist the Joint Administrators and submit a Statement of Affairs;
- Wrote to Company's pre-appointed bankers requesting the Company's account be frozen and the balance transferred to the Administration account;
- Notified HM Revenue & Customs of our appointment;
- Commencing investigations into the Company's affairs; and,
- Corresponding with Creditors.

As indicated above, the purpose of the Administration is to achieve objective (c), to realise property in order to make a distribution to one or more secured or preferential creditors.

In order to help us achieve this objective we have a wide range of powers, as set out in the insolvency legislation, and we must perform our functions as quickly and efficiently as is reasonably practicable.

As objective (c) is being pursued, we need only ensure that we do not unnecessarily harm the interests of the creditors of the Company as a whole, unlike objectives (a) and (b) where we must act in the interest of the creditors of the Company as a whole.

The following comprises our disclosure to creditors in order to meet the requirements of Statement of Insolvency Practice 16 as regards the pre-pack sale.

## Role of the Insolvency Practitioner

The Board first approached Turpin Barker Armstrong (“TBA”) on 28 September 2022.

I advised the Board as a whole, acting on behalf of Company, about the Company’s financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. During this period, I was required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics.

I discussed various options available to the Board before concluding that it would be appropriate to take steps to place the Company into Administration (followed by a “pre-pack” sale of the business and assets). This was of course, subject to a buyer being found.

As above it was concluded that the Company should be placed into Administration and it was proposed that Andrew R Bailey and I, both of Turpin Barker Armstrong, be appointed Joint Administrators. The purpose of an Administration is to achieve one of the hierarchy of statutory objectives, namely to: -

- (a) Rescue the Company as a going concern; or,
- (b) 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); or,
- (c) Realise property in order to make a distribution to one or more secured or preferential creditors.

In order to help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. As objective (c) is being pursued I need only ensure that I do not unnecessarily harm the interests of the creditors as a whole.

## Pre-appointment considerations

The Board was given advice about various options available to them including:

### *Doing nothing*

I confirmed that the Company was insolvent and that continued trade without taking action to deal with the position could result in personal liability for the Company’s debts being payable by the Board members personally.

### *Company Voluntary Arrangement (“CVA”)*

Having reviewed the Company’s accounting records and discussed the ongoing trading prospects, it appeared that the Company was not in a position to propose an arrangement that was likely to be approved by creditors.

### *Compulsory Liquidation*

We discussed the possibility of the Members or the Board petitioning the Court to wind up the Company and place it into Compulsory Liquidation. The Board considered that it was likely that there

would be better realisations for creditors if the Company was first placed into Administration and a pre-pack sale of the Company's business and assets (in whole or in part) was executed.

#### *Creditors' Voluntary Liquidation ("CVL")*

Based upon discussions it was agreed that a CVL would be inappropriate. It was considered that it was likely that there would be better realisations for creditors if the Company was first placed into Administration and a pre-pack sale of the Company's business and assets (in whole or in part) was executed. If an Administration followed by a pre-pack sale was not possible then it was anticipated that the Company would be placed into CVL.

#### *Administration*

As the Company was loss-making and had lost its existing custom it was not considered appropriate to continue to trade the business and offer it for sale as a going concern during Administration.

It was also considered that the Company would have been unable to obtain further funding for the following reasons:

- The directors and shareholders were unable to introduce any funding.
- The Company had already obtained a CBILS loan through HSBC, who were unlikely to provide further funding.
- It was unlikely that any unsecured lending would be available.
- Due to the security held by HSBC and Morgan Lloyd Trustees Limited, no other investor would provide any lending as their security would rank behind HSBC and Morgan Lloyd Trustees Limited.

The pre-pack sale of the business would, however, enable me to achieve objective (c) as set out above. I also believe that the outcome that will be achieved as a result of the pre-pack sale is the best available outcome for creditors of the Company as a whole in all the circumstances of the case.

The Company's major creditors are HSBC and Morgan Lloyd Trustees Limited. Prior to Administration we consulted with both Morgan Lloyd Trustees Limited and HSBC.

Accordingly, Administration was considered the most appropriate course of action.

#### Valuation of the business and assets

Middleton Barton Asset Valuation Ltd ("MBV"), a firm of professional, independent valuation agents were instructed to provide an independent professional valuation of the Company's assets. The valuer responsible for preparing the valuation was Neil Duckworth, who confirmed that he is a member of The Royal Institution of Chartered Surveyors (RICS).

The valuer had the appropriate knowledge to oversee an instruction of this nature on the basis that they have considerable experience in dealing with similar assets and knowledge of the industry. The agent confirmed that they had also been involved and dealt with a similar businesses. MBV were therefore considered suitable for assisting in this matter and confirmed that they hold adequate professional indemnity insurance. They also confirmed that they held no previous involvement in respect of the Company and no conflict of interest arose.

## *Valuation*

MBV valued the assets on an “In-Situ” and “Ex-Situ” market value basis. A description of these market values is as follows:

In-Situ: This is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. This valuation basis further assumes that the assts are valued as a whole for continued use in their working place.

Ex-Situ: This is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after property marketing and where the parties had each acted knowledgeably, prudently and without compulsion. This valuation basis further assumed that the assets valued for removal from the premises at the expense of the purchaser.

The value attributed to each category of asset and the values realised are detailed below and overleaf:

Asset category	Valuation basis & amount (£)		Sale Consideration (£)
	(e.g. Market value in-situ)	(e.g. Market value ex-situ or Orderly Liquidation Value etc)	
<u>Unencumbered Assets</u>			
<i>Tangible Assets</i>			
Office Furniture & Equipment	2,000	500	9,995
Plant and Machinery	2,800	1,000	50,000
Stock	-	-	1
<i>Intangible assets</i>			
Goodwill	5,000	Nil	1
Business IP Rights	-	-	1
Seller's Records	-	-	1
Business Contracts	-	-	1
<b>Unencumbered Assets Total</b>	<b>9,800</b>	<b>1,500</b>	<b>60,000</b>
<u>Encumbered Assets</u>			
With Ultimate Asset Finance			
	160,000	120,000	
Less: Est. O/S Balance	(196,916)	(196,916)	
Available Equity	Nil	Nil	
<b>Encumbered Asset Total</b>	<b>Nil</b>	<b>Nil</b>	
<b>Total</b>	<b>9,800</b>	<b>1,500</b>	<b>60,000</b>

The definition of goodwill is the possession of a ready formed connection with customers as a separate element in the saleable valuation of the business.

The Royal Institute of Chartered Surveyors advises caution when liking goodwill and recommend the exclusion of turnover or profits, which are attributed solely to the personal skill, style, or operation and /or reputation of the existing owner or management. The valuation of the goodwill was based on information provided by the directors, together with any other relevant information.

#### Marketing of the business and assets

Following discussions with the directors and MBV it was considered that a 10-day marketing period would be sufficient to test the market and identify any interested parties.

MBV were instructed by the Company to commence marketing of the business and assets on 8 November 2022. This marketing involved online marketing, mailshots (to include industry specific targeted mailing) and a direct contact campaign.

The marketing strategy focused on a timely exit in order to mitigate the effects of mothballing the business for an extended period of time, which would deter any potential purchasers. A marketing strategy was therefore considered in line with a sale and exit within a restricted timeframe to ensure any value in the business was preserved.

MBV undertook the marketing campaign which included the following activities:

- Advertising the business on their website.
- A mailshot to 4,938 high net worth individuals and companies specialising in the acquisition of distress assets and businesses of this nature.
- Research into potential buyers for the business and direct approaches to competitors and companies they identified as being potential buyers of the business and assets.
- A deadline was set for offers at 12 noon on the 17 November 2022.

The marketing campaign attracted three interested parties who each signed and returned non-disclosure agreements. On receipt of further financial information one of the unconnected parties made an offer for the business and assets. No other offers were received.

I sought advice from MBV as to whether acceptance of the offer would present the best outcome in the circumstances or whether further marketing should be undertaken.

MBV confirmed that, as the offer far exceeded their valuation, there was no merit in undertaking a further marketing campaign. In addition, it was felt that further marketing and trading would frustrate the current bidder (who had already offered in excess of the in-situ valuation) and potentially negatively affect the value of the business.

#### Details of the pre-pack sale

The business and assets of the Company were sold to an unconnected party, INDUL Ltd (CRN: 14527798), for a sale consideration of £60,000. This included all fixtures and fittings, stock, customer database and any associated goodwill and intellectual property rights. An initial payment of £6,000 was received on completion of the sale and will be followed by 9 monthly payments of £6,000 per month.

The director of INDUL Ltd has provided a personal guarantee for the amounts due under the sale contract. There are no conditions of the contract which could affect the consideration. Details of the assets involved have been set out previously in this document.

Other than payment via deferred instalments, there are no options, buy-back arrangements, or other conditions attached to the contract of sale.

As previously stated, and on the advice of MBV, the sale price is the best reasonably obtainable in all the circumstances of the case. Whilst the business and assets were marketed, no other firm interest or offers were received. The sale is expected to provide a better return to secured and preferential creditors when compared with a Liquidation (where there would no return to any class of creditor).

## Conclusion

The pre-pack sale of the business enables me to achieve the objective set out above as the realisations made will enable me to make a distribution to the secured creditors, (while the transfer of the employees to the purchaser means that the Company has no preferential creditors, there are still liabilities to HMRC as secondary preferential creditors). I can also confirm that the outcome achieved as a result of the pre-pack sale was the best available outcome for creditors as a whole in all the circumstances of the case and that it did not unnecessarily harm the interests of the creditors as a whole.

I confirm that the sale price achieved, and also the outcome, was the best available outcome for creditors as a whole in all the circumstances of the case, and that the pre-pack sale achieves the statutory purpose of the Administration that I am seeking to achieve in respect of the Company.

## **5. FINANCIAL POSITION OF THE COMPANY**

I have asked the Directors to prepare a summary of the Company's estimated financial position as of 21 December 2022, which is known as a Statement of Affairs, but it has not yet been prepared. This is due to the fact that we only sent the request to them on 21 December 2022, and they have not had sufficient time to prepare it.

In the absence of a Statement of Affairs I have prepared an estimate of the financial position of the Company as at 21 December 2022 from the records of the Company. I attach a copy of the estimate at Appendix 1, together with a list of names and addresses of all known creditors and the amounts of their debts, including in respect of employees/consumer creditors for payments made in advance. Although this information in respect of employees/consumer creditors for payments made in advance will be removed before the proposals are filed at Companies House, I am required to include it with these proposals by rule 3.35 of the Insolvency (England and Wales) Rules 2016. As a result, this is a valid use of the personal data of the individual creditors and is not a breach of the General Data Protection Regulations (GDPR).

### **Comments on the Estimate of the financial position of the Company**

#### **5.1. Cash at Bank**

The Company operated a business bank account with HSBC. It is estimated to hold cash at bank totalling £772. It is understood that HSBC UK are entitled to retain these credit balances against their outstanding lending under the terms of the lending and their security.

#### **5.2. Goodwill**

As previously stated, the Company's Goodwill was sold to the Purchaser for £1. Further details regarding the sale have been provided earlier in this report. We understand that this asset is subject to the fixed charge held by HSBC UK, and they have been categorised as so for the purposes of the estimated financial of the Company provided with these proposals.

#### **5.3. Business and Intellectual Property Rights**

In respect to intellectual property, the Company has a website and all trading styles and associated logo for the brand, any associated email addresses and contact numbers are included. We are not aware of any trademarks, patents or designs which are registered or pending registration.



A value of £1 was assigned to the business and intellectual property rights in the asset and sale agreement to the Purchaser. We understand that this asset is subject to the fixed charge held by HSBC UK and has been categorised as so, for the purposes of the estimated financial of the Company provided with these proposals.

#### **5.4. Seller's Records**

A value of £1 was assigned to the records in the asset and sale agreement to the Purchaser. Further details regarding the sale have been provided earlier in this report.

#### **5.5. Business Contracts**

Due to the Company ceasing to trade and all communication with suppliers and customers ceasing, a value of £1 was assigned to the business contracts in the asset and sale agreement to the Purchaser. Further details regarding the sale have been provided earlier in this report.

#### **5.6. Stock**

It is understood that the Company holds a very limited inventory of ingredients, manufactured product, and packaging.

A value of £1 was assigned to the stock in the asset and sale agreement to the Purchaser. Further details regarding the sale have been provided earlier in this report.

#### **5.7. Office Furniture and Equipment**

A value of £9,995 was assigned to the office furniture and equipment in the asset and sale agreement to the Purchaser. Further details regarding the sale have been provided earlier in this report.

#### **5.8. Plant and machinery**

A value of £50,000 was assigned to the Company owned plant and machinery in the asset and sale agreement to the purchaser. Further details regarding the sale have been provided earlier in this report.

#### **5.9. Preferential creditors**

The only known ordinary preferential creditors are former employees of the Company for unpaid wages and holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation.

HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts.

#### **5.10. Prescribed part**

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property" ("prescribed part").

A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. Any costs of the Administration that are payable before the Administrator has reached a position to make a distribution to the floating charge holder have to be deducted from floating charge realisations before arriving at an amount for the "net property" of the Company. As a result, the costs associated with realising floating charge assets, paying preferential claims in full, the general costs of winding up and the costs of confirming the validity of the floating charge will have to be deducted before the "net property" is calculated. The "prescribed part" that the Administrator then has to set aside for unsecured creditors is:

- 50% of the first £10,000 of the net property; and,
- 20% of the remaining net property:

up to a maximum of £600,000 (if the charge was created before 6 April 2020); or  
up to a maximum of £800,000 (if the charge was created after 6 April 2020 or if the charge was created prior to 6 April 2020 but gives priority to a charge created after 6 April 2020).

As the floating charges were registered after 15 September 2003, I will be required to make a prescribed part of the Company's net property available to the unsecured creditors. The information known to me at present indicates that the net property of the Company is £5,083.00, such that the prescribed part of the net property for unsecured creditors is £2,541.50. However, this does not take into account the costs of the Administration, which will reduce the amount of the Company's net property to nil so that there is no prescribed part to distribute (as set out in the attached estimated outcome statement).

## **6. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

I attach a receipts and payments account relating to the Company for the period from when it went into Administration, 21 December 2022, to the date of these proposals, at Appendix 4.

Creditors will note that no receipts or payments have been received by or made from the Administration estate. Our solicitors, namely Katten Muchin Rosenman UK LLP ("Katten"), are in the process of transferring the sale consideration to the estate account.

## **7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATION**

By completing the pre-packaged sale of the Company's business and assets immediately following our appointment as Joint Administrators, the objective of the Administration of the Company, being to realise property in order to make a distribution to one or more secured or preferential creditors, is likely to be achieved.

Had the Company been placed into Liquidation rather than Administration, it would have likely resulted in significantly reduced value being achieved for the Company's assets.

In order to achieve the objective of the Administration of the Company we propose to deal with / undertake the following:

### **7.1. Cash at Bank**

The Company operated a business bank account with HSBC UK. Time will be spent liaising with them in order to deal with balances held and seeking closure of the account.

## **7.2. Property**

The following work will be required in respect of the Company's leasehold property:

- Liaising with the Landlord regarding retention of property.
- Ongoing correspondence with the Purchaser regarding a License to Occupy.
- Liaising with Landlord regarding the surrender of the lease.

## **7.3. Distribution to charge holders**

It is anticipated that distributions will be made under both fixed and floating charges held by the charge holders. Therefore, time will be spent calculating the appropriate level of distribution, corresponding with the charge holders and processing payment of these distributions.

## **7.4. Distribution to preferential creditors**

It is anticipated that a distribution will be made to preferential creditors. Therefore, time will be spent calculating the appropriate level of distribution, corresponding with preferential creditors and processing payment of these distributions.

## **7.5. Sale of business**

Monitoring and pursuing deferred payments due from the Purchaser.

## **7.6. Investigations**

The Joint Administrators will continue to investigate the affairs of the Company to establish whether there are any potential asset recoveries or conduct matters that require further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. In addition, any matters brought to our attention will be considered and investigated as necessary.

Any additional recoveries made as a result of these investigations may facilitate an increased return to creditors. At this stage, however, I am not aware of any potential asset recoveries that require investigation, however, I should be pleased to receive from you any information that you have about the way that the Company's business was conducted or potential asset recoveries that you consider will assist me.

Within three months of our appointment, we are required to submit a confidential report to the Secretary of State to include any matters which have come to our attention during the course of our work, which may indicate that the conduct of any past or present director would make him/her unfit to be concerned with the management of the Company. This report will be prepared and submitted in due course.

## **7.7. General**

In addition, we will do all such things and generally exercise all powers as Joint Administrators as we in our discretion consider desirable or expedient in order to achieve the purpose of the Administration.

## **8. JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES**

I attach a copy of my practice fee recovery policy at Appendix 3. In this case I am seeking to fix the basis of my remuneration on a fixed fee basis.

### Fixed fee basis:

I am seeking to be remunerated on a fixed fee basis in respect of the work my staff and I undertake in the Administration in respect of the following categories of work, namely: Administration; Realisation of Assets; Creditors; and Investigations.

I am seeking a fixed fee of £35,000 plus VAT in respect of this work.

This is a routine case as highlighted by the information provided above. I consider that after taking into account the nature and value of the assets involved, this demonstrates why the fixed fee is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken.

Based on the value of the known assets of the Company I anticipate being able to draw this fixed fee in full.

The work I have to undertake as Joint Administrator can be divided into different categories of work. Information is set out below about the type of work that falls within each category of work and why I need to undertake it.

### Administration:

This represents the work that my staff and I have to undertake in respect of the routine administrative functions of the case, including preparing, reviewing and issuing statutory reports. It also includes my control and supervision of the work done by my staff on the case together with the supervisory functions of my managers.

Such work does not give direct financial benefit to the creditors, but I have to undertake it in order to meet my obligations under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that I must follow.

More information about the work that I have already undertaken is included at Appendix 5, while information about the work I will be undertaking as Joint Administrator in respect of this category of work is set out at Appendix 6.

### Realisation of assets:

This represents the work I will undertake to protect and then realise the Company's assets. If the Company's assets are recovered, I will first use the proceeds to meet the costs and expenses of the case and then distribute any balance to the creditors in the statutory order of priority.

I have provided information in the assets section above about my strategy for realising the Company's assets and about the work that I have already undertaken and will undertake, as Joint Administrator in connection with that strategy.

More information about the work that I have already undertaken is included at Appendix 5, while information about the work I will be undertaking as in respect of this category of work is set out at Appendix 6.

#### Creditors:

I need to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of my management of the case, and also to ensure that I have accurate information about who to send notices and reports to. I will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. I am required to undertake this work as part of my statutory functions.

Employees - I need to deal with the ex-employees of the Company in order to ensure that their claims are processed appropriately by the Redundancy Payments Service (RPS). My work will include dealing with queries received from both the ex-employees and the RPS to facilitate the processing of the claims.

Dividends – I have to undertake certain statutory formalities in order that I can pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt, and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors. I am required to undertake this work as part of my statutory functions, but it is also of direct benefit to the creditors as it will enable me to make a distribution to creditors.

More information about the work that I have already undertaken is included at Appendix 5, while information about the work I will be undertaking as in respect of this category of work is set out at Appendix 6.

#### Investigations:

The insolvency legislation gives an Administrator power to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure, and also in respect of matters such as misfeasance and wrongful trading. I am required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are any potential recovery actions for the benefit of creditors.

More information about the work that I have already undertaken is included at Appendix 5, while information about the work I will be undertaking as in respect of this category of work is set out at Appendix 6.

If I identify potential recoveries, or matters for further investigation, I will then need to undertake additional work to investigate them in detail and attempt recovery where necessary for the benefit of creditors. I cannot fix the basis of my remuneration for dealing with such unknown or uncertain assets at present, and if such assets are identified I will seek approval for an appropriate fee basis.

I am also required by legislation to report to the Secretary of State on the conduct of the Directors. I have to undertake this work to enable me to comply with this statutory obligation, which is of no direct benefit to the creditors, although it may identify potential recovery actions.

After taking into consideration the work which is anticipated to be required in this case, we are seeking a fixed fee of £35,000 plus vat in respect of this work. Full information about the work that we have undertaken or will undertake is contained in Appendix 5 and 6.

We consider that this is a routine case, as highlighted above, and consider that after taking into account the nature and value of the assets involved and the circumstances of the case, this demonstrates why the fixed fee is expected to produce a fair and reasonable reflection of the work that we anticipate will be necessary and properly undertaken.

Notice of the virtual meeting of creditors to consider approval of the Joint Administrators' remuneration is contained in Appendix 9.

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.

Category 1 Expenses:

My category 1 expenses incurred to date amount to £601.73 in total, and are made up as follows:

<b>Nature of category 1 expense</b>	<b>Amount incurred/ accrued to date (£)</b>	<b>Amount still to be paid (£)</b>
Specific Bond	480.00	480.00
Statutory Advertising	90.80	90.80
Postage	25.93	25.93
Armalytix – Bank statement analysis software	5.00	5.00
Legal Fees	TBC	TBC
Agents Fees	TBC	TBC
<b>TOTAL</b>	<b>£601.73</b>	<b>£601.73</b>

I have used the following professional advisors to undertake work on this case to date:

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Fee Arrangement</b>
Katten	Legal Advice	Time costs
MBV	Valuation + marketing	Time costs

## Katten

Katten is a law firm headquartered in London with offices in the UK, Europe and the Middle East. The Corporate Recovery & Insolvency team is ranked in Chambers and Partners and Legal 500 for both London and the South. Katten were instructed in this matter as they have the requisite knowledge and experience in dealing with such matters.

As at the date of these proposals Kattens have not furnished us with an invoice for their outstanding post-appointment time costs, but their costs are estimated to be in the region of £3,000 plus vat.

## MBV

I can advise that MBV, a firm of professional, independent valuation agents were instructed to provide an independent professional valuation of the Company's assets. The valuer responsible for preparing the valuation was Neil Duckworth PgDip who has confirmed that he is a member of The Royal Institution of Chartered Surveyors (RICS).

The valuer has the appropriate knowledge to oversee an instruction of this nature on the basis that they have considerable experience in dealing with similar assets and knowledge of the industry. Middleton Barton were therefore considered suitable for assisting in this matter and have confirmed that they hold adequate professional indemnity insurance in place. They also confirmed that they held no previous involvement in respect of the Company and no conflict of interest arose.

As at the date of this report MBV have not furnished me with an invoice for their outstanding time costs, but they have estimated to be in the region of £3,000 plus vat.

My choice of professional advisors 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 have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of the case and represents value for money.

I anticipate that category 1 expenses totalling £5,338.75 will arise in this case, as detailed in Appendix 7. This includes expenses already incurred to date.

I am able to pay expenses without needing to obtain approval, but when I issue statutory reports, I will compare the actual expenses incurred with the original estimate provided and will explain any material differences.

I have already commented in this report about the likelihood of a return being made to each class of creditor of the Company, but also attach at Appendix 1 an estimated outcome statement. This sets out in numerical form the anticipated realisations that will be made, based on the estimated value of the Company's assets as detailed earlier in my report, together with the estimated payments to be made, based on my proposed remuneration and estimated expenses as detailed above.

While every effort has been taken to make this as accurate as possible, creditors will appreciate that it will be affected by any differences between the amounts actually realised compared with the estimated value of assets, and by any differences between actual expenses incurred and those included in my estimate.

I am required to seek approval before I can pay any expenses to associates or pay expenses whether there is an element of shared costs, which are known as category 2 expenses. No category 2 expenses have been incurred to date.

I am not seeking a decision from the creditors on whether or not to approve these proposals as the Company's financial position means there are insufficient assets to pay a dividend to non-preferential unsecured creditors. As a result, it will be for the charge holders and unsecured creditors to approve my remuneration.

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/>.

A copy of 'A Creditors Guide to Fees' published by the R3, together with an explanatory note which shows Turpin Barker Armstrong's fee policy are available at the link [www.turpinbainsolvency.co.uk/fees-and-links](http://www.turpinbainsolvency.co.uk/fees-and-links).

Please note that there are different versions of the Guidance Notes, and in this case, you should refer to the most recent version. Please note that I have also provided further information about an office holder's remuneration and expenses in Turpin Barker Armstrong's practice fee recovery sheet, which is enclosed at Appendix 3.

## **9. PRE-ADMINISTRATION COSTS**

The Board and members of the Company instructed me to assist them in placing the Company into Administration on 8 November 2022. They agreed that I should be paid my pre-administration costs as fixed fee of £15,000.

In addition to my own time costs, the following expenses were incurred:

Professional Advisor	Nature of Work	Fee Arrangement
Katten	Solicitors	Time Costs
MBV	Valuing agents	Time Costs and Disbursements

### Katten

Katten were instructed to provide ongoing assistance and advice to the proposed administrators in relation to all pre-appointment matters. Their work included the following:

- Drafting appointment documents for a director appointment.
- Arranging swearing of the appointment documents, filing and service of the same.
- Drafting sale agreement and associated documentation for the pre-pack sale.
- Corresponding with the Purchaser to agree documentation.

### MBV

MBV were instructed to undertake the following pre-appointment work:

- Undertaking an onsite inspection of the Company's assets.
- Preparing formal valuation and inventories of owned and third-party assets.



- Preparing marketing information and memorandum in respect to the sale of the business and assets.
- Undertaking marketing in respect to the business and assets including online marketing, mailshot and direct
- Dealing with enquiries, preparing NDA's and dealing with information requests.
- Preparation of formal marketing report and letter or recommendation.

Below, I have set out a broad overview of the services provided by my firm in the pre-administration period:

- Advice and assistance provided to the Board in respect of the Company's financial situation, insolvency options and the process of an Administration;
- Instructing solicitors and negotiating the terms of a sale and purchase agreement with the Purchaser;
- Instructing and liaising with agents to gather information for the purposes of putting together a sale document to issue to potential interested parties;
- Discussions with agent regarding the various offers received;
- Advising the Board on the sale process;
- Advising the Board in relation to the Administration appointment and providing consents to act; and,
- Preliminary preparations for the Joint Administrators SIP 16 disclosure.

We also assisted the Board take the appropriate steps to place the Company into Administration. This task, together with some of the other tasks mentioned above are required by statute or regulatory guidance, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

The following statement sets out my pre-administration costs incurred:

<b>Description</b>	<b>Total</b>	<b>Paid Pre-Appointment</b>	<b>To be Paid</b>
Joint Administrators' Remuneration	£15,000	Nil	£15,000
Valuation Agents	3,000	Nil	3,000
Legal Fees and Expenses	3,000	Nil	3,000
<b>TOTAL</b>	<b>£21,000</b>	<b>£0.00</b>	<b>£21,000</b>

As I have already indicated, I am not seeking a decision from the creditors approving my proposals. As a result, it will be for the charge holders and unsecured creditors to approve the pre-administration costs.

## **10. INVESTIGATIONS**

I have a duty to consider the conduct of those who have been Directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf.

I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

## **11. EU REGULATION ON INSOLVENCY PROCEEDINGS**

I consider that these are “COMI proceedings” since the Company’s registered office and its trading address is in the United Kingdom, such that its centre of main interest is in the United Kingdom.

## **12. JOINT ADMINISTRATORS’ PROPOSALS**

In order to achieve the objective of the Administration set out at section 3 above, Andrew R Bailey and I formally propose to creditors that:

- (a) We continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that we:
  - (i) Continue to deal with creditor enquiries and record details of claims submitted;
  - (ii) Continue to collect consideration due from the sale of the business and assets;
  - (iii) 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, LLP or Company which supplies or has supplied goods or services to the Company; and
  - (iv) Do all such things and generally exercise all our powers as Joint Administrators’ as we consider desirable or expedient at our 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 proposals.
- (b) The Administration of the Company will end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered.
- (c) Alternatively, the administration will and by the presentation of a winding up petition to the Court for compulsory liquidation of the Company, and propose Marin Armstrong and Andrew Bailey are appointed Joint Liquidators of the company by the Court.
- (d) Alternatively, if having realised the assets of the Company, the Joint Administrators are of the opinion that the Company has no property which might permit a distribution to any class of creditors, the Administration of the Company will end by their making an application to Court for an order that the Administration ceases.
- (e) Alternatively, if having realised the assets of the Company, the Joint Administrators are of the opinion that the purpose of the Administration has been sufficiently achieved, the Administration of the company will end by giving notice to the Court, creditors and Registrar of Companies that the objective of the Administration has been achieved.

## **13. APPROVAL OF PROPOSALS**

The financial position of the Company means that it has insufficient assets to enable a dividend to be paid to non-preferential unsecured creditors. As a result, we are prohibited by the Insolvency legislation from seeking a decision from the creditors to consider these proposals.

However, a creditor, or creditors, whose debts amount to say at least 10% of the total debts of the Company can require us to hold a decision procedure to enable creditors to consider whether or not to approve these proposals and / or to consider such decisions as they see fit. Such a request must be received by us within 8 business days from the date these proposals are delivered to the creditors.

If creditors do not require us to hold a decision procedure within that time period, then these proposals will be deemed to have been approved.

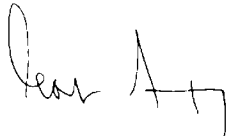
Creditors should note that I need not initiate the decision procedure unless the creditor, or creditors, requisitioning the decision procedure provides me with such amount that I request from them to meet the expenses of the requisitioned decision procedure.

#### **14. FURTHER INFORMATION**

To comply with the Provision of Services Regulation, some general information about Turpin Barker Armstrong, including our compliance policy and Professional Indemnity Insurance, can be found at [www.turpinbainsolvency.co.uk/fees-and-links](http://www.turpinbainsolvency.co.uk/fees-and-links).

Finally, please note that the affairs, business and property of the Company are being managed by the Joint Administrators, Andrew R Bailey and I. The Joint Administrators act as agents of the Company and contract without personal liability.

If creditors have any queries regarding these proposals or the conduct of the Administration in general, or if they want hard copies of any of the documents made available online, they should contact Courtney Blake on the above telephone number, or by email at [courtney.blake@turpinba.co.uk](mailto:courtney.blake@turpinba.co.uk).



**Martin C Armstrong**  
**Joint Administrator**

The Joint Administrators are agents of the Company and act without personal liability.

**APPENDIX 1: ESTIMATE OF THE COMPANY'S FINANCIAL POSITION, INCLUDING A SCHEDULE OF CREDITORS (OVERLEAF)**

**LUXURYSHAKES LTD**

**ESTIMATED OUTCOME STATEMENT AS AT 21 DECEMBER 2022**

**Assets Specifically Pledged**

Notes	Pre Pack Administration	Creditors' Voluntary Liquidation ("CVL")
Cash at Bank	1 772	772
Goodwill	2 1	0
Business Intellectual Property Rights	2 1	0
Sellers Records	2 1	0
Business Contracts	2 1	0
	<u>776</u>	<u>772</u>

**Less Estimated Payments**

Agents/Valuers Fees - Pre App	0	0
Legal Fees - Pre App	<u>0</u>	<u>0</u>
	0	0

**Less Fixed Charge Liability**

HSBC Bank Plc ( Deed of priority: £170,000 CBILS 80% off set £134,000)	(170,000)	(170,000)
Morgan Lloyd Trustees Limited as Trustees for the Luxury Shakes under fixed and floating charge ("MLT")	<u>(20,550)</u>	<u>(20,550)</u>
	(190,550)	(190,550)

**Deficit as regards fixed charges**

(189,774) (189,778)

**Assets not Specifically Pledged**

Stock	3 1	0
Office Furniture & Equipment	3 9,995	5000
Plant & Machinery	3 <u>50,000</u>	<u>0</u>
	<b>59,996</b>	<b>5000</b>

**Less Estimated Payments**

Legal Fees - Pre-App	4 (3,000)	0
Legal Fees - Post-App	4 (3,000)	0
Agents/Valuers Fees - Pre-App	5 (3,000)	0
Agents/Valuers Fees - Post-App	5 0	(1,000)
Joint Administrators/Liquidators' Expenses	(500)	(500)
Joint Administrators/Liquidators' Remuneration - Pre-App	6 (15,000)	0
Joint Administrators/Liquidators Remuneration - Post-App	6 <u>(35,000)</u>	<u>(15,000)</u>
	(59,500)	(16,500)

**Total Funds available to Preferential Creditors**

496 Nil

**Preferential Creditors**

Employees' Wage Arrears & Accrued Holiday	7 (7,200)	(13,600)
	(7,200)	(13,600)

**Secondary Preferential Creditors**

HMRC VAT	(5,000)	(5,000)
HMRC PAYE	<u>(43,209)</u>	<u>(43,209)</u>
	(48,209)	(48,209)

**Shortfall to Preferential Creditors**

(54,913) (61,809)

**Net Property**

Nil Nil

**Less Prescribed Part**

Nil Nil

**Deficiency as regards fixed and floating charge**

(189,774) (189,778)

**Funds available to unsecured creditors**

Nil Nil

Trade & expense creditors	359,296	359,296
HMRC	0	0
Employees - RP & PILON	7 <u>6,000</u>	<u>6,000</u>
	365,296	365,296

**Shortfall to unsecured creditors**

(365,296) (365,296)

**Estimated dividend to secured creditors - HSBC (p in the £)**

0.46 0.45

**Estimated dividend to secured creditors MLT (p in the £)**

N/a N/a

**Estimated dividend to preferential creditors (p in the £)**

6.89 N/a

**Estimated dividend to secondary preferential creditors (p in the £)**

N/a N/a

**Estimated dividend to unsecured creditors (p in the £)**

N/a N/a

**Notes:**

- Balance held in Company bank account as at 21 December 2022. It is understood that the terms of the Banks lending allow for any credit balance to be offset against the liability.
- Per proposed sale apportionment. It is believed that these are fixed charge realisations but are subject to legal advice.
- Per proposed sale apportionment. It is believed that these are floating charge realisations but are subject to legal advice. In a CVL it is anticipated that realisable sum would be much lower and that for some assets the costs of collection and disposal would be prohibitive.
- These costs are estimated, and comprise based preparation of Administration and sale documentation, lease assignments and general advice to Administrators.
- These fees are estimated costs.
- Office holders' fees are subject to approval by the relevant creditors.
- Employees are not being transferred to the purchaser, therefore liability falls into Insolvency Estate. Employee amounts calculated as follows:
  - Wage arrears of £800 per employee (x4)
  - Estimate of £3,600 for holiday pay
  - RP and PILON is an estimated sum based on £1,500 per employee.

Turpin Barker Armstrong  
Luxuryshakes Ltd  
B - Company Creditors

Key	Name	Address	£
CA00	ALS Laboratories (UK) Limited	Unit 7&8 Aspen Court, Rotherham, S60 1FB	6,837.99
CC00	Christeyns Food Hygiene Ltd	2 Cameron Court, Winwick Quay, Warrington, WA2 8RE	1,030.69
CD00	DS Smith Packaging Ltd	(Wellingborough) Solomon House, Unit 5B Caerphilly Business Park, Caerphilly, CF83 3GS	7,677.10
CD01	Dunk Design Ltd	Attn: Lisa Street, Coach House, Madeira Walk, Windsor, Berkshire, SL4 1EU	2,646.00
CE00	Endoline Machinery Limited	Stratton Business Park, London Road, Biggleswade, Bedfordshire, SG18 8QB	207.62
CF00	Ford Fuels Ltd	The Oil Depot, Farrington Fields Trading Estate, Farrington Gurney, Bristol, BS39 6UU	1,816.87
CH00	HM Revenue & Customs	Enforcement & Insolvency Service, Ty Glas, Llanishen, Cardiff, CF14 5ZP	5,000.00
CH01	HM Revenue & Customs	Debt Management - EIS C, BX9 1SH	43,208.75
CH02	HSBC Bank Plc	Level 6, 71 Queen Victoria Street, London, EC4V 4AY	0.00
CH03	Hills Waste Solutions Limited	Wiltshire House, County Park Business Centre, Shrivenham Road, Swindon, SN1 2NR	298.80
CH04	HSBC Bank Plc	Level 6, 71 Queen Victoria Street, London, EC4V 4AY	177,777.80
CI00	InXpress UK	5 Blueberry Business Park, Wallhead Road, Rochdale, OL16 5AF	479.75
CL00	Logicor Energy Ltd	Devonshire Business Centre, Aviary Court, Wade Road, Basingstoke, RG24 8PE	9,308.22
CM00	Morgan Lloyd	Trustees of Luxury Shakes Pension Scheme, c/o Morgan Lloyd Administration Limited, The Outlook, Eden Park, Ham Green,, Bristol, BS20 0DD	20,550.00
CN00	NEST		489.05
CN01	ND Services Lambourn Limited	Unit F Aerial Business Park, Lambourn Woodlands, Membury, Berkshire, RG17 7RZ	621.72
CN02	Npower Business Solutions,	2 Princes Way, Solihull, B91 3ES	5,877.40
CP00	Pattermores Dairy Ingredients	Mosterton Road, Misterton, Crewkerne, Somerset, TA18 8NT	240.00
CP01	Peter Green Haulage Ltd	Leighton Lane, Evercreech, Shepton Mallet, Somerset, BA4 6LQ	17,095.27
CP02	Prova SAS	46 Rue Colmet-Lepinay, 93100 Montreuil, FRANCE	9,960.00
CP03	Philip Gale & Co	Suite 207, Devonshire House, Manor Way, Borehamwood, Hertfordshire, WD6 1QQ	1,140.00
CP04	Premium Credit	Ermyn House, Ermyn Way, Leatherhead, KT22 8UX	2,153.94
CR00	RPC Containers Ltd	Llantrisant Business Park, Llantrisant, CF72 8LF	15,801.54
CR01	Reflex Labels Plus	Moat Way, Barwell, Leicestershire, LE9 8EY	8,598.79
CS00	SAI Global Assurance Services Ltd	PO Box 6236, Milton Keynes, MK1 9ES	3,923.27
CS01	SST Services Limited	Churchside, Lower Luton Road, Luton, LU2 9QS	1,728.00
CT00	Together Personal Finance Limited	Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW	4,270.00
CT01	TMC Food Limited	95c West Street, Warminster, Wiltshire, BA12 8JZ	8,826.72

Signature \_\_\_\_\_

Turpin Barker Armstrong  
Luxuryshakes Ltd  
B - Company Creditors

Key	Name	Address	£
CU00	Ultimate Finance Ltd	Equinox North, Great Park Road, Bristol, BS32 4QL	226,315.13
CW00	W Acton & Son Ltd	Cintra, Congleton, Chelford, Cheshire, SK11 9AG	47,270.38
CW01	Wiltshire Pest Services Ltd	Ruskin Drive, Warminster, Wiltshire, BA12 8HS	786.00
CX00	Xero system	5th Floor, 100 Avebury Boulevard, Milton Keynes, MK9 1FH	50.00
RR00	Nicholas Ian Rogers	1 Pengover Heights, Liskeard, Cornwall, PL14 3UA	0.00
RS00	Andrew Jonathan Sherick	Unit A Aerial Business Park, Lambourn Woodlands, Hungerford, RG17 7RZ	0.00
RW00	Jonathan William Walsh	133 Hough Green, Chester, CH4 8JR	0.00
39 Entries Totalling			631,986.80

Signature \_\_\_\_\_

## **APPENDIX 2: PROXY FORM (OVERLEAF)**



Notes to help  
completion of the  
form

**Re: Luxuryshakes Ltd - In Administration**

Please give full name of  
person (who must be  
18 or over) or the  
"Chair". If  
you wish to provide  
for alternative proxy-  
holders in the  
circumstances that  
your first choice is

Name of creditor

Address

Name of proxy-holder

1.

unable to attend  
please state the

2.

name(s) of the  
alternatives as well.

3.

Please delete words in  
brackets if the proxy-  
holder is only to vote as  
directed i.e. he has no  
discretion

I appoint the above person to be my/the creditor's proxy-holder at the meeting of creditors to be held on 25 January 2023 or at any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Any other resolutions  
which the proxy-  
holder is to propose or  
vote in favour of.  
If more room is  
required please use the  
other side of this form

**Voting instructions for resolutions**

1. That a Creditors' committee be established

**For / Against**

2. That the Joint Administrators' Pre-Administration costs of £15,000 plus VAT, the details of which are set out in the Administrators' proposals and issued with the notice of the decision procedure, be approved

**For / Against**

3. That the Joint Administrators' fees approved on a fixed fee basis of £35,000 plus VAT, the details of which are set out in the set out in the Administrators' proposals and issued with the notice of the meeting.

**For / Against**

4. That the Joint Administrators be permitted to recover category 2 disbursements.

**For / Against**

This form must be  
signed

Signature

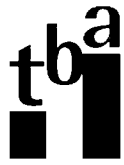
Date

Name in CAPITAL LETTERS

Only to be completed  
if the creditor  
has not  
signed in person

Position with creditor or relationship or other authority for signature

### **APPENDIX 3: PRACTICE FEE RECOVERY POLICY (OVERLEAF)**



**turpin barker armstrong**

Accountants, Auditors and Business Advisors  
Corporate Recovery and Insolvency  
Wealth Management

## **PRACTICE FEE RECOVERY POLICY FOR TURPIN BARKER ARMSTRONG**

### Introduction

This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

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 guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <https://www.turpinbainsolvency.co.uk/fees-and-links>. Alternatively, a hard copy may be requested from Turpin Barker Armstrong, Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning (including statutory reporting).
- Realisation of Assets.
- Investigations.
- Creditors (claims and distributions).
- Trading.
- Case specific matters.

### Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6-minute units with supporting narrative to explain the work undertaken.

## Charge-out rates

Grade of staff	Charge- out rate per hour, effective from 1 <sup>st</sup> April 2021 £	Charge- out rate per hour, effective from 1 <sup>st</sup> April 2019 £	Charge-out rate per hour, effective from 1 <sup>st</sup> April 2017 £	Charge-out rate per hour, effective from 1 <sup>st</sup> April 2013 £
<b>Partner</b>				
Senior Partner	645.00	595.00	545.00	495.00
Partner	475.00	440.00	400.00	365.00
<b>Manager</b>				
Director	370.00	-	-	-
Manager	350.00	350.00	325.00	295.00
Assistant Manager	325.00	310.00	285.00	260.00
<b>Other Senior Professionals</b>				
Senior Administrator	310.00	290.00	265.00	240.00
<b>Assistants &amp; Support Staff</b>				
Administrator	260.00	240.00	220.00	200.00
Assistant Administrator	100.00	100.00	90.00	80.00
Junior Administrator	40.00	40.00	40.00	40.00

These charge-out rates charged are reviewed on 1<sup>st</sup> April each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time.

In cases where we were appointed prior to 1<sup>st</sup> October 2015, most of our fees are recovered on a time cost basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1<sup>st</sup> October 2015 and the basis of our post-appointment fees will be determined once we are aware of the full circumstances of the case and will be subject to approval.

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is provided in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

#### Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets but might also include other categories of work as listed above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is provided in a separate section below.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

#### Fixed Fee

The legislation allows fees to be charged at a set amount. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge, and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is provided in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the

circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

#### Direct Costs

Where we seek approval on a percentage and/or fixed fee basis, in order to meet the requirements of SIP 9 we also have to disclose the direct costs that are included within the remuneration that will be charged on those bases in respect of the work undertaken. The following are direct costs that will be included in respect of work undertaken in respect of each of the standard categories of work where the office holder is to be remunerated for such work on either a percentage or fixed fee basis:

- Administration and Planning (including statutory reporting) – staff costs.
- Realisation of Assets – staff costs.
- Investigations – staff costs.
- Creditors (claims and distributions) – staff costs.
- Trading – staff costs.
- Case specific matters – staff costs.

#### Mixed bases

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

#### Members' Voluntary Liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

#### All fee bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are usually VAT exempt, the office holder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

#### Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire

(where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

Turpin Barker Armstrong does not propose to recover any Category 2 expenses that include an element of shared costs.

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

#### Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report.

Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, 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 office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, 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 office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.



#### **APPENDIX 4: RECEIPTS AND PAYMENTS ACCOUNT (OVERLEAF)**

Luxuryshakes Ltd  
(In Administration)  
Joint Administrators' Summary of Receipts and Payments  
To 22 December 2022

RECEIPTS	Statement of Affairs (£)	Total (£)
Trade & Expense Creditors	NIL	0.00
Directors	NIL	0.00
		<hr/>
		0.00
		<hr/>
PAYMENTS		
		<hr/>
		0.00
		<hr/>
Net Receipts/(Payments)		0.00
		<hr/>

MADE UP AS FOLLOWS

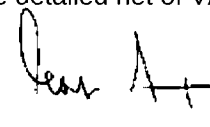
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0.00

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Note:

It should be noted that all figures stated in the Receipts and Payments Account are detailed net of VAT.



\_\_\_\_\_  
Martin C Armstrong  
Joint Administrator

## **APPENDIX 5: DETAILS OF WORK UNDERTAKEN TO DATE IN 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 an office holder must follow.

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to 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 other required on appointment as office holder, including gazetting the office holder's appointment.

Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder must obtain for each insolvency appointment).

Convening a decision procedure to seek a decision from creditors to approve the basis of remuneration and the Joint Administrators proposals.

Dealing with all routine correspondence and emails relating to the case.

Opening, maintaining and managing the estate bank account.

Creating, maintaining and managing a cashbook.

Overseeing and controlling the work done on the case by the case administrators.

Filing returns at Companies House.

### Realisation of assets:

This represents the work involved in the protection and realisation of assets, which is undertaken directly for the benefit of creditors.

Arranging suitable insurance cover over assets.

Liaising with the bank regarding the closure of the account.

Instructing solicitors to assist in the completion of the sale of the Company's business and assets.

### Creditors

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 their statutory functions

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

Completing documentation for submission to the Redundancy Payments Service.

Corresponding with employees regarding their claims.

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the case management system.

Investigations:

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure, and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors.

Attempting to recover the books and records for the case.

## **APPENDIX 6: DETAILS OF FUTURE WORK TO BE UNDERTAKEN IN THE ADMINISTRATION**

### **A. Work for which the Administrator is seeking to be remunerated on a fixed fee basis:**

#### 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 an office holder must follow.

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.

Convening a decision procedure to seek a decision from creditors to approve the basis of remuneration.

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.

Maintaining and managing the estate bank account.

Maintaining and managing a cashbook.

Undertaking regular bank reconciliations of the estate bank account.

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, reviewing and issuing 6 monthly progress reports to creditors and members.

Seeking an extension of the Administration.

Filing returns at Companies House.

Preparing and filing VAT returns.

Preparing and filing Corporation Tax returns.

Preparing, reviewing and issuing a final account of the Administration to creditors and members.

Filing a final return at Companies House.

#### Realisation of assets:

This represents the work involved in the protection and realisation of assets by the office holder and their staff, which is undertaken directly for the benefit of creditors.

Liaising with the bank regarding the closure of the account.

Collecting deferred consideration in respect of the sale of the business.

Liaising with the secured creditors over the realisation of the assets subject to a mortgagee or other charge

#### Creditors:

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 their statutory functions.

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.  
Maintaining up to date creditor information on the case management system.

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

Obtaining information from the case records about employee claims.  
Completing documentation for submission to the Redundancy Payments Office.  
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 Redundancy Payments Office regarding employee claims.

Dividends - the office holder has to undertake certain statutory formalities in order to enable them to pay a dividend to creditors. This work is primarily undertaken for the benefit of creditors, but it also includes work that the office holder is required to undertake as part of their statutory functions

Delivering a notice of intended dividend in respect of the proposed dividend to creditors who have not lodged a proof of debt.  
Placing a gazette notice inviting creditors to participate in the proposed dividend.  
Reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims.  
Requesting additional information and documentation from creditors in support of their claim, as necessary.  
Calculating the dividend to creditors.  
Issuing a notice of declaration of dividend and paying the dividend to creditors.  
Paying tax deducted from the dividends paid to employees.

#### Investigations:

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure, and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors.

Recovering the books and records for the case.  
Listing the books and records recovered.  
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 7: ESTIMATE OF EXPENSES TO BE INCURRED IN THE ADMINISTRATION

Type of expense	Estimated Amount £
Bonding - this is insurance required by statute that every officeholder has to obtain for the protection of each estate, with the premium being based on the value of the company's assets	480.00
Gazetting – various notices relating to the company have to be placed in the London Gazette	408.75
Conference calls	150.00
Room hire	100.00
Postworks, outsourced mailroom – postage costs	150.00
Insurance	840.00
Armalytix	10.00
Travel expenses & subsistence	200.00
Katten Muchin Rosenman UK LLP, solicitors – Post appointment legal advice	3,000
<b>Total estimated expenses</b>	<hr/> <b>5,338.75</b>

## **APPENDIX 8: PROOF OF DEBT FORM (OVERLEAF)**



**Rule 14.4 The Insolvency (England and Wales) Rules 2016**

**Proof of Debt – General Form**

**IN THE** High Court of Justice

**Number:** CR-2022-004177

**Name of Company in Administration:** Luxuryshakes Ltd

**Company Registration Number:** 11020129

**Date of Administration:** 21 December 2022

1 Name of creditor  
(If a company, please also provide the company registration number).

2 Correspondence address of creditor (including any email address)

3 Total amount of claim (£)  
(include any Value Added Tax)

4 If amount in 3 above includes (£)  
outstanding uncapitalised interest, state amount.

5 Details of how and when the debt was incurred.  
(If you need more space, attach a continuation sheet to this form)

6 Details of any security held, the value of the security and the date it was given.

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7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor  
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

Admitted to vote for

Amount (£)

Date

Martin Armstrong  
JOINT ADMINISTRATOR

Admitted for dividend for

Amount (£)

Date

ANDREW BAILEY  
JOINT ADMINISTRATOR

Notes:

1. There is no need to attach them now but the office holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.

2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.